

Policy on determination of materiality
of events/information for making
Disclosures by the Company

1. PURPOSE OF POLICY

In an endeavour to promote transparent and close communication with the shareholders, the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every listed company to have a policy on determination of material events and disclosures thereof.

This Policy outlines the guidelines to be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of material events/information. The Company is committed to factual, timely and accurate disclosure based on applicable legal and regulatory requirements.

2. OBJECTIVE OF POLICY

This Policy has been framed with the objective of providing adequate and appropriate disclosures that are consistent with the facts of the material events. The current Policy mechanisms regulate:

- the procedure determining the materiality of the events/information,
- the procedure governing the disclosure of the events that are deemed to be material;
- to decide upon the instance when the material events have occurred and the time frame within which the information is to be disclosed.

3. DEFINITIONS

1. **“Company”** shall mean VCCL Limited;
2. **“Board”** shall mean the Board of Directors of VCCL Limited;
3. **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)
4. **“Policy”** means this Policy on Determination of Materiality of events or information for making disclosure
5. **“Schedule III”** means Schedule III of the Securities and Exchange Board of India, (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. **“Acquisition”** means:-
 - a. acquiring control, whether directly or indirectly; or,
 - b. acquiring or agreeing to acquire shares or voting rights in, a Company whether directly or indirectly, such that –

- (i) the Company holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said Company, or;
- (ii) there has been a change in holding from the last disclosure made under sub-clause i) of Clause (b) of the Explanation to this sub-para and such change exceeds 2% of the total shareholding or voting rights in the said Company.

7. “**Compliance Officer**” means Company Secretary of the Company.

Any other term not defined herein shall have the same meaning as ascribed to it under the Companies Act, 2013, Listing Agreement, Listing Regulations framed by the Securities Exchange Board of India or any other relevant regulation/legislation applicable to the Company.

4. DISCLOSURE OF MATERIAL INFORMATION TO STOCK EXCHANGE:

(a) Company shall make disclosures of any events or information which are material in nature.

Events/Information as specified in Para A of Part A of Schedule III of the Listing Regulations and as summarized in Annexure ‘A’ of this Policy, are deemed to be material events and Company shall make disclosure of such events without any application of the guidelines of materiality.

(b) Events/Information’s as specified in Para B of Part A of Schedule III of the Listing Regulations and as summarized in Annexure ‘B’ of this Policy , to be disclosed upon application of the guidelines for materiality

(c) Any Other Event/Information viz. Major Development that is likely to affect Business to be disclosed, including but not restricted to the following

1. Emergence of new technologies,
2. Expiry of patents,
3. Changes in accounting policy that may have a significant impact on the accounts etc. and brief details thereof
4. Any other information exclusively known to the Company and which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

5. CRITERIA FOR DETERMINING OF MATERIALITY OF EVENTS/ INFORMATION:

The Company shall consider the following criteria for determining the materiality of the events

- (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 which is likely to result in significant market reaction if the said omission came to light at a later date;
- (c) Any other event / information which may be treated as being material in the opinion of the Board.

6. WHEN AN EVENT/INFORMATION HAS OCCURRED

The Company may be confronted with the question as to when an event or information can be said to have occurred.

In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc., and the answer would depend upon the timing when the Company became aware of the event/information.

Any event or information can be said to occur in the following manner:

- (a) Event(s) or information occurred which have been initiated by the Company can be said to have occurred upon receipt of approval or decision of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders and/or other relevant authority, if any.

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, pending Shareholder's approval.

- (b) Event(s) or information other than those covered in (a), can be said to have occurred when a 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.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the Company.

7. PERSONS RESPONSIBLE FOR DETERMINING MATERIALITY & DISCLOSURE

- (a) The Board of Directors of the Company are authorized for the purpose of determining materiality of an event or information other than those mentioned in Annexure A to this policy.
- (b) The Compliance Officer shall be responsible for disclosing the information to Stock Exchange(s) along with posting the same on the Company's website.

8. TIME FOR DISCLOSURE OF INFORMATION TO STOCK EXCHANGE

- (a) For events or information other those mentioned in Annexure A, Board shall after determining its materiality, would inform the same to the Compliance officer for necessary action.

(b) The Company shall disclose to stock exchange(s) of all events or information, as specified in Annexure A or any other event or information whether specified in Annexure B or not and considered material, as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

Provided that in certain unavoidable circumstances or due to confidentiality of information for a limited period of time, the Company might delay in disclosing the material event/information to the stock exchange, in that case the disclosure regarding delay in disclosing the material event/information along with the reasonable explanation and clarification will be disseminated to the stock exchange by the Compliance Officer of the Company.

Provided further that disclosure with respect to events specified in point no. 4 of Annexure A shall be made within thirty minutes of the conclusion of the board meeting.

(c) The Company shall disclose all events or information with respect to subsidiaries, if any, which are material for the Holding Company to the Stock Exchange, not later than twenty four hours from the occurrence of event or information.

(d) The Company shall, with respect to disclosures referred to in the Regulation 30, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

(e) The Compliance officer of the Company shall furnish reply to the stock exchange on the queries raised by the exchange in relation to any event or information disclosed to it within 7 days.

9. HOSTING OF INFORMATION ON WEBSITE

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Regulation 30 of the Listing Regulations and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.

10. EFFECTIVE DATE:

The above said Policy is approved by Board of Directors by circulation and resolution adopted on 7th January, 2016 and effective from 1st December, 2015.

11. REVIEW OF THE POLICY

This Policy shall be subject to review by the Board as may be deemed necessary and in accordance with any regulatory amendments.

Annexure 'A'

Details which a Company needs to disclose for the events that are deemed to be material as specified in Para a of Part A of Schedule III of Listing Regulations

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 Company or any other restructuring;
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:
 - 4.1. 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;
 - 4.2. any cancellation of dividend with reasons thereof;
 - 4.3. the decision on buyback of securities;
 - 4.4. the decision with respect to fund raising proposed to be undertaken;
 - 4.5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
 - 4.6. 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;
 - 4.7. short particulars of any other alterations of capital, including calls;
 - 4.8. financial results;
 - 4.9. decision on voluntary delisting by the Company from stock exchange(s);

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.
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 Company), 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 the Company 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 (“CDR”):
10. One time settlement (OTS) 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 Company
13. Proceedings of annual and extraordinary general meetings of the Company
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.

Annexure B

Details which a Company need to disclose for events on which the Company may apply materiality in terms of Para B of Part A of Schedule III of Listing Regulations

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 line(s) 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, revision(s) or amendment(s) and termination(s) thereof:
6. Disruption of operations of any one or more units or division of the Company 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 Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact
9. Frauds/ defaults by directors (other than key managerial personnel) or employees of the Company:
10. Options to purchase securities including any Share Based Employee Benefit (SBEB) 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: