

**MATERIALITY OF EVENTS POLICY**  
**OF**  
**VARDHMAN HOLDINGS LIMITED**

Under Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015

**I. PREAMBLE:**

Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as "**Listing Regulations**"] read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 requires every listed entity to formulate a policy for determining 'materiality' of events/ information and to disclose such policy on the website of the Company.

Accordingly, "Materiality of Events Policy" of Vardhman Holdings Limited has been designed considering that stakeholders of the Company need timely, sufficient & reliable information and communication in a coherent manner regarding material events that matter/make influence on the operations or performance of the Company and also to fulfill the requirements of Regulation 30 of the Listing Regulations.

**II. DEFINITIONS:**

**1. Determined Authority**

Determined Authority means Whole Time Director and/or Company Secretary of the Company, acting individually or jointly, who will be entitled to take a view on the materiality of an event that qualifies for disclosure and to decide the appropriate time and details of disclosure to be filed.

**2. Material Events**

Material Events means the individual transaction or arrangement which, in the opinion of the Determined Authority is significant to the operations or performance of the Company as well as any price sensitive information.

**3. Company**

The Company or Company means "Vardhman Holdings Limited."

**4. Price Sensitive Information**

"Price-sensitive information" means any information which relates, directly or indirectly, to a company that is not generally available and which upon becoming generally available is likely to materially affect the price of securities of the Company.

## 5. Policy or This Policy

Policy or this policy means "Materiality of Event Policy".

## 6. Stock Exchanges

Stock Exchanges means the stock exchanges where the securities of the Company are listed i.e. Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE).

### III. SEBI REQUIREMENTS FOR MATERIAL EVENTS AND INFORMATION:

The events that need to be disclosed to the stock exchange are broadly divided into following 3 categories:

- A. Para A of Part A of Schedule III of Listing Regulations - Events considered material.
- B. Para B of Part A of Schedule III of Listing Regulations - Events deemed material subject to guidelines.
- C. Para C of Part A of Schedule III of Listing Regulations - Other events/information.

#### A. EVENTS WHICH SHALL BE CONSIDERED "MATERIAL"

The Company shall disclose following events to the stock exchange **as soon as possible and not later than 24 hours from the occurrence of event/information:**

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 five per cent 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 percent 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 (Whole Time 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;

**B. EVENTS DEEMED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED IN SUB-REGULATION (4) OF REGULATION (30):**

Materiality will be determined on a case to case basis in light with the guidelines referred in Regulation 30 (4) of Listing Obligations.

**CRITERIA:**

The events/information which shall be disclosed upon application of guidelines for materiality pursuant to Para B of Part A of Schedule III of the SEBI Regulations are as follows:-

SR. NO.	EVENT/ INFORMATION	THRESHOLD
1.	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 (entirety or piecemeal).	Impact of Rs. 25 crore or more.
2.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business	Any contract value which will result in impact of Rs. 25 crore or more.
3.	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.	Loans excluding working capital, other short term borrowings and non-fund based borrowings having an Impact of Rs. 25 crore or more.
4.	Disruption of operations of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.	Impact of Rs. 25 crore or more.
5.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Impact of 10 % (Ten Percent) or more of the average profits of last three years, <i>whichever is more.</i>
6.	Litigation(s)/dispute(s)/regulatory action(s) with impact.	Impact of 10 % (Ten Percent) or more of the average profits of last three years.
7.	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	All such events exceeding Rupees 2 crores.
8.	Options to purchase securities including any ESOP/ESPS Scheme.	At present, the Company does not have ESOP/ESPS scheme. In case in future the Company introduces ESOP/ESPS Schemes, the same shall be

		reported to the exchange.
9.	Giving of guarantees or indemnity or becoming a surety for any third party.	Financial guarantees or indemnities or becoming sureties of sum not less than Rupees 5 crores excluding giving guarantees or indemnities or becoming sureties to subsidiary/ associate companies.
10.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact of Rs. 25 crore or more.

**C. OTHER EVENTS/ INFORMATION**

Events/information that may include but are not restricted to-

1. Emergence of new technologies;
2. Expiry of patents;
3. Any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof;
4. Any other information which is exclusively known to the Company 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. Market sensitive information;
6. Any event which in the view of Board is material.

**IV. DISCLOSURE ON WEBSITE:**

All such material events/information shall also be posted on the website of the Company and shall be hosted for a minimum period of 5 years.

**V. REVIEW OF POLICY**

The Board of Directors will periodically review this policy and make amendments to this policy as it deems appropriate.

**VI. AMENDMENTS:**

This policy may be amended, suspended or rescinded subject to the approval of Board of Directors, from time to time in line with any statutory enactment or amendment thereto.

**VII. IMPLEMENTATION:**

This policy will be implemented from the date of approval by the Board of Directors i.e. **10th February, 2016.**