

## **L.G.BALAKRISHNAN & BROS LIMITED**

CIN: L2191TZ1956PL000257

Registered Office: NO 6/16/13, Krishnarayapuram Road,  
Ganapathy Post, Coimbatore- 641006

Email: [info@lgb.co.in](mailto:info@lgb.co.in) ; Website: [www.lgb.co.in](http://www.lgb.co.in)

*Tel: 0422 - 2532325 Fax: 0422 - 2532333*

## **POLICY ON DETERMINATION AND DISCLOSURE OF MATERIALITY OF EVENTS AND INFORMATION**

### **1. REGULATORY FRAMEWORK**

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), with respect to disclosure of material events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (“**LODR Amendments**”) and the SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123, dated July 13, 2023 (“**SEBI Disclosure Circular**”).

The Board shall review, and if found required, may amend this Policy from time to time.

This Policy is applicable to the Company with effect from December 1, 2015, and the amended Policy is applicable to the Company w.e.f. July 14, 2023.

### **2. OBJECTIVES OF THIS POLICY**

1. To determine materiality of event/information for the purpose of disclosure to Stock Exchanges as required under Listing Regulations.
2. To ensure that the information disclosed by the Company is timely and transparent.
3. To assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized persons, in terms of sub-regulation (5) of Regulation 30 of the Listing Regulations.

### 3. DEFINITION

- a. **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.
- b. **“Board of Directors”** or **“Board”** means the Board of Directors of L.G.Balakrishnan & Bros Limited, as constituted from time to time.
- c. **“Company/ LGB ”** means L.G.Balakrishnan & Bros Limited.
- d. **“Key Managerial Personnel”** mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- e. **“Listing Agreement”** shall mean an agreement that is to be entered into between a recognised stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements) Regulations, 2015
- f. **“Material Subsidiary”** shall mean any subsidiary company of the Company which is or has been determined as a material subsidiary as per the provisions of the Regulations.
- g. **“Policy”** means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.
- h. **“Regulations/ Listing Regulations”** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- i. **“Schedule”** means a Schedule III of Regulations.
- j. **“Stock Exchange(s)”** means National Stock Exchange of India Limited (NSE) and BSE Limited (“BSE”) or any other stock exchange where the securities of the Company are listed.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulation or any other applicable law or regulation to the extent applicable to the Company.

### 4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) (**“Para A Events”**) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

## **5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY**

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary(ies), specified in Para B of Part A of Schedule III of the LODR Regulations (“**Para B Events**”) subject to application of guidelines for materiality, as set out under the LODR Regulations.

## **6. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

**Quantitative criteria** would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- (a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- (b) 2% (two per cent) of consolidated net worth as per the last audited consolidated financial statements of the Company (except in case the arithmetic value of the net worth is negative)); or
- (c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the ‘sign’ (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for ‘materiality’ of the event and not for any commercial consideration.

The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

For the avoidance of doubt, it is clarified that if the objective materiality threshold is not met, an event or information may be treated as being material if in the opinion of the Board of the Company, the event or information is considered material.

**Qualitative criteria** would mean an event/ information:

- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

- (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
- (c) any other event/information may be treated as being material if in the opinion of the Board of directors of Company, the event / information is considered material.

**7. POINT OF TIME WHEN AN EVENT/ INFORMATION HAS OCCURRED**

The time of occurrence of the event information could be divided into two categories i.e. (a) the stage of discussion, negotiation or approval like Board or Shareholder approval. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors and (b) in other instances where there is no such discussion, negotiation or approval required, the events/ information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

**8. AUTHORISED PERSONS TO DETERMINE MATERIALITY OF EVENT / INFORMATION:**

The Authorised KMP of the Company may consider any other event/information that is likely to affect the business of the Company and is a major development in the organisation and provide brief details to the Exchange and further it may also disclose any other information which is exclusively known to the Company which may enable the stakeholders to appraise its position and to avoid establishment of a false market.

The Board of Directors of the Company has authorised Sri.B.Vijayakumar, Executive Chairman and or Sri.P.Prabakaran, Managing Director for the purpose of determining materiality of an event or information in consultation with the Board wherever required, and for the purpose of making disclosures to stock exchange(s).

The details of the contact of the above – mentioned officials are given below:

| Name              | e-mail id  | Contact No. |
|-------------------|--|-------------|
| Sri.B.Vijayakumar | <a href="mailto:info@lgb.co.in">info@lgb.co.in</a> | 04222532325 |
| Sri.P.Prabakaran  | <a href="mailto:info@lgb.co.in">info@lgb.co.in</a> | 04222532325 |