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Regd. & Corp. Office

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Waluj, Aurangabad 431
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www.varroc.com
CIN: L28920MH1988PLC047335

VARROC/SE/INT/2021-22/28 August 13, 2021

To,

The Manager- Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.

NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation Department,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.

BSE Security Code: 541578

Sub: Policy for determination of materiality threshold for disclosure of events or information

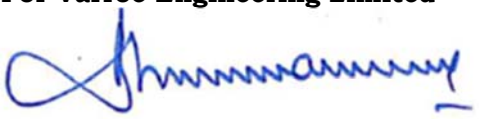
Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

The Board of Directors at its meeting held on August 12, 2021, have approved amendment to Policy for determination of materiality threshold for disclosure of events or information effective August 12, 2021. We are enclosing Revised Policy herewith as **Annexure A** and the same is also available on the website of the Company i.e. www.varroc.com.

We request you to take this on record and treat the same as compliance with the applicable provisions of the Listing Regulations, as amended.

Thanking you,
Yours faithfully,
For Varroc Engineering Limited



Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a

Annexure A

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POLICY FOR

DETERMINATION OF MATERIALITY THRESHOLD FOR

DISCLOSURE OF EVENTS OR INFORMATION

[Pursuant to SEBI (Listing Obligations and Disclosure Requirements), 2015]

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This Policy is confidential and proprietary to Varroc Engineering Limited and no part of this Policy should be reproduced, published, transmitted or distributed in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, or stored in any information storage or retrieval system of any nature nor should the materials be disclosed to third parties without the prior express written authorization of Varroc Engineering Limited

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Document Control

Document Name	Policy for determination of materiality threshold for disclosure of events or information
Version No.	4
Date of publication	[DD / MM / YYYY]
Planned review date	[DD / MM / YYYY]
Process Owner	
Approval By	Board of Directors

A. Revision History

Version	Date of issue	Reason for change
1	25/03/2018	Policy adopted
2	13/02/2020	Change in details of KMP
3	29/04/2020	Change in details of KMP
4	12/08/2021	Amendment in Materiality Threshold
5.		
6.		
7.		
8		

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ANNEXURE 6

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES 6

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30): 6

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1. GENERAL

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") disclosure of any events or information which, in the opinion of the board of directors of the listed company, is material. It further states that events specified in Para A of Part A of Schedule III of Listing Regulations are deemed to be material events and events specified in Par B are to be decided as material based on application of the guidelines for materiality, and the listed entity shall promptly make disclosure of such events to the stock exchanges.

Regulation 30 (2) (ii) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 requires that the listed entity shall frame a policy for determination of materiality, based on criteria specified in the said sub-regulation, duly approved by its board of directors, and the same shall be disclosed on its website.

2. OBJECTIVE

The objective of this policy is to determine the **"**Materiality of the Information of the Company**"** for the purpose of Disclosure to the Stock exchanges and to provide the Governance Framework on such information.

3. EFFECTIVE

The Policy shall be effective from the date of listing of the equity securities of the Company.

4. DEFINITIONS

(a) "Act" means the Companies Act, 2013 (and the Rules) and the Companies Act, 1956 to the extent applicable.

(b) "Board of Directors" means the Board of Directors of the Company.

(c) "Company" means Varroc Engineering Limited.

(d) "Key Managerial Personnel" means key managerial personnel as defined under subsection (51) of section 2 of the Companies Act, 2013.

(e) "Listing Regulations" means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(f) "Policy" means this policy, as amended from time to time.

(g) "SEBI" means the Securities and Exchange Board of India.

(h) "Rules" means the rules made under the Companies Act, 2013.

(i) "Stock Exchange(s)" means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company will be listed.

5. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations. (Refer Annexure).

6. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all material events pertaining to itself or any of its subsidiary(ies) or joint venture companies, which may have direct or indirect impact on the operations or financials of the Company or which may be otherwise considered as price sensitive information, as specified in Para B of Part A of Schedule III of the Listing Regulations (Refer Annexure -_ for events covered under said Para) subject to application of guidelines for materiality, as given hereunder.

The basic guidelines for determining materiality of any events or information are as under.

Quantitative criteria means event/ information where the value involved or the impact in case of civil litigation where amount involved is quantifiable and is equivalent to or more than: (a) exceeds 5% of the consolidated gross turnover, or (b) exceeds 5% of the consolidated net worth; whichever is lower. The consolidated gross turnover and consolidated net worth would be calculated based on the audited financial statements of the last audited financial year.

Qualitative criteria would mean an event/ information:

(a) the omission of which is likely to result in discontinuity or alteration of event or information already available publicly; or

(b) the omission of which is likely to result in significant market reaction if the said omission came to light at a later date; or

(c) that may be treated as being material, if in the opinion of the Board of Directors of Company, the event / information is considered material.

7. Any Other Information/Event which is to be disclosed by the Company.

The Company shall disclose major developments that are likely to affect business, e.g. emergence of new technologies, expiry of patents in practice, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof, and 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. (Refer Annexure).

8. Guidelines on Occurrence of an Event / Information

The occurrence of a material event/information would be either by the Company's own accord or may not be in the hands of the Company. It can be categorized as under:

(a) depends upon the stage of discussion, negotiation or approval; and

(b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 7(a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholder's approval.

In respect of the events under 7(b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as an officer of the entity has, or ought to have reasonably, come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include the Promoter of the Company.

9. AUTHORIZATION OF KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE.

In terms of Regulation 30(5), the Board of Directors authorises the following Key Managerial Personnel of the Company as the "Authorised Persons" for the purpose of determining materiality of an event or information as per the guidelines contained in this Policy and for making disclosure to the stock exchanges.

1. Mr. Tarang Jain, Managing Director
2. Mr. Arjun Jain, Whole-time Director
3. Mr. T. R. Srinivasan, Group CFO
4. Mr. Ajay Kumar Sharma, Group General Counsel and Company Secretary

The materiality of events outlined above is indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company. In case the relevant Authorized Person has any doubt regarding materiality, he/she may consult the Chairman or Managing Director before disclosing the information to the Stock Exchange(s).

Details of the above KMPs should be intimated to the Stock Exchange(s) and shall be placed on the Company's website.

10. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations /Act or statutory enactments or rules shall prevail over this Policy.

11. Disclosure

The above Policy will be posted on the Company's corporate website, and the events and information disclosed to the Stock Exchanges in terms of this Policy will also be kept posted on the website from the date of occurrence of such event / information.

12. Review & Amendments

The Board and/or Audit Committee may, as and when it deems appropriate, review this policy. This policy is being formulated keeping in mind the applicable laws, rules, regulations and standards in India. If there is an amendment in such laws, rules, regulations and standards, then this Policy shall be deemed to have been amended to the extent of such amendment. Conversely, if due to subsequent amendment in the statutory provisions, this Policy or any part hereof becomes inconsistent, such amended statutory provisions shall prevail and this Policy shall be deemed to be amended to that extent.

Date :
Place :

_____
Chairman and Managing Director

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ANNEXURE
(Refer Schedule III of Listing Regulations)

PART A: DISCLOSURES OF EVENTS OR INFORMATION: SPECIFIED SECURITIES
[*See* Regulation 30]

The following shall be events/information, upon occurrence of which the Company shall make disclosure to stock exchange(s):

A. **Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

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 listed entity or any other restructuring.

   Explanation.- For the purpose of this sub-para, 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, alteration of calls, redemption of securities etc.

3. Revision in Rating(s).

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;

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

The Following events shall be disclosed to the Stock Exchange by the Company subject to applicability of materiality test as laid down in this policy. (Refer Para 6)

1. Commencement or any postponement in the date of commencement of commercial production or 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 lines of business or 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 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 listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS 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 information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.