

## **POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE(S)**

### **1. Legal Framework:**

Pursuant to regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall have a policy for determining materiality of events or information that warrants disclosure to its stakeholders. It in this context that the Policy on Determination of Materiality for Disclosure(s) ("Policy") is being framed and implemented.

### **Effective Date:**

This Policy will be effective from 1<sup>st</sup> December, 2015.

### **2. Definitions:**

- (i) "Act" means the Companies Act, 2013 and includes the applicable Rules and Regulations framed thereunder.
- (ii) "SEBI Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992) or any statutory modification or re-enactment thereof and includes any rules, regulations and guidelines framed thereunder.
- (iii) "Regulations" means the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.
- (iv) "Board of Directors" or "Board" shall means the Board of Directors of the Company.
- (v) "Company" means PUDUMJEE PULP & PAPER MILLS LIMITED.
- (vi) "Key Managerial Personnel" means Key Managerial Personnel as defined in sub-Section (51) of Section 2 of the Companies Act, 2013.
- (vii) "Subsidiary" means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013.
- (viii) "Material Event" or "Material Information" means such event or information as set out in the Schedule or as may be determined in terms of Clause 4 of the Policy. In the Policy, the words, "Material" and "Materiality" shall be construed accordingly.
- (ix) "Listing Agreement" means an agreement that is to be entered into between a recognized stock exchange and the Company pursuant to Securities and Exchange Board (Listing Obligations and Disclosure Requirements), 2015

All other 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/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.

### **3. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS 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 following criteria will be applicable for determination of materiality of event or information:-

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

### **4. DISCLOSURE OF EVENTS OR INFORMATION**

- (i) Events specified in Annexure A 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 such event or information in the following manner:
  - (a) inform the stock exchanges on which the securities of the Company are listed;
  - (b) upload on the website of the Company.

Provided that in case the disclosure is made after twenty-four (24) hours of occurrence of such event or information, the Company shall, along with such disclosure(s) provide an explanation for delay.

- (ii) The Company shall make disclosure of events as specified in Annexure B based on application of guidelines for determining Materiality as per clause 4 of the Policy.

### **5. AUTHORITY TO KEY MANAGERIAL PERSONNEL**

the Chairman Singly and the Managing Director and Chief Financial Officer jointly are the authorized person for determining the materiality of event or information.

## **6. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Agreement; Companies Act, 2013; Regulations or any other statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

## **7. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company and shall be subject to review from time to time.

## **Annexure A**

### **Events which shall be disclosed without any application of the guidelines for 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 subsidiary of the Company or any other restructuring;
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(s), 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(s).
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;
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 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.

## **Annexure B**

### **Illustrative list of events which shall be disclosed 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. 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 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.