

# VLCC

**VLCC HEALTH CARE LIMITED**

**CIN: U74899DL1996PLC082842**

## **POLICY ON DETERMINATION OF MATERIALITY OF EVENT/ INFORMATION**

<b>Type:</b> Policy	<b>Owner:</b> Board of Directors	<b>Custodian:</b> Company Secretary and Chief Financial Officer
<b>Effective Date:</b>	<b>Latest Review:</b>	<b>Communication Plan:</b> Web
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**VLCC HEALTH CARE LIMITED (“COMPANY”)**  
**POLICY FOR DETERMINATION OF MATERIALITY OF EVENT AND INFORMATION**  
**(“POLICY”)**

**1. OBJECTIVE/ LEGAL FRAMEWORK**

- 1.1 In order to enable investors to make well-informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential.
- 1.2 The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the “**Listing Regulations**”), deals with the disclosure of event and information by the listed companies. The Listing Regulations prescribe that the Company shall frame a policy for determination of materiality, based on criteria specified in the Listing Regulations, which shall be approved by its board of directors, and shall be disclosed on its website.
- 1.3 The Securities and Exchange Board of India (the “**SEBI**”) through its Circular CIR/CFD/CMD/4/2015 dated September 09, 2015 titled “Continuous Disclosure Requirements for Listed Entities”, issued under Regulation 30 of the Listing Regulations, provides guidance to listed entities according to which the listed entities have the responsibility to make disclosures that are appropriate and would be consistent with the facts of each event.

**2. DEFINITIONS**

- 2.1 “**Act**” means the Securities and Exchange Board of India Act, 1992 (15 of 1992), as amended from time to time.
- 2.2 “**Applicable Laws**” include any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, notification and clarification issued by the governmental or statutory or regulatory authority or other governmental instruction and/or mandatory standards, as may be applicable to the Company, with respect to determination of materiality of event/ information in relation to the Company, and as amended from time to time.
- 2.3 “**Board of Directors**” or “**Board**” means the board of directors of the Company, or a duly authorized committee thereof.
- 2.4 “**Chief Executive Officer**” shall have the same meaning as assigned to it under the Companies Act, and under the Listing Regulations.
- 2.5 “**Chief Financial Officer**” shall have the same meaning as assigned to it under the Companies Act, and under the Listing Regulations.
- 2.6 “**Committee**” means a committee of Board of Directors or any other committee so constituted.
- 2.7 “**Companies Act**” means the Companies Act, 2013, along with rules, notifications and

circulars made/ issued thereunder, as amended from time to time.

- 2.8 “**Company Secretary**” shall have the same meaning as assigned to it under the Companies Act.
- 2.9 “**Compliance Officer**” means a qualified Company Secretary so appointed and designated as such by the Company.
- 2.10 “**Financial Year**” shall have the same meaning as assigned to it under the Companies Act.
- 2.11 “**Key Managerial Personnel**” shall have the same meaning as assigned to it under the Companies Act, and under the Listing Regulations.
- 2.12 “**Managing Director**” shall have the same meaning as assigned to it under the Companies Act, and under Listing Regulations.
- 2.13 “**Meeting of Board of Directors/Board Meeting**” means a meeting of the Board of Directors convened, conducted and held in accordance with the Companies Act and the Listing Regulations.
- 2.14 “**Net Worth**” shall have the same meaning as assigned to it under the Companies Act.
- 2.15 “**Promoter**” and “**Promoter Group**” shall have the same meaning as assigned to them in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 2.16 “**Related Party**” shall have the same meaning as assigned to it under the Companies Act, and under the Listing Regulations, or under the applicable accounting standards.
- 2.17 “**Related Party Transaction**” means a transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and a “transaction with a related party” shall be construed to include a single transaction or a group of transactions in a contract.
- 2.18 “**Stock Exchange**” means a recognized stock exchange as defined under the Securities Contracts (Regulation) Act, 1956, on which the securities of the Company are listed.
- 2.19 “**Subsidiary**” shall have the same meaning as assigned to it under the Companies Act, and under the Listing Regulations.

All other words and expressions used but not defined in these regulations, but defined in the Act or the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Listing Regulations 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 maybe.

### 3. APPLICABILITY

The Policy is applicable to VLCC Health Care Limited.

#### **4. GUIDING PRINCIPLES- DISCLOSURES**

- 4.1 The Listing Regulations divide the events that need to be disclosed broadly in two categories. The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of the Listing Regulations. Para B of Part A of Schedule III of the Listing Regulations indicates the events that should be disclosed by the listed entity, if considered material.
- 4.2 Events/ information as specified under **Annexure 1** of this Policy shall be deemed to be considered material and shall be disclosed to the Stock Exchange(s) within 24 (twenty four) hours, unless otherwise specified, without the application of any criteria, from the occurrence of the event or information. In case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.
- 4.3 While disclosing the event/information under this Clause 4, such details shall be disclosed as may be required by Applicable Laws.
- 4.4 Events/information, as specified under **Annexure 2** of this Policy if qualifies under any of the criteria of materiality as specified herein below and/or any other event/information considered material by the Board of Directors and/or any other event/information deemed to be material under the Listing Regulations, shall be disclosed to the Stock Exchange(s) within 24 (twenty four) hours from the occurrence of the event or information or considered material by the Board of Directors.
- 4.5 Additionally, any other information, viz. any major development that is likely to affect business of the Company, e.g., 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 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, shall be disclosed.
- 4.6 The Company may on its own initiative also, confirm or deny any reported event or information to the Stock Exchange(s).

#### **5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENT AND/OR INFORMATION:**

- 5.1 The following events and/or information shall be considered 'material':
- (a) the omission of which, is likely to result in discontinuity or alteration of an event or information already available publicly; or
  - (b) the omission of which, 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 the Company, the event/information is considered material.

5.2 The following events and/or information shall be excluded from the criteria prescribed in Clause 5.1 above:

- (a) any speculative information regarding the business, operations or activities of the Company (on a consolidated basis), including any media reports and/ or market rumors in relation to any investments, mergers and/ or other corporate actions; and
- (b) any negotiations, discussions, signing of non-binding term sheets or agreements, potential offers relating to investment, and/ or any actions being explored by the Company (on a consolidated basis) for which no final decision has been taken and/ or no binding agreements have been entered into and are in the normal course of business, which are being explored or evaluated, including any incremental non-material actions undertaken pursuant to the same.

5.3 In case where the criteria specified in sub-clauses (a) and (b) of Clause 5.1 above are not applicable, an event/information may be treated as being 'material' if in the opinion of the Board of Directors of the Company, the event/information is considered 'material'.

5.4 While disclosing the event/ information under this Clause 5, such details shall be disclosed as may be required under Applicable Laws.

5.5 The transaction between the Company and its Subsidiaries shall not be deemed material. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

## **6. AUTHORITY FOR DETERMINING MATERIALITY AND DISSEMINATION OF THE INFORMATION HEREUNDER**

The following Key Managerial Personnel(s) are authorized to determine whether an event or information is material and for the purpose of making appropriate disclosure on a timely basis to the Stock Exchange(s).

6.1 Determination of materiality of event:

Any two of the Chairman, Managing Director, Chief Financial Officer, the Company Secretary, of the Company, or any other person as may be authorized by the Board, in accordance with the Companies Act and the Listing Regulations, are authorized to determine materiality of an event/information under this Policy.

6.2 Making disclosures to Stock Exchange(s):

The Company Secretary of the Company or any of the officials mentioned under Clause 6.1 above is authorized to disseminate information and disclosure of material events / information to the Stock Exchange(s).

## **7. PROVISIONS WITH REGARD TO DISCLOSURE OF EVENT OR INFORMATION**

7.1 The Policy shall be disclosed on the Company's website.

- 7.2 The Company shall, with respect to disclosures referred to in this Policy, make disclosures updating material development on a regular basis to the Stock Exchange(s), till such time the event is resolved/ closed, with relevant explanation(s).
- 7.3 All disclosures made to Stock Exchange(s) under the Policy shall also be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per the “Policy for Preservation of Documents and Archival of Documents” of the Company.
- 7.4 The Company shall also disclose the event or information with respect to its Subsidiaries, as specified under Annexure 1 and Annexure 2 of this Policy, which are material to the Company, and which qualifies any of the criteria specified under Clause 5.1 of this Policy, to the Stock Exchange(s) within 24 (twenty four) hours of the occurrence of such event/ information.
- 7.5 All persons mentioned in Clause 6.1 above are severally authorized to provide specific and adequate reply to all queries as may be raised by the Stock Exchange(s) with respect to any event/information as specified by the Board from time to time, without prejudice to the generality of Clause 4 of this Policy.

## **8. AMENDMENT AND CONFLICT**

Any subsequent amendment/ modification in the Applicable Laws shall automatically apply to this Policy. The Board has the right to amend or modify this Policy in whole or in part, at any time without assigning any reason, whatsoever. In the event of conflict between this Policy and any Applicable Laws, Applicable Laws shall prevail

## **ANNEXURE - 1**

### **EVENTS WHICH SHALL BE DISCLOSED WITHOUT ANY APPLICATION OF THE GUIDELINES FOR MATERIALITY AS SPECIFIED IN SUB-REGULATION (4) OF REGULATION (30) OF THE 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.

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 Company holds shares or voting rights aggregating to 5% (five percent) 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) and such change exceeds 2% (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 the meetings of the Board of Directors. The Company shall disclose to the Exchange(s), within 30 (thirty) minutes of the closure of the meeting, held to consider the following:
    - (i) 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;
    - (ii) any cancellation of dividend with reasons thereof;
    - (iii) the decision on buyback of securities;
    - (iv) the decision with respect to fund raising proposed to be undertaken
    - (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
    - (vi) 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;
    - (vii) short particulars of any other alterations of capital, including calls;
    - (viii) financial results; and

- (ix) decision on voluntary delisting by the Company 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 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, Auditor, Compliance Officer.
  - 7a. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the Stock Exchanges as soon as possible or as defined under clause 4.1.
  - 7b. In case of resignation of independent director of the Company, within 7 (seven) days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the Company:
    - i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the Stock Exchanges.
    - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
- The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the Stock Exchanges along with the detailed reasons as specified in sub-clause (i) above.
- 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 Company.
- 13. Proceedings of annual and extraordinary general meetings of the Company.
- 14. Amendments to memorandum and articles of association of the 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.
  
16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency and Bankruptcy Code, 2016 (“**Insolvency Code**”):
  - (i) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - (ii) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - (iii) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - (iv) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency and Bankruptcy Code;
  - (v) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - (vi) Appointment/replacement of the resolution professional;
  - (vii) Prior or post-facto intimation of the meetings of Committee of Creditors;
  - (viii) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - (ix) Number of resolution plans received by Resolution Professional;
  - (x) Filing of resolution plan with the Tribunal;
  - (xi) Approval of resolution plan by the Tribunal or rejection, if applicable;
  - (xii) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
    - Pre and Post net-worth of the company;
    - Details of assets of the company post CIRP;
    - Details of securities continuing to be imposed on the companies’ assets;
    - Other material liabilities imposed on the company;
    - Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - Details of funds infused in the company, creditors paid-off;
    - Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - Impact on the investor – revised P/E, RONW ratios etc.;
    - Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;

- Brief description of business strategy.
  - (xiii) Any other material information not involving commercial secrets.
  - (xiv) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS.
  - (xv) Quarterly disclosure of the status of achieving the MPS.
  - (xvi) The details as to the delisting plans, if any approved in the resolution plan.
17. In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by Company:
- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
  - b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.]

Any amendment / modification to Para A of Part A of Schedule III of the Listing Regulations shall be deemed to automatically incorporated herein, and this Annexure shall consequently be deemed to be automatically and appropriately amended.

## **ANNEXURE-2**

### **EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED TO IN SUB-REGULATION (4) OF REGULATION 30 OF THE LISTING REGULATIONS**

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 of any division.
2. Capacity addition or product launch not in the normal course of business.
3. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
4. 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.
5. Disruption of operations of any one or more divisions of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts, etc.
6. Effect(s) arising out of change in the regulatory framework applicable to the Company
7. Litigation(s) / dispute(s) / regulatory action(s) with impact.
8. Fraud/defaults etc. by directors (other than Key Managerial Personnel) or employees of the Company.
9. Options to purchase securities including any ESOP/ESPS scheme.
10. Giving of guarantees or indemnity or becoming a surety for any third party.
11. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Any amendment / modification to Para A of Part B of Schedule III of the Listing Regulations shall be deemed to automatically incorporated herein, and this Annexure shall consequently be deemed to be automatically and appropriately amended.