

# THREE M PAPER BOARDS LIMITED



COATED DUPLEX BOARD  
BOTH SIDE COATED  
WHITE BOARD

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CIN No.: U22219MH1989PLC052740

## THREE M PAPER BOARDS LIMITED

(Formerly known as Three M Paper Boards Private Limited and Three-M-Paper  
Manufacturing Company Private Limited)

### POLICY ON MATERIALITY

#### 1. Statutory Mandate

The Board of Directors of Three M Paper Boards Limited (Formerly known as Three M Paper Boards Private Limited and Three-M-Paper Manufacturing Company Private Limited) (the "Company") has adopted the following policy and procedures with regard to the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), with respect to disclosure of material events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors approved the "Policy for Determination of Materiality of Events or Information". This Policy has been updated based on the amendments made to Regulation 30 and Schedule III of the LODR Regulations, by way of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 ("LODR Amendments") and the SEBI Circular No. SEBI/HO/CFD/CFD -PoD-I/P/CIR/2023/123, dated July 13, 2023 ("SEBI Disclosure Circular").

The Board shall review, and if found required, may amend this Policy from time to time.

This Policy is applicable to the Company with effect from February 26, 2024, and the is applicable to the Company w.e.f. March 1, 2024.

#### 2. Purpose of the Policy

The objective of this Policy is to assist the employees of the Company in identifying potential material events or information in an objective manner that may originate at the ground level which can be promptly escalated and reported to the authorized Key Managerial Personnel of the Company, as specified in this Policy, for determining



the materiality of the said event or information and for making necessary disclosure to the BSE Limited and the National Stock Exchange of India Limited (collectively, the "Stock Exchanges"). All provisions of Regulation 30 read with Schedule III of the LODR Regulations shall hereby be deemed to be incorporated in this Policy, by reference.

3. Criteria for determination of materiality of events / information

The Company shall consider the criteria as specified in clause (i) of sub-regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events / information.

4. Definition

- Act means the Companies Act, 2013
- Board of Directors means Board of Directors of Three M Paper Boards Limited
- The Company means Three M Paper Boards Limited
- LODR Regulations means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- SEBI means the Securities Exchange Board of India.
- Rules means Rules made under Companies Act, 2013
- Material Events are those that are specified in Para A of Part A of Schedule III of the LODR
- Other Events are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation (4)
- Stock Exchange(s)" means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed.
- Net Worth" shall have the meaning assigned to it in Section 2(57) of the Act;
- Turnover" shall have the meaning assigned to it in Section 2(91) of the Act;
- Key Managerial Personnel (KMP) of the Company includes Managing / Whole - time Directors, Chief Financial Officer / Company Secretary, who may be authorized individually or collectively to disclose events to Stock Exchanges.

5. Events which are deemed to be material events

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III of the LODR Regulations (as applicable from time to time) ("Para A Events") without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the LODR Regulations. Details to be provided to the Stock Exchanges while disclosing Para A Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

6. Events which are dependent on application of guidelines for materiality

The Company shall disclose all such material events or information pertaining to itself or to its subsidiary (ies), specified in Para B of Part A of Schedule III of the LODR Regulations ("Para B Events") subject to application of guidelines for materiality, as set out under the LODR Regulations.



Guidelines for determining materiality of events or information:

The criteria would be calculated based on audited consolidated financial statements and would mean the omission of an event/ information whose value involved or the expected impact in terms of value, exceeds the lower of the following:

- a) 2% (two per cent) of consolidated turnover, as per the last audited consolidated financial statements of the Company; or
- b) 2% (two per cent) of consolidated net worth as per the last audited consolidated financial statements of the Company (except in case the arithmetic value of the net worth is negative)); or
- c) 5% (five percent) of average of absolute value of consolidated profit or loss after tax for last 3 years, as per the last 3 (three) audited consolidated financial statements of the Company.

In terms of the SEBI Disclosure Circular, if the average of absolute value of profit or loss is required to be considered by disregarding the 'sign' (positive or negative) that denotes such value as the said value / figure is required only for determining the threshold for 'materiality' of the event and not for any commercial consideration. The details to be provided to the Stock Exchanges while disclosing Para B Events shall be in compliance with the requirements of the SEBI Disclosure Circular.

The Management shall periodically bring to the attention of the Board of Directors of the Company, all information, events or materials which in its opinion has to be brought to the attention of the Members of the Stock Exchanges.

7. Criteria for disclosure of events / information

- (i) The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly;
- (ii) 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;
- (iii) In case where the criteria of an event / information does not fall in the first two categories but still in the opinion of the board of directors are considered material.

8. Authority for determination of materiality of events / information

The Board of Directors of the Company have authorised the Chief Financial Officer of the Company to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorised Person is also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

We provide herein his contact details:

Designation : Chief Financial Officer  
Contact Details : Three M Paper Boards Limited



## 9. Disclosure

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and in any case not later than the following:

- i. For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting;
  - ii. For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information;
  - iii. For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty four) hours from the occurrence of the event or information.
- a) In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.
  - b) The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

## 10. Website updation / updates to stock exchanges

The Company shall update all disclosures made under the Regulations to the Stock Exchanges on its website and shall be continued to be hosted on the website for a minimum period of five years and thereafter archived as per the Archival Policy of the Company.

The Compliance Officer of the Company shall give updates to the Board of Directors and to the Stock Exchanges on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates shall also be hosted on the website of the Company.

## 11. Board Approval

This Policy shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors.



## **MATERIALITY POLICIES**

This policy ("**Policy**") has been formulated to define the materiality policy for identification of group Companies, litigation and outstanding dues to creditors in respect of **Three M Paper Boards Limited (Formerly known as Three M Paper Boards Private Limited and Three-M-Paper Manufacturing Company Private Limited)** ("**Company**") for the purposes of relevant disclosure in the Offer Document (defined herein below) pursuant to the requirements under Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time) ("**SEBI ICDR Regulations**").

### **Applicability And Objective:**

The Board of Directors of the Company ("**Board**") at their meeting held on 30<sup>th</sup> January, 2024 discussed and approved this Policy. This Policy shall be effective from the date of approval of this Policy by the Board.

The Company has adopted this Policy for identification and determination of: (i) material creditors; (ii) material litigations and (iii) Group Companies pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Offer Documents.

"**Offer Documents**" means the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India, Registrar of Companies, Mumbai, Maharashtra ("**RoC**") and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

In this Policy, unless the context otherwise requires:

- (i) Words denoting the singular shall include the plural and vice versa.
- (ii) References to the words "include" or "including" shall be construed without limitation.



## **Identification of 'Material' Group Companies:**

### **Requirement:**

As per the requirements of the SEBI ICDR Regulations, "Group Companies", wherever this term occurs, shall include such Companies as covered under the applicable accounting standards (i.e. Accounting Standard 18/Ind AS 24 issued by the Institute of Chartered Accountants of India) and also any other Companies as considered material by the Board. The policy on materiality for determination of such Companies as considered material by the Board, as below, shall be disclosed in the draft red herring prospectus, red herring prospectus and prospectus issued by the Company in accordance with the provisions of the SEBI ICDR Regulations for the initial public offering of its equity shares (the "Offer Documents").

### **Policy on materiality:**

For the purpose of disclosures in the Offer Documents, as prescribed under the SEBI ICDR Regulations, all Companies which are identified as related parties (in accordance with AS 18/Ind AS 24 issued by the Institute of Chartered Accountants of India) on the basis of the restated financial statements to be included in the Offer Documents shall be identified as 'Group Companies' in the Offer Documents. In addition to group Companies determined as per AS 18/Ind AS 24, the Companies that are considered material by the Board shall be disclosed as 'Group Companies' in the Offer Documents. A company shall be considered material and disclosed as 'Group Company' if a material adverse change in such company, can lead to a material adverse effect on the Company and its revenues and profitability.

For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other applicable authority with respect to listed Companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

## **Identification of 'Material' Litigation (excluding criminal proceeding, statutory/regulatory actions and taxation matters:**

### **Requirement:**

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigations involving the Company/ its directors/ promoter/ group Companies in relation to:



- (i) All criminal proceedings;
- (ii) All actions by statutory / regulatory authorities;
- (iii) Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount;
- (iv) Other pending litigations - As per the policy of materiality defined by the Board of the issuer and disclosed in the Offer Documents.

**Policy on materiality:**

Other than litigations mentioned in points (i) to (iii) above, any other pending litigation involving the Company, its directors, promoter and group Companies shall be considered "material" for the purpose of disclosure in the Offer Documents if -

- a. the potential financial liability/monetary claim by or against Company, its directors, promoters and group Companies in any such pending matter(s) is in excess of 10% value of the Profit After Tax of the Company, as per the last restated consolidated financial statements of the Company;
- b. any such litigation wherein the monetary liability is not quantifiable which is or is expected to be material from the perspective of the Company's business, operations, prospects or reputation.
- c. notices received from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that any of the Company, group Companies are impleaded as defendants in litigation proceedings before any judicial forum.

For the purposes of determining outstanding material litigation involving the directors of the Company, all outstanding litigations where an adverse outcome would materially and adversely affect the business, operations, financial position or reputation of the Company, shall be identified as material litigation.

It is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other governmental authority with respect to listed Companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

Furthermore, the above policy on materiality shall be without prejudice to the disclosure requirements prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer



Documents.

**Identification of 'Material' Creditors: -**

**Requirement:**

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents for outstanding dues to creditors:

- (i) Based on the Policy on materiality of the Board and as disclosed in the Offer Documents, disclosure for such creditors;
- (ii) Consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved;
- (iii) Complete details about outstanding dues to creditors as per (i) and (ii) above shall be disclosed on the webpage of the company with a web link thereto in the Offer Documents.

***Policy on materiality:***

For identification of material creditors, such creditors of the Company, shall be considered to be material for the purpose of disclosure in the Offer Documents and on the website of the Company, if amount dues to any one of them exceeds 10% of the outstanding trade payables as per the latest restated standalone financial statements of the Company.

**Disclosures in Offer Documents regarding material creditors and SMEs**

- (i) For creditors identified as material based on the abovementioned Policy, following disclosure would be made in the Offer Documents:
  - a. consolidated amount due to such material creditors; and
  - b. aggregate number of such creditors.
- (ii) For outstanding dues to any party which is a Small Scale Undertaking ("SSI") or a Micro Small and Medium Enterprises ("MSME"), the disclosure will be based on information available with the Company regarding status of the suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as has been relied upon by the auditors. Consolidated information for such identified SSI/MSMEs and creditors shall be provided in the Offer Documents in the following manner:





- a. consolidated amounts due to such entities; and
- b. aggregate number of entities.

The Company shall make relevant disclosures before the Audit Committee/ Board as required by the applicable law from time to time.

It is clarified that the above policy on materiality of creditors shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other applicable regulatory authority with respect to listed Companies and the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and the website of the Company and should not be applied towards any other purpose.

**General:**

The above policies shall be subject to review/changes by the Board as may be deemed ~~may~~ and in accordance with regulatory amendments, from time to time.

**THREE M PAPER BOARDS LIMITED**

(Formerly known as Three M Paper Boards Private Limited and  
Three-M-Paper Manufacturing Company Private Limited)

  
Managing Director

Date: 26.02.2024

