

VMS INDUSTRIES LIMITED

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

[Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

VMS INDUSTRIES LIMITED

CIN: L74140GJ1991PLC016714

Registered Office:

808/C PINNACLE BUSINESS PARK,
CORPORATE ROAD, PRAHLADNAGAR,
Ahmedabad, Gujarat-380015, India

POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS

1. OBJECTIVE

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

EFFECTIVE DATE

The Policy has been effective 28TH November, 2015 and the amended Policy, shall be effective from 13TH February, 2024.

2. DEFINITION

“**Act**” shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof.

“**Board of Directors**” or “**Board**” means the Board of Directors of VMS INDUSTRIES LIMITED, as constituted from time to time.

“Company” means VMS INDUSTRIES LIMITED.

“Chief Financial Officer” means the person heading and discharging the finance function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under these regulations;

“Key Managerial Personnel” mean key managerial personnel as defined in subsection (51) of section 2 of the Companies Act, 2013;

“Promoter” and “Promoter Group” shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

“Listing agreement” shall mean an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015

“Subsidiary” means a subsidiary as defined under Section 2(87) of the Companies Act, 2013;

“Policy” means this Policy on criteria for determining Materiality of events or information and as may be amended from time to time.

“Regulations” mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

"Schedule" means a Schedule III of (Listing Obligations and Disclosure Requirements) Regulations, 2015

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the Company.

3. OBJECTIVE OF THE POLICY

The objectives of this Policy are as follows:

- i. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the SEBI Regulations, various Securities Laws and any other legislations, as applicable.
- ii. To ensure that the information disclosed by the Company is adequate, accurate, timely and transparent.
- iii. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- iv. To protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations.
- v. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- vi. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

4. PURPOSE OF THE POLICY

The information covered by this Policy shall include “information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions” (hereinafter referred to as “material information”) that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.

Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.

5. PERSONS RESPONSIBLE FOR DISCLOSURE

The Board of Directors of the Company have authorised the Managing Director of the Company to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The KMPs are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The Managing Director shall have the following powers and responsibilities for determining the material events or information:

- i. To review and assess an event or information that may qualify as ‘material’ and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- ii. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- iii. To disclose developments that are material in nature on a regular basis, till such time the event

or information is resolved/closed, with relevant explanations.

- iv. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- v. To disclose all events or information with respect to the subsidiaries which are material for the Company.

6. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

The Company shall consider the criteria as specified in Clause (i) of Sub-regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events/ information as under:

- (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 in significant market reaction if the said omission came to light at a later date;
- (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 Company; or
 - ii. Two percent of net worth, except in case of the arithmetic value of the networth is negative, as per the last audited consolidated financial statements of the Company;
 - 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 Company
- (d) In case where the criteria specified in sub-clauses (a), (b) and (c) are not applicable, an event/ information **may** be treated as being material if in the opinion of the Managing Director & CEO

of the Company, the event / information is considered material.

7. GUIDELINES FOR COMMUNICATION

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

8. GUIDANCE ON TIMING OF AN EVENT OR INFORMATION

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.

9. OBLIGATIONS OF INTERNAL STAKEHOLDERS AND MANAGING DIRECTOR 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 Managing Director 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.

10. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

11. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

12. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.