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CIN L28920MH1988PLC047335

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Pursuant to SEBI (Prohibition of Insider Trading), 2015]

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1	06/02/2018	Code adopted
2	13/11/2018	Changes in Clauses as per Amended Regulation
3	03/04/2019	Changes in Clauses as per Amended Regulation
4	04/10/2021	Periodic review
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1. GENERAL

Regulation 8 of SEBI (Prohibition of Insider trading) Regulations, 2015 states that the board of directors of every company, whose securities are listed on a stock exchange, shall formulate and publish on its official website, a code of practices and procedures for fair disclosure of unpublished price sensitive information that it would follow in order to adhere to each of the principles set out in Schedule A to the said regulations, without diluting the provisions of these regulations in any manner.

The note to said regulation explains that this provision intends to require every company whose securities are listed on stock exchanges to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities.

2. OBJECTIVE

The objective of this Code of practices and procedures for fair disclosure of unpublished price sensitive information is to clearly outline procedures and practical guidelines that would be followed by Varroc Engineering Limited ("Company") for the consistent, transparent, regular and timely public disclosure and dissemination of Unpublished Price Sensitive Information and determination of "Legitimate Purposes".

The Company is committed to factual, timely and accurate disclosure based on applicable legal and regulatory requirements.

3. EFFECTIVE AND APPLICABILITY

This Code shall be effective from the date of listing of equity securities of the Company i.e. 6th July, 2018 and shall be applicable and binding on all the employees, officers, directors and those persons authorized to speak on behalf 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) “Code” means this code, as amended from time to time.
- (d) “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) “Insider Regulations” means the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (f) “Material information” means any information relating to the business or affairs of the Company that results in or would reasonably be expected to result in a significant change in the market price or value of the securities of the Company or that would reasonably be expected to have a significant influence on any reasonable investor’s investment decisions. Material Information includes, without limitation, information regarding:
- Change in general character of business of the Company.
 - Material disruption of operations due to natural calamity.
 - Un-audited or audited financial results of the Company.
 - Proposed issue of bonus/ rights shares or issue of securities on a private placement basis.
 - Corporate action relating to dividend, split, consolidation of securities.
 - Action pursuant to regulatory/ statutory amendments that is material to the operations of the Company.
 - Proposed material acquisitions/ divestments of other companies or entering into new joint venture/ technical services/ collaboration agreements.
 - Changes in rating of securities issued by the Company.
 - Changes in the Board of Directors or Key Managerial Personnel.
 - Details of litigation/ dispute/ regulatory action having a material impact on the present or future operations of the Company.
 - Any material acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off or selling of any material divisions of the Company.

This list is not exhaustive but is intended to provide examples of information that may require public disclosure. For more details please refer Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

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For the purpose of this Code, all the above information, including unpublished price sensitive information, would be referred to as “Material Information”.

- (g) “Rules” means the rules made under the Companies Act, 2013.
- (h) “SEBI” means the Securities and Exchange Board of India.
- (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.
- (j) "Unpublished Price Sensitive Information" or UPSI means any information, relating to the Company or its Securities, directly or indirectly, that is not generally available, which, upon becoming generally available, is likely to materially affect the price of the Securities and shall generally include information relating to the following:
- Financial results;
 - Dividends;
 - Change in capital structure;
 - Mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business and such other transactions; and
 - Changes in key managerial personnel.

5. DESIGNATED OFFICER

For the purpose of compliance under Insider Regulations, Company’s Head – Investor Relations (IR Head) shall act as its Chief Investor Relations Officer to deal with dissemination of information and disclosure of unpublished price sensitive information. In the absence of IR Head the Chief Financial Officer or the Company Secretary shall deal with dissemination of information and disclosure of UPSI.

Any other officers of the Company shall not, under any circumstances, respond to inquiries from the stock exchanges, the media or others, unless authorized to do so.

6. SILENT PERIOD

Silent periods are the periods prior to publication of the periodical financial results during which no meetings are held with and no presentations are made to financial analysts, investors and media. In addition, during silent periods, the Company will generally make no other communication or hold new events with financial analysts, investors and media (unless it relates to factual clarifications of disclosed information) concerning information that is considered to be share price sensitive. The Designated Officer of the Company shall be authorised to decide any exceptions in this regard during the Silent Period and certain major Unpublished Price Sensitive Information can be notified to the Stock Exchanges for instance the receipt of significant orders. Varroc follows a period of 15 (fifteen) days before the date of declaration of Quarterly/ Half Yearly/ Annual Results as the Silent Period to which these restrictions apply.

7. PRINCIPLES GOVERNING DISCLOSURE OF INFORMATION

The procedures governing the disclosure of Material Information and UPSI shall provide that such disclosure shall be made in accordance with the following principles:

- Information should be disclosed immediately through the stock exchanges and press release.
- No selective disclosure. Undisclosed UPSI or material information must not be disclosed to selected individuals. If undisclosed information is inadvertently disclosed to an analyst or any other person, such information must then be disclosed to the stock exchanges immediately.
- Under certain circumstances, the Company may determine that such disclosure would be unduly detrimental to the Company (for example if release of the information would cause prejudice to negotiations in a corporate transaction), in which case, the information shall be kept confidential until the Company determines it may be publicly disclosed. Information should be disclosed only once there is credibility to the information and the information has concretized.
- Disclosures should be made in a timely manner.
- Disclosure must be complete in all material respects and should not be misleading.
- Unfavorable Material Information must be disclosed as promptly and completely as favorable information.
- Disclosure must be corrected immediately if the Company is subsequently made aware that its earlier disclosure contained a material error or omission at the time it was given.
- Except where confidentiality is required, material information should be disclosed as soon as practical.

All persons investing in the securities of the Company shall have the opportunity for equal and timely access to information that may affect their investment decisions regarding those securities

8. LEGITIMATE PURPOSE

The Unpublished price sensitive information can be shared as an exception by an Insider for Legitimate purposes as per its "Policy for determination of Legitimate Purposes" (Annexure A), provided it is not shared to evade or circumvent the prohibition under this Regulation.

9. PROCEDURE FOR DISCLOSURES OF MATERIAL INFORMATION

In case any functional head becomes aware of some Material Information about the Company, such functional head would contact the Managing Director of the Company.

The Managing Director would then determine whether the information requires disclosure to the stock exchanges or not in accordance with the Listing Regulations and Insider Regulations. Thereafter, the Chief Investor Relation Officer will prepare the content of the disclosure and determine the timing of the disclosures.

The Company Secretary will then disclose the said information to the stock exchanges.

10. TIMING OF DISCLOSING MATERIAL INFORMATION IN EXCEPTIONAL CIRCUMSTANCES

Under certain circumstances, the Company may keep Material Information confidential for a limited period of time for the reason that such immediate disclosure may compromise certain strategic business opportunities for the Company or information may not be disclosed due to third party confidentiality restrictions or uncertainty of events. The determination of when or when not to disclose Material Information immediately shall be made by the Managing Director of the Company.

11. INFORMATION TO BE SHARED ON A NEED TO KNOW BASIS

The directors/ employees of the Company shall not discuss the matters or developments regarding the Company which in any way relate to Material Information/UPSI with any

other persons, except that are required to be disclosed in performance of his or her duties or under applicable laws or regulations or in legal proceedings. To protect Material Information from disclosure, the directors/ employees of the Company:

- Should not discuss Material Information in public places where Material Information may be overheard (e.g., elevators, restaurants, airplanes, taxicabs) or participate in, host or link to Internet chat rooms, online social networking sites, newsgroup discussions or bulletin boards which discuss matters pertaining to the Company's activities or its securities;
- Should not carry, read or discard Material Information in an exposed manner in public places;
- Should not discuss Material Information with any other persons, except as required in performance of his or her duties;
- Shall advise the other persons with whom they are meeting where Material Information may be disclosed, before the meeting, that they must not divulge the Material Information; and
- Should not deal in the securities of the Company until the Material Information is publicly disclosed.

12. UNINTENTIONAL/ INADVERTENT DISCLOSURE

In the event the Company makes an unintentional disclosure of Material Information, it shall forthwith take steps to ensure that the same is disclosed to the stock exchanges immediately. Further, if any official of the Company becomes aware that there has been an inadvertent disclosure of Material Information, he/she should immediately contact the CISO and/or Company Secretary, who in consultation with Managing Director, shall consider the matter and take appropriate steps.

13. CONTACTS WITH FINANCIAL ANALYSTS, INVESTORS AND THE MEDIA

The Company may communicate with its institutional shareholders through meetings with analysts and discussions between fund managers and management. The Company may also participate at investor conferences from time to time. All interactions with institutional shareholders, fund managers and analysts will be based on generally available information that is accessible to the public on a non-discriminatory basis. The presentations made to analysts and fund managers will be placed on the Company's website. The official news releases will be also displayed on the said website.

The main channel of communication to the shareholders is through the annual report. Details relating to quarterly performance and financial results are disseminated to the

shareholders through press releases and uploaded on the Company's website. Briefings may be given to update the market after each Quarterly Results are announced through group meetings or teleconference. Meetings with investors (bilateral and general) may be held to ensure that the investment community receives a balanced and complete view of the Company's performance, while always observing applicable rules concerning selective disclosure, equal treatment of shareholders and insider trading. Individual meetings may also be held with the institutional shareholders, fund managers and analysts to share generally available information.

14. MARKET RUMORS

The Company shall not comment, affirmatively or negatively, on market rumours. Should a stock exchange request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the securities of the Company, the CISO and/or the Company Secretary in consultation with Managing Director shall consider the matter and content of the Company's response, such as confirming "no corporate development at this time".

15. MAINTENANCE OF DISCLOSURE RECORDS

The Company shall maintain and store records in respect of disclosures made by it through any means under the relevant provisions of the Companies Act, 2013, Rules made thereunder, SEBI Act, 1992, Rules, Regulations and Guidelines issued there under and the Insider Regulations and Listing Regulations for audit and future reference.

16. TRADING BY PERSON IN POSSESSION OF UPSI

No Insider including his/her Immediate Relatives shall either on his/ her own behalf or on behalf of any other person, trade or undertake to trade or cause to trade in the Securities of the Company (i) when he/ she is in possession of any Unpublished Price Sensitive Information and (ii) during the Restricted Trading Period.

For purposes of Insider Regulations, as amended, any person who is in receipt of UPSI pursuant to a "legitimate purpose" shall also be considered as an "insider" (as defined under Insider Regulations) and due notice shall be given to such persons to maintain confidentiality of such UPSI in compliance with these regulations.

17. DISCLOSURE

A copy of this Code and every amendment thereto shall be promptly intimated to the Stock Exchanges. This Code shall also be posted on the website of the Company www.varroc.com.

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18. REVIEW & AMENDMENTS

The Board may, as and when it deems appropriate, review this Code. This Code 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 Code shall be deemed to have been amended to the extent of such amendment. Conversely, if due to subsequent amendment in the statutory provisions, this Code or any part hereof becomes inconsistent, such amended statutory provisions shall prevail and this Code shall be deemed to be amended to that extent.

Date :
Place :

Chairman / Managing Director

Annexure A

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

[Pursuant to Regulation 3 (2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018]

1. PREFACE

This Policy, as a part of "Codes of Fair Disclosure and Conduct" formulated under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations 2015, will be known as "Policy for Determination of Legitimate Purposes" hereinafter referred to as the "Policy".

This Policy is prepared in accordance with Regulation 3(2A) of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

2. OBJECTIVE

The objective of this policy is to identify 'Legitimate Purposes' for performance of duties or discharge of legal obligations, which will be considered as exception for the purpose of procuring unpublished price sensitive information (UPSI) relating to the Company or its listed securities or proposed to be listed securities, if any.

3. DEFINITION

a) "**Legitimate Purposes**" shall mean sharing of UPSI in the ordinary course of business by an Insider with the following, provided that such sharing has not been carried out to evade or circumvent the prohibitions of these regulations:

1. Promoters of the Company
2. Auditors (Statutory, Internal, Branch, Cost, Secretarial, GST and any other Auditor as applicable)
3. Staff Members of the Audit firm/team conducting the Audit
4. Collaborators
5. Lenders
6. Customers
7. Suppliers
8. Bankers
9. Legal Advisors
10. Insolvency Professionals
11. Consultants
12. Any other advisors/consultants/partners
13. Any other person with whom UPSI is shared

b) "Insider"- Any person in receipt of UPSI pursuant to a "legitimate purpose" shall be considered as an "insider" for purpose of these regulations and due notice shall be given to such persons (Insiders) to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.

4. Principles for determination of "Legitimate Purpose"

(a) An action shall be considered to be undertaken for a "legitimate purpose" if:

- It is in conformity with the statutes applicable to the Company, for the time being in force;
- it is in the ordinary course of business of the Company or is in conformity with the practice followed by the Industry in which the Company operates;
- it is undertaken by a person for performance of duties with respect to the Company or discharge of legal obligations.;
- It is made in a manner which can be considered fair, transparent and effective;
- There exists reasonable cause to believe that the sharing of UPSI does not/will not lead to 'market abuse' or personal benefit of any Connected Person.

5. DIGITAL DATABASE

The Board of Directors shall ensure that a structured digital database is maintained containing the names of such persons or entities, as the case may be, with whom UPSI is shared under Regulation 3 along with the Permanent Account Number (PAN) or any other identifier authorized by law, where PAN is not available. Such database shall be maintained with adequate internal controls and checks, such as time stamping, audit trails, etc. to ensure non-tampering of the database.

6. RESTRICTIONS ON COMMUNICATION AND TRADING BY INSIDERS

The board of directors shall require the parties to execute agreements to contract confidentiality and non-disclosure obligations on the part of such parties and such parties shall keep information so received confidential, and shall not otherwise trade in securities of the company when in possession of unpublished price sensitive information.

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7. AMENDMENT

The Board of Directors of the Company, subject to applicable laws, rules & Regulations, may amend / substitute any provision(s) with a new provision(s) or replace this entire Policy with a new Policy.

In any circumstance where the terms of this Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over this Policy.

This Policy and any subsequent amendment(s) thereto, shall be promptly intimated to the Stock Exchanges, if required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or SEBI (Prohibition of Insider Trading) Regulations, 2015 and any amendment, re-amendment or re-enactment thereto.

8. APPROVED AND ADOPTED

This Policy has been approved and adopted by the Board April 03, 2019.