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Policy on determination of materiality of events/ Information

SCOPE AND PURPOSE

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) (“SEBI Listing Regulations”) requires the listed entities to frame a policy for determination of materiality for disclosure of events or information to stock exchanges, based on the criteria specified in the SEBI Listing Regulations. The Policy is also required to be disclosed on the website of the Company. The events / information that needs to be disclosed would be as presently prescribed by Securities and Exchange Board of India vide circular CIR/CFD/CMD/4/2015 dated 9th September 2015 and as would be amended from time to time.

In this regard Precision Camshafts Ltd. (the “Company”) has framed a policy to determine the material events/ information under Regulation 30(4)(ii) of the Regulations for the purpose of adequate, accurate, explicit and timely disclosure of the same to the Stock Exchange(s).

This Policy on Determination of Materiality (the “Policy”) was adopted by the Board of Directors of the Company at its meeting held on 16th March 2016. The Policy shall be effective immediately. The Policy is revised by the Board of Directors at its meeting held on 10th August 2022.

A copy of the Policy shall be disclosed on the website of the Company (www.pclindia.in).

1. APPLICABILITY

This Policy shall be applicable on all events in the Company, as and when they come under the criteria enumerated in the Policy. This Policy shall be read along with the Company’s policy on Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information framed in adherence to the principles for fair disclosure as outlined in the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

2. DEFINITIONS

2.1. “**Acquisition**” shall mean -

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- a. acquiring control, whether directly or indirectly; or
 - b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - i. 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
 - ii. there has been a change in holding from the last disclosure made under sub-clause(i) of clause (b) above and such change exceeds two per cent of the total shareholding or voting rights in the said company.
- 2.2. **“Board”** shall mean the Board of Directors of the Company;
- 2.3. **“Committee”** shall mean a committee constituted by the Board for the purpose of determination of materiality under this Policy, which shall consist of one or more Key Managerial Personnel of the Company as may be decided by the Board from time to time;
- 2.4. **“Compliance Officer”** shall mean the Company Secretary of the Company;
- 2.5. **“Key Managerial Personnel/KMP”** means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 i.e.-
 - a. Chief Executive Officer (CEO)/Managing Director (MD)/ Manager;
 - b. b. Whole-time Director (WTD)
 - c. Chief Financial Officer (CFO);
 - d. Company Secretary (CS).
- 2.6. **“Market Sensitive Information”** shall mean information concerning the Company that a reasonable person would expect to have a material effect (upwards or downwards) on the price or value of the Company’s securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company’s sector;
- 2.7. **“Promoter”** shall have the meaning assigned to the term under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 2.8. **“Stock exchange”** means a 'recognised stock exchange' as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956; and
- 2.9. **“Subsidiary”** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

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3. KEY PRINCIPLES IN DETERMINING MATERIALITY

The following guidelines shall be followed while determining the requirement to make disclosure of an event/information:

A. EVENTS WHICH SHALL BE DEEMED MATERIAL AND IN RESPECT OF WHICH THE COMPANY SHALL MAKE DISCLOSURES

The below events will be disclosed as soon as reasonably possible and not later than twenty-four hours from the occurrence of event or information except for events stated in item (iv) below which shall be disclosed within thirty minutes of the conclusion of the board meeting. In case the disclosure is made after twenty-four hours of occurrence of the event or information, the rationale for the delay will be provided along with such disclosures.

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:
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 rating(s);
4. Outcome of meetings of the Board of the Company 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).

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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 KMP or by the Company or arrest of KMP or Promoter;
7. Change in Directors, KMP, Auditor and Compliance Officer; resignation of auditor with detailed reasons, resignation of Independent Director with detailed reasons
8. Appointment or discontinuation of share transfer agent;
9. Corporate debt restructuring;
10. One time settlement with a bank;
11. Reference to the Board of Industrial and Financial Reconstruction 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.
16. The following events in relation to the corporate insolvency resolution process (CIRP) of the Company as a corporate debtor under the Insolvency and Bankruptcy Code, 2016 (IBC):
 - a. Filing of application by the Company for initiation of CIRP, also specifying the amount of default;
 - b. Filing of application by financial creditors for initiation of CIRP against the Company, also specifying the amount of default;
 - c. Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;

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- d. Public announcement made pursuant to order passed by the Tribunal under section 13 of IBC;
- e. List of creditors as required to be displayed by the Company as corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f. Appointment/ Replacement of the Resolution Professional;
- g. Prior or post-facto intimation of the meetings of Committee of Creditors;
- h. Brief particulars of invitation of resolution plans under section 25(2)(h) of IBC in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i. Number of resolution plans received by Resolution Professional;
- j. Filing of resolution plan with the Tribunal;
- k. Approval of resolution plan by the Tribunal or rejection, if applicable;
- l. Specific features and details of the resolution plan as approved by the Adjudicating Authority under IBC, not involving commercial secrets, including details such as:
 - I. Pre and Post net-worth of the company;
 - II. Details of assets of the company post CIRP;
 - III. Details of securities continuing to be imposed on the companies' assets;
 - IV. Other material liabilities imposed on the company;
 - V. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - VI. Details of funds infused in the company, creditors paid-off;
 - VII. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - VIII. Impact on the investor – revised P/E, RONW ratios etc.;
 - IX. Names of the new promoters, key managerial persons(s), if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
 - X. Brief description of business strategy.
- m. Any other material information not involving commercial secrets.}
- n. Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o. Quarterly disclosure of the status of achieving the MPS;
- p. The details as to the delisting plans, if any approved in the resolution plan.

17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by the Company:

- a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;

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- b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

B. THE FOLLOWING EVENTS SHALL BE CONSIDERED MATERIAL SUBJECT TO THE APPLICATION OF THE GUIDELINES MENTIONED IN CLAUSE (C)

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 KMP) or employees of the 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.



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C. THE EVENTS AS ENUMERATED IN CLAUSE (B) ABOVE SHALL BE CONSIDERED MATERIAL ONLY ON APPLICATION OF THE FOLLOWING GUIDELINES

1. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
2. 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
3. In case where the criteria specified in sub-clauses (1) and (2) are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event / information is considered material.

For the avoidance of doubt, it is clarified that the guidelines set out in this Clause (C) shall apply only for the events set out in Clause (B) above. The events set out in Clause (A) above shall be disclosed without any application of these guidelines for materiality.

D. ANY OTHER INFORMATION/EVENT VIZ. MAJOR DEVELOPMENT THAT IS LIKELY TO AFFECT BUSINESS:

Events/information shall be disclosed to stock exchanges that may include but are not restricted to

- a. Emergence of new technologies;
- b. Expiry of patents;
- c. Any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof;
- d. 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;
- e. Any Market Sensitive Information as may be determined the Committee/ Board from time to time;
- f. Any event which, in the view of the Board, is material

4. ADMINISTRATIVE MEASURES

4.1 Unless otherwise decided by the Board, any two of the following designated persons of the Company are authorized for the purpose of determining materiality of an event or information and making disclosures to the Stock Exchange(s);

- 1.** Managing Director,
- 2.** Chief Financial Officer (CFO),
- 3.** Whole Time Director,

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4. Company Secretary and Compliance Officer

The contact details of the designated persons are mentioned in the **Annexure I**.

4.2. The designated persons will be guided by the SEBI circular (CIR/CFD/CMD/4/2015) dated 9th September 2015, while expressing a view on whether an event/information has occurred requiring a disclosure to be made under this Policy and the contents of such disclosure.

4.3. The designated persons shall take into consideration totality of factors surrounding the particular information to take a view on whether the information is Market Sensitive Information.

4.4. The designated persons may seek expert advice where so felt necessary as to whether the information is required to be disclosed in accordance with the terms of this Policy.

4.5. The heads of various departments of the Company will support the designated persons with regard to compliance of the terms of this Policy, and forthwith notify the designated persons and provide all relevant details with regard to any event/ information which is likely to be construed as material under Clause 3 of this Policy.

4.6. The Compliance Officer shall ensure overall compliance of this Policy.

5 INTERPRETATION

In any circumstance where the terms of this Policy differ from any existing or newly enacted law, rule or regulation governing the Company, the law, rule, or regulation will take precedence over this Policy and procedures until such time as this Policy is changed to conform to the law, rule or regulation.

6. DISCLOSURE

The designated persons shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

6.1. For determining materiality of any event/transaction, reference is to be made to this Policy and the Regulations.

6.2. Disclosure of the events enumerated in Clause 3(A)(4) above shall be made within 30 minutes of the conclusion of the Board meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.



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6.3. All other events required to be disclosed under the Policy, other than those mentioned in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event. In the event of any delay in making the disclosure after 24 hours, the Company shall, along with such disclosure, provide an explanation for the delay.

6.4. In case of events/information such as natural calamities, disruption, etc., they shall be disclosed when the Company becomes aware of such events/information.

6.5. The estimated details with regard to any fraud/ default by any director, Promoter or KMP or by the Company or arrest of any Promoter or KMP shall be disclosed at the time of unearthing of the fraud or occurrence of default/ arrest. A subsequent disclosure shall be made with respect to further details of the fraud/default/arrest such as actual amount involved (if any), actual impact on the Company and its financials and corrective measures taken by the Company.

6.6. The Stock Exchange(s) shall also be regularly intimated of details of any change/updates in the disclosure including status and/ or any material development thereon till such time as the event is resolved/ closed, with relevant explanations.

6.7. All the disclosures made to the Stock Exchange(s) under this Policy shall also be disclosed on the website of the Company and the same shall be hosted for a minimum period of five years.

6.8. The Company shall provide specific and adequate reply to all queries raised by any Stock Exchange with respect to any events or information. The Company may on its own initiative also confirm or deny any reported event or information to Stock Exchange(s).

AUTHORITY TO MAKE ALTERATIONS

The Board is authorized to make such alterations to this Policy as considered appropriate, subject, however, to the condition that such alterations shall not be inconsistent with the provisions of the Regulations. The Company Secretary, being the Compliance Officer, is also authorized to make amendment in this Policy, where there is any statutory changes necessitating the amendment in the Policy.



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Annexure I

Sr. No	Name of Designated Person	Email ID	Contact No
1.	Mr. Yatin S. Shah (Chairman and Managing Director)	Yatin.shah@pclindia.in	020 25673050
2.	Mr. Ravindra R. Joshi (Whole-time Director and CFO)	rrjoshi@pclindia.in	
3.	Mr. Karan Y. Shah (Whole Time Director)	kyshah@pclindia.in	
4.	Gautam V. Wakankar (Company Secretary and Compliance Officer)	cs@pclindia.in	