



## ASHIMA LIMITED

### **Details of Familiarization Programmes imparted to Independent Directors**

***(In terms of Regulation 25 and 46 (2) (i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015***

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Ashima Ltd (AL), has an on-going familiarization programme for its independent directors which includes the following:

#### **Initial Familiarization**

The Independent Directors are provided with an overview of the requisites criteria of independence, roles, rights, duties and responsibilities of independent directors, terms of appointment, the code of conduct and insider trading regulations, disclosure and business interests, nature of the industry and business model of the company and policies of the company and other important regulatory aspect as relevant for directors.

#### **Ongoing Familiarization**

The Independent Directors are apprised at Board Meetings and Committees meetings on the Company operations, governance, internal control process and other relevant matters. They are also updated on important changes in the regulatory framework and business environment having impact on the Company.

On an Ongoing process, the Independent Directors are updated on quarterly basis through presentations and discussions on the overall economic trends, the performance of the company's various divisions, business strategy, risk involved and analysis of the circumstances which helped or adversely impacted the Company's performance and the initiatives taken/proposed to be taken to bring out about an overall improvement in the performance of the Company.

#### **❖ Details of Familiarization Programs**

1. In FY 2015-16, on an average 5 hours were spent by the independent directors on familiarizing / updating themselves with the business / operations, SEBI Listing

Regulation, 2015, the Companies Act, 2013 and challenges faced by the industry on an ongoing basis.

2. In FY 2016-17, on an average 5 hours were spent by the Independent Directors on familiarization/ updating themselves with the business/operations and challenges faced by the industry on an ongoing basis.
3. In FY 2017-18, on an average 7 hours were spent by the independent directors on familiarizing / updating themselves with the business environment and operations, corporate governance related matters and regulatory changes/updates concerning implementation of IND AS, GST and amendments in Companies Act carried out by Companies Amendment Act, 2017.
4. In FY 2018-19, on an average 6.5 hours were spent by the Independent Directors on familiarizing / updating themselves with the operations and business environment, corporate governance matters and regulatory changes / amendment / updates concerning GST, SEBI Listing Regulations and various amendments carried out in the Companies Act.
5. In FY 2019-20, on an average 3 hours were spend by the Independent Directors on familiarizing / updating themselves with business model of the Company, Rights and Responsibility of Independent Directors, challenges faced by the industry on an ongoing basis and recent changes in the regulatory framework.
6. In FY 2020-21, on an average 3 hours were spend by the Independent Directors on familiarizing / updating themselves with salient aspects of the Companies Amendment Act, 2020 inter-alia includes Amendments related to Ease of Living for Corporates, Ease of Compliances, strengthening of Corporate Governance, Reduction in amount of monetary penalty, Omission of punishment with imprisonment, Removal of Penal Provisions, Amendments relating to Adjudication, Compounding etc.
7. In FY 2021-22, on an average 5 hours were spent by the Independent Directors on familiarizing / updating themselves with amendment in the provisions of Corporate Social Responsibility (CSR) which became effective from 22<sup>nd</sup> January 2021. The said amendments inter-alia included introduction of the concept of ongoing projects, mandatory impact assessment for bigger projects, enhanced disclosures, treatment of unspent CSR amount, revised criteria for implementing agencies, provisions of penalties, etc.

Further, Directors have also updated themselves with amendments under SEBI LODR amendments which became effective from 6<sup>th</sup> May 2021 and which have been incorporated to strengthen Corporate Governance practices, to ease the Compliance burden and to harmonize SEBI LODR Regulations with the Companies Act.

The Independent Directors were also briefed and updated on certain major changes in the provisions which became effective from 1st January 2022. The provisions related to Independent Directors (IDs) i.e. eligibility, appointment, re-appointment and resignation of IDs, composition of Nomination and Remuneration Committee, Related Party Transactions to be approved by only IDs on the Audit Committee.

8. In FY 2022-23, on an average 4 hours were spent by the Independent Directors on familiarizing / updating themselves with important regulatory changes in SEBI Regulations namely SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015 and also updates from Ministry of Corporate Affairs.

Changes in aforesaid SEBI Regulations pertained to Related Party Transactions (RPTs) regime for the listed entities pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 vide notification dated 9th November, 2021, which became effective from 1st April, 2022. Several material changes have been made in the corporate governance regime pertaining to RPT disclosures and approvals for listed entities. The listed entities are required to submit to the Stock Exchanges disclosure of RPTs in format prescribed by SEBI and also specified information is to be placed before the Audit Committee and the shareholders for consideration of RPTs.

A detailed note on the above changes summarizing the salient aspects was provided to the Independent Directors, at the meeting of Board of Directors held on 14th May 2022.

In the Board Meeting held on 3rd February 2023, the Independent Directors were also updated with regard to regulatory changes / updates in the Companies Act, 2013 and applicable SEBI Regulations. The salient features of the regulatory changes / updates in the Companies Act, 2013 and SEBI Regulations are as follows:

1. SEBI permitted Investors / Shareholders to submit self-attested copies of documents instead of affidavits or attestation or notarization of documents to RTA for all service requests, except transmission.
2. Appointment / Re-appointment of a person including as a managing director or a Whole-time Director which was earlier rejected by the Shareholders at the

general meeting can be done only with prior approval of shareholders with detailed explanation and justification by Nomination and Remuneration Committee (NRC) and the Board of Directors for recommending the appointment/ re-appointment of such a person.

3. To improve ease of doing business and to prevent inadvertent non-compliances of provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI has put a framework for restricting trading by Designated Persons by freezing PAN at security level.
  4. MCA vide its circular dated 28.12.2022 allowed companies to conduct their AGMs / EOGMs / Postal Ballot which are due in year 2023 on or before 30th September 2023, through Video Conference (VC) or other Audio Visual Means (OVAM).
  5. Relaxation granted earlier, relating to dispatching physical copies of financial statements as prescribed u/s 136 of the Companies Act, 2013 i.e. Financial statements, Board's Report, Auditor's Report etc., to those shareholders who have not registered their email addresses, has been further extended up to 30<sup>th</sup> September, 2023 for AGMs to be conducted till this date.
  6. SEBI vide its recent modification dated 17.01.2023 has amended the definition of word "Senior Management" defined under Regulation 16(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the said amendment, now all functional heads of the Company are considered part of "Senior Management" of the Company.
9. In FY 2023-24, on an average 3 hours were spent by the Independent Directors on familiarizing / updating themselves with significant changes/ amendments notified under SEBI Regulations and particularly under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013.

In the Board Meeting held on 08<sup>th</sup> February 2024, the Independent Directors were also updated with regard to regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations. A note on the regulatory changes/ amendments/ updates which are relevant and applicable to the Company was presented in the aforesaid meeting as part of the familiarization programme for Independent Directors in terms of Reg. 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The salient features regulatory changes / amendments/ updates under the Companies Act, 2013 and applicable SEBI Regulations are as follows:

1. The substantial amendments introduced by SEBI to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') vide SEBI notification No. SEBI/LAD-NRO/GN/2023/131 dated 14.06.2023 are listed below:
  - i. Any vacancy in the office of Managing Director, Whole time Director, Company Secretary and CFO shall be filled immediately and not later than three months from the date of such vacancy.
  - ii. Events specified in Para B of Part A of Schedule III of the SEBI LODR Regulations, are required to be disclosed to the Stock exchanges based on application of the guidelines for materiality, as specified in Regulation 30(4) of the SEBI LODR Regulations. In the said Regulations, the following additional criteria are added to the existing criteria for determining the materiality of events:
    - The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
      - a. Two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
      - b. 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;
      - c. 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 listed entity.
  - iii. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company ("Parties") among themselves or with the Company or with a third party either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges (without applying the materiality criteria), including disclosure of any rescission, amendment or alteration of such agreements, whether or not the Company is a party to such agreements.
  - iv. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key

managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of matters relating to Suspension, Imposition of fine or penalty, settlement of proceedings, debarment, disqualification, closure of operations, sanctions imposed, warning or caution or any other similar action(s) by whatever name called needs to be disclosed to the Stock Exchanges without applying the materiality criteria.

2. SEBI in order to rationalize the compliance requirement under SEBI (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations), improve ease of doing business and prevent inadvertent non-compliances of provisions of PIT Regulations by DPs, has put in place a framework for restricting trading by Designated Persons (“DPs”) by freezing PAN at security level, vide its circular no. SEBI/HO/ISD/ISD-PoD-2/P/CIR/2023/124 dated 19 July 2023.

The aforesaid framework of freezing PAN at security level is applicable for Ashima Limited w.e.f January 1, 2024 and accordingly details of DPs were uploaded on the portal of CDSL, the Designated Depository of the company to enable them to restrict trading by freezing PAN of DPs during Trading Window Closure period.

3. SEBI vide its circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated 31.07.2023 has introduced a common Online Dispute Resolution Portal (“ODR Portal”). Pursuant to the said circular Company has registered itself on the ODR Portal and displayed a link to the ODR Portal on the home page of Company’s website.

According to the circular, investors shall first take up their grievance with the Company by lodging a complaint directly with the Company. The Company shall promptly attend to all such complaints and disputes in accordance with the applicable laws.

If the grievance is not redressed satisfactorily, the investors may escalate the same through the SCORES Portal in accordance with the SCORES guidelines.

After exhausting these options for resolution of the grievance, if the investor is still not satisfied with the outcome, they can initiate dispute resolution through the ODR Portal.

4. MCA vide its General Circular No. 09/2023 dated 25.09.2023 allowed companies to conduct their AGMs / EGMs which are due in year 2024 on or before 30<sup>th</sup> September 2024, through Video Conference (VC) or other Audio Visual Means

(OVAM) or transact items through postal ballot in accordance with the framework provided in MCA Circulars.

5. Relaxation granted earlier, relating to dispatching physical copies of financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), as prescribed u/s 136 of the Companies Act, 2013, has been further extended up to 30<sup>th</sup> September, 2024 for AGMs to be conducted till this date vide General Circular No. 09/2023 dated September 25, 2023 issued by MCA read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 07.10.2023.

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