



## **LOVABLE LINGERIE LIMITED**

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*POLICY ON DETERMINING MATERIALITY OF  
EVENTS / INFORMATION PURSUANT TO REG.  
30 OF THE SEBI (LISTING OBLIGATIONS AND  
DISCLOSURE REQUIREMENTS)  
REGULATIONS, 2015*

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## I. SCOPE OF THE POLICY

- A. This policy is prepared in accordance with the requirements of the provisions of Regulation 30(4)(ii) of the SEBI (Listing Obligation and Disclosure) Regulations, 2015 (“**Listing Regulations**”). The Board of Directors (“**Board**”) of Lovable Lingerie Limited (“**Company**”) has adopted this policy at its meeting held on 10th February, 2016, for determination of materiality of events/information in order to enable the Company to broadly classify, categorize and promptly disclose to the stock exchanges material events/information, in accordance with the Regulations.

## II. OBJECTIVES OF THE POLICY

- A. The Company believes in principles of fair disclosure and transparency and recognizes that timely disclosure of relevant information to the shareholders of the Company is important to protect the interests of shareholders of the Company. Noncompliance with the principles of disclosure and transparency can present potential risks to Company including by way of loss of shareholder confidence, noncompliance risks of the various regulations to the Company and may raise questions about the governance practices in the Company.
- B. This policy on the determination of materiality of events/Information, as required under 30 (4) (ii) of the Regulation is laid down to express the policy of the Company for identification/determination of material events/information which require prompt disclosure to the Stock Exchanges in accordance with the Regulations.
- C. This Policy may be amended at any time by the Board of Directors (“the Board”) of the Company and is subject to further guidance from SEBI or amendments to or reenactment of Regulations.

## III. RELEVANT REGULATIONS

- A. Schedule III (A)(A), Schedule III(B), Schedule III(C) and Schedule III(D) of the Listing Regulations prescribe a list of events which are **deemed to be material** events and are required to be disclosed by the Company promptly to the shareholders through the stock exchange by the Company within the prescribed time. (Attached as Annexure A to this Policy)
- B. Schedule III (A)(B) of the Listing Regulations specifies the list of events which may or may not be material to the Company and for which the Company has to apply the **guidelines for materiality** as specified in Regulation 30(4) in order to determine whether the event is material. (list of events attached as Annexure B to this Policy)
- C. Regulation 30(4) reads as follows

*“(4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ 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;*

(c) *In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event/ information is considered material.*

*(ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.”*

- D. Chapter II, Regulation 4(3) of the Listing Regulation specifies that in the event of any conflict between the principles specified in the regulation and relevant Listing Regulation, principles provided in Regulation 4(3) shall prevail.

*“Chapter II, Regulation 4(3),*

*(3) In case of any ambiguity or incongruity between the principles and relevant regulations, the principles specified in this Chapter shall prevail.”*

- E. This policy shall also apply to the events which are not reflected in Para A or Para B of Part A of Schedule III but may have a material effect on the Company.

#### IV. POLICY STATEMENT

- A. The Company through this policy intends to determine whether an event or information is material or not in the following manner;

- a. Step 1: Classifying the information or event as i) Having an immediate or likely monetary impact (“**Monetary Events/Information**”) or ii) Not having any immediate or likely monetary impact (“**Non-monetary Events/Information**”).
- b. Step 2: For **Monetary Events/Information** if the total monetary impact of the event/information on the either the assets, liabilities, expenses or turnover of the Company during the current financial year, exceeds; **10% (ten percent) of the annual consolidated revenues or 10% (ten percent) of the consolidated net worth, whichever is lower**, of the audited financial statements of the Company of the previous financial year, then such event shall be classified as material event and shall be promptly, within 24 hours, disclosed to the stock exchanges and shall be simultaneously updated on the website of the Company.
- c. Step 3: For **Non-Monetary Events/Information** that, i) have a bearing on the performance/operation of the Company or ii) which is considered to be unpublished price sensitive information [as per the SEBI (Prohibition of Insider Trading) Regulations, 2015] or iii) may affect payment of interest or dividend on non-convertible preference shares/ debentures or redemption of non-convertible debt securities or redeemable preference shares or repayment of secured/ unsecured borrowings, if any, of the Company shall be evaluated by the

Authorised KMPs for disclosure. The Authorised KMPs shall evaluate the information based on the criteria as provided in regulation 30(4).

- B. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.
- C. Nothing in this Policy is intended to restrict the Company from voluntarily disclosing any additional information and the Authorised KMPs are severally authorised to disclose additional information as may be considered important by the Authorised KMPs for disclosure to the shareholders in compliance with the 'Principles governing disclosure obligation' under Chapter II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## V. IMPLEMENTATION AND MONITORING

- A. The Managing Director of the Company (“Authorised KMP”) is severally authorized by the Board to decide whether any event or information is material and for the purposes of making disclosures to the stock exchanges and on the website of the Company.
- B. The Compliance Officer or any officer of the Company authorised by any of the Authorised KMPs in addition to such KMPs may sign the disclosures to be sent to the Stock Exchanges and upload on the website for the purposes of fulfilling the obligations under the Regulations.
- C. The Company shall use the electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
- D. The Company shall adhere to the statutory timeframes for disclosure of information to the Stock Exchanges. Delay, if any, shall be explained along with the disclosure.
- E. All disclosures shall be available on the website of the Company in terms of the Web Archival Policy of the Company.

## VI. CHANGE MANAGEMENT

The Board may amend or modify this Policy in whole or in part, at any time.

## Annexure A

(same as Para A of Part A of Schedule III)

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation(30):

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
  - (a) the listed entity holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said company, or;
  - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

3. Revision in Rating(s).

4. Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

- a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
- b) any cancellation of dividend with reasons thereof;
- c) the decision on buyback of securities;
- d) the decision with respect to fund raising proposed to be undertaken
- e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- g) short particulars of any other alterations of capital, including calls;
- h) financial results;
- i) decision on voluntary delisting by the listed entity from stock exchange(s).



5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party / creditors.
12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

## **Annexure B**

(same as Para B of Part A of Schedule III)

- B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):
1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
  2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
  3. Capacity addition or product launch.
  4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
  5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
  6. Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
  7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
  8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
  9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
  10. Options to purchase securities including any ESOP/ESPS Scheme.
  11. Giving of guarantees or indemnity or becoming a surety for any third party.
  12. Granting, withdrawal , surrender , cancellation or suspension of key licenses or regulatory approvals.
- C. Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

## **LOVABLE LINGERIE LTD.**

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