

A Note on Independent Directors of Vedavaag Systems Limited

The terms and condition of appointment of independent Directors of M/S Vedavaag Systems Limited are subject to applicable provisions of companies Act 2013, and the regulation 17 to 27 and 46(2)(b) to (i) and para C,D and E of schedule V of the Listing agreement (formerly known as clause 49 of Listing agreement) as amended from time to time .

Term of appointment;

The appointment of Independent Directors subject to approval at the Annual General Meeting of the company, the term of appointment of Independent Directors of the company is for is for period of 5 consecutive from the date of their being appointed or designated as such on the board of the company.

The independent director may be nominated to be a member or chairman of any one or committees of the Board.

Role, Functions and Duties;

The role and functions of Independent Directors shall be in accordance with the provisions of schedule IV(code of Independent Directors)to the Act , which interalia includes.

- 1) To Help in bringing a independent judgement to bear on the Board's deliberations especially on issues of strategy ,performance , risk management , resources , key appointments and standard of conduct.
- 2) To bring objective view in the evaluation of the performance of the board and management.
- 3) To scrutinize the performance of the management in meeting the agreed goals and objectives and monitor the reporting of performance.
- 4) Shall safeguard the interest of all stakeholders, particularly minority stakeholders.
- 5) Shall satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- 6) Shall determine appropriate levels of remuneration to executive directors Key managerial personnel and senior management and have a prime role to in appointing whenever necessary recommend removal of executive directors ,key managerial personnel and senior management.
- 7) Any other functions, duties, responsibilities as prescribed under schedule IVof the companies Act 2013 or under any other law as may be prescribed from time to time.

Duties of Independent directors;

- 1) Shall take appropriate induction and regularly update and refresh their skills, knowledge and familiarly with the company.
- 2) Shall seek appropriate clarification or amplification of information and, take where necessary , take and follow appropriate professional advice and opinion of outside experts at the expense of the company.
- 3) Shall strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member.
- 4) Shall participate constructively and actively in the committees of the Board in which they are chairpersons or members.
- 5) Independent Directors shall be taking sufficient care to perform duties specified in the code of Independent Directors under schedule IV of the Companies Act 2013 that come with such appointment along with accompanying liabilities.
- 6) Independent Directors shall give annual declaration as required under the provision of section 149(7) of the companies Act 2013 and the rules made there under.

Remuneration:

The Independent directors shall be paid the sitting fees, for attending the meeting of the Board and committees in which they are members .The sitting fees shall be determined by the board from time to time.

Vedavaag code of conduct;

The Independent Directors of the company comply with the code of conduct Of Vedavaag Systems Limited..Unless specifically authorised by the company ,

The independent directors shall keep all confidential information concerning the company and shall not divulge or disclose the same to any other person during the term of their appointment.

Disclosures

During the tenure of their directorship , the Independent directors shall notify promptly the company of any change in their directorship and shall provide all disclosures and information as may be required under the applicable laws .

Composition of Various committees of Board of Directors:

The company has a balance and diverse composition of Board of Directors, which takes care of business needs and stakeholder interest. The Board consists of eminent persons with considerable professional exercise and experience in setting up operational convenience.

Name of the Director	Position of Director	Category of Directorship
J.MuraliKrishna	Managing Director and Chairman	Executive
B.LoChabhiram	Director	Independent and Non executive
G.T.Murthy	Director	Independent and Non executive
Mr.Srinivas Pannala	Director	Independent and Non executive
J.Sujatha	Women Director	Non-Independent and non executive Director

The following are the committees of the Directors constituted by the Board of Directors of Vedavaag Systems Limited

*Audit Committee

*Nomination and Remuneration committee

*Stakeholder Relationship Committee

*Corporate Social Responsibility Committee.

**Policy on Disclosure of Material Events
And Information**

The Board of Directors of Vedavaag Systems Limited has adopted the following policy and procedures with regard to disclosure of material events which are need to be disclosed to the stock exchange.

OBJECTIVE

This Policy is intended to lay down the criteria for determination of materiality of Event / information which shall be disclosed to the Stock Exchanges where the equity shares of the Company are listed.

Policy Objective and scope:

The policy is intended to define on disclosure of events /information in order to provide guidance to the Board of Directors, KMP'S and other executives, staff working in the company in making decisions and regarding its responsibility and making public such events/information which may materially affect the performance of the company and thereby the share prices of the company.

Disclosure of Material Events/ Information/ Developments

As per clause 30 (1) of the Listing Regulations, the Company is required to make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material. As per clause 30 (2) of the Listing Regulations, the Company is required to make disclosures of any events specified in Para A of Part A of Schedule III. As per clause 30 (3) of the Listing Regulations, the Company is required to make disclosures of any events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4). (Annexure)

AUTHORISATION

The Board will authorize one or more Key Managerial Personnel for the purpose of determining Materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges. The Key Managerial Personnel, authorized for the purpose, will be responsible for administering this Policy, determining the materiality of events or information in relation to the Company and monitoring compliance by the Company with disclosure obligations applicable to it. The contact details of the Key Managerial Personnel, so authorized, will be disclosed to the Stock Exchanges and will be placed on the website of the Company.

PROCESS OF INFORMATION DISCLOSURE

With reference to regulation 30 (6), the Company shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, (**Annexure**) or information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information. Provided that in case the disclosure is made after 24 hours of occurrence of the event or information, the Company shall, along with

Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within 30 minutes of the conclusion of the Board Meeting.

The Company shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/ closed, with relevant explanations.

The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of 5 years and thereafter as per the archival policy of the Company, as disclosed on its website.

In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.

ANNEXURE TO THE POLICY ON DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

(SCHEDULE III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

PART A: DISCLOSURES OF EVENTS OR INFORMATION

The following shall be events/information, upon occurrence of which listed entity 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,-
 - o acquiring control, whether directly or indirectly; or,
 - o 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 5% 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 2% 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:

- 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;
 - any cancellation of dividend with reasons thereof;
 - the decision on buyback of securities;
 - the decision with respect to fund raising proposed to be undertaken
 - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
 - 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;
 - short particulars of any other alterations of capital, including calls;
 - financial results;
 - 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):

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 Company 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 Company
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc., by Directors (other than KMP) or employees of Company.
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 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.