



POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

Introduction

Securities Exchange Board of India (SEBI) vide Gazette Notification dated 14th June, 2023 has notified amendments in Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) (Second Amendments) Regulations, 2023 which shall come into force from the thirtieth day from the date of their publication in the Official Gazette i.e w.e.f 14th July, 2023.

In line with the above notified amendments and in order to help the listed entities in ascertaining the information/event as material and bringing more clarity on timelines for making disclosures of material events or information, SEBI has issued circular no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023 for Disclosure of material events / information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same shall come into force w.e.f 15.07.2023.

Further, Regulation 30(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Regulations") requires every listed entity to frame a policy for determination of materiality of events or information that requires appropriate disclosure to the stock exchange(s).

Accordingly, the Policy for determination of Materiality of events or information (hereinafter referred to as "the policy") for KQUANTUM PAPERS LIMITED (hereinafter referred to as "the Company") was framed, setting forth the elementary aspects regarding disclosure practice to be followed by the Company.

Designated Authority for evaluating Events/Information as 'material'

The Regulations provide that the Board of Directors of the Company shall authorize one or more Key Managerial Personnel (KMP) for the purpose of determining materiality of an event or information and for the purpose of making disclosure to the stock exchanges under the Regulations.

Vice Chairman & Managing Director & CEO, CFO or CS, jointly or severally, shall take a view on materiality of an event or information qualifying for disclosure under clause 30 of the Regulations.

CFO and Company Secretary are jointly or severally authorised for making disclosures of such material events or information, to the Stock Exchange(s).



Criteria for Determining Materiality

While determining whether an event or information is material, the designated authority shall consider the criteria given in sub-regulation (4) of Regulation 30 of the SEBI (LODR) Second Amendment Regulations, 2023, enumerated herein below:-

- (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; [or]
- (c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - 1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - (2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - (3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;
- (d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material:

Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

- (ii) The company shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:



Provided further that such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

Disclosures

Pursuant to Regulation 30(1) every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.

Pursuant to Regulation 30(2) events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events. (3)

Pursuant to Regulation 30(3) listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4)

Pursuant to Regulation 30(6) The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

(i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;

(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;

(iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

Pursuant to Regulation 30(7) listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.



Pursuant to Regulation 30 (8) The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation , and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter asper the archival policy of the listed entity, as disclosed on its website.

Pursuant to Regulation 30 (12) in case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

Pursuant to Regulation (13) in case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority

In continuation of the above disclosures, information/events shall be disclosed by the Company to the Stock Exchange(s) as specified in the Regulations and Master Circulars/Circulars/Guidance Note(s) issued by SEBI from time to time.

Disclosure on Website

Pursuant to Regulation 30(8) listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation , and such disclosures shall be hosted on the website of the company www.kuantumpapers.com for a minimum period of five years and thereafter asper the archival policy of the company, as disclosed on its website.

Amendments/Modification of the Policy

In case of any subsequent changes in the provisions of Acts/Regulations, which makes any of the provisions in the Policy inconsistent with the Act or Regulations, the provisions of the Acts/Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

The amended policy has been duly approved by the Board of Directors in their meeting held on 26.07.2023.