

# **ASHOKA REFINERIES LIMITED**

## **Policy for determination of materiality of Events and Information**

### **BACKGROUND OF THE COMPANY**

Ashoka Refineries Limited (Company) believes that in modern times good Corporate Governance is essential & the Corporate Governance is a continuously improving process and is very important 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. Regulations mandate that all listed entities to formulate various policies out of which Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations) states that Company shall frame a policy for determination of "Materiality".

Company held a board meeting on **17<sup>th</sup> December, 2015** and adopted a Policy for as under

### **Definitions**

- a) "Board of Directors" shall mean the board of directors of Ashoka Refineries Limited;
- b) "Chief Executive Officer" or "Managing Director" or "Manager" shall mean the person so appointed in terms of the Companies Act, 2013;
- c) "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
- d) "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;
- e) "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.

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

## **COMPANY OBJECTIVE**

- a) To follow best possible Corporate Governance.
- b) To ensure that Company complies with the disclosure obligations under Listing Regulations and other Securities law from time to time.
- c) To ensure timely and transparent disclosure of information by the Company.
- d) To ensure that all the information, documents, statements made by the company publically or internally are accurate and do not contain any misrepresentation.
- e) To provide a framework that gives confidence in the quality and integrity of information released by the Company.
- f) To ensure uniformity in the Company's approach to disclosures, reduce the risk of selective disclosures.

## **CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION**

Regulations states that a listed entity shall consider the following criteria for determination of materiality of events/ information:

- a) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
- c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event/ information is considered material.

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

- a) Events or information that is to be disclosed without any application of the guidelines for materiality are specified in **Annexure 1** to this Policy. These events shall be deemed material as per Regulation 30(2) of the Listing regulation.
- b) Events or information's that are to be disclosed compulsorily on materiality principle are specified in **Annexure 2** to this Policy.
- c) In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

## **TIME SCHEDULE FOR DISCLOSURE OF INFORMATION**

The Company will always first disclose to stock exchange(s) of all events, as specified in **Annexure 1 & 2**, or information as soon as reasonably possible considering the time limit provided under the Listing Regulations from occurrence of event or information and.

Provided further that disclosure with respect to events specified in sub-para 4 **Annexure-2** shall be made within thirty minutes of the conclusion of the board meeting.

## **PERSON RESPONSIBLE FOR DISCLOSURE**

The Board of Directors of the Company shall always keep properly authorized KMP, preferably a Director of the Company to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorized Persons shall also be empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

## **EFFECTIVE DATE**

The Policy as approved by the Board of Directors shall be effective from December 1, 2015 and changes shall be effective from the date of meeting of Board of Directors from time to time.

## **WEBSITE**

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company as per the archival policy of the Company.

## **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.

# **ANNEXURE -1**

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,-
  - (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 sub-clause (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, 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;

## **ANNEXURE-2**

### **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 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.