



VARINDERA CONSTRUCTIONS

POLICY ON SUCCESSION PLANNING FOR BOARD AND SENIOR MANAGEMENT OF VARINDERA CONSTRUCTIONS LIMITED

Construction

Procurement

Engineering



Varindera Constructions Limited (CIN No.: U45201DL1987PLC128579)



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1. Introduction

1.1 Background

Succession planning is a process of ascertaining the need for filling positions at the Board, Senior management and other key positions. It involves identification for the said roles, assessment of their potential and developing next generation of leaders as potential successors for key leadership roles in an organization. The process of development primarily concentrates on mentoring and training the identified employees to assume higher responsibilities when the need arises. The Company has always endeavored to nurture, train and increase the skill sets of employees at all levels, with the key objective of ensuring smooth succession without impeding the performance in current roles and responsibilities.

The Company recognizes that Succession Planning is a continuous process rather than a onetime event and hence, intends to put in place this Policy that aligns talent management with the said objective and endeavors to mitigate the critical risks such as vacancy, readiness and transition risk.

The Securities and Exchange Board of India has mandated the need for a succession policy pursuant to Regulation 17(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**Listing Regulations**”), in order to ensure that interests of investors of a listed company does not suffer on account of sudden or unplanned gaps in management of the company. Therefore, the board of directors of all listed companies are required to develop an action plan for successful transition of key executives in accordance with the Listing Regulations. Pursuant to the Listing Regulations, Varindera Constructions Limited (“**Company**”) is required to put in place a plan for orderly succession for the board of directors (“**Board**”) and senior management. For this purpose, Senior Management shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise of all members of management one level below the Managing Director and chief executive officer//whole time director/manager and shall specifically include Company secretary and Chief financial officer. As per Section 178 of the Companies Act, 2013 (“**Companies Act**”), the Company is required to constitute a Nomination and Remuneration Committee and development of a succession plan for the Board and senior management.

This Policy is effective from 28th day of August, 2024

1.2 Objective

The objective of the succession planning program shall, inter-alia, include the following:

- a) To identify and nominate suitable candidates for the Board’s approval to fill the vacancies which arises in the Board of the Company from time to time;
- b) To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives;
- c) To identify the key job incumbents in Senior Managerial positions and recommend





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- whether the concerned individual (a) be granted an extension in term/service or (b) be replaced with an identified internal or external candidate or recruit other suitable candidate(s); and
- d) To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements and other unexpected occurrence.

1.3 Applicability

The Policy shall be applicable for succession planning of the following personnel:

- i. Managing Director and other Board of Directors;
- ii. Senior Managerial Positions: -
 - Chief/Head of Business Development;
 - Chief/Head of Planning & Monitoring, Strategy
 - Chief Digital officer/ Chief of Operations & IT
 - Chief Financial Officer;
 - Company Secretary and Chief Compliance Officer;
 - Chief of Sales & CRM Services; and
 - Chief of HR & Management Services
- iii. Any other positions within the Company at the discretion of the Managing Director in consultation with the Board.

1.4 Review and approval of the policy

The policy may be reviewed by the Board of Directors as and when required. However, all such amendments will be subject to applicable laws, rules and regulations, from time to time.

In case of non-adherence to the policy, the same shall be reported to the person nominated by the Board and accordingly necessary action may be taken in this regard.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

2. Definitions

2.1 **“Key Management Person (KMP)”** as defined in section 2 of sub section 51 of the companies act 2013.

2.2 **“Person nominated by the Board”** means the person nominated by the Board to identify, evaluate and recommend to the Board to fill the vacancy arises or due to arise in the Board and Senior Management of the Company.

2.3 **“Company”** means Varindera Constructions Limited”.





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- 2.4 **“Committee”** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Act.
- 2.5 **“Director” or “Board”** means the Director or the Board, in relation to the Company, and deemed to include the collective body of the Board of the Company including the Chairman of the Company.
- 2.6 **“Listing Regulations”** means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 2.7 **“Policy”** shall mean this Policy for Succession planning of the Board, Senior management and other key positions of Board of the Company.

3. Policy Requirements

The person/s/ nominated by the Board of the Company shall review the leadership needs of the Company from time to time.

3.1 Succession Plan for the Board

The Person Nominated by the Board, shall apply a due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on their educational qualification, experience & track record, and every such person shall meet the ‘fit and proper’ criteria, and accordingly any appointment or re-appointment of a Director shall be subject to prior recommendation by the person nominated by the Board.

3.2 Succession Plan for the Senior Managerial Personnel

The Person Nominated by the Board shall consider the new vacancies that may arise because of business needs/up-gradation of Department(s)/ Branches/Regional Office(s). Considering the above, the person nominated by the Board shall assess the availability of suitable candidates for the Company’s future growth and development. Further, based on the recommendation of the Board, the person nominated by the Board:-

(A) shall evaluate the incumbent after considering all relevant criteria like experience, age, health, leadership quality etc. and recommend to the Board whether the concerned individual:

- (i) is liable be granted an extension in term/service or be replaced with an identified internal or external candidate
- (ii) shall identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives; The Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

(B) may recommend to the Board to appoint other suitable external candidate(s) as special recruitment in senior managerial level based on job roles and competency in order to provide a continuous flow of talented people to meet the organizational needs.





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- The promotion/transfer policy of Company shall be designed in such a way that the existing/proposed senior managerial personnel shall get all-round exposure in various domains to facilitate career progression, prepare them for administrative responsibilities and to discharge their functions effectively in senior positions.
- Where it is decided to appoint an external candidate, timely and planned steps shall be taken for selection of a suitable candidate so that the appointment is made well before relieving of the concerned officer to ensure the smooth transition.
- The recommendation of the person nominated by the Board shall be placed to the Board for approval. While making its recommendation, the person nominated by the Board shall consult with the Chairman and/or the Managing Director & CEO of the Company, as may be relevant and all factors including the available talent within the organization and the need to ensure continuous working and growth of the Company shall be carefully considered.
- The Managing Director shall from time to time identify high-potential employees who merit faster career progression to position of higher responsibility and formulate, administer, monitor & review the process of skill development and identify the training requirements.
- Every member of the senior management team shall always endeavor to add capability in-house and mentor officials with potential working under him to handle his responsibility in his absence by exposing him to all aspects of work being handled by him.
- In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart (as far as practicable) shall take interim charge of the position, pending a regular appointment in terms of the succession plan.
- In addition to the above, the appointment of Key Managerial Personnel (KMP) to be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under), SEBI (LODR), 2015 and such other applicable laws as may be applicable at the time of such appointment, if any.

4. Confidentiality

All persons responsible for execution of the Succession Planning Policy shall ensure confidentiality of the discussions and decisions with regard to the prospective candidate, except that the information may be shared, if required, with the concerned candidate in order to prepare him for such elevation.

5. Record keeping

All documents shall be preserved and shall be retained by the Company for a minimum period of 8





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years.

6. Review of Policy

This Policy shall be subject to review, if necessary. Any change/amendments in Applicable Laws with regard to maintenance and preservation of documents and records shall be deemed to be covered in this Policy without any review. Any change/amendments to this Policy shall be approved by the Managing Director and Chief Executive Officer of the Company as delegated by the Board of Directors of the Company.

7. Amendments

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and directors unless the same is notified to the Employees and directors in writing.

