



**Shree Ajit Pulp and Paper Limited**  
**Policy on criteria for determining materiality of events or information**

**1. Background and Objective:**

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”). The objective of the Policy is to determine materiality of events or information relating to the Company and to ensure that such information is adequately disseminated in pursuance of the SEBI (LODR) Regulations, 2015 and to provide an overall governance framework for such determination of materiality.

**2. Definitions:**

In this Policy, unless the context otherwise requires:

- a. **“Board of Directors”** shall mean the Board of Directors of Shree Ajit Pulp and Paper Limited (“the Company”).
- b. **“Key Managerial Person”** Means Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company.
- c. **“Subsidiary”** Means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.
- d. **“Promoter” and “Promoters Group”** shall have the same meaning as assigned to them respectively in clauses (Za) and (Zb) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Securities and Exchange Board of India (LODR) Regulations, 2015.

**3. Effective date:**

This policy is effective from 1<sup>st</sup> December, 2015

**4. Events deemed to be material:**

Events specified in **Annexure A** are deemed to be material events as per sub-regulation (2) of regulation 30 and the Company shall make disclosure of such events or information relating to such events to the Stock Exchange as per the provisions of the SEBI (LODR) Regulations, 2015.

## **5. Guidelines for determining Materiality of Events or Information:**

The Company shall make disclosure of events as specified in **Annexure B** based on application of guidelines for determining Materiality as per following criteria.

Events/information shall be considered as Material if it meets any of the following criteria:

- 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; and
- c. Any event/information which is treated as being material in the opinion of the Board of Directors of the Company.

## **6. Authority for making Disclosure of events or information:**

- a. The Key Managerial Personnel shall have the authority to determine Materiality of any event specified in **Annexure B** on the basis of the criteria mentioned in point 5 above.
- b. The Key Managerial Personnel are severally authorized to make necessary disclosures to the stock exchange(s).

## **7. Amendments:**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

## **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;

Explanation - '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) 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(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) re-issue 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**

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 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.
14. Any events pertaining to the Company's subsidiaries, which may be material to the company as per the criteria of materiality.