



POLICY FOR DETERMINATION AND DISCLOSURE OF MATERIALITY OF AN EVENT OR INFORMATION

VADILAL ENTERPRISES LIMITED

This Policy for determination and disclosure of 'Materiality of an Event or Information' has been adopted by Vadilal Enterprises Limited to comply with the provisions of clause 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 becoming effective from 14th July, 2023.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of any definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and circulars made / issued thereunder, from time to time.

1. PURPOSE OF THIS POLICY:

The purpose of this Policy is to ensure that communications to the Stock Exchanges and to Stakeholders are made in a timely manner;

- are factual and statements of opinion and
- are not false, misleading or deceptive;
- do not omit disclosure of any material information; and
- are expressed in a clear manner bringing facts that allow stakeholders to assess the impact of the information, while making investment decisions.

2. BASIC PRINCIPLES OF DISCLOSURE:

The Company shall comply with the following four basic principles while engaging in the timely disclosure of material information:

- Transparency: Disclose information in accordance with the facts regardless of its content.
- Timeliness: Disclose information in a timely manner and without delay.
- Fairness: Endeavor to ensure that information is transmitted fairly to its various stakeholders.
- Continuity: Ensure continuity of the contents of the information disclosed.

3. Sources of obligations:

The sources of legal and governance obligations behind this Policy include Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") deals with disclosure of material events by the Company whose equity and convertibles securities are listed. The Company is required to make disclosure of events specified under Part A of Schedule III of the Listing Regulations, which are deemed to be material events or information.

4. Continuous disclosure obligations:

The Listing Regulations requires that Company immediately notify the Stock Exchanges once it becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of any shares of the Company (Material Information).



Continuous disclosure is a mandatory obligation under the Listing Regulations which 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, 2015.

The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- I. thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- II. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- III. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity;

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

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

5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION:

The following criteria for determination materiality of events / information:

- 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; or
- 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 listed entity;
 - II. 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;
 - 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 listed entity;



in case where the criteria specified 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.

- D. In case where the criteria specified above is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of Company, the event or information is considered material

The Board of Directors of the Company has approved this policy for determination of materiality based on above criteria.

Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations.

6. DELEGATION OF POWERS TO KEY MANAGERIAL PERSONNEL [KMP]:

The Board of Directors of the Company is ultimately responsible for ensuring that effective systems are in place to maintain compliance with the continuous disclosure obligations of the Listing Regulations.

The Board of Directors of the Company has delegated the day-to-day oversight of Company's disclosure obligations to any one of the following KMPs of the Company, who shall direct the Company Secretary and the Compliance Officer for disclosure of event or information to the Stock Exchanges, if they considered it to be material:

- i. Chief Financial Officer
- ii. Company Secretary

The above KMPs shall be responsible for:

- ensuring appropriate systems and controls are in place to communicate, collect, verify and review potentially Material Information;
- seeking supporting materials for verifying information, where necessary;
- ensuring that all announcements to the Stock Exchanges are factual, complete, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the Material Information when making investment decisions; and
- monitoring Company's compliance with continuous disclosure obligations.

Upon notification of potentially Material Information, the KMPs reviews the event / information and forms an opinion on whether the event or information shall be disclosed to the Stock Exchanges or it is not material looking to the size of the Company and decide it does not require any disclosures to the Stock Exchanges.

When the KMPs has determined that disclosure is required as per the provisions of Listing Regulations, an announcement will be made to the Stock Exchanges and shall be posted on the website of the Company immediately following acknowledgement from the Stock Exchanges that the announcement has been released to the market.

7. COMMUNICATIONS WITH THE STOCK EXCHANGES AND MEDIA:

The Company Secretary and the Compliance Office of the Company is responsible for communications with the Stock Exchanges ensuring that Company's announcements are released to the Stock Exchanges promptly in accordance with the Listing Regulations.



8. AUTHORIZED SPOKESPERSONS:

The Company authorized the following KMPs as its official spokespersons to speak publicly on behalf of the Company:

- i. Chief Financial Officer
- ii. Company Secretary
- iii. Any other Authorized Signatory

9. CONSEQUENCES FOR BREACH OF THE CONTINUOUS DISCLOSURE AND COMMUNICATIONS POLICY:

The Board of Directors of the Company believes that timely disclosure of an event or information shall be made to the Stock Exchanges.

Non-compliance with the timely disclosure obligations set out in this Policy may constitute a breach of the Listing Regulations, which can result in the consequences like fine, penalty, suspension of trading in the Company's securities and freezing of shares of the promoters by the Exchange as stipulated in the Listing Regulations, 2015.

10. REVIEW OF THIS POLICY:

In the circumstance any amendments are made in the provisions of the Companies Act, 2013 or Listing Regulation[s], which prescribe any provisions in this policy inconsistent with the Act or regulations, then the provisions of the respective Act or regulation [s] shall prevail over this policy and the provisions in the policy shall be modified at an appropriate time.

This policy shall be reviewed by the Board of Directors as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Board of Directors.

11. RELATED DOCUMENTS:

This Policy should be read in conjunction with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

12. GUIDANCE ON WHEN AN EVENT/INFORMATION HAS OCCURRED.

1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.
2. In certain instances, the answer to above question would depend up on 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 listed entity became aware of the event/information.
 - 2.1. In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

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 Shareholder's approval.

- 2.2. In the later, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity 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.

-----XXX-----