



# VELS FILM INTERNATIONAL LIMITED

CIN: U74999TN2019PLC132235

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## 1. PREFACE

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), “Listing Regulations” mandate listed entities to formulate a Policy for determining the materiality of events or information that warrant disclosure to its stakeholders. It is in this context that the Policy on Determination of Materiality for Disclosure(s) (“Policy”) is being framed and implemented.

In accordance with the Regulation 30(4)(ii) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”), Vels Film International Limited (‘Company’) has formulated this Determination of Materiality Events/ Information Policy (‘Policy’). For the purpose of to define the materiality for identification of outstanding material litigation and outstanding dues to material creditors in respect of Vels Film International Limited and its Directors (the "Company"), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended from time to time ("SEBI ICDR Regulations") the policy also states the ‘material litigations’ for disclosing in the offer document(s).

The Board of Directors of the Company adopted this policy at their meeting held on September 09, 2022.

## 2. OBJECTIVE

This Policy is formulated in order to enable the Company to broadly classify, categorize and promptly disclose to the stock exchanges material events/information, in accordance with the Listing Regulations.

Further, the Company finds it prudent to keep the shareholders well informed about any event/ information which is essential to safeguard and protect their interest as shareholders of the Company.

## 3. DEFINITION AND INTERPRETATION

In this Policy, unless the context otherwise requires-

- 1.1 “Act” shall mean the Companies Act, 2013.
- 1.2 “Board” or “Board of Directors” shall mean the Board of Directors of the Company.
- 1.3 “Company” shall mean Vels Film International Limited.

- 1.4 “**Key Managerial Personnel**” (KMP) means Managing Director, Chief Financial Officer and Company Secretary of Vels Film International Limited.
- 1.5 “**Officer**” includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and includes Promoter of the Company.
- 1.6 “**Listing Regulation**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”).
- 1.7 “**Subsidiary**” means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, as amended, and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

#### 4. RELEVANT REGULATIONS

- A. Para A of Part A of Schedule III of LODR, the Listing Regulations prescribe a list of events which are deemed to be material events and are required to be disclosed by the Company promptly to the shareholders through the stock exchange by the Company within the prescribed time.
- B. Para B of Part A of Schedule III of LODR, the Listing Regulations specifies the list of events which may or may not be material to the Company and for which the Company has to apply the guidelines for materiality as specified in Regulation 30(4) in order to determine whether the event is material.
- C. Regulation 30(4) reads as follows:
- i. The listed entity 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 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 listed entity, the event/information is considered material.



- ii. The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

D. Chapter II, Regulation 4(3) of the Listing Regulation specifies that in the event of any conflict between the principles specified in the regulation and relevant Listing Regulation, principles provided in Regulation 4(3) shall prevail.

“Chapter II, Regulation 4(3), (3) In case of any ambiguity or incongruity between the principles and relevant regulations, the principles specified in this Chapter shall prevail.”

## 5. COMPANY'S CRITERIA OF DETERMINING MATERIAL EVENT

A. The Company through this policy intends to determine whether an event or information is material or not in the following manner;

**Step 1:** Classifying the information or event as

- i) Having an immediate or likely monetary impact (“Monetary Events/Information”) or
- ii) Not having any immediate or likely monetary impact (“Non-monetary Events/Information”).

**Step 2:** For Monetary Events/Information if the total monetary impact of the event/information on either the assets, liabilities, expenses or turnover of the Company during the current financial year, exceeds; 10% (ten percent) of the annual consolidated revenues or 10% (ten percent) of the consolidated net worth, whichever is lower, of the audited financial statements of the Company of the previous financial year, then such event shall be classified as material event and shall be promptly, within 24 hours, disclosed to the stock exchanges and shall be simultaneously updated on the website of the Company.

**Step 3:** For Non-Monetary Events/Information that,

- i) have a bearing on the performance/operation of the Company or
- ii) which is considered to be unpublished price sensitive information [as per the SEBI (Prohibition of Insider Trading) Regulations, 2015] or
- iii) may affect payment of interest or dividend on non-convertible preference shares/ debentures or redemption of non-convertible debt securities or redeemable preference shares or repayment of secured/ unsecured borrowings, if any, of the Company shall be evaluated by the Authorised KMP for disclosure.

The Authorised KMP shall evaluate the information based on the criteria as provided in regulation 30(4).

B. The Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

- C. Nothing in this Policy is intended to restrict the Company from voluntarily disclosing any additional information and the Authorised KMP is severally authorised to disclose additional information as may be considered important by the Authorised KMP for disclosure to the shareholders in compliance with the 'Principles governing disclosure obligation' under Chapter II of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **6. COMPANY'S CRITERIA OF DETERMINING MATERIAL LITIGATION FOR DISCLOSURE IN OFFER DOCUMENT(S)**

The Materiality Policy with respect to the identification of the material creditors and material litigation shall be as follows:

### *Identification of Material Creditors*

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents for outstanding dues to creditors.

- i. Based on the policy on materiality defined by the Board of Directors of the Company and as disclosed in the Offer Document. disclosure for such creditors which include the consolidated number of creditors and the aggregate amount involved;
- ii. Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; and
- iii. Complete details about outstanding over dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company with a web link thereto in the Offer Documents.

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents, if amounts due to such creditor exceed 10% of the total consolidated Creditors of the Company as per the latest audited financial statements of the Company, as disclosed in the Offer Documents.

### **Disclosures in the Offer Documents regarding material creditors**

1. For creditors identified as 'material' based on the abovementioned Policy information on outstanding dues to such material creditors shall be disclosed in the Offer Documents along with the details of the material creditors, which

include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest audited financial statements included in the Offer Documents.

2. For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Offer Documents in the following manner:

- a. aggregate amounts due to such MSME creditors; and
- b. aggregate number of such MSME creditors.

as of the date of the latest audited financial statements included in the Offer Document

3. Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Offer Documents.

The Company shall make relevant disclosures before the Audit Committee/ Board of Directors as required by applicable law from time to time

#### *Identification of Material Litigation*

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, its subsidiaries, joint venture(s) and directors related to:

- i. All criminal proceedings;
- ii. All actions by statutory / regulatory authorities;
- iii. Claims related to direct and indirect taxes in a consolidated manner giving details of number of cases and total amount; and
- iv. Other material pending litigations - as per policy of materiality defined by the Board and disclosed in the Offer Documents.

For the purpose of point no (iv) above any other pending litigation involving the Company, its subsidiaries, joint venture(s), directors and additionally, in terms of the SEBI ICDR Regulations any outstanding litigation involving the group companies which may have a material impact on the Company, shall be considered "material" for the purpose of disclosure in the Offer Documents if-

- a) aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited standalone financial statements of the Company, or



- b) such litigations outcome could have a material impact on the business, operations, prospects or reputations of the Company.

#### **7. AUTHORISED PERSON FOR DETERMINING AND DISCLOSING MATERIALITY EVENTS/ INFORMATION**

- a. The Managing Director (“Authorised KMP”) of the Company is authorized by the Board to decide whether any event or information is material and for the purposes of making disclosures to the stock exchanges and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the website of the Company.
- b. Any officer of the Company authorised by any of the Authorised KMP in addition to such KMP may sign the disclosures to be sent to the Stock Exchanges and upload on the website for the purposes of fulfilling the obligations under the Regulations.
- c. In case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

#### **8. AMENDMENT**

The Company reserves the right to amend or modify this Policy in whole or part, in accordance with any regulatory amendment or notification or otherwise, at any time without assigning any reason whatsoever. Any such amended Policy will be accordingly updated on the website of the Company

#### **9. DISCLOSURE**

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to 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 Documentation Retention and Archival Policy of the Company