



ASTRON PAPER & BOARD MILL LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

1. BACKGROUND AND APPLICABILITY OF THE POLICY

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) require every Listed Company to disclose events or information which, in the opinion of the Board of Directors of a Company, are material.

In this context, the following Policy has been framed by the Board of Directors (“**Board**”) with the objective of determining materiality of events.

This Policy can be modified and/or amended with the approval of the Board of Directors only.

In terms of Regulation 30 of the said Regulations, the events requiring disclosure by the Companies, are provided as follows:

- a. Events specified in Para A of Part A of Schedule III of the Regulations shall be **deemed to be material** and the Company is required to make disclosure of the same. (Attached as Annexure A to this Policy)
- b. Events specified in Para B of Part A of Schedule III of the Regulations shall be disclosed by the Company **based on the guidelines formulated by the Disclosures Committee**. (list of events attached as Annexure B to this Policy)

This Policy shall also apply to the events which are not reflected in Para A or Para B of Part A of Schedule III but may have a material effect on the Company.

2. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The following criteria shall be considered by the Board for determining whether the events are material or not:-

Where the omission of an event or information, is likely to result in:

- a) discontinuity or alteration of event or information already available publicly or
- b) a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events based on qualitative criteria as stated in points

(a) and (b) above, the Board is authorised to determine materiality of the event / information. Materiality shall be determined on a case to case basis depending on the facts and circumstances relating to the information / event.

3. DISCLOSURE PROCESS

1. The events reportable under Regulation 30 of the Regulations shall be immediately informed to the Board along with the supporting data / information to facilitate a prompt and appropriate disclosure. The events which are not covered under the Regulations, but may potentially be of price sensitive nature, shall also be informed to the Chief Financial Officer or Company Secretary.
2. The Chairman & Managing Director, Director, CFO, Company Secretary are jointly authorised for evaluating / ascertaining the materiality of events considering its nature and its disclosure after taking into consideration the various provisions of the Regulations and this policy.
3. The Chairman & Managing Director, Director, CFO, Company Secretary are severally authorised for making disclosures of such material event or information to the stock exchange.
4. The Chairman is authorised to make appropriate changes to the above policy as he may deem expedient taking into account the law for the time being in force. This policy is subject to review from time to time.
5. After evaluation, in case the event / information is considered as material, adequate disclosure shall be made to the Stock Exchanges.
6. In case of events / information not being the outcome of a Board Meeting, the Board of Directors shall be immediately informed about the information being sent to the Stock Exchanges.
7. The Company shall use electronic facilities provided by the Stock Exchanges for dissemination of the information and may subsequently disclose the same via other media, including the press release, website, etc.
8. The Company shall adhere to the statutory timeframes for disclosure of information to the Stock Exchanges. Delay, if any, shall be explained along with the disclosure.
9. Regular updates, if required, shall be made with relevant explanations.
10. All disclosures shall be made available on the website of the Company in terms of the Web Archival Policy of the Company.

Annexure A
(same as Para A of Part A of Schedule III)

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of Regulation (30):

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 listed entity 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) the listed entity 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 Rating(s).
 4. Outcome of Meetings of the Board of Directors: The listed entity 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 listed entity 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 listed entity), 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 listed entity 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 listed entity.
13. Proceedings of Annual and Extraordinary General Meetings of the listed entity.
14. Amendments to Memorandum and Articles of Association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

Annexure B

(same as Para B and Para C of Part A of Schedule III)

B. Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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 listed entity 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 listed entity
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by Directors (other than Key Managerial Personnel) or employees of listed entity.
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.

C. 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.

THIS POLICY IS APPROVED BY BOARD OF DIRECTORS IN MEETING DATED 1ST MAY, 2017.