



**PRECOT 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 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 Limited, as may be re-constituted from time to time.
- d. **“Company”** means Precot Limited.
- e. **“Key Managerial Personnel”** or **“KMP”** of the Company means the Managing Director or Chief Executive Officer or Whole Time Director or Manager, Chief Financial Officer and the Company Secretary and any other personnel appointed by the Company under Section 2(51) of the Act.
- f. **“Material Information/event”** shall mean information/events as stated in Clause IV of this Policy.
- g. **“Policy”** means this Policy on Disclosure of Materiality of Events or Information, as may be amended from time to time.

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 Chairman and Managing Director/Vice Chairman and Managing Director and in their absence the CFO/ Company Secretary (“**Authorized Persons**”).
2. The authorized persons shall also decide the appropriate period or stage, subject to SEBI regulations, at which disclosure is to be filed with the stock exchanges, including any details that may be filed. The Authorized Persons may disseminate the disclosures to the Stock Exchanges either by themselves or through the company secretary.

### **IV. Material events or information**

1. Events or information specified in **Regulation 30 of Schedule- III PART- A - Para A of the Listing Regulation** will be deemed to be material events / information and will be disclosed by the company.
2. 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 as per SEBI Regulation.
2. The events or information, which will be disclosed based on application of materiality criteria, are given in Annexure A.
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. 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.
5. 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.

## **VI. Disclosure**

The company shall simultaneously disclose on its website all events or information which have been disclosed to the Stock Exchanges under this Policy or under the SEBI-LODR. Such disclosures shall remain hosted on the website of the company for a minimum period of five years.

## **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 10<sup>th</sup> August , 2023.

## **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.

### **A) CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS/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 or
- 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. (OR)
- c. The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following.
  - 1) 2% of turnover, as per the last audited consolidated financial statements of the entity;
  - 2) 2% of net worth, as per the last audited consolidated financial statements of listed entity , except in case the arithmetic value of the net worth is negative.;
  - 3) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.
- d. In case where the criteria specified in sub clause (a),(b) and ( c) is not applicable , an event or information may be treated as being material if in the opinion of board of directors of the company ,the event or information is considered material.

### **B) Events/Information which shall be material as per the regulations.**

C) The following events/ information specified in para B of Part A of Schedule III to the Listing Regulations upon occurrence based on criteria for determination of materiality of events/information on materiality as given in clause Annexure A of this Policy:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to Company:
  1. arrangements for strategic, technical, manufacturing, or marketing tie-up;  
or
  2. adoption of new line(s) of business; or
  3. closure of operation of any unit, division or subsidiary  
(in entirety or in 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) 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 listed entity 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 listed entity/Company
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity/Company.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity/Company.
10. Options to purchase securities including any ESOP/ESPS Scheme
11. Giving of guarantees or indemnity or becoming a surety , by whatever named called, for any third party.
12. Granting, withdrawal , surrender , cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

**C )** 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

**D )** Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.

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.