

VISHAL FABRICS LIMITED



POLICY ON DISCLOSURE OF MATERIAL EVENTS AND INFORMATION

BACKGROUND

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the “Policy for Determination of Materiality of Events or Information”. The Board shall review, and if found required, may amend this Policy from time to time.

POLICY OBJECTIVE AND SCOPE

The purpose of this document is to present a policy statement for the Company regarding disclosure of material events / information in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) and to determine the events and information which in the opinion of the Board are so material and needed to be disclosed to the Stock Exchange as per the time span hitherto defined.

The policy is intended to define on disclosure of events / information and to provide guidance to the Board of Directors, KMPs and other executives and staff working in the Company in making decisions and regarding its responsibility about making public such events / information which may materially affect the performance of the company and thereby the share prices of the Company.

The policy is framed for the purpose of systematic identification, categorization, review, disclosure and updation of website the details of information / events which may have a bearing on the performance of the Company and which may materially affect the share prices of the company.

DEFINITIONS

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

“**Board of Directors**” or “**Board**” means the Board of Directors of Vishal Fabrics Limited, as constituted from time to time.

“**Company**” means “Vishal Fabrics Limited”.

“**Policy**” means Policy on Disclosure of Material Events / Information.

“**Audit Committee** or **Committee**” means Audit Committee constituted by the Board of Directors of the Company, from time to time under provisions of SEBI LODR, 2015, and/or the Companies Act, 2013.

“**Key Managerial Personnel**” (KMP) of the Company includes Managing / Whole-time Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary, who may be authorised individually or collectively to disclose events to Stock Exchange.

MATERIALITY AND DISCLOSURE

I. Events / Decisions considered material which needs to be disclosed to the Stock Exchange within 24 hours of the decision taken at the Board Meeting / happening of the event:

- (1) Acquisition, (including agreement to acquire), Scheme of Arrangement including amalgamation / merger / demerger / restructuring), or sale or disposal of unit(s), division(s) or subsidiary or any other restructuring;

The word 'acquisition' shall mean;

- (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - (a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- (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, redemption of securities etc.;
 - (3) Revision in ratings;
 - (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).
 - (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.

Note: If the Company is not in a position to inform the stock exchange within 24 hours of the occurrence of the event or with in other notified time frame, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

II. Criteria for determining materiality of events / information:

Event / information shall be considered as material:

- (a) The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly.
- (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) If in the opinion of the Board of Directors of the Company event/information is material.

III. Disclosure to Stock Exchange of following events or information based on the criteria for determining materiality (as provided in Para II above):

- (a) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
- (b) 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);
- (c) Capacity addition or product launch;
- (d) Awarding, bagging, receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
- (e) 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;
- (f) Disruption of operations of any one or more units or division due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.;
- (g) Effect(s) arising out of change in the regulatory framework applicable to the Company;
- (h) Litigation(s) / dispute(s) / regulatory action(s) with impact;
- (i) Fraud/defaults etc. by Directors, Key Managerial Personnel or Employees of the Company;
- (j) Options to purchase securities including any ESOP/ESPS Scheme;
- (k) Giving of guarantees or indemnity or becoming a surety for any third party;
- (l) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals;

IV. Disclosure to Stock Exchange of following events or information if likely to affect business of the Company:

- (a) emergence of new technologies;
- (b) expiry of patents;
- (c) any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof; and
- (d) 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.

V. Other Material Events / Information

The Company shall make disclosure to Stock Exchange of any other material events or information as specified by the Board of Directors from time to time.

Authority to Key Managerial Personnel (KMPs)

The Managing Director, Chief Financial Officer and Company Secretary of the Company shall have overall responsibility for implementation of this policy and shall be authorised to do all such acts, deeds, things and matters for its implementation.

Amendments

This Policy may be amended at any time by the Board of Directors ("the Board") of the Company and is subject to further guidance from SEBI or amendments to or re-enactment of Regulations.
