

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Ashoka Refineries Limited (Company) believes good Corporate Governance and thinks it is essential for the growth of the Company and interest of its stakeholders. Company believes and is having a governance process and practices to achieve transparency and professionalism as well as the implementation of policies and procedures to ensure high ethical standards.

Company is listed on Bombay Stock Exchange and therefore must comply with the continuous disclosure obligations imposed under the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations) that have come into effect from December 1, 2015.

Listing Regulations mandate that all listed entities to formulate various policies out of which Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations) states that Company shall frame a policy on dealing with related party transactions.

The said Regulation 23 is ***not applicable*** on the Company as Company is not having paid up capital of Rs.10.00crores or more and a net worth exceeding Rs.25.00crores or more but Company believes in good governance practices therefore considering at its discretion in the board meeting held on 17th December, 2015 and adopted a Policy for as under –

Definitions

1. “Board of Directors” shall mean the board of directors of Ashoka Refineries Limited;
2. “Chief Executive Officer” or “Managing Director” or “Manager” shall mean the person so appointed in terms of the Companies Act, 2013;
3. “Key Managerial Personnel” mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 i. e. Managing Director and CEO, Executive Director and Chief Financial Officer, and Company Secretary of Ashoka Refineries Limited
4. “Chief Financial Officer” or “Whole Time Finance Director” or “Head of Finance”, by whatever name called, shall mean the person heading and discharging the finance

function of the listed entity as disclosed by it to the recognised stock exchange(s) in its filing under these regulations;

5. "Promoter" and "Promoter Group" shall have the same meaning as assigned to them respectively in clauses (za) and (zb) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
6. "Related Party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards
7. "Related party transaction" as defined under section 188 of the Companies Act, 2013 and Listing Regulations.
8. "Material Related Party Transaction", a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Policy

1. All related party contracts / arrangements shall be entered on arms' length basis.
2. All related party contract / arrangements shall comply with the Companies Act, 2013 and Listing Regulations.
3. All related party transactions shall require prior approval of the audit committee..
4. All related party contract / arrangements shall comply with Accounting Standards.
 - a. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company by satisfying itself in the interest of the Company for the transactions which are repetitive in nature. Such omnibus approval shall specify –

- i. The name(s) of the related party.
 - ii. Nature of transaction.
 - iii. Period of transaction.
 - iv. Maximum amount of transactions that shall be entered into,
 - v. The indicative base price / current contracted price and the formula for variation in the price if any; and
 - vi. Such other conditions as the audit committee may deem fit.
5. Where the need for related party transaction cannot be foreseen and aforesaid details in point 4(a) are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction or as prescribed from time to time.
6. The audit committee shall review on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.
7. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
8. All material related party transactions shall require approval of the shareholders through a resolution and the related parties shall abstain from voting on such resolutions.
9. All international related party contract / arrangements shall comply with International
10. Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

POLICY REVIEW

The Board reserves the right to amend, modify or review this policy in whole or part, at any time, when the board deems it appropriate or necessary in accordance with the provisions of the Listing Regulations, 2015 or any amendments notified by SEBI.

Any amendments to the Listing Obligations shall mutatis mutandi be deemed to have been incorporated in this Policy.