



# VISHNU PRAKASH R PUNGLIA LIMITED

ENGINEER, CONTRACTOR & DESIGNER

An ISO 9001: 2008 Certified Company

## ANNEXURE-K

# MATERIALITY POLICY FOR DISCLOSURE OF EVENTS OR INFORMATION

### 1. Background:

VISHNU PRAKASH R PUNGLIA LIMITED “the Company” is committed to follow good corporate governance practices. The Company recognizes its responsibility to its investors for disseminating material information in a fair transparent and timely manner, towards this end the Company has in place the Code of Conduct for preventing Insider Trading as also a Code of Corporate Disclosure Practices. Pursuant Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) requires every listed entity to frame a ‘Policy for Determination of Materiality of Events’ and give suitable information to stock exchanges, based on the criteria specified in Regulation 30 of the Listing Regulations.

The Board of Directors (“Board”) of the Company, in its meeting dated Wednesday, 01<sup>st</sup> day of March, 2023 has adopted the Policy on determination of materiality of events or information (“Policy”) that warrants disclosure to investors and has been framed in compliance with the requirements of the SEBI Listing Regulations.

### 2. Introduction:

This document has been formulated to define the materiality policy for the identification of (I) outstanding material litigation involving the “Company”, Directors, and Promoter; (II) the Group Companies; and (III) the material creditors of the Company (together, the “Policy”), in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”).

This Policy shall be effective from the date of its approval by the Board of Directors.

In this Policy, the term “Issue Documents” shall mean the draft red herring prospectus, the updated draft red herring prospectus, the red herring prospectus, the prospectus and any addendum or corrigendum thereto to be filed and/or submitted by the Company, in connection with the proposed Initial Public Issue of its equity shares, with the Securities and Exchange Board of India (“SEBI”), the Registrar of Companies, Mumbai and the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

CIN: U45203MH2013PLC243252

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## I. Materiality policy for litigation

In terms of SEBI ICDR Regulations, the Company is required to disclose the following:

- (i) outstanding criminal proceeding involving our Company, our Directors or our Promoters (collectively the “**Relevant Parties**”);
- (ii) actions taken by statutory and/or regulatory authorities involving the Relevant Parties;
- (iii) outstanding claims related to direct or indirect taxes liabilities (disclosed in a consolidated manner giving the total number of claims and total amounts involved) involving the Relevant Parties;
- (iv) other pending litigation involving the Relevant Parties (other than those covered in points (i) to (iii) above) which have been determined to be material by our Board pursuant to the Materiality Policy; which may have a material impact on the business operations, prospects or reputation of our Company.

For the purposes of (iv) above, any litigation / arbitration proceedings (other than those covered in points (i) to (iii) above) involving Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding actions and tax matters, has been considered “material” for the purposes of disclosure in this Draft Red Herring Prospectus, if:

- (i) the aggregate monetary amount of claim made by or against Relevant Parties in such individual litigation/arbitration proceedings, to the extent quantifiable, exceeds 5% of the Company’s revenue from operations or 20% of the net worth of our Company, whichever is higher, as per the Restated Financial Statements for the financial year 2021-22; or
- (ii) tax proceedings which individually involve an amount greater than the materiality threshold as defined in (i) above, to be disclosed individually;
- (iii) where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but where an adverse outcome in any litigation would materially and adversely affect our Company’s business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/ governmental/ tax authorities) have not been considered as an outstanding litigation for the purposes of point (iv)

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above, until such time such party is impleaded as a defendant or respondent in litigations before any legal/arbitral forum, unless otherwise decided by the Board.

## II. Materiality policy for Group Companies

In terms of the SEBI ICDR Regulations, the term ‘group companies’ includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions during the period for which financial information is disclosed in the relevant Issue Document, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the Board of Directors. Therefore, for the purpose of identification of group companies, our Company has considered:

- (i) the companies with which there were related party transactions during the period for which the Restated Financial Information has been disclosed in this Draft Red Herring Prospectus; and
- (ii) any other company as considered material by the Board.

With respect to point (ii) above, for the purpose of disclosure in this Draft Red Herring Prospectus, the Board in its meeting held on March 01, 2023 has considered that a company (other than the companies covered under the schedule of related party transactions) shall be considered “material” and will be disclosed as a ‘Group Company’ in this Draft Red Herring Prospectus if it is a member of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and has entered into one or more related party transactions during the period for which financial information is disclosed in the relevant Issue Document, which individually or in the aggregate, exceed 5% of the revenue from operations of our Company as per the Restated Financial Statements for Financial Year 2022.

## III. Materiality policy for identification of material creditor

In terms of SEBI ICDR Regulations, the Company shall make the following disclosures in the Issue Documents for outstanding dues to creditors:

- (i) based on the policy on materiality adopted by the Board of Directors and as disclosed in the Issue Documents, details of the Company’s creditors, including the consolidated number of creditors and the aggregate amount involved; and
- (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.

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For the purposes of 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 Issue Documents, if amounts due to such creditor is equal to or in excess of 10% of the trade payables of the Company as at the end of the latest period included in the Restated Financial Statements.

Additionally, complete details about outstanding overdues to material creditors along with the name and amount involved for each such material creditor (as per (i) above) shall be disclosed on the website of the Company with the relevant web link included in the Issue Documents, as applicable.

## General

It is clarified that the Policy has been prepared solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Issue Documents and should not be applied towards any other purpose.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Issue Documents, or disclosures that may arise from any investor or other complaints.

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

All other capitalized terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Issue Documents.

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