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Policy on determination of materiality of events/ Information

1. 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 2023.

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

2. OBJECTIVE OF THE POLICY

The objectives of the Policy are: -

- a) To ensure that Company complies with the disclosure obligations as laid down by SEBI Listing Regulations 2015 and any other legislation as applicable.
- b) To assist employees of the Company in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel.

3. TYPE OF INFORMATION

The information covered by this Policy shall include information that the Company is required to disclose in a timely manner by applying the criteria for assessing materiality related to the



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Company's business, operations, or performances which may impact the investment decision in shares of the Company.

4. KEY PRINCIPLES/CRITERIA IN DETERMINING MATERIALITY OF EVENTS OR INFORMATION, ITS DISCLOSURE AND TIMELINES TO STOCK EXCHANGES

A. Criteria for determination of materiality of event 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;
 - 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 lower of the following:
 - (i) 2%(Two) percent of turnover, as per the last audited consolidated financial statements of the Company;
 - (ii) 2%(Two)percent of 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;
 - (iii) 5% (Five) percent of the average absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
- c) In cases where criteria specified in sub-clause (a) or (b) is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company the event or information is considered material.
- d) In case under the above-mentioned criteria, if an employees of the Company identify any potential material event or information, within their knowledge or domain, shall report the same to the authorized Key Managerial Personnel(s), for the purpose of determining the materiality of the said event or information and if it is necessary to make the disclosures to the stock exchange(s), if required within the identified criteria.
- e) Events or information relating to Subsidiaries which are Material for the Company shall be brought to the notice of Key Managerial Personnel for the purpose of making disclosures to the stock exchanges.

B. Disclosures to the Stock Exchanges

- Events/information specified in Schedule-III, Part-A, Para-A of SEBI Listing Regulations, as may be amended from time to time, are deemed to be considered as Material Events/Information and are needed to be disclosed to the stock exchanges within specified timeline as specified therein.



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- Events Specified in Schedule-III, Part-A, Para-B of SEBI Listing Regulations are considered as Material Events/Information subject to criteria for determination of materiality as mentioned in Clause 4(A) above. These events to be disclosed to the stock exchanges within timelines as specified therein.
- 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.
- The receipt of a communication from any regulatory, statutory, enforcement or judicial authority along with the event or information, unless disclosure of such communication is prohibited by such authority, within the parameters of determination of materiality as per this policy.

C. Timelines for disclosure of events/information to the stock exchanges

The Company shall first disclose to the stock exchanges all events or information which are material in terms of the Clause 4 of this Policy as soon as reasonably possible and in any case not later than the following:

- a) 30 minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- b) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- c) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.
- d) Other disclosures with respect to events or information for which timelines have been specified in Part A of Schedule III shall be made within such timelines.
- e) In case the disclosure is made after the timelines specified under Regulation 30, the Company shall along with such disclosure provide the explanation for delay.

5. WHEN AN EVENT/INFORMATION IS DEEMED TO OCCUR

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.



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In the former the events / information shall be said to have occurred upon approval of board of the Company and in certain events, for example further issue of capital by rights issuance and in certain events / information more specifically mentioned under Part A Para A Clause 4 of Schedule III of LODR after receipt of approval of both i.e. by the board of the Company and shareholders of the Company as may be applicable.

Certain events/ information which are price sensitive in nature like declaration of dividends etc. will be deemed to have occurred and disclosed on approval of the board of the Company pending shareholder's approval. Later Events /information can be said to have occurred when the Company becomes aware of the event /information or as soon as KMP of the Company has or ought to have reasonably come into possession of the information / events in course of the **performance of his duties.**

6. HANDLING OF QUERIES OR REQUEST FOR VERIFICATION OF MARKET RUMORS

The Company shall confirm, deny or clarify any reported event or information in the mainstream media, which is not general in nature and indicates that rumors of an impending specific material event or information that are circulating amongst the investing public and also provide current stage of such event or information. Such disclosure as applicable will be made as per the time lines prescribed under SEBI Listing Regulations 2015.

7. KEY MANAGERIAL PERSONNEL AUTHORIZED TO DETERMINE MATERIALITY

The Managing Director, Whole-time Director, Chief Financial Officer, Company Secretary will be the authorized Key Managerial Personnel ("KMP") to determine the materiality of an event or information and for the purpose of advising on the disclosure to the stock exchange(s). The KMP shall be authorised: -

- a) To review and access an event or information that may qualify as "material" and may require disclosure on the basis of facts, circumstances prevailing at that time.
- b) To determine actual time at which the disclosures are to be made to the exchanges based on assessment of actual time of occurrence of an event or information.
- c) To disclose developments that are material on a regular basis, till such time the event or information is resolved/closed with relevant explanations.
- d) To disclose events or information with respect to subsidiaries which are material for the Company.



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The KMPs are also empowered to seek appropriate guidance from relevant sources for determining the materiality of an event or information and disclosure of the same to stock exchanges.

8. DISCLOSURES ON WEBSITE

The Company shall disclose on its website all such events or information which has been disseminated to the Stock Exchanges under this Policy and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the Archival Policy of the Company.

9. 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.

10. 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.