



## **VALIANT COMMUNICATIONS LIMITED**

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### **POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS**

#### **SCOPE**

The Securities Exchange Board of India (SEBI) on September 2, 2015, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations, 2015).

Regulation 30 requires the Company to frame and adopt a policy to determine the material events by testing the materiality for the purpose of proper, sufficient and timely disclosure of the same to the stock exchanges.

The Company is required to comply with the continuous disclosure obligations as mandated under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the “**Listing Regulations**”) and circulars issued by Securities and Exchange Board of India from time to time, including circular bearing no. CIR/CFD/CMD/4/2015 dated September 9, 2015.

The Policy on Determination of Materiality of events or information that warrants disclosure to investors has been framed in compliance with the requirements of the Listing Regulations

Accordingly, this Policy on Determination of Materiality has been approved and adopted by the Board of Directors of the Company at its meeting held on February 14, 2019.

#### **APPLICABILITY**

This Policy shall be applicable to all events relating to the Company, as and when they come under the criteria elucidated below.

This Policy shall be read together with the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated and adopted by the Company to lay down the procedures and practical guidelines that would be followed by the Company for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive information.

#### **OBJECTIVE**

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a listed company as laid down by the Listing Regulations.
- b. To ensure that the information disclosed by the Company is timely and transparent.
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.



- d. To protect the confidentiality of material / price sensitive information within the context of the Company's disclosure obligations.
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

### **OVERRIDING IMPACT**

This policy or any other relevant policy adopted by the Board/ Committee of the Company, shall be subject to the statutory provisions of Companies Act, 2013 and rules made thereunder, Listing Agreement, rules and regulations (including "SEBI Listing Regulations") notified by the Securities Exchange Board of India. In case of any conflict, statutory provisions shall supersede over this policy.

## **1. DEFINITIONS**

- a. "Acquisition" shall mean-

Acquiring control, whether directly or indirectly; or acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –

- i. the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
- ii. there has been a change in holding from the last disclosure made under sub-clause (i) of clause (a) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.

- b. "Compliance Officer" shall mean the Company Secretary of the Company;

- c. "Market Sensitive Information" shall mean information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally.

## **2. PRINCIPLES IN DETERMINING MATERIALITY**

An information or an event is considered to be material when it is likely to impact the price of the securities of a company. Where the price of the securities of the Company in the normal course is likely to be affected on the basis of the disclosure of an event or information, such event or information is to be regarded as material. Accordingly, the following events and guidelines shall be considered while testing materiality for disclosure of an event/information:

### **A. EVENTS WHICH SHALL BE DEEMED MATERIAL**

- 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 credit rating(s);
4. Outcome of Board Meetings of the Company : 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. 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;
  - 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), (to the extent that it impacts management and control of the Company), agreement(s)/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;
- 7A. **In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.**
- 7B. **Resignation of auditor including reasons for resignation: In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:**
  - i. **Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.**
  - ii. **The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.**
  - iii. **The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause (i) above.]**
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 Extra-ordinary 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;
16. Re-classification of Promoter as Public Shareholder;

The above events shall be disclosed in accordance with the extant Regulations 2015 or guidelines issued thereunder, including any amendments thereto.

**B. THE FOLLOWING EVENTS SHALL BE CONSIDERED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES MENTIONED IN CLAUSE (C)**

1. Change in the general character or nature of business brought about by arrangements for strategic, technical, or marketing tie-up, adoption of new lines of business or closure of operations of any branch;
2. Disruption of operations of any one or more branches of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or other events;
3. Effect(s) arising out of change in the regulatory framework applicable to the Company;
4. Litigation(s)/ dispute(s)/ regulatory action(s) with impact;
5. Fraud/defaults etc. by directors (other than KMPs) or employees of Company to the extent the Company is aware or made aware of;
6. Options to purchase securities including any ESOP/ESPS Scheme;
7. Giving of guarantees or indemnity or becoming a surety for any third party other than in the normal course of business; and
8. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

**C. THE EVENTS MENTIONED IN CLAUSE (B) ABOVE SHALL BE CONSIDERED MATERIAL ONLY ON APPLICATION OF THE FOLLOWING GUIDELINES**

1. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. 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

3. In case where the criteria specified in sub-clauses (1) and (2) are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event/ information is considered material.

**D. ANY OTHER INFORMATION/EVENT VIZ. MAJOR DEVELOPMENT THAT IS LIKELY TO AFFECT BUSINESS:**

Events/ Information that may include but are not restricted to-

1. Any change of accounting policy that may have a significant impact on the accounts, etc.;
2. Any other information which is exclusively known to the Company which may be necessary to enable the holders of securities to appraise its position and to avoid the establishment of a false market in such securities;
3. Any market sensitive information as may be determined by any one of Key Managerial Personnel (KMPs) jointly, from time to time;
4. Any event which in the view of the Board/ whole-time directors of the Company is material.

**3. ADMINISTRATIVE MEASURES**

- a. Unless otherwise decided by the Board, any one of KMPs acting jointly shall be authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange. Any decision taken by them shall be valid and binding on the Company.
- b. The contact details of all the KMP shall be disclosed to the stock exchange and also be placed on the Company's website.
- c. The KMPs shall take into consideration the factors surrounding the particular information to take a view on whether the information is market sensitive or not.

**4. INTERPRETATION**

In any circumstance 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 these policies and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

**5. GUIDANCE ON WHEN AN EVENT/INFORMATION IS DEEMED TO BE OCCURRED**

- a. The events/information shall be said to have occurred upon approval by the Board e.g. further issue of capital by rights issuance and in certain events/information after approval of both i.e. Board and shareholders that is to say, after the approval of the shareholders of the Company.



- b. The events/ information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board, pending Shareholder's approval.
- c. In the events/information such as natural calamities, disruption etc. can be said to have occurred when the Company becomes aware of the events/information.

## **6. DISCLOSURE**

The Company shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

- a. For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.
- b. Disclosure of the events enumerated in Clause 3(A)(7) above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
- c. All other events mentioned under Clause 3(A) and (B) above, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
- d. The details with regard to any fraud/ default by Directors or KMP or by the Company or arrest of any KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/ arrest.
- e. The stock exchange(s) shall also be intimated further details regarding the same including actual amount of fraud/ default, actual impact of such fraud/ default on the Company and its financials and corrective measures taken thereon.
- f. Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved/ closed.
- g. All the disclosures made to the stock exchanges under this Policy shall also be placed on the Company's website and the same shall be available for a minimum period of five years. Thereafter, the Compliance Officer shall maintain the information/disclosures and provide the same on requisition.
- h. The Company shall also disclose all the events or information with respect to its subsidiaries which are material for the Company.

## **7. AMENDMENTS**

The Board of Directors of the Company is authorized to make such alterations to this Policy as considered appropriate, subject however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations.



**8. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company at [www.valiantcom.com](http://www.valiantcom.com). Further, the Company shall disclose on its website all such events or information which has been disclosed to the stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the archival policy of the Company.

**9. AUTHORITY TO KEY MANAGERIAL PERSONNEL**

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| Key Managerial Personnel | Mr. Inder Mohan Sood, Managing Director & CEO;<br>Mr. Davinder Mohan Sood, Whole-Time Director;<br>Mr. Manish Kumar, Company Secretary<br><br>Contact details:<br>71/1, Shivaji Marg, New Delhi -110015.<br>Tel Nos.: +91-11-25928415/ 16<br>Fax No.: +91-11- 25434300<br>Email: <a href="mailto:investors@valiantcom.com">investors@valiantcom.com</a> |
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