

VEEJAY LAKSHMI ENGINEERING WORKS LIMITED

POLICY FOR DISCLOSURE OF MATERIAL EVENTS / INFORMATION

1. INTRODUCTION:

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations / LODR) lays down the guidelines for the listed companies in handling of price sensitive information. This Regulation also requires that every listed company should frame a policy for determining the materiality of the information to be published and designate one or more Key Managerial Personnel of the Company to determine the materiality of the information and provide his contact details to the stock exchanges. This Policy is formulated to ensure timely dissemination of price sensitive information / events and uniform availability of such information across the stakeholders and thus assist in establishment of a realistic market for the securities of the Company.

2. SCOPE AND OBJECTIVE OF THE POLICY:

In compliance of the said Regulation this Policy for Disclosure of Material Events / Information is framed for adoption. The policy provides for the systematic identification, categorization, review, disclosure and updating the information / events, including those not listed in the Regulations, which may have a bearing on the performance of the Company and consequently may impact the share prices of the company.

3. DEFINITIONS:

All the words and expressions used in this Policy shall have the same meaning respectively assigned to them under the SEBI's LODR, 2015, the Companies Act, 2013 and the Rules, Notifications and Circulars issued there under, for the time being in force.

4. TEST OF MATERIALITY:

The guidelines to be used by the Company to determine whether an event is material or not as per the requirements of Para B of Part A of Schedule III, read with Regulation 30(4), of LODR is as follows:

- The omission of the event / information which is likely to result in discontinuity or alteration of events or information already available to the public.
- The omission of the event / information is likely to result in significant market reaction if the said omission came to light at a later date.
- The event or information in the opinion of the Board of Directors is considered material.

5. DECIDING AUTHORITY:

The Chief Financial Officer of the Company is the designated KMP of the Company who will decide whether a particular event or information or occurrence (other than the items specifically prescribed by the Regulations) as material event and advise to the Company Secretary for dissemination to the stock exchanges.

6. MATERIAL EVENTS SPECIFIED BY THE REGULATIONS :

CATEGORY A: The events which shall be disclosed without any application of test of materiality as specified in the Regulation 30 (4):

The events specified under Para A of Part A of Schedule III of the Regulations (Annexure-I) need to be disclosed to the stock exchanges, without applying the test of materiality, within 24 hours of happening of the events or availability of the information or decision of the Board (except item '4' which needs to be disclosed within 30 minutes of close of meeting).

If the Company is not in a position to inform the stock exchange within 24 hours of the happening of the events or availability of the information or decision of the Board, the Company shall inform the stock exchange as soon as it is possible with an explanation for the delay in disclosing the said information.

CATEGORY B: The events which shall be disclosed upon application the test of materiality as specified in the Regulation 30 (4): The events specified under Para B of Part A of Schedule III of the Regulations (Annexure II) shall be disclosed to the stock exchanges if they are considered to be material upon application of the test of materiality. These material events need to be disclosed to the stock exchanges within 3 working days of happening of the events or availability of the information or decision of the Board.

CATEGORY C: Any other information / event viz., major development that is likely to affect business, e.g., emergence of any 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.

Such information shall be disclosed to the stock exchanges as soon as it is possible when the necessary information is ready to be publicised.

7. MATERIAL EVENTS AS MAY BE DECIDED BY THE COMPANY

Without prejudice to the generality of categories (A), (B) and (C) of Clause 6 above, the Company may disclose any event / information which in the opinion of the Board of Directors or the deciding authority is considered material and such information shall be disclosed to the stock exchanges as soon as it is possible. Under this category, an event or information is considered to be material only if it satisfies the test of materiality provided under Regulation 30 (4) and occurrence of which has a financial impact on the Company, which is 10% or more of the Annual Consolidated Turnover or Consolidated Net Worth of the Company.

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8. PERIODIC UPDATES:

The Company will periodically provide updates that on any of the event falling under Categories (A), (B), (C) or as per clause 7 above on a regular basis till such time the event is resolved / closed.

9. WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES:

The Company shall update all disclosures made under the Regulations to the stock exchanges and in the Company's Website. The disclosures shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

10. DISCLOSURE OF EVENTS / INFORMATION ON SUBSIDIARIES:

As required under the Regulations, the deciding authorities shall determine such events / information about its subsidiary which are considered material in nature.

11. AMENDMENTS:

This policy may be reviewed and modified to ensure conformity with any changes, modifications or amendments in the Regulations / Acts, subject to the necessary approval of the Board of Directors of the Company.

12. BOARD'S APPROVAL:

This policy was approved by the Board of Directors at its meeting held on 29th March, 2016.

Annexure I

Events / information, upon occurrence of which shall be disclosed to stock exchange(s) without any application of the guidelines for materiality:

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 subclause (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, debentureholders 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;

Annexure II

Events which shall be disclosed upon application of the guidelines for materiality:

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.
