



VST SHAKTI

V.S.T. TILLERS TRACTORS LTD

POLICY ON DETERMINING MATERIALITY

Objective

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Board of Directors of V.S.T. Tillers Tractors Ltd had adopted this Policy at its meeting held on November 9, 2015 and subsequently amended the same on August 04, 2023 for determination of material events and information so that required information can be disclosed to the stock exchanges.

I. Definitions

In this policy unless the context otherwise requires

- a. "**Act**" means the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- b. "**Authorized Persons**" shall have the same meaning ascribed to it under Clause II of this Policy.
- c. "**Board**" or "**Board of Directors**" shall mean the Board of Directors of V.S.T. Tillers Tractors Ltd.
- d. "**Company**" means V.S.T. Tillers Tractors Ltd.
- e. "**Key Managerial Personnel**" or "**KMP**" shall have the same meaning ascribed to it under the Act.
- f. "**Material Information/event**" shall mean information/event as prescribed under Clause IV & Clause V of this Policy.
- g. "**Policy**" means –Policy on Determining Materiality of events or information.
- h. "**Listing Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the Listing Regulation shall have the same meaning assigned therein.

II. Authorized Persons

1. The materiality or otherwise, of an information or event in terms of SEBI Regulations will be determined either by Managing Director or Chief Executive Officer ("Authorized Persons").
2. The authorized persons will also decide the appropriate period/stage at which disclosure is to be filed with the stock exchanges including details that may be filed.
3. Contact details of the KMPs/authorized persons will be given on the website of the Company.

III. Guidelines for Materiality assessment

1. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, 'quantitative' criteria will be applied.
2. The events or information which shall be disclosed based on application of materiality based on quantitative criteria are given in **Annexure 1**.
3. The Company shall consider the following qualitative criteria for determination of materiality of events/information:
 - a) the omission of an event or information which is likely to result in a discontinuity or alteration of an event already available publicly; or
 - b) the omission of an event or information which is likely to result in significant market reaction if the said omission came to light at a later date;
 - c) 177[(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - (1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - (2) 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;
 - (3) 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 (a), (b) and (c) 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.
- e) In determining materiality, a number of factors such as the nature of the information (both quantitative and qualitative information), prevailing market conditions, general business practices, industry scenario, business outlook etc. will be taken into consideration.
- f) Relevant employees of the Company based on the criteria of materiality shall identify any potential material event or information and report the same to the authorized Key Managerial Personnel.
- g) The receipt of a communication from any regulatory, statutory, enforcement or judicial authority along with the event or information, unless disclosure of such communication is prohibited by such authority, within the parameters of determination of materiality as per this policy.
- h) All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall be informed by the Company and to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements
- i) The Company will disclose Material Information concerning the business and affairs of the Company to the public immediately, except where permitted by law and when otherwise required for the purpose of maintaining the confidentiality of the information.

IV. Handling of queries or request for verification of market rumours;

The Authorised Key Managerial Personnel shall be responsible for determining whether a public announcement is necessary for verifying or denying rumours / reports appearing in newspapers/ social media or such other platforms, within the knowledge of the Company.

The copy of such public announcement shall also be simultaneously filed with the Stock Exchanges.

V. **Material events or information**

Events or information specified in **Annexure 2** will be deemed to be material events / information and will be disclosed irrespective of application of any quantitative or qualitative materiality thresholds.

VI. **Timing of disclosure**

All material events / information will be disclosed as soon as practicable as per the provisions of Regulation 30 and Schedule III read with SEBI Circular dated 14th June 2023 as amended from time to time.

Statutory Framework

1. This policy is framed in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.

APPLICABILITY & AMENDMENT:

This Policy is subject to revision/amendments in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs, SEBI or other regulatory authority(ies) from time to time, on the subject matter. Accordingly, the Company reserves the right to alter, modify, add, delete, or amend any of the provisions of this Policy.

In the event, any provisions contained in this Policy is inconsistent with the provisions contained in the Listing Regulations, the Companies Act, 2013 or other regulatory provisions, etc. or any amendments thereto, (Regulatory Acts), the provisions contained in the Regulatory Acts shall prevail over the clauses of this Policy.

Annexure – 1

The events/information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III and Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause III of this Policy

Sl. No	Event/Information	Threshold
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	<p>If the value or the expected impact in terms of value, exceeds the lower of the following:</p> <p>(1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;</p> <p>(2) 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;</p> <p>(3) 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</p> <p>Note:</p> <p>Average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration.</p>
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.	

Notwithstanding anything stated above, the Authorized Persons may apply a qualitative criteria for deeming an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained/applied reasonably.

Annexure – 2

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) and Clause IV of this Policy

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.
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).

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

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. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.
7. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
8. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
9. Appointment or discontinuation of share transfer agent.
10. Corporate debt restructuring.
11. One-time settlement with a bank.
12. Reference to BIFR and winding-up petition filed by any party / creditors.
13. 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.
14. Proceedings of Annual and extraordinary general meetings of the listed entity.

15. Amendments to memorandum and articles of association of listed entity, in brief.

16. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors.