



PRECOT MERIDIAN LIMITED

POLICY ON DISCLOSURE OF MATERIAL EVENTS/INFORMATION

(Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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Precot Meridian Limited

Policy on Disclosure of Material Events/Information

(Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I. Objective

To determine the events and information which in the opinion of the board are material and needs to be disclosed to the Stock Exchanges as per the time span hitherto defined.

The policy is framed for the purpose of systematic identification, categorization, review and disclosure of information or events which are considered material and which may have a bearing on the performance of the company and materially affect the share prices of the company.

In terms of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Board of Directors (the "**Board**") of the Company has adopted this Policy for determination of material events and information ("**Material Information**") to be disclosed to the Stock Exchanges under applicable SEBI regulations.

II. Definitions

In this policy unless the context otherwise requires,-

- a. "**Act**" means the Companies Act, 2013 and rules made there under, as amended from time to time.
- b. "**Authorized Persons**" shall be the persons mentioned in Clause III of this Policy.
- c. "**Board**" or "**Board of Directors**" shall mean the Board of Directors of Precot Meridian Limited, as may be re-constituted from time to time.
- d. "**Company**" means Precot Meridian Limited.
- e. "**Key Managerial Personnel**" or "**KMP**" shall have the same meaning ascribed to it under the Act.
- f. "**Material Information/event**" shall mean information/events as stated in Clause IV of this Policy.
- g. "**Policy**" means "Precot Meridian Limited – Policy on Determining Materiality".

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the SEBI Regulations shall have the same meaning assigned therein.

III. Authorized Persons

1. The materiality or otherwise of an information or event in terms of SEBI Regulations will be determined by the Managing Director(s) / Executive Director ("**Authorized Persons**").
2. The Authorized Persons shall also decide the appropriate period/ stage at which disclosure is to be filed with the stock exchanges including details that may be filed. The Authorized Persons may disseminate the disclosures to the Stock Exchanges either by themselves or through Company Secretary.

IV. Material events or information

1. Events or information specified in **Schedule- III PART- A - Para A of the Listing Regulation** will be deemed to be material events / information and will be disclosed irrespective of application of any quantitative or qualitative materiality thresholds.
2. The events or information, which will be disclosed based on application of materiality criteria, are given in Annexure A.
3. Any other information/event which are likely to materially effect the business that are exclusively known to the Company which may be necessary to enable the security holders of the Company to appraise its position and to avoid the establishment of a false market information, the Company may make disclosures of such event /information from time to time.

V. Guidelines for Materiality assessment of an event /information specified in Annexure

1. Materiality will be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, 'quantitative' criteria will be applied.
2. In circumstances where 'quantitative' test may not be applicable or cannot be applied, a 'qualitative' or a 'subjective' criteria as under will be applied to determine materiality :
 - a) the omission of an event or information which is likely to :
 - result in a discontinuity or alteration of a material event already available publicly; or
 - result in significant market reaction if the said omission came to light at a later date;
 - b) Any event or information having a significant risk to the reputation of the Company.

- c) In the opinion of the Authorized Persons or Board of Directors of the Company, the event/information ought to be disclosed.
3. Only such events/information which is direct (not derivative) and reasonably perceivable (not remote) and having a time horizon of 1-3 years.
4. In determining materiality a number of factors such as the nature of the information (both quantitative and qualitative), prevailing market conditions, general business practices, industry scenario, business outlook, etc. shall be taken into consideration.
5. The Company will disclose material information concerning the business and affairs of the Company to the public immediately, except where permitted by law and when otherwise required for the purpose of maintaining the confidentiality of the information.
6. The extent of the disclosures will depend upon the stage of discussions, studies, or negotiations.

VI. Other Information/Event:

An event or information which are not specified under Annexure A to this policy but which in the view of the Authorized Persons or the Board is material will be disclosed in terms of this policy and Listing Regulations.

VII. Statutory Framework

1. This policy is framed in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time this policy is changed to conform to the law, rule, regulation or standard.

VIII. Effective date

This policy shall be effective from December 01, 2015.

IX. Review

The Policy is subject to review by the Board from time to time.

Annexure A

The events/information and corresponding materiality criteria pursuant to Para B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and clauses IV and V of this Policy

S.No	Event/Information	Threshold
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.	Impact of 5% or more of annual Turnover of the Company as per the latest 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).	Impact of 5% or more of annual Turnover of the Company as per the latest audited financial statements.
3.	Capacity addition	Annual Capacity enhancement of not less than 10% from the present capacity.
4.	Product launch	Impact of 5% or more of annual Turnover of the Company as per the latest audited financial statements.
5.	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Impact of 5% or more of annual Turnover of the Company as per the latest audited financial statements.
6.	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.	<p>As a borrower - Borrowings not in normal course of business for an amount not less than INR 2,000 million.</p> <p>As a lender – Loan or Guarantee offered to others not in normal course of business for an amount not less than INR 2,000 Million</p> <p>Other Agreements – Impacts 10% Annual Turnover of the Company as per the latest audited financial statements.</p>

7.	Disruption of operations of any one or more units or division of the listed entity/Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.	Disruption of operations due to natural calamity, strike, lockout, etc- Estimated impact of 5% or more of the annual production or the turnover as per the latest audited financial statements
8.	Effect(s) arising out of change in the regulatory framework applicable to the listed entity / Company	Impact of 10% or more to the annual turnover of the Company
9.	Litigation(s) / dispute(s) / regulatory action(s) with impact.	Impact of not less than 5% of the annual turnover of the Company as per the latest audited financial statements.
10.	Fraud/ defaults etc. by directors (other than key managerial personnel) or employees of listed entity/Company.	Amount exceeding INR 100 million in case of employees and any amount as regards Directors. <i>(Only established Frauds and Defaults affecting the Company.)</i>
11.	Options to purchase securities including any ESOP/ESPS Scheme.	Not Applicable.
12.	Giving of guarantees or indemnity or becoming a surety for any third party.	Any single guarantee/ indemnity having an impact of 5% or more of annual turnover of the Company (as per the latest audited financial statements).
13.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Impact of 5% or more of annual turnover as per the latest audited financial statements.

Notwithstanding anything stated above, the Authorized Persons may apply a qualitative criterion for deeming an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained / applied reasonably.