



## **ASHIMA LIMITED**

### ***Policy for Determination and Disclosure of Materiality of an Event of Information***

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**[Pursuant to Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

#### **1. OBJECTIVE:**

This Policy is framed in accordance with the requirements of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Regulations")

This policy will guide the Key Managerial Personnel (KMP) to determine the materiality of an event or information as and when applicable, which will govern the framework of such disclosure.

The objective of this policy is to define and determine materiality as required under Regulation 30(4) (ii) of the Regulations and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination.

#### **2. DISCLOSURES OF EVENTS OR INFORMATION:**

- (i) Regulation 30 of Listing Regulations deals with disclosure of material events by the company whose equity shares are listed. The company is required to make disclosure of events specified under Part A of Schedule III of the Listing Regulations, which are deemed to be material events or information.
- (ii) The events that have to be necessarily disclosed without applying any test of materiality are indicated in Para A of Part A of Schedule III of the Listing Regulations, 2015. Therefore, all the events as specified in Para A, Part A of Schedule III shall be disclosed to Stock Exchanges, or information as soon as reasonably possible and not later than 24 (twenty four) hours from the occurrence of event or information.

- (iii) Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, an explanation for delay shall also be provided with the disclosure.
- (iv) Disclosure with respect to events specified in sub-para 4 of Para A of Part A of the Schedule III shall be made within 30 (thirty) minutes of the conclusion of the Board Meeting.
- (v) Para B of Part A of Schedule III of the Regulations requires that the events specified therein should be disclosed by the listed entity, after applying the test of materiality as specified in the Regulations and hereunder in this policy.
- (vi) The Board of Directors may authorise any one or more Key Managerial Personnel (KMP) to determine the materiality of any event or information applying the test /criteria of materiality.

### **3. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:**

The following criteria shall be applied for determination of materiality of any events or information:

- a) 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;
- b) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; and
- c) Any other event / information not falling under (a) or (b) above, may be treated as material, if in the opinion of the Board of Directors or any KMP who has been duly authorised by the Board in this behalf, the same is considered material.

### **4. MATERIALITY THRESHOLD FOR DETERMINATION OF MATERIAL EVENTS / INFORMATION :**

This Policy defines the materiality threshold in respect of specified events as under:

- A.** The threshold of determination of materiality events or information specified at item no. 1 to 7 below shall be considered material - **"Where the likely impact of it exceeds 20% of the operating revenue,**
  - 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. Disruption of operations of any one or more units or division due to natural calamity (earthquake, flood, fire, etc.) force majeure or event such as strikes, lockouts, etc.
6. Effect(s) arising out of change in regulatory framework applicable to the Company.
7. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals

***The above threshold shall be calculated on annualized basis on the basis of audited financial statements of the last financial year.***

***(B) In respect of determination of other materiality events or information, the following criteria / guidelines would be applicable:***

<b>Sr. no.</b>	<b>Events / Informations</b>	<b>Criteria / Guideline for Materiality</b>
1	Agreements [viz. loan agreement(s) (as a borrower) or any other agreements(s) which are binding and not in the normal course of business] and revision(s) or amendment(s) or termination(s) thereof.	If such agreement, amendment or termination relates to borrowing exceeding Rs. 100 crores at one time from one party.
2	Litigation(s) / dispute(s) / regulatory action(s) with impact	If impact of such litigation / dispute / regulatory action exceeds Rs.25 crores in any one litigation.
3	Fraud / defaults etc. by Directors (other than key managerial personnel) or employees of the Company	Such frauds / defaults as may have financial implications exceeding Rs.1 Crore.
4	Giving of guarantees or indemnity or becoming a surety for any third party	If such guarantee or indemnity or becoming a surety for any other third party exceeds Rs.100 Crores of the Company.

## **5. DETERMINATION OF OTHER INFORMATION WHICH IS MATERIAL**

Company Secretary (CS) or Chief Financial Officer (CFO) of the company, in consultation with Managing Director of the company is authorised to take a view of the materiality of other information 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 listed entity to appraise its position and to avoid the establishment of a false market in such securities.

#### **6. AUTHORISATION FOR DISCLOSURES:**

- The Key Managerial Personnel i.e. Company Secretary and Chief Financial Officer of the Company are severally and / or jointly authorized for the purpose of determining materiality of events or information and for the purpose of making disclosures to Stock Exchange and on the website of the Company, under the Regulations.
- All such disclosures shall be signed by the Company Secretary or Chief Financial Officer of the Company.

#### **7. INTERPRETATION**

In the event of any conflict between the provisions of this Policy and any existing or newly enacted law, rule, regulation or standard governing the Company, then such law, rule, regulation or standard shall prevail over this policy until this policy is changed to conform to the law, rule, regulation or standard.

#### **8. AMENDMENT / MODIFICATION**

Any amendment, variation or modification in the applicable laws & Regulations touching subject matter of this Policy shall automatically apply to this Policy.

The Board of Directors may amend / modify any part of this policy or the entire policy at any time as may be deemed necessary and the decision of the Board in this regard shall be final and binding. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

#### **9. DISSEMINATION OF POLICY**

The aforesaid policy shall also be posted on the website of the Company.

The aforesaid policy has been approved at the meeting of the Board of Directors of the Company held on 5<sup>th</sup> February, 2016.