

POLICY FOR REPORTING AND DETERMINATION OF MATERIAL EVENTS

V-GUARD INDUSTRIES LIMITED

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1. INTRODUCTION

The Securities and Exchange Board of India (hereinafter described as 'SEBI') has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and these Regulations came into force from December 1, 2015.

With a view to ensure timely, adequate and accurate disclosure of information and also to bring uniformity in disclosure of information by listed entities, SEBI through Regulation 30 of the Listing Regulations mandated disclosure of material events by listed entities and adoption of a policy for determination of materiality.

2. DEFINITIONS

- a. **"Board of Directors" or "the Board"** means the Board of Directors of V-Guard Industries Limited, as constituted from time to time.
- b. **"Company"** means V-Guard Industries Limited.
- c. **"Listing Regulations"** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.
- d. **"Policy"** means Policy for Reporting and Determination of Material Events.
- e. **"Material Events"** means events specified in Regulation 30 and Schedule III to the Listing Regulations and any other events which has potential to impact the Market price of the securities of the Company.
- f. **"Compliance Officer"** means the officer appointed by the Board of Directors of the company to act as such and should be a qualified company secretary complying with the provision of the Listing Regulations.

All other words and expressions used that are not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. PURPOSE OF THE POLICY

Pursuant to Regulation 30(4)(ii) of the Listing Regulations the Board of Directors of the Company has adopted the Policy for Reporting and Determination of Material Events, considering the events indicated in Part A of Schedule III of the Listing Regulations.



4. CRITERIA FOR DETERMINING MATERIAL EVENTS

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determining materiality of event or 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 significant market reaction if the said omission came to light at a later date; or
- c. The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i. two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - ii. two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - iii. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.
- d. In case where the criteria specified in sub-clauses 4.1, 4.2 and 4.3 is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.

The Company may be confronted with the question as to when an event/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., the answer to the above question would depend upon the timing when the Company became aware of the event/ information. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors. 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 shareholders' approval.

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



5. DISCLOSURE OF EVENTS OR INFORMATION

Events or information that are deemed to be material and are to be disclosed without any application of the guidelines for materiality are specified in Para A of Part – A of Schedule III of Listing Regulations.

Events or information that are to be disclosed based on materiality principle are specified in Para B of Part-A of Schedule III of Listing Regulations.

Any other event or information 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. will be material event or information as per Para C of Part-A of Schedule III of Listing Regulations.

Any other information which is exclusively known to the Company which may be necessary to enable the security holders of the Company to appraise its position and to avoid the establishment of a false market in such securities as per Para C of Part-A of Schedule III of Listing Regulations.

In addition to the aforementioned events/information, the Company/or its authorized representatives as specified in this policy may make disclosures as specified by the Board from time to time.

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- a. thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- b. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within Company;
- c. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company;

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of Listing Regulations shall be made within such timelines.

Provided further that incase the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure provide the explanation for the delay.

The Company shall, with respect to disclosures referred in this policy, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations. The Company shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

The Company shall also provide specific and adequate reply to all queries or communication raised by stock exchange(s) or any other regulatory, statutory, enforcement or judicial authority, with respect to any events or information.



6. AUTHORITY FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

The Key Managerial Personnel (KMPs) of the Company consisting of the Managing Director, Whole-time Director(s), Chief Financial Officer and Company Secretary are hereby jointly and severally authorised to determine the materiality of an event or information and make disclosures to stock exchange(s) under the Listing Regulations.

Obligations of Internal Stakeholders and KMPs for Disclosure:

- a. Any event or information, including the information specified in Para A and Para B of Part A of Schedule III of the SEBI Listing Regulations shall be forthwith informed to the KMP(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- b. The KMP(s) will then ascertain the materiality of such event(s) or information based on the above guidelines.
- c. On completion of the assessment, the KMP(s) shall, if required, make appropriate disclosure(s) to the stock exchanges.

7. PROCEDURE TO DEAL WITH PUBLIC REPORTS / RUMOURS

The Company may accept / deny report or event or information received by it directly or indirectly which has been public without authorisation by media or by any other means including but not limited to electronic means. The Company may respond to the rumours amongst the general public, which has no basis or documentation, in the best way, which protects the interests of the Company.

8. WEBSITE UPDATION / UPDATES TO STOCK EXCHANGE(S)

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be disclosed on the website of the Company for a minimum period of 5 (five) years and thereafter archived as per the policy for Preservation of Documents which includes Archival Policy also, of the Company.

The Compliance Officer of the Company, with respect to the disclosure of any material event / information already made to the stock exchange(s), shall make disclosures updating material developments on a regular basis, till such time the event is resolved / closed, with relevant explanations to the Board of Directors and to the stock exchange(s). Such updates shall also be disclosed on the website of the Company.

The Compliance Officer shall provide specific and adequate reply to all the queries raised by the stock exchange(s) with respect to any event or information.



9. REVIEW AND AMENDMENT OF POLICY

The Board may review this policy on periodical basis, considering various external and internal factors. However, in case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10. APPROVAL FOR THE POLICY

This policy was approved by the Board of Directors of the Company in their meeting held on November 04, 2015 and amended thereafter to make appropriate amendments to bring inline the policy with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
