



## **ARABIAN PETROLEUM LIMITED**

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## **DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION POLICY**

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## ❖ BACKGROUND

**Arabian Petroleum Limited** (“the Company”) is committed to being open and transparent with all stakeholders and in disseminating information in a fair and timely manner.

Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations or SEBI LODR Regulation, 2015**”) requires every listed company to formulate and put in place a policy on determination of materiality of events / information

In compliance of the above Regulations, the Board of **Arabian Petroleum Limited** (“Company”) has adopted the following policy on determination of materiality of events / information (“Policy”).

## ❖ EFFECTIVE DATE

The Policy shall come into force with effect from the date of listing of the equity shares of **Arabian Petroleum Limited** (the “Company”) on EMERGE Platform of NSE Limited (“NSE EMERGE”).

## ❖ APPLICABILITY

This Policy applies to:

- Events specified in Para A of Part A of Schedule III of the SEBI LODR Regulations, 2015;
- Events specified in Para B of Part A of Schedule III based on the application of guidelines of materiality specified in this Policy; and
- Events in the opinion of the Board of the Company which satisfy the materiality criteria, and are not covered in aforesaid para A and para B.

## ❖ OBJECTIVE

This Policy has been framed with the objective of providing adequate and appropriate disclosures that are consistent with the facts of the material events. The current Policy mechanisms provides for:

- The procedure determining the materiality of the events/information,
- The procedure governing the disclosure of the events that are deemed to be material;
- The time frame within which such information is to be disclosed.
- To ensure that the Company complies with the disclosure obligations to which it will be subject to as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations (In India or Overseas).

- To ensure that the information disclosed by the Company is timely and transparent.
- To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

## ❖ DEFINITIONS

**"Act"** means the Companies Act, 2013, rules framed there under and any amendments thereto

**"Board of Directors" or "Board"** means collective body of directors of the company or its committee

**"Company", "This Company", "The Company"** wherever occurs in the policy shall mean **Arabian Petroleum Limited**.

**"Compliance Officer"** means the Company Secretary of the Company

**"Listing Regulations"** mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars or re-enactment thereof.

**"Material Event" or "Material Information"** shall mean such event or information as set out in the Annexure A or Annexure B, as may be determined in terms of the Policy. In the Policy, the words, "material" and "materiality" shall be construed accordingly

**"Schedule III"** means Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**"Unpublished Price Sensitive Information"** means any information, relating to Company or its Securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the Securities and shall, ordinarily including but not restricted to, information relating to the following: -

1. financial results;
2. dividends;
3. change in capital structure;
4. mergers, de-mergers, acquisitions, delisting's, disposals and expansion of business and such other transactions;
5. changes in Key Managerial Personnel (KMP);

Any other event as may be determined by the Company/ the Compliance Officer which is likely to materially affect the price of the Securities of the Company.

The words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992; Companies Act, 2013; the Securities Contracts (Regulation) Act, 1956; the Depositories Act, 1996 and other applicable laws, 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.

### ❖ **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS AND/ OR INFORMATION**

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information. The same shall be considered as Material, if it meets the following criteria:

#### **QUALITATIVE CRITERIA:**

- (a) the event or information is in any manner unpublished price sensitive information;
- (b) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- (c) 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; and
- (d) any other event/information which is considered as being material in the opinion of the Board of Directors of the Company.

**QUANTITATIVE CRITERIA** would be calculated based on audited financial statements of last audited financial year and would mean event / information where the value involved or the impact *exceeds 5 % of PAT*.

### ❖ **DISCLOSURE OF EVENTS AND/ OR INFORMATION**

1. Events specified in Paragraph A of Part A of Schedule III of the Listing Regulations are deemed to be material events and the Company shall make disclosure of such events or information as soon as reasonably possible and not later than twenty-four (24) hours from the occurrence of the same to the Stock Exchange. **(Annexure A)**.
2. The Company shall make disclosure of events specified in Paragraph B of Part A of Schedule III of the Listing Regulations, based on application of Guidelines for materiality, as specified in this Policy **(Annexure B)**.

3. The disclosure with respect to events specified in Point 4 of Annexure 1 shall be made within thirty (30) minutes of the conclusion of the Board meeting.
4. The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
5. The Company shall disclose all events or information with respect to its Material Subsidiaries.
6. The Company shall provide specific and adequate reply to all queries raised by stock exchange with respect to any events or information. Further, on its own initiatives shall confirm or deny any event or information to stock exchange reported in the media.
7. In case where an event occurs or information is available with the Company, which has not been indicated in Annexure A or Annexure B, but which may have material effect on it, the Company will make adequate disclosures in regard thereof.

#### ❖ **AUTHORITY OF KEY MANAGERIAL PERSONNEL**

The Company Secretary has been authorized to determine the materiality of an event or information and to make appropriate disclosure on a timely basis.

The authority for determining materiality of an information/event lies with the following member:

<b>NAME</b>	<b>DESIGNATION</b>	<b>EMAIL ID</b>	<b>CONTACT NO</b>
Sejal Vishek Jain	Company Secretary	sejalvishekjain@gmail.com	07304503 131

The Company Secretary is also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The Company Secretary will then ascertain the materiality of such event(s) or information based on the above guidelines. On completion of the assessment, the Company Secretary shall make appropriate disclosure(s) to the Stock Exchange and on the website of the Company.

## ❖ **POLICY REVIEW**

This Policy is framed based on the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified on September 2, 2015. In case of any subsequent amendments to the Regulations which make any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail.

The Policy shall be reviewed by the Audit Committee and on recommendations shall be modified by the Board so as to align the same with the amendments or to incorporate the changes as maybe felt appropriate by the Audit Committee.

The list of events in Annexure, as it stands today may be updated, from time to time, by authorised persons, to reflect any changes to the Regulations and the updated version be issued and published as necessary, without any requirement for approval from the Audit Committee or the Board.

## ❖ **WEBSITE**

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 for a period of five (5) years and thereafter as per the archival policy of the Company.

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## **ANNEXURE A**

### **Events which shall be disclosed without any application of the guidelines for Materiality Referred to:**

- 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 Company or any other restructuring;  
Explanation. - 'Acquisition' shall mean, -
  - 1.1 acquiring control, whether directly or indirectly; or,
  - 1.2 acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
    - (a) the Company 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 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 credit rating(s);**
- 4. Outcome of Meetings of the Board of Directors:** The Company shall disclose to the Exchange, 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 Company from stock exchange.
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 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;
6. Fraud/defaults by Promoter or Key Managerial Personnel or by Company 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
- 7.1 In case of resignation of the auditor, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor
  - 7.2 In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges:
    - 7.2.1 Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities to the stock exchanges.
    - 7.2.2. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
    - 7.2.3 The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the detailed reasons as specified in sub-clause 7.2.1 above.
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, debentureholders or creditors or any class of them or advertised in the media by the Company;
- 13.** Proceedings of Annual and extraordinary general meetings of the Company;
- 14.** Amendments to Memorandum and Articles of Association of Company, in brief;
- 15.** Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.
- 16.** The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code
  - 16.1. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - 16.2. Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - 16.3. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - 16.4. Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - 16.5. List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - 16.6. Appointment/ Replacement of the Resolution Professional;
  - 16.7. Prior or post-facto intimation of the meetings of Committee of Creditors;
  - 16.8. Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
  - 16.9. Number of resolution plans received by Resolution Professional;
  - 16.10. Filing of resolution plan with the Tribunal;
  - 16.11. Approval of resolution plan by the Tribunal or rejection, if applicable;
  - 16.12. Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
  - 16.13. Any other material information not involving commercial secrets

## **ANNEXURE B**

### **ILLUSTRATIVE LIST OF EVENTS WHICH SHALL BE DISCLOSED UPON APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED TO IN:**

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 Company 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 Company;
8. Litigation(s) / dispute(s) / regulatory action(s) with impact;
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company;
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;
13. Any other information/event 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 Company to appraise its position and to avoid the establishment of a false market in such securities.

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