



**POLICY ON IDENTIFICATION OF GROUP
COMPANIES, MATERIAL CREDITORS AND
MATERIAL LITIGATIONS
OF**

VARDHMAN AIRPORT SOLUTIONS LIMITED

**(Pursuant to the disclosure requirements under Schedule VI of
Securities and Exchange Board of India (Issue of Capital and Disclosure
Requirements) Regulations, 2018, as amended from time to time (“SEBI
ICDR Regulations”))**

**POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS
AND MATERIAL LITIGATIONS**

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1. INTRODUCTION

The Policy on Identification of Group Companies, Material Creditors and Material Litigation (“Policy”) has been formulated to define the materiality policy for identification of group companies, outstanding litigation and outstanding dues to creditors in respect of Vardhman Airport Solutions Limited (“Company”), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (“SEBI ICDR Regulations”).

2. PURPOSE

The purpose of the policy is:

- a. identification of the ‘material’ companies to be disclosed as group companies of the Company;
- b. identification of the ‘material’ outstanding litigation (in addition to all criminal proceedings and actions by statutory/ regulatory authorities) involving the Company, its promoters, subsidiaries, and directors (“Relevant Parties”);
- c. identification of the ‘material’ creditors of the Company.

3. APPLICABILITY

In this Policy, the term “**Offer Documents**” shall mean the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus (along with any addendum or corrigendum, thereto, if any), as applicable, to be filed with the Securities and Exchange Board of India, Registrar of Companies ("RoC") and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable and any other regulatory authorities, as applicable; and the term “**Restated Financial Information**” shall mean the restated financial statements of the Company, as disclosed in the relevant Offer Document.

4. DETERMINATION OF MATERIALITY

A. Identification of the ‘material’ companies to be disclosed as group companies of the Company

In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“SEBI ICDR Regulations”), the term ‘Group Companies’ includes (i) such companies (other than promoters and subsidiaries) with which the issuer company has had related party transactions during the period for which financial information is disclosed in the Issue Document, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the Board of the issuer company.

Policy on materiality

For the purpose of disclosure in the Offer Documents, the following companies shall be considered as ‘Group Companies’ of the Company:

(i) such companies (other than the corporate promoters) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Documents; and

(ii) any other companies as may be considered ‘material’ by our Board.

In relation to (ii) above, companies (other than the corporate promoters) forming part of the promoter group in terms of Regulations 2(1)(pp) of the SEBI ICDR Regulations, with which the Company has had transactions in the most recent financial year or the relevant stub period, as applicable, which individually or in the aggregate, exceed 1% of the total restated revenue or 0.1% of the net worth of the Company for the most recent financial year or the stub period, as the case may be, as per the restated financial statements included in the offer documents.

B. Identification of the Material outstanding Litigation (in addition to all criminal proceedings and actions by statutory/regulatory authorities) involving the Company, its promoters, subsidiaries, and directors (collectively, the “relevant Parties”)

In accordance with the SEBI ICDR Regulations, the following outstanding litigation involving the issuer company, its promoters, directors and subsidiaries shall be disclosed in the Offer Documents:

- a) all criminal proceedings;
- b) all actions by regulatory and statutory authorities;
- c) disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters in the last five financial years including outstanding action
- d) claims related to direct and indirect taxes in a consolidated manner, giving the number of cases and total amount involved; and
- e) Other material outstanding litigation - As per the materiality policy defined by the Board of the issuer company and disclosed in the Offer Documents

Policy on materiality

For the purpose of disclosure in the Offer Documents, the following litigations, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or Stock Exchanges against our promoters in the last five financial years including outstanding action, and tax matters are to be considered material if:

- (a) The monetary claim made by or against the Relevant Parties in any such pending litigation/arbitration proceedings, to the extent quantifiable, is equivalent to or above:
 - (i) two percent of turnover of the Company as per last completed fiscal year in the restated Financial Information of the Company; or
 - (ii) two percent of net worth of the Company as per last completed fiscal year in the restated Financial Information of the Company; or
 - (iii) five percent of the average of absolute value of profit or loss after tax for the last three fiscal years, as per the Restated Financial Information included in the Offer Documents, whichever is lower (**“Materiality Threshold”**).
- (b) Any litigation which, irrespective of the amount involved in such litigation, involve the Relevant Parties and could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.

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- (c) Any such litigation where the decision in one case is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the threshold as specified in (a) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (a) above.

It is clarified that for the purposes of the above, pre-litigation notices (excluding statutory/regulatory/governmental/tax authorities or notices threatening criminal action) received by the relevant parties shall, unless otherwise decided by our Board of Directors or any Committee authorised, not be considered as litigation until such time that the Relevant Parties, as the case maybe, is made a party to proceedings initiated before any court, tribunal or governmental authority.

C. Identification of the ‘material’ creditors of the Company

As per the requirements of the SEBI ICDR Regulations, the issuer company shall make relevant disclosures in the Offer Documents and on its website for outstanding dues to creditors as follows:

- (i) based on the policy on materiality defined by the Board of the issuer company, details of the creditors which include the consolidated number of creditors and the aggregate amount involved;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and aggregate amount involved; and
- (iii) complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the issuer company with a web link thereto in the Offer Documents.

POLICY ON MATERIALITY

For identification of material creditors, such creditors of the Company, shall be considered to be material for the purpose of disclosure in the Offer Documents and on the website of the Company, if amount dues to any one of them exceeds 5% of the outstanding trade payables for the most recent financial year or the stub period, as the case may be, as per the restated financial statements included in the Offer Documents.

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D. GENERAL

In the event of any conflict between the provisions of this Policy and the act or regulations or any other statutory enactments or rules, the provisions of such act or regulations or statutory enactments or rules shall prevail over this Policy. 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, such amendment(s), clarification(s), circular(s)etc. shall prevail upon the relevant provisions of this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s)etc.

5. DISCLOSURE OF THE POLICY

This Policy shall be disclosed in the annual report of the Company and posted on the website of the Company.

6. AMENDMENT

The Board (including its duly constitutes committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this policy entirely with a new policy.

The Policy shall automatically stand amended to reflect any changes to the SEBI Regulations, to the extent the same is the subject matter of this Policy.
