

(VINAYAK POLYCON INTERNATIONAL LIMITED)

(CIN: L25209RJ2009PLC030620)

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**POLICY FOR DETERMINATION OF MATERIALITY FOR
VINAYAK POLYCON INTERNATIONAL LIMITED**

Under Regulation 30(4) of the SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015 regard with the Schedule III of the said Regulation

1. PREAMBLE:

The Board of Directors (The “Board”) of Vinayak Polycon International Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Materiality as defined below. The Board may review and amend this policy from time to time.

2. PURPOSE OF THE PLOICY

This Policy is framed as per requirement of Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.

News or details that may reasonably be expected to affect a company’s stock price and thus decisions that investors make about buying or selling the company’s stock. Material events may be addition or loss of a large customer, failing or rising sales, a merger agreement, financial results above or below expectations, or a change in the company’s dividend policy.

In order to enable investors to make well informed investment decisions, timely, adequate and accurate disclosure of information on an ongoing basis is essential. There is a need of uniformity in disclosures to ensure compliances in letter and spirit.

3. DEFINITIONS:

- (i) “Act” means the Companies Act, 2013.
- (ii) “Board of Directors or Board” means the Board of Directors of the Vinayak Polycon International Limited, as constituted from time to time.
- (iii) “Key Managerial Personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 and as amended from time to time;
- (iv) “BSE Limited” means Stock Exchange, where the equity shares of the Company are listed.

- (v) **“Company”** means Vinayak Polycon International Limited.
- (vi) **“Compliance Officer”** means the officer appointed by the Board of Directors of the company for the purpose of these regulations from time to time.
- (vii) **“LODR Regulation”** means SEBI (Listing Obligations and Disclosures Requirements) Regulation, 2015.
- (viii) **“Material Event”** shall mean such event or information as set out in the Schedule or as may be determined in terms of Clause 3 of the Policy
- (ix) **“Regulations”** shall mean Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.
- (x) **“SEBI”** means the Securities Exchange Board of India.

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.

4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS:

The Company shall disclose all such material events which are specified in para A of part A of Schedule III of LODR Regulation.

The following shall be events upon occurrence of which Company shall make disclosure to BSE without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

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.
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 Company 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 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 Company 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 Company.
 13. Proceedings of Annual and extraordinary general meetings of the Company.
 14. Amendments to memorandum and articles of association of 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;

5. EVENTS WHICH ARE DEPEND ON APPLICATION OF GUIDELINES:

The Company shall disclose all such material events which are specified in para B of part A of Schedule III of LODR Regulation subject to application of the guidelines for materiality.

The following shall be events upon occurrence of which Company shall make disclosure to BSE subject to application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):

- I. **Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.**
Materiality:- Commencement or postpone of commercial production directly influences the share price of the Company. Therefore, the event shall be considered as material event, if the turnover from such proposed business is exceeding 20% of the total turnover in the preceding financial year audited financial results.
- II. **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).**
Materiality:- 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 may affect company's share price directly or indirectly and omission of the events

or information is likely to result in significant market reaction. Therefore, the event shall be considered as material event, if the turnover from such new/changed business is exceeding 20% of the total turnover in the preceding financial year audited financial results.

III. Capacity addition or product launch.

Materiality:- Increasing capacity of existing plant or unit of the company and launching any new product automatically increases the goodwill of the company and helps to improve brand building, therefore, the event shall be considered as material event, if the turnover from such proposed change is exceeding 20% of the total turnover in the preceding financial year audited financial results.

IV. Awarding, bagging/receiving, amendment or termination of awarded/bagged orders/ contracts not in the normal course of business.

Materiality:- Getting contracts are under the normal course of business but if company gets any extra ordinary order, it shall be considered material event, if the turnover from each such order or contract is exceeding 20% of the total turnover in the preceding financial year audited financial results.

Further getting any award of national recognized institution of the Government agency to the company or any of its Directors or Key Managerial Personnel shall be considered material event.

V. 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.

Materiality:- The Company is not required to disclose agreement which are in the nature of ordinary business.

For other agreement for borrowings by way of term loan exceeding Rs. 500 lakhs, shall be considered material event.

VI. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

Materiality:- Disruption of operations in the units of the Company due to natural calamity, force majeure or strikes, lockouts etc. for exceeding 3 working days shall be considered material event.

VII. Effect(s) arising out of change in the regulatory framework applicable to the Company.

Materiality:- Company shall disclose all the changes in regulatory framework applicable to company as compliance.

VIII. Litigation(s) / dispute(s) / regulatory action(s) with impact.

Materiality:- Only material litigation/dispute and regulatory action is to be disclosed which have material impact of the company's financial position exceeding 5% of the net worth or Rs. 10 Crore or more in each case whichever is higher.

The test of material impact shall be decided by Board of Directors.

IX. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.

Materiality:- The Company shall not disclose any fraud/defaults made by directors or employees of the company, until the final binding or order do not receive by regulatory authority. After receiving final order, the Board shall decide the order shall be disclosed or not. However in case if any FIR is filed in the Police Station which are not billable and or pending under the court having jurisdiction in the Indian Penal Court will be considered as material event.

X. Options to purchase securities including any ESOP/ESPS Scheme.

Materiality:- The company shall promptly disclose without applying any materiality.

XI. Giving of guarantees or indemnity or becoming a surety for any third party.

Materiality:- Giving of guarantees or indemnity or becoming a surety for any third party is not company's normal course of business. Therefore if company gives guarantee or indemnity or becomes surety for third party for Rs. 500 lakhs or more, shall be considered material event.

XII. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

Materiality:- The Board of Directors of the company shall decide which licenses are key licenses and the same shall be disclosed to BSE Limited.

6. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

Events / information shall be considered as Material if it meets any of the following criteria:

- 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) 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 Company, the event / information is considered material.

7. ANY OTHER INFORMATION/EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY:

Major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, 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.

8. AUTHORIZE KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE:

The following KMPs are authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to BSE Limited:-

1. Mr. Bharat Kumar Baid, Managing Director
2. Mr. Vikram Baid, Whole time Director and Chief Financial Officer
3. CS Rashmi Agarwal, Company Secretary & Compliance Officer

Details of above KMPs shall be also disclosed to the BSE Limited and as well as on the Company's website www.vinayakpolycon.com.

9. DISCLOSURES OF EVENT OR INFORMATION TO THE STOCK EXCHANGE:

The Company shall disclose to BSE Limited all events or information, as specified in Part A of Schedule III of LODR Regulation, *within twenty four hours from the occurrence of event or information.*

In case the disclosures are made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

Disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III of LODR Regulation *shall be made within thirty minutes of the conclusion of the board meeting.*

The Company shall, with respect to disclosures referred to in the regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

The Company will on its own initiative also, confirm or deny any reported event or information to stock exchange(s), in case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it.

10. DISCLOSURES ON COMPANY'S WEBSITE AND DISCLOSURES PRESERVATION PERIOD:

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange under this policy, and such disclosures shall be hosted on the website of the company for a minimum period of five years and thereafter as per the Documents Preservation Policy of the company, as disclosed on its website.

11. AMENDMENTS IN THE POLICY:

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.

12. COMMUNICATION 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.

13. REVIEW OF THE POLICY:

The Board of Directors of the company shall review the policy on annual basis. The authorized person shall provide regular assurance to board of directors on the effectiveness of the policy.

Note: The above said policy was approved by the Board of Directors at their meeting held on 14th November, 2015 and shall become applicable w.e.f. 1st December, 2015.