

Ruchira Papers Limited

Policy on Determination of Materiality of Disclosure(s)

Version 1.0

(Adopted by the Board of Directors on 12.11.2015)

Policy on Determination of Materiality of Disclosure(s)

The Securities and Exchange Board of India (SEBI) on 2nd September, 2015 issued the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Regulations") with the aim to consolidate and streamline the provisions of existing listing agreements thereby ensuring better enforceability and bringing the basic framework governing the regime of Listed Entities in line with the Companies Act, 2013 and at the same time compiling all the mandates of varied SEBI Regulations / Circulars governing Equity as well as Debt segments of capital market. Regulation 30 of the Regulations deals with disclosure of material events / information by the Company whose equity and convertible securities are listed and are required to make disclosure of events / information specified under the relevant Schedule of Regulation 30. The Regulations requires Company to frame a policy for determination of materiality, based on criteria specified in the Regulations, to be approved by Board of Directors of the Company and further to be disclosed on the website of the Company. Accordingly the Policy on Determination of Materiality of Events has been approved and adopted by the Board of Directors of the Company at their meeting held on 12th November 2015.

Objective

The objective of the Policy is to determine materiality of events or information relating to the Company and to ensure timely and accurate disclosure on all material matters.

Definition

All words and expressions used but not defined in the Policy, but defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Companies Act, 2013, the Depositories Act, 1996 and / or Rules, Notifications and Circulars made/issued there under 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

Certain information is per se Material Information as defined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. An illustrative list of such Material Information is attached as **ANNEXURE – A**.

Beside per se Material Information, the following guidelines of materiality (as per Regulation 30 sub-regulation (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) shall be considered for determination of materiality of events/information:

- (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;
- (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 the Company, the event / information is considered material.

An illustrative list of such Material event / information is attached as **ANNEXURE-B**

Authority to Determine Materiality of Events

The Board of Directors of the Company has authorized the Chief Financial Officer and Company Secretary (hereinafter referred to as 'the Authorised Person(s)') to determine the materiality of an event / information and to disclose it to the Stock Exchanges and on the Company website.

The respective Head of the Departments who are responsible for relevant areas of the Company's operations to which any potential material event / information relates, must report to the Authorised Person immediately after he / she becomes aware of it.

The Authorised Person(s) in consultation with the Managing Director shall determine the materiality of the event or information reported based on application of the aforesaid guidelines and other circumstances and shall disclose it to the Stock Exchanges and also on the website of the Company if considered to be Material Information.

Powers & duties of the Authorised Person(s)

1. To review the event / information reported and take necessary steps to verify its accuracy.
2. To assess the materiality of the event / information in consultation with the Managing Director.
3. To assess the actual time of occurrence of an event or information.
4. To determine the appropriate time at which the disclosure is to be made to the Stock Exchanges.
5. To disclose developments that are material in nature on a regular basis, till such time the event is resolved / closed, with relevant explanations.
6. To provide specific and adequate reply in consultation with the Managing Director and Chief Financial Officer, to all the queries raised by the Stock Exchanges with respect to any event or information.
7. To confirm or deny any reported event or information to Stock Exchanges.
8. To administer, enforce and update the Policy.

Contact details of the authorized person(s):

Vipin Gupta

CFO & Executive Director
Tirlokpur Road, Kala Amb, H.P-173030
Email: vipingupta@ruchirapapers.com

Vishav Sethi

Company Secretary
Tirlokpur Road, Kala Amb, H.P-173030
E-mail: cs@ruchirapapers.com

Dissemination

Pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Policy and any amendment thereto shall be posted on the website of the Company viz. www.ruchirapapers.com

Further the Company shall disclose on its website all such events or information which has been disclosed to Stock Exchange(s), and such disclosures shall be hosted on the website of

the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.

Amendments

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

In any circumstance where the terms of the Policy differ from any law, rule, regulation etc. for the time being in force, the law, rule, regulation etc. shall take precedence over the Policy.

Chairman of the Board

ANNEXURE – A

Events which shall be disclosed within 24 hours of occurrence of the event or information without any application of the guidelines for materiality:

- Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation / merger / de-merger / 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 percent 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.

- 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.

- Revision in Rating(s).

- 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.

- Fraud / defaults by Promoter or Key Managerial Personnel or by the Company or arrest of Key Managerial Personnel or Promoter.

- Change in Directors, Key Managerial Personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- Appointment or discontinuation of Share Transfer Agent.
- Corporate debt restructuring.
- One time settlement with a bank.
- Reference to BIFR and winding-up petition filed by any party / creditors.
- 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.
- Proceedings of Annual and Extraordinary General Meetings of the Company.
- Amendments to Memorandum and Articles of Association of the Company, in brief.
- Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

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

Events which shall be disclosed **within 30 minutes of the closure of the Board**

- 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;
- Approval / recommendation to the shareholders of fund raising proposal through issue of securities or acceptance of deposits from the members/public;
- 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).

The Company shall promptly inform to the Stock Exchange(s) of all events which are material, all information which is price sensitive and / or have bearing on performance / operation of the Company.

ANNEXURE – B

Events which shall be disclosed upon application of the guidelines for materiality:

- Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit / division.

- 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).
- Capacity addition or product launch.
- Awarding, bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business.
- 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.
- Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquakes, floods, fire etc.), force majeure or events such as strikes, lockouts etc.
- Effect(s) arising out of change in the regulatory framework applicable to the Company.
- Litigation(s)/dispute(s) / regulatory action(s) with impact.
- Fraud / defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Company.
- Options to purchase securities including any ESOP/ESPS Scheme.
- Giving of guarantees or indemnity or becoming a surety for any third party except subsidiary companies etc. other than in normal course of business.
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
- Event or information with respect to subsidiaries of the Company.
- 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.

Chairman of the Board
