



## **ASHIMA LIMITED**

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

**[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 "Listing Regulations")

This policy shall assist the relevant employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel (KMP) for determining the materiality of an event or information and for making the necessary disclosures to the Stock Exchange(s) where the Company is listed.

The objective of this policy is to define and determine materiality as required under Regulation 30(4)(ii) of the Listing 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 with the Stock Exchange. 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 of the guidelines for materiality are indicated in Para A of Part A of Schedule III of the Listing Regulations. 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 in any case not later than the following:
  - (a) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
  - (b) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

(c) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided that in case the disclosure of occurrence of event or information is made after the timelines specified under Regulation 30(6) of the Listing Regulations read with Annexure II of SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the company shall along with such disclosure provide the explanation for the delay to Stock Exchange(s).

(iii) 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.

(iv) 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 Listing Regulations and hereunder in this policy.

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

The Company shall consider the following criteria for determination of materiality of any events or 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; or
- c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

**(1) On the basis of turnover:** two percent of turnover, as per the last audited consolidated financial statements of the listed entity;

**(2) On the basis of Networth:** two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;

**(3) On the basis of profit:** five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;

- d) In case where the criteria specified under (a), (b) and (c) above is not applicable, an event or information 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 9 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. Any of the following events pertaining to the Company:
  - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - (b) adoption of new line(s) of business; or
  - (c) closure of operation of any unit or division (in entirety or in 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 of the company 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. Options to purchase securities including any ESOP/ESPS Scheme.
8. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
9. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

***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:***

Sr. No.	Events / Informations	Criteria / Guideline for Materiality
1	Agreements [viz. loan agreement(s) 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	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.	If impact of pendency of any litigation(s) or dispute(s) or the outcome thereof which action exceeds Rs.25 crores in any one litigation.
3	Fraud / defaults by employees of the Company which has or may have an impact on the Company	Such frauds / defaults which may have financial implications exceeding Rs.1 Crore.
4	Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.	If such guarantee or indemnity or becoming a surety, by whatever named called, 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(s) and on the website of the Company, under the Listing 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 hosted on the website of the Company.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14<sup>th</sup> June, 2023, the Board of Directors of the Company at its meeting held on 26<sup>th</sup> July, 2023 has approved and adopted the amended 'Policy for Determination and Disclosure of Materiality of an Event or Information.