



**PUNJAB CHEMICALS  
AND CROP PROTECTION LTD.**

## **POLICY FOR DETERMINATION OF MATERIALITY FOR DISCLOSURES**

CIN NO.: L24231PB1975PLC047063

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## **1. BACKGROUND AND OVERVIEW**

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 Company's securities are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and must comply with the continuous disclosure obligations imposed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations") that came into effect from December 1, 2015. Listing Regulations mandate listed entities to formulate a Policy for determining materiality of events or information that warrant disclosure to investors. It is in this context that the Policy on Determination of Materiality for Disclosures ("Policy") is being framed and implemented.

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 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. OBJECTIVE OF THE POLICY**

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the SEBI Listing Regulations, various Securities Laws and any other legislations, as applicable.
- b. To ensure that the information disclosed by the Company is adequate, accurate, timely and transparent.
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations.
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

## **3. CATEGORIES OF INFORMATION -**

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality.

**a. Deemed Material Events / Information**

Events or information specified in Para A of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed without any application of the guidelines for materiality.

**b. Material Events / Information**

Events or information specified in Para B of Part A of Schedule III of Regulation 30 of the SEBI Listing Regulations will be disclosed based on application of materiality criteria.

**4. PERSONS RESPONSIBLE FOR DISCLOSURE -**

The Board of Directors of the Company have authorized the following designated KMPs to determine the materiality of an event or information and to make appropriate disclosure on a timely basis.

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. Mr. Shalil Shroff, Managing Director  
Tel: Board +9122 26747900  
Email: [shalil.shroff@punjabchemicals.com](mailto:shalil.shroff@punjabchemicals.com)
2. Mr. Vinod Gupta, Chief Executive Officer  
Tel: Board +911762 280094  
E mail: [vinod.gupta@punjabchemicals.com](mailto:vinod.gupta@punjabchemicals.com)

The authorized persons shall have the following powers and responsibilities for determining the material events or information:

- a. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- b. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- c. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.
- d. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the SEBI Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- e. To disclose all events or information with respect to the subsidiaries which are material for the Company.

## **5. CRITERIA FOR DETERMINING MATERIALITY:**

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determining materiality of event or information:

- a. The omission of an event or information which is likely to:
  - i. result in a discontinuity or alteration of an event or information already available publicly; or
  - ii. result in significant market reaction if the said omission came to light at a later date;
  
- b. The omission of an event or information, whose value or the expected impact in terms of value exceeds the lower of the following:
  - i. two percent of turnover, as per the last audited consolidated financial statements of the Company; or
  - ii. Two percent of net worth, except in case of the arithmetic value of the networth is negative, as per the last audited consolidated financial statements of the Company;
  - iii. 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 Company

Accordingly, any transactions exceeding the lower of i, ii or iii above, with an annual impact in value, will be considered for the above purposes.

- c. In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

## **6. GUIDELINES FOR COMMUNICATION**

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

## **7. TIMING OF AN EVENT OR INFORMATION**

The Company may be confronted with the question as to when an event/information can be said to have occurred.

In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required, viz. in case of natural calamities, disruptions, etc., the answer to the above question would depend upon the timing when the Company became aware of the event/information.

In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors.

However, considering the price sensitivity involved, for certain events, e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholders' approval.

In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoter of the listed entity.

**8. REVIEW AND MONITORING:**

The Board shall review and monitor the implementation of this Policy at its discretion to ensure its effectiveness and for ensuring effective succession planning.

**9. AMENDMENTS TO THE POLICY:**

The Board shall have the power to clarify any doubt or rectifying any anomalies in connection with the effective execution of this policy.

The Board reserves the right to amend this Policy from time to time based on the changing requirements as prescribed by the SEBI/Stock Exchange or any other appropriate statutory authority.

**10. DISCLOSURE:**

This Policy shall also be uploaded on the website of the Company at [www.punjabchemicals.com](http://www.punjabchemicals.com).

The above policy was reviewed and approved by the Board of Directors at its meeting held on 3<sup>rd</sup> August, 2023.

sd/-  
**Shalil Shroff**  
**Managing Director**

sd/-  
**Vinod Gupta**  
**Chief Executive Officer**