

## PUNJAB COMMUNICATIONS LIMITED

### **POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

***[Pursuant to Regulation 30(4)(ii) of SEBI (LODR) Regulations, 2015]***

---

#### **1. BACKGROUND:**

Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9th September, 2015 requires every listed entity to formulate a policy for determining ‘materiality’ of events or information based on the criteria as specified in the regulation 30(4)(i) of LODR and is required to make disclosure of events/information as specified in Part A of Schedule III of LODR.

Accordingly, the Board of Directors of Punjab Communications Limited (hereinafter referred to “Company”) has adopted a Policy for determination of materiality of events or information (hereinafter referred to as “Policy”) in the Meeting of the Board of Directors of the Company held on 16<sup>th</sup> May, 2019. This Policy aims for disclosure of important and material events of the Company to the Stock Exchange as well as to stakeholders to promote transparency and to ensure that the stakeholders are well-informed regarding the major and material events of the Company.

All the Words and expressions used in this Policy shall have meaning respectively assigned to them under the LODR and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

#### **2. OBJECTIVE OF THE POLICY:**

The purpose of this Policy is to determine materiality of events or information which are required to be disclosed by the Company to the Stock Exchange as provided in Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Part A of Schedule III of SEBI (LODR) regulations is divided into three Paras, as follows-

- A) Events which shall be considered material without any application of guidelines
- B) Events deemed as material pursuant to application of company’s guidelines formulated under this policy
- C) Other events

It is in accordance with the requirement of para B of Part A of Schedule III, this policy has been designed considering that stakeholders of the Company need timely, sufficient & reliable information in a coherent manner regarding material events or information which bears on the performance or operations of the business or any price sensitive information.

#### **3. AUTHORIZATION FOR DETERMINATION OF MATERIALITY AND DISCLOSURE:**

The Key Managerial Personnel, Mr. Madhur Bain Singh, Company Secretary & Mr. Ramesh Goel, Chief Financial Officer, are hereby jointly or severally authorised to determine whether the event / information is material or not and also the above KMPs are hereby authorised to make the disclosure based on category of information as specified in this policy to the Stock

Exchange. The Company Secretary of the Company shall also ensure that the disclosures made under this policy are disseminated on the website of the Company i.e. [www.puncom.com](http://www.puncom.com)

#### **4. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION:**

The Company shall consider the following criteria as specified in Clause (i) of Sub-regulation 4 of Regulation 30 of the Listing Regulations for determination of materiality of events or information:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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;
- c) any other event or information which is treated as being material in the opinion of the Board of Directors of the Company.

#### **5. MATERIAL EVENTS OR INFORMATION:**

All Material Events/ Information (except those given at Sl. No. 5.1 (4)) shall be disclosed to the stock exchanges **as soon as possible and not later than 24 hours from the occurrence of event or information**. In case disclosure is made after 24 hours of the occurrence of the event/ information, the concerned Department shall ensure that reasons for the delay be explained in the announcement to the Stock Exchanges. **The disclosures in respect of matter provided at Sl. No. 5.1 (4) shall be made within 30 minutes of the closure of the Board Meeting.**

##### **5.1 EVENTS WHICH SHALL BE CONSIDERED "MATERIAL"**

The Company shall make disclosure of the events or information as specified in para A of Part A of Schedule III to the Listing Regulations as soon as possible and not later than 24 hours from the occurrence of event or information, to the Stock Exchanges without any application of the guidelines for materiality

##### **5.2 EVENTS DEEMED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES FOR MATERIALITY REFERRED IN SUB-REGULATION (4) OF REGULATION (30):**

The Company shall make disclosure of the following events/ information specified in para B of Part A of Schedule III to the Listing Regulations within 24 hours of their occurrence, to the Stock Exchanges after due application of guidelines of materiality based on criteria as given at Sl. No. 4 of this Policy. Materiality shall be determined on a case to case basis in light of these guidelines.

<b>S.No.</b>	<b>EVENT/ INFORMATION</b>	<b>THRESHOLD</b>
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Not applicable as the commercial operations has already commenced in Year 1981. However, materiality to be determined with impact of 10% or more of Turnover of preceding

		year audited financial statements
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).	Not applicable as the company is having only one unit/division i.e. in Mohali. However, any such change either by way of strategic tie-ups or new technology absorption attributing more than 10% of Total Turnover of preceding year audited financial statements
3.	Capacity addition or product launch.	Capacity addition of an existing capacity or capex investment exceeding Rupees 5 crores or 15% of gross block, whichever is more.
4.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Any contract/order having impact value exceeding 20% or more of preceding year audited financial statements.
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.	Any loan agreement, revision(s) or amendment(s) or termination(s) thereof with value exceeding Rupees 10 crores or 20% of Net worth of the Company, whichever is more.
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.	Impact of 20% or more of Turnover of preceding year audited financial statements
7.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity	Impact of 10% or more of Turnover of preceding year audited financial statements
8.	Litigation(s) / dispute(s) / regulatory action(s) with impact.	All such events exceeding Rupees 10 crores.
9.	Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.	All such events exceeding Rupees 10 crores.
10.	Options to purchase securities including any ESOP/ESPS Scheme.	At present, the Company does not have ESOP/ESPS scheme. In case in future the Company introduces ESOP/ESPS Schemes, the same shall be reported to the exchange
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	Financial guarantees or indemnities or becoming sureties of sum not less than Rupees 10 crores
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact of 10% or more of Turnover of preceding year audited financial statements

### **5.3 OTHER EVENTS/ INFORMATION:**

Any other Events/ information which is determined as material by the Board or authorised KMP's upon applicability of guidelines shall be disclosed within 24 hours of their occurrence, that may include but are not restricted to:

1. Emergence of new technologies;
2. Expiry of patents;
3. Any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof;
4. 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.
5. Market sensitive information;
6. Any event which in the view of Board is material.

The Company shall continue to make disclosures for updating material developments on a regular basis of any material events/information, till such time the event is resolved/closed, with relevant explanations. The Company shall also provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information:

### **6. WEBSITE UPDATION:**

The Company shall update on its website all such events or information which has been disclosed to stock exchange(s) under this policy as mandated by the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five (5) years and, thereafter, as per the archival policy of the Company.

### **7. REVIEW AND AMENDMENT OF POLICY:**

This policy shall be reviewed and amended by the Board of Directors as and when deemed necessary and to comply with any amendment or modifications in LODR.

### **8. EFFECTIVE DATE**

The Policy as approved by the Board of Directors shall be effective from 16<sup>th</sup> Day of May, 2019.