

Chennai Petroleum Corporation Limited

**POLICY FOR
DETERMINATION OF
MATERIAL / PRICE SENSITIVE INFORMATION
AND DISCLOSURE OBLIGATIONS**

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1. PREAMBLE:

- 1.1 This Policy shall be called “**POLICY FOR DETERMINATION OF MATERIAL / PRICE SENSITIVE INFORMATION AND DISCLOSURE OBLIGATIONS**” (hereinafter referred to as “the Policy”) of Chennai Petroleum Corporation Limited (hereinafter referred to as “CPCL”).
- 1.2 The Policy has been framed in compliance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Listing Regulations” which inter-alia, requires every Listed Company to disclose material events or information to the Stock Exchanges (hereinafter referred to as “Exchange”) wherein its securities are listed.

2. OBJECTIVES OF THE POLICY:

- 2.1 The objective of this policy is to ensure continuous, adequate, accurate and timely disclosure of information by CPCL to the Stock Exchanges on an ongoing basis to enable the investors to make informed investment decisions.
- 2.2 Regulation 30 of the Listing Regulations requires listed entities to promptly inform the Stock Exchange of all the events as well as price sensitive information which will have a bearing on the performance / operations of the Company by applying the following factors to ensure fairness and efficiency in the market:
 - (a) Timely disclosure of relevant information to investors; and (b) Adequacy and accuracy of the information disclosed.
- 2.3 CPCL shall make timely disclosures of the event / information to the Exchange(s), at the time of occurrence of the event / information and where applicable, make periodic disclosures on the associated material developments till such time the event is resolved / closed.

3. DEFINITIONS:

- 3.1 The term ‘Material’ wherever appears in the policy shall mean any individual transaction or arrangement which is significant to the operations or performance of the Company.

- 3.2 “Price Sensitive Information” shall mean any information which relates directly or indirectly to CPCL and which if published is likely to materially affect the price of securities of CPCL.
- 3.3 “Board of Directors” shall mean the Directors on the Board of CPCL, so appointed
- 3.4 “Chairman” means the Chairman of the Board of Directors of CPCL, so appointed.
- 3.5 “Director (Finance)” means the Chief Financial Officer of CPCL, so appointed.
- 3.6 “Compliance Officer” means the Company Secretary of the Company, so appointed.
- 3.7 “Senior Management Personnel” shall mean personnel of the Company who are members of the core management team excluding the Board of Directors and would comprise of all members of management one level below the Whole Time Directors, including head of departments directly reporting to Whole Time Directors.
- 3.8 “Securities” shall mean Securities as defined in Securities Contract (Regulations) Act, 1956 and shall include shares, scrips, stocks, bonds, debentures, debenture stock or other marketable securities of like nature issued by CPCL from time to time.
- 3.9 “Stock Exchange” means the BSE Ltd. and National Stock Exchange of India on which the securities of CPCL are listed.

4. CLASSIFICATION OF MATERIAL EVENTS / INFORMATION

4.1 DEEMED MATERIAL EVENT / INFORMATION

The following event / information shall be necessarily disclosed to the Exchange(s) without applying any test of materiality:

- (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 any other restructuring.

Explanation:- For the purpose of this sub-para, the word 'acquisition' shall mean:

- (i) acquiring control, whether directly or indirectly; or

- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - (a) CPCL 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 made under sub-clause (a) of clause (ii) of the Explanation to this sub-para 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:

CPCL shall disclose to the Exchange(s), within 30 minutes of the closure of the Board 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 single transaction of fund raising (which is material in nature) 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 from stock exchange(s).

- (5) Agreements (viz. shareholder agreement(s), joint venture agreement(s), 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 CPCL or arrest of Key Managerial Personnel or Promoter.
- (7) Change in Directors, Key Managerial Personnel, Company Secretary, Auditor or such other person as may be notified from time to time.
- (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, debenture holders or creditors or any class of them or advertised in the media by CPCL.
- (13) Proceedings of Annual and Extraordinary General Meetings of CPCL.
- (14) Amendments to memorandum and articles of association of CPCL, in brief.
- (15) Schedule of Analyst or institutional investor meet and presentations on financial results made by CPCL to analysts or institutional investors;
- (16) Any expected default in timely payment of interest / dividend or redemption amount of securities.
- (17) Failure to create charge on the assets within the stipulated time period.

4.2 EVENT / INFORMATION ON THE BASIS OF GUIDELINES FOR MATERIALITY

The following event(s) / information shall be disclosed to the Exchange(s) upon application of the guidelines for materiality:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit / division.
2. Planned Shutdown & Unplanned Shutdown if Material.
3. 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).
4. Capacity addition by CPCL.
5. Awarding, bagging / receiving, amendment or termination of awarded / bagged orders/contracts not in the normal course of business.
6. 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.
7. Disruption of operations of any major units like Refineries, Pipelines, etc. of CPCL due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
8. Effect(s) arising out of change in the regulatory framework applicable to CPCL.
9. Litigation(s) / dispute(s) / regulatory action(s) of CPCL.
10. Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or employees of CPCL.
11. Options to purchase securities including any ESOP / ESPS Scheme , if any.
12. Giving of guarantees or indemnity or becoming a surety for any third party by CPCL exceeding 10% of the total revenue or 20% of the net worth as per last audited financial statements, whichever is lower.
13. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

4.3 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 CPCL which may be necessary to enable the holders of securities of CPCL to appraise its position and to avoid the establishment of a false market in such securities.

5. DETERMINATION OF MATERIALITY

5.1 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 following ‘quantitative’ or ‘qualitative’ criteria(s) shall be applied:

(a) Quantitative criteria

Materiality shall become applicable to an event / information where the value involved or the impact exceeds 10% of the total revenue 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.

(b) Qualitative criteria

Materiality shall become applicable to an event / information:

- (i) if the omission of which is likely to:
 - result in a discontinuity or alteration of event or information already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date;
- (ii) if in the opinion of the Board of Directors of CPCL, the event / information is considered material

5.2 In circumstances where ‘quantitative’ test may not be applicable, ‘qualitative, test may be applied to determine materiality.

5.3 The authority for determining the materiality of an event or information for the purpose of this clause shall be Managing Director .

6. DISCLOSURE OBLIGATIONS

6.1 All Senior Management Personnel / Officers of CPCL shall be under an obligation to disclose material event and/or price sensitive information to the Compliance Officer.

6.2 Upon receipt of information mentioned at point no. 6.1, the Compliance Officer of CPCL shall make disclosure of the material events / price sensitive information to the Stock Exchange(s) with information to Director (Finance) and concerned Functional Director(s) in line with the objective of the policy stated in clause 2.

6.3 The Compliance Officer shall disclose all material events / information mentioned in clause 4 as soon as reasonably possible and not later than twenty four hours (24 hrs) from the occurrence of events or information.

6.4 In case the disclosure is made after twenty four hours of occurrence of event or information, the explanation for delay shall also be provided along with the disclosure.

6.5 Further, with respect to events specified under clause 4.1(4), disclosure shall be made within 30 minutes of the conclusion of the Board Meeting.

6.6 All disclosures made by the company to the stock exchanges shall be hosted on the website of the company for a minimum period of five years.

7. AMENDMENTS TO THE POLICY

Managing Director and Director (Finance) are authorized to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this Policy. Managing Director and Director (Finance) are also authorized to amend this Policy from time to time based on changing requirements as prescribed by SEBI / Stock Exchange(s).

8. PUBLICATION OF POLICY

The policy shall come into effect from 11.02.2016. A copy of the policy shall be hosted on the website of the Company.

