



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 has adopted this Policy at its meeting held on November 9, 2015 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.
- 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 jointly by the Vice Chairman & Managing Director and 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 in 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 will be disclosed based on application of materiality criteria are given in **Annexure 1**.
3. The Company shall consider the following 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) In case the criteria specified in sub-clause (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 listed entity, the event / information ought to be disclosed.
4. 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.
5. 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. **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.

V. **Timing of disclosure & Archival.**

1. All material events / information will be disclosed as soon as practicable as per the provisions of Regulation 30 read with SEBI's Circular bearing reference CIR/CFD/CMD/4/2015 dated 9th September 2015.
2. Such disclosures shall be displayed on the website of the Company for a period of five years from the date of its hosting. The disclosures which are more than five years old will be archived from the website of the Company and will be dealt in an appropriate manner as per the policy on preservation of Documents and as decided by the Authorized Person(s) from time to time.

VI. **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.

VII. **Effective date**

The effective date of the Policy is 1st December, 2015.

Annexure – 1

The events/information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III 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.	Impact exceeding 10% of Turnover of the Company for one full year of operation.
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).	Impact exceeding 10% of Turnover of the Company
3.	Capacity addition or Product launch	Impact exceeding 10% of Turnover of the Company
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Consideration exceeding Rs. 50 crores.
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.	Any transaction for an amount exceeding Rs. 100 crore.
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.	a) Disruption of operations due to natural calamity :- estimated impact of 10 % or more of the production or the turnover of the Company b) In case of strike, lockout, etc.:- complete closure of the Plant.
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity	Impact of 10% or more to the turnover of the Company.

8.	Litigation(s) / dispute(s) / regulatory action(s) with impact.	Impact of 10% or more to the turnover of the Company.
9.	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	Amount exceeding Rs. 5 crores.
10.	Options to purchase securities including any ESOP/ESPS Scheme.	Not Applicable.*
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	Amount exceeding Rs. 50 crores. for each single guarantee/indemnity
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact of 10% of turnover.

*the Company does not have ESOP/ESPS scheme.

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. 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 (Managing 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.