

LWS KNITWEAR LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF CERTAIN EVENTS
/ INFORMATION

I. SCOPE AND PURPOSE:

Pursuant to Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations), the Company has formulated and adopted this policy for determination of materiality of certain events / information, for making of applicable disclosures, in compliance with the Listing Regulations.

In accordance with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, the Company is required to disclose prescribed details in respect of such material events / information.

In addition to the above requirement, the Company recognises the need for timely, adequate and accurate disclosure of such material events/ information so as to enable its investors and other stakeholders, to take informed decisions about their investment with the Company.

II. APPLICABILITY:

The Policy applies in respect of disclosure of material events/ information occurring within the Company and that its subsidiaries. The Policy shall be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company, which lays the procedures and practical guidelines that would be followed by the Company for consistent, transparent, regular and timely public disclosures and dissemination of Unpublished Price Sensitive information, in terms of minimum standards as prescribed in Schedule A to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

III. DISCLOSURE OF EVENTS / INFORMATION:

The Listing Regulations have not only provided for the manner in which details of events / information relating to the affairs of a listed entity are required to be disclosed to Stock Exchanges, but also the nature of events / information, and the time within which the disclosures are to be made, which are detailed below.

- o Events listed in para A of Part A of Schedule III of the Listing Regulations (except sub-para 4) shall be mandatorily disclosed by the Company to the Stock Exchanges as soon as possible within a reasonable time of their occurrence, but not later than twenty-four hours from the occurrence of such event, i.e., without applying any test of materiality.
- o Events listed in sub-para 4 of Para A of Part A of Schedule III of the Listing Regulations are deemed to be material events and as such shall be mandatorily disclosed by the Company to the Stock Exchanges within 30 minutes of the conclusion of the Board Meeting, held to consider such event.
- o Such other information as may be specified by SEBI or any other statutory / regulatory authority, from time to time.

In case there is a delay in disclosing the material event / information to the Stock Exchanges in terms of this Policy, the Company shall provide appropriate explanation for such delay.

IV. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY:

Events listed in para B of Part A of Schedule III of the Listing Regulations shall be disclosed by the Company to the Stock Exchanges, as soon as possible within a reasonable time of their occurrence, but not later than twenty-four hours from the occurrence of such event, subject to application of the following criteria to determine, whether such event is material or not.

Guidelines for determining materiality of events or information:

Quantitative criteria would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

- a) exceeds ten per cent of the consolidated gross turnover, or
- b) exceeds ten per cent of the consolidated net worth; whichever is lower.

Qualitative criteria would mean an event/ information:

- (i) Where the omission of an event or information is likely to result in discontinuity or alteration of the event or information already available publicly; or
- (ii) Where 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
- (iii) Where the criteria specified in sub-clauses (i) and (ii) above are not applicable, an event / information may be treated as being material if in the opinion of Board of Directors of the Company the event / information is deemed fit to be considered as material, for onward disclosure to the Stock Exchanges.

V. AUTHORITY TO DETERMINE MATERIALITY OF ANY EVENT / INFORMATION

The Managing Director of the Company and in his absence, the Chief Financial Officer, or the Company Secretary of the Company, have been authorized by the Board to determine whether or not an event / information could be considered as material for the purpose of disclosing it to the Stock Exchanges, under this Code and the Listing Regulations, as amended, from time to time.

The Managing Director, the Chief Financial Officer, shall severally be responsible and authorised for dissemination of such events or information in accordance with Regulation 30 and the Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information to the Stock Exchanges and dissemination on the Company's website.

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the said authorised officials of the Company are empowered to exercise reasonable judgement while assessing the materiality of events/information, associated with the Company.

The Managing Director of the Company and in his absence, the Chief Financial Officer, or the Company Secretary of the Company, are severally authorised by the Board, to interact or communicate with the Press or Analysts or Institutional Investors, on any matter relating to arising out of any material event / information, after the same has been disclosed to the Stock Exchanges and hosted on the website of the Company, in terms of the Listing Regulations.

V. OTHER PROVISIONS RELATING TO DISCLOSURES

The Company shall, in respect of disclosures made of any event under the Listing Regulations, make disclosures of updates of material development on a regular basis to the Stock Exchanges, until such time as the event is resolved / closed, with relevant explanations.

The Company shall upload on its website all such events / information and host the same for a minimum period of 5 years, after which, the said information will be archived, in accordance with the Archival Policy of the Company.

In case of any amendments to the disclosures already made by the Company or those uploaded on its website, the Company shall disclose/ upload the amended disclosure, in accordance with this Policy and the Listing Regulations.

The Company shall provide specific and adequate reply to all queries that may be raised by the Stock Exchanges/ SEBI/Statutory/Regulatory Authorities, with respect to any material events/ information, provided that such clarification shall be intimated to the Stock Exchanges and shall be simultaneously uploaded on the website of the Company, as mandated under the Listing Regulations.

The Company may on its own initiative also, confirm or deny any reported event or information to the Stock Exchanges and disclosure shall be made, in accordance with this Policy and the Listing Regulations.

VI. REVIEW AND MODIFICATIONS TO THE POLICY

The Policy which has been reviewed and approved by the Committee on May 30, 2022, was reviewed and approved by the Board at its meeting held on May 30, 2022.

The Policy shall be reviewed at-least annually or pursuant to changes in applicable laws, whichever is earlier. The Policy shall be submitted for its annual review next year.

The Board may review and approve amendments proposed to the Policy, as recommended by the Audit Committee or necessitated due to changes in applicable laws. In the event of change in the applicable laws, amendments to the Policy may be carried out, subject to approval by the Managing Director & CEO of the Company. The revised Policy shall be effective from the date of said approval and placed at the ensuing meeting of the Audit Committee / Board, for its noting.
