



ASHIKA CREDIT CAPITAL LIMITED

POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURE OF ANY EVENT(S) OR INFORMATION

(PURSUANT TO REGULATION 30(4) (ii) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

1. PREFACE

Securities and Exchange Board of India (SEBI) vide its notification issued on 2nd September 2015 has repealed the clauses under Listing Agreement entered into by the companies with Stock Exchanges and has put in place SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to come into force from the 90th day from the date of publication in the Official Gazette (i.e. 1st December 2015). The Board of Directors of Ashika Credit Capital Limited (hereinafter referred to as Company) has adopted the following policy and procedures with regard to determination of Materiality of events or information which are required to be disclosed to the Stock Exchanges in terms of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The policy is formulated in accordance with clause (ii) of sub- regulation (4) of Regulation 30 of the Listing Regulation.

2. PURPOSE AND SCOPE

The purpose of this policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation(4) of Regulation 30 of the Listing Regulation and to ensure that the company shall make disclosure of events/information specified in para A and B of the Part A of Schedule III of the Listing Regulations to the Stock Exchange and further for the purpose of protecting, safeguarding the interest of the company thereby enabling and promoting greater transparency.. Also, there is a need of uniformity in disclosures to be made by the company to ensure compliance in letter and spirit.

3. DEFINITION

- a) **BOARD** means the Board of Directors of Ashika Credit Capital Limited.
- b) **COMPANY** shall mean Ashika Credit Capital Limited.
- c) **COMPLIANCE OFFICER** shall mean the Company Secretary of the Company
- d) **KEY MANAGERIAL PERSONNEL** means Key Managerial personnel as defined in subsection (51) of section 2 of the Companies Act 2013 -
 - o Chief Executive Officer or Managing Director or the Manager;
 - o Company Secretary;
 - o Whole-time Director;
 - o Chief Financial Officer; and
 - o such other officer as may be prescribed by the Company;



- e) **MATERIAL EVENT(S)** means events as specified in Para A and PART B of Part A of Schedule III of the Listing Regulations 2015 and as amended from time to time, upon occurrence of which a listed entity shall make disclosure to stock exchanges and host such disclosure on the listed entity's website.
- f) **POLICY** means Policy for determination of materiality for Disclosure of Event(s) or Information, as amended from time to time.
- g) **PROMOTER** means as assigned to the term in clause (za) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- h) **SECURITIES** means such securities as defined in section 2(h) of Securities Contracts (Regulation) Act, 1956;
- i) **STOCK EXCHANGE** means the stock exchanges where the Securities of the Company are listed;
- j) **SPECIFIED SECURITIES** means 'equity shares' and 'convertible securities' as defined under clause (zj) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

Any other terms not defined herein shall have the same meaning as defined in the Companies Act 2013, the Listing Agreement, Regulations or any other applicable law or regulation to the extent applicable to the company.

4. KEY PRINCIPLES IN DETERMINING MATERIALITY

The Regulations, 2015 divide the events that need to be disclosed broadly in two categories. 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 Regulation. Para B of Part A of Schedule III indicates the events that should be disclosed by the listed entity, if considered material.

A. EVENTS WHICH SHALL BE CONSIDERED DEEMED MATERIAL : These are the events that have to be necessarily disclosed without applying any test of materiality;

- a) 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 Company or any other restructuring;
- b) 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.;
- c) Revision in Rating(s);
- d) Outcome of Meetings of the Board of the Company held to consider the following:
 - o declaration of 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;



- any cancellation of dividend with reasons thereof;
 - the decision on buyback of securities;
 - the decision with respect to fund raising proposed to be undertaken
 - increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched;
 - 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;
 - short particulars of any other alterations of capital, including calls;
 - financial results;
 - Decision on voluntary delisting by the Company from stock exchange(s).
- e) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), 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;
- f) Fraud/defaults by promoter or Key Managerial Personnel or by Company or arrest of Key Managerial Personnel or promoter;
- g) Change in Directors, Key Managerial Personnel, auditor and Compliance Officer;
- h) Appointment or discontinuation of share transfer agent;
- i) Corporate debt restructuring;
- j) One time settlement with a bank;
- k) Reference to BIFR and winding-up petition filed by any party / creditors;
- l) 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 Company;
- m) Proceedings of Annual and Extraordinary General Meetings of the Company;
- n) Amendments to memorandum and articles of association of Company, in brief;
- o) Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

B. THE FOLLOWING EVENTS SHALL BE CONSIDERED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES MENTIONED IN CLAUSE (C) BELOW;

- a) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division;
- b) 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);



- c) Capacity addition or product launch;
- d) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business;
- e) 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;
- f) 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 events such as strikes, lockouts etc.;
- g) Effect(s) arising out of change in the regulatory framework applicable to the Company;
- h) Litigation(s) / dispute(s) / regulatory action(s) with impact;
- i) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
- j) Options to purchase securities including any ESOP/ESPS Scheme;
- k) Giving of guarantees or indemnity or becoming a surety for any third party;
- l) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C. THE EVENTS AS ENUMERATED IN CLAUSE (B) ABOVE SHALL BE CONSIDERED MATERIAL ONLY ON APPLICATION OF THE FOLLOWING GUIDELINES

- 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) 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 Company, the event / information is considered material.

D. ANY OTHER INFORMATION/EVENT VIZ. MAJOR DEVELOPMENT THAT IS LIKELY TO AFFECT BUSINESS: Events/ Information that may include but are not restricted to:

- a) Emergence of new technologies;
- b) Expiry of patents;
- c) Any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof;



- d) Any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities;
- e) Market Sensitive Information;
- f) Any event which in the view of the Board is material.

5. PROCEDURAL GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENTS/ INFORMATION

Unless otherwise decided by the Board of Directors, the Chairman & Managing Director and Chief Financial Officer for the time being of the Company shall be authorized for the purpose of determining materiality of an event or information as enumerated in sub clauses B and D of Clause 4 basis the Guidelines mentioned in sub clause C of clause 4 of the Policy and making disclosures to the stock exchange.

- Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, the Committee may consider the 'quantitative' or 'qualitative criteria(s) mentioned below.
- Quantitative criteria to determine materiality shall become applicable to an event / information:
 - Where the value involved or the impact exceeds 10% of the gross turnover or revenue or total income; or exceeds 20% of the net worth (*lower threshold shall be taken as a trigger*); the above threshold shall be determined on the basis of audited consolidated financial statements of last audited financial year.
 - Selling or dispose off of any undertaking or any division/unit of the Company or any of its subsidiary which constitutes at least 10% of the total assets based on the last audited financial statements.
- Qualitative criteria to determine materiality shall become applicable to an event / information:
 - the omission of which is likely to result in a discontinuity of information already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date;
 - if in the opinion of the Board of Directors of listed entity, the event / information is considered material
- In circumstances where 'quantitative' test may not be applicable, 'qualitative, test may be applied to determine materiality.
- If a particular information or event in question satisfies any of the 'qualitative' or 'quantitative' criteria, the Company shall be under an obligation to disclose the same to the stock exchanges.

On receipt of communication of potential material event / information, the Company Secretary will

- i. Review event / information and to take whatever steps necessary to verify its accuracy;



- ii. Assess whether the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations;
- iii. Report the matter to the Chairman that event / information is material and requires disclosure under Regulation 30 of the Listing Regulations.

Where the Chairman or Chief Financial officer or Company Secretary is not certain about materiality of event / information, they may refer matter for external legal advice..

The procedure to be followed in relation to the lodgment of announcement of material event /information is as follows:

- i) Prepare draft announcement to the Stock Exchanges: If the event / information is material, the Company Secretary will prepare draft announcement to the Stock Exchanges which is factual and expressed in clear manner and obtain approval of the Chairman of the Company.
- ii) Lodge Announcements: The Company Secretary on behalf of the Company will lodge or arrange for lodgment of the announcement with the Stock Exchanges.
- iii) Post announcement on website: After lodgment of the announcement with the Stock Exchanges, the Company Secretary will arrange to place it on the website of the Company. All he announcements made under this Policy shall be kept on the website as per the Archival Policy of the Company.

6. DISCLOSURE

The Chairman & Managing Director and/or CFO shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

1. For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.
2. Disclosure of the events enumerated in Clause 4(A)(d) above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
3. All other events mentioned under Clause 4(A) and (B) above, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
4. Disclosure of any material development shall be made on a regular basis of any event, till the time the event is resolved/ closed.
5. All the disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years and thereafter as per the archival policy as adopted by the Company.



6. The Company shall also disclose all the events or information with respect to its Subsidiaries (if any) which are material for the Company.

7. Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

8. Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

9. In case where an event occurs or information is available with the Company, which has not been indicated above, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

7. AUTHORIZATION TO KMP's

The Board of Directors severally authorizes the KMP, Mr. Pawan Jain, Chairman, Managing Director & CEO or Mr. Amit Jain, Chief financial Officer of the Company for the purpose of determining materiality of an event or information and further Ms Anju Mundhra, Executive Director (Legal) & Company Secretary or Mr. Amit Jain, Chief financial Officer of the Company be and hereby authorized for the purpose of making necessary disclosures of material events or information to stock exchange(s). The contact details of Compliance Officer who shall act as coordinator between Chairman & Managing Director and Chief Financial Officer and the stakeholders, shall be disclosed to the stock exchange and also be disseminated on the Company's website. The Contact details of the following authorized KMP are given below:

- ❑ Registered Office: Trinity, 226/1, A.J.C. Bose Road,
7th Floor, Kolkata - 700020
Name : Mr. Pawan Jain
Designation : Chairman, Managing Director & CEO
Telephone No : (033) 40102500
Email id : pawanjain@ashikagroup.com

- ❑ Registered Office: Trinity, 226/1, A.J.C. Bose Road,
7th Floor, Kolkata - 700020
Name : Mr. Amit Jain
Designation : Chief Financial Officer
Telephone No : (033) 40102500
Email id : amitjain@ashikagroup.com

- ❑ Registered Office: Trinity, 226/1, A.J.C. Bose Road,
7th Floor, Kolkata - 700020
Name : Ms. Anju Mundhra
Designation : Executive Director – Legal & Company Secretary
Telephone No : (033) 40102500
Email id : anjulohia@ashikagroup.com
secretarial@ashikagroup.com



8. POLICY REVIEW

The Board of Directors are authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations, 2015 and any amendment thereto from time to time.
