

VLS Finance Limited

Policy Determining Materiality of Event

Statement

The Company relies itself to the highest code of corporate governance endeavours and adheres to the best practices of transparency. This policy comprises the principles which would guide the Company in making relevant releases to the stock exchanges for the information of the stakeholders.

Scope

This policy is to determine the materiality of events which are considered to be significant by the Board of Directors (Board)/ Management as to their disclosure would lead the stakeholders in making informed decisions. It covers the events which shall be disclosed upon application of the guidelines for materiality as referred under the listing regulations.

Determination criteria of materiality

The Company shall consider following criteria for determining materiality of events or information:

- omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 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;
- 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 or information is considered material.

Events on which the criteria is applicable

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.

The Managing Director, Chief Financial Officer and the Company Secretary of the Company are authorised for the purpose of determining materiality of an event or information and for the making disclosures to stock exchange(s) and subsequent hosting on the website of the Company for a period of 5 (five) years and thereafter as per the archival policy of the Company.

Material developments on a regular basis with respect to the disclosures made in accordance with this policy is also to be made till such time the event is resolved/closed, with relevant explanations.

Amendment

The Policy may be reviewed and amended from time to time.