



**PUNJAB CHEMICALS
AND CROP PROTECTION LTD.**

POLICY FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

CIN NO.: L24231PB1975PLC047063

Regd. Office: Milestone 18, Ambala Kalka Road, Village & P.O.: Bhankharpur,
Derabassi, Distt. S.A.S. Nagar (Mohali), Punjab-140201

Tel.: 01762-280086/ 280094 Fax: 01762-280070

Email :info@punjabchemicals.com Website: www.punjabchemicals.com

**POLICY FOR DETERMINING MATERIALITY OF
EVENTS OR INFORMATION**

1. 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 (Regulations).

The objective of the Policy is to determine materiality of events or information of the Company and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

2. PURPOSE OF THE POLICY

The purpose of this policy is to determine materiality of event and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events / information specified in para A and B of Part A of Schedule III of the Regulations to the Stock Exchanges.

3. EFFECTIVE DATE

The Company's Board of Directors has approved this Policy on **26th November, 2015**.

This Policy shall take effect from **1st December, 2015**.

4. CATEGORY OF EVENTS

The Regulations divide the events that need to be disclosed broadly in two categories:

First Category

Events specified in **Annexure A** to this Policy are those events which are deemed material under the Regulations and have to be **mandatorily** disclosed without applying any test of materiality. These are listed in Para A of Part A of Schedule III to the Regulations.

Second Category

The Company shall make disclosure of events as specified in **Annexure B** to this Policy based on application of guidelines for determining materiality as per Clause 5 of the Policy. Disclosures under this category are **discretionary** in nature and events information under this category, if considered material by the Board of Directors of the listed entity shall be disclosed to the Stock Exchanges.

5. CRITERIA FOR DETERMINING MATERIALITY:

The Company shall make disclosure of events indicated in Para B and C of Part A of Schedule III and other events not indicated in Schedule III, if following criteria of determining materiality of events/ information apply to them:

- (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**;

The above criteria shall be considered material if, in the opinion of the board of directors or Key Managerial Personnel authorized by them, the **alteration** of event / information **already available publicly** or **market reaction** due to omission of an event or information which **comes to light at a later date is likely to impact the turnover or profit of the Company by more than 20% of its turnover or profit of the immediate preceding year and the likely change in the turnover or profit of the Company in absolute term is not less than Rs. 100 crores or profit of the Company in absolute term is not less than Rs. 10 crore.**

- (c) Any other events or information which is not covered in the above criteria but is material in the opinion of the board of directors or Key Managerial Personnel authorised by the Board.

6. DESIGNATED KEY MANAGERIAL PERSONNEL:

The Board of Directors designates the Executive Directors as Designated KMP's severally authorising them to determine materiality of an event or information for the purpose of making disclosures to the Stock Exchange under this Policy framework. The Designated KMPs shall consult the CFO and the Company Secretary and such other senior employees and consultants/ advisors as they may deem fit while determining materiality of events/ information for disclosure.

The contact details of the designated KMPs are as follows:

1. Shri Shalil Shroff, Managing Director
Tel: Board +9122 26747900
Email: shalil.shroff@punjabchemicals.com
2. Shri Avtar Singh, Whole Time Director
Tel: Board +911762 280094
E mail: as@punjabchemicals.com
3. Shri Vinod Gupta, Chief Executive Officer
Tel: Board +911762 280094
E mail: vinod.gupta@punjabchemicals.com

7. ARCHIVING OF EVENTS AND INFORMATION AND DISSEMINATION OF POLICY:

As required by Regulations 30 (8) of the Regulations, all material events/information disclosed on the Company's website shall remain hosted on the Company's website for a minimum period of 5 years and thereafter shall be archived for retrieval for a period of 3 years after the same has been archived.

8. 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. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

9. SCOPE AND LIMITATION:

In the event of any conflict between the provisions of this Policy and of the Listing Agreement / Companies Act, 2013/ Regulations or any other

statutory enactments, rules, the provisions of such Listing Agreement / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

10. INTERPRETATION:

Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Agreement, Accounting Standards or any other relevant legislation / law applicable to the Company.

Shalil Shroff
Managing Director

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) 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 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

Illustrative 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 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.