



**VARINDERA CONSTRUCTIONS**

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENT**

**OF**


**VARINDERA CONSTRUCTION LIMITED**

Construction


Procurement


Engineering

**Varindera Constructions Limited** (CIN No.: U45201DL1987PLC128579)

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## POLICY FOR DETERMINATION OF MATERIALITY

### 1. BACKGROUND

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”), requires Varindera Construction Limited (the “**Company**”) to frame a policy for determination of materiality for disclosure of events or information (“**Policy**”) to BSE Limited and National Stock Exchange of India Limited (the “**Stock Exchanges**”), based on the criteria specified in the SEBI Listing Regulations. The Policy is also required to be disclosed on the website of the Company. The events / information that would be disclosed would be as presently prescribed by Securities and Exchange Board of India vide circular CIR/CFD/CMD/4/2015 dated September 9, 2015 and as would be amended from time to time. The policy shall be effective from 28<sup>th</sup> August 2024.

### 2. SCOPE OF THE POLICY

The Policy will be applicable to all the events which fall under the criteria as disclosed under the section relating to “*Disclosure of events or information to Stock Exchanges*”. This Policy shall be read along with the Company’s policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed in adherence to the principles for fair disclosure as outlined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

### 3. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

The chief financial officer of the Company or failing him the company secretary of the Company, will be the authorized Key Managerial Personnel (“**KMP**”) to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchange(s) through the chief investor relations officer designated under the Company’s code of fair disclosure.

### 4. DISCLOSURES OF EVENTS OR INFORMATION TO STOCK EXCHANGES

The events or information which will be necessary to be disclosed to the Stock Exchanges are divided into three categories as specified in Part A of Schedule III of the SEBI Listing Regulations:

(a) **Events whose disclosure is mandatory and which would need to be disclosed without any application of the test / guidelines for materiality.**

The below events will be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information except for events stated in item (iv) below which shall be disclosed within thirty minutes of the conclusion of the board meeting. In case the disclosure is made after twenty-four hours of occurrence of the event or information, the rationale for the delay will be provided along with such disclosures.

(i) 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 (if any) or any other restructuring.

Acquisition would mean

(A) acquiring control, whether directly or indirectly; or,



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- (B) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
- (1) 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;
  - (2) there has been a change in holding from the last disclosure and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- (ii) 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.
- (iii) Revision in rating(s).
- (iv) Outcome of meetings of the board of directors: The Company shall disclose to the Stock Exchanges, within 30 minutes of the closure of the meeting, held to consider or decide 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 would 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; and
  - (I) decision on voluntary delisting by the Company from Stock Exchanges.

Provided that, in case of board meetings held for more than one (1) day, the financial results shall be disclosed within thirty (30) minutes of the end of the meeting for the day on which it has been considered.

- (v) Agreements (viz. shareholder agreement(s), joint venture 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.
- (vi) Fraud / defaults by promoter or key managerial personnel (managing directors, chief executive officer, chief financial officer, company secretary etc.) of the Company or by the Company or arrest of key managerial personnel or promoter.
- (vii) Change in directors, key managerial personnel, auditor and compliance officer.
- (viii) Detailed reasons for resignation of the auditor, as given by the said auditor, as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.



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- (ix) Following disclosures upon resignation of an independent director, within seven days from the date of resignation:
- (A) Detailed reasons for the resignation of independent directors as given by the said director.
  - (B) Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any
  - (C) Confirmation from the said independent director confirmation that there is no other material reasons other than those provided.
  - (D) The confirmation by said independent director should be submitted along with the detailed reasons, as mentioned in (A) above.
- (x) Appointment or discontinuation of share transfer agent.
- (xi) Resolution plan/restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- (A) Decision to initiate resolution of loans/borrowings;
  - (B) Signing of Inter-Creditors Agreement (ICA) by lenders;
  - (C) Finalization of resolution plan;
  - (D) Implementation of resolution plan;
  - (E) Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders
- (xii) One time settlement (“OTS”) with a bank.
- (xiii) Reference to Board for Industrial and Financial Reconstruction (“BIFR”) and winding-up petition filed by any party/creditors.
- (xiv) 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.
- (xv) Proceedings of Annual and Extraordinary general meetings of the Company.
- (xvi) Amendments to memorandum and articles of association of Company, in brief.
- (xvii) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investor, inclusive of group meetings or group conference calls conducted physically or through digital means.
- (A) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner
- (1) The presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
  - (2) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.



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- (xviii) Following events in relation to the corporate insolvency resolution process (“CIRP”) of the Company as corporate debtor under the Insolvency and Bankruptcy Code, 2016, (“IBC”) if applicable:
- (A) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - (B) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - (C) Admission of application by the tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - (D) Public announcement made pursuant to order passed by the tribunal under Section 13 of the IBC.
  - (E) List of creditors as required to be displayed by the corporate debtor under Regulation 13(2)(c) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - (F) Appointment / replacement of the resolution professional;
  - (G) Prior or post-facto intimation of the meetings of committee of creditors;
  - (H) Brief particulars of invitation of resolution plans under section 25(2)(h) of the IBC in the form specified under regulation 36A(5) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - (I) Number of resolution plans received by resolution professional;
  - (J) Filing of resolution plan with the tribunal;
  - (K) Approval of resolution plan by the tribunal or rejection, if applicable;
  - (L) Specific features and details of the resolution plan as approved by the adjudicating authority under the IBC, not involving commercial secrets such as:
    - (1) Pre and Post net-worth of the Company;
    - (2) Details of assets of the company post CIRP;
    - (3) Details of securities continuing to be imposed on the companies’ assets;
    - (4) Other material liabilities imposed on the company;
    - (5) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - (6) Details of funds infused in the company, creditors paid-off;
    - (7) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - (8) Impact on the investor – revised P/E, RONW ratios etc.;
    - (9) Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
    - (10) Brief description of business strategy.
  - (M) Any other material information not involving commercial secrets;
  - (N) Proposed steps to be taken by incoming investor/acquirer for achieving the Minimum Public Shareholding (“MPS”);
  - (O) Quarterly disclosure of the status of achieving the MPS;
  - (P) The details as to delisting plans, if any approved in the resolution plan;
  - (Q) In case of initiation of forensic audit, following disclosures shall be made:
    - (1) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
    - (2) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on



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receipt by the listed entity along with comments of the management, if any.

### (b) **Events which may be disclosed to the Stock Exchanges based on the test of materiality**

The events as mentioned below will be disclosed based on the application of the test of materiality and key principles for determination of materiality, as outlined hereunder:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) 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
- (iii) in a case where the criteria specified in (a) and (b) is not applicable, any event / information which in the opinion of the board of the Company, is considered material and needs disclosure.

The KMP authorised under this Policy will determine on the disclosure of events or information to the Stock Exchanges based on the application of the test of materiality as mentioned above. In addition to this, the KMP while determining the materiality will do so on a case to case basis depending on specific facts / circumstances relating to the information / event and apply such other qualitative / quantitative criteria if required and as may be deemed appropriate to the events as stated below.

#### Description of events:

1. Commencement or any postponement in the date of commencement of commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business; Closure of operations of any unit/division – (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging / receiving, amendment or termination of awarded / bagged orders/contracts, not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in the normal course of business and revision(s) or amendment(s) or termination(s) thereof).
6. 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, lock-outs etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s)/dispute(s)/regulatory action(s) with impact the operation of the Company.
9. Frauds/defaults by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities, including any employees stock option plan / employees stock purchase scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

(c) Any other event / information that is likely to affect business.

Such events may include but not be limited to the following:

- (i) Change in accounting policy that may have a significant impact on the accounts of the Company.



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- (ii) Any other event which is in the nature of major development that is likely to affect business of the Company.
- (iii) Any other information exclusively known to the Company which may be necessary to be disseminated to enable the holders of the securities of the Company to apprise its position and to avoid the establishment of a false market in such securities.

Without prejudice to the generality of Para (a), (b) and (c) above, the Company may make disclosures of any event/information as specified by the Board from time to time.

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

- 5.1 The events / information shall be said to have occurred upon approval of board of the Company in certain events, for example further issue of capital by rights issuance and in certain events / information after receipt of approval of both i.e. board of the Company and shareholders of the Company.
- 5.2 Certain events which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the board of the Company pending shareholder's approval.
- 5.3 Events such as natural calamities or disruption can be said to have occurred when the Company becomes aware of the event / information.

### 6. DISCLOSURES ON WEBSITE

The Company shall disclose on its website all such events or information which has been disseminated to the Stock Exchanges 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 archival process followed by the Company.

### 7. AMENDMENTS TO THE POLICY

The KMP authorised under this Policy will review the Policy from the perspective of the SEBI Listing Regulations and determine the events / information for disclosure as may be amended by the Securities and Exchange Board of India from time to time. All such amendments will be informed to the board and the approval of the board will be sought to align the policy in line with the SEBI Listing Regulations.