



# **CENTURY ENKA LIMITED**

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

## **DOCUMENT CONTROL**

### **Document version**

The policy document named as 'Determination of Materiality of Events or Information for Disclosure' is version 1.2.

### **Preparation/Revision History**

<b>Sr. No.</b>	<b>Date of preparation/ modification</b>	<b>Version No.</b>	<b>Modified by</b>	<b>Reviewed and approved by</b>
1	27.11.2015	Ref: WD/LC/11 was considered as version 1.0	Legal & Secretarial Department	Board of Directors
2	21.10.2022	1.1	Legal & Secretarial Department	Board of Directors
3	16.05.2024	1.2	Legal & Secretarial Department	Board of Directors

### **Issuing Authority**

This policy document is approved by the Board of the Company.

### **Author and Responsible Official**

This policy is to be maintained and updated by way of additions, deletions and modifications, only by the Legal and Secretarial Department. In case of any additions, deletions and modifications, this policy shall be reviewed by the Managing Director and subsequently approved by the Board of Directors.

Whenever this Policy is amended, the version increases by one unit and the version is to be mentioned in the Document Control section.

### **Applicability and Usage**

This policy document applies to **Century Enka Limited**.

## **PREFACE**

As per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to frame a policy for determination of materiality of events or information for disclosure of the same with the Stock Exchanges.

## **OBJECTIVE**

The objective of the policy is to determine materiality of events or information and timely disseminate the information to enable the stakeholders to make well informed decisions.

## **DEFINITIONS**

**a) 'Board' or 'Board of Directors'** means the Board of Directors of the Company.

**b) 'Company'** means Century Enka Limited unless the context otherwise provides.

**c) 'Director'** shall mean a member of the Board.

**d) 'Key Managerial Personnel (KMP)'** in relation to a company means:

- i) the Chief Executive Officer or the Managing Director or the Manager;
- ii) the Company Secretary;
- iii) the Whole-time Director;
- iv) the Chief Financial Officer;
- v) such other officer, not more than one level below the directors who is in whole-time employment, designated as Key Managerial Personnel by the Board and
- vi) any other person appointed by the Board of Directors as Key Managerial Personnel.

**e) 'Listing regulations'** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 includes Standard Operating Procedures (SOPs), notifications, circulars & clarifications as issued/amended by the Securities and Exchange Board of India, from time to time.

**f) 'Policy' or 'this Policy'** means policy on determination of materiality of events / information for disclosure.

**g) 'SEBI'** means the Securities and Exchange Board of India.

## **EVENTS/INFORMATION COVERED UNDER THIS POLICY**

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations or any other regulations or circulars as may be issued by the SEBI from time to time, the Company shall make disclosure of following events/information to the Stock Exchanges:

(A) Events/information as prescribed in Para A of Part A of Schedule III of the Listing Regulations (***annexed as Annexure-A***) are deemed to be material and shall be disclosed without any application of the guidelines of materiality.

(B) Events/information as prescribed in Para B of Part A of Schedule III of the Listing Regulations (***annexed as Annexure-B***) shall be disclosed, based on application of the guidelines for materiality.

*[Please refer Para 'Guidelines for determination of materiality of events/information' of this policy for consideration of 'materiality' factor]*

(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 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 pursuant to Para C of Part A of Schedule III of the Listing Regulations.

(D) Without prejudice to the above, the Company shall make disclosure of events and information as specified by the SEBI from time to time pursuant to Para D of Part A of Schedule III of the Listing Regulations.

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

The Company shall consider the following criteria for determination of materiality of events or information for disclosure of items listed in Para B of Part A of Schedule III of the Listing Regulations:

a) the omission of an event/information, which is likely to result in discontinuity or alteration of event / information already available publicly; or

- b) the omission of an event/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/information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - i) two percent of turnover, as per the last audited consolidated financial statements of the Company;
  - ii) 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) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company; or
- d) where the criteria specified above as (a), (b) and (c) are not applicable, an event/information may be treated as being material if in the opinion of the Board of the Company, the event/information is considered material.

## **TIMELINES FOR DISCLOSURE OF EVENTS/INFORMATION**

### **General timelines:**

All the events/information covered under this policy shall be required to be disclosed to the Stock Exchanges as soon as reasonably possible and in any case not later than the following:

- (i) thirty minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;
- (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

In case the disclosure is made after the timelines specified above, the Company shall, along with such disclosures provide the explanation for the delay.

The Company shall make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

### **Specific timelines:**

- (a) The events/information as mentioned in para 4 of Annexure-A of this Policy, shall be disclosed to the Stock Exchanges within thirty minutes of the conclusion of the Board meeting. In case, any Board meeting being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.
- (b) The events/information in respect of matter specified in para 10 and 11 of Annexure-A of this Policy, shall be disclosed within seven days from the date of resignation.
- (c) The events/information in respect of matter specified in para 21 of Annexure-A of this Policy shall be disclosed to the Stock Exchanges in the following manner:
  - (i) schedule of analysts or institutional investors meet shall be disclosed at least two working days in advance (excluding the date of intimation and the date of the meet);
  - (ii) presentation and the audio/video recordings shall be promptly disclosed, in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
  - (iii) the transcripts of such calls shall be disclosed within five working days of the conclusion of such calls.

## **AUTHORISED PERSON AND THEIR CONTACT DETAILS**

The Key Managerial Personnel of the Company are severally authorised for determining materiality of any events/information as per this policy.

The Chief Financial Officer and the Company Secretary of the Company are severally authorised to disseminate such material events/information to the stock exchanges.

The above-mentioned persons can be contacted at the below mentioned address:

Century Enka Limited

Plot no. 72 & 72-A, Telco Road, MIDC Bhosari,

Pimpri Chinchwad, Pune, Maharashtra – 411026

Tel No.: 020-66127304

Email Id: cel.investor@adityabirla.com

## **WEBSITE DISCLOSURE**

All the events/information disclosed to the Stock Exchanges under Regulation 30 of the Listing Regulations shall be hosted on the Company's website for a period of five years and thereafter will move to archival as per the policy for Archival of Documents of the Company.

## **INTERPRETATION OR MODIFICATION**

The Board of the Company shall have authority to amend or modify this policy to align with any amendments made to the listing regulations or such other circulars, guidelines, standards or regulations issued by SEBI, Stock Exchange(s) or any other authority or as and when deemed fit.

In the event of inconsistency of this policy with any statutory provisions, then the relevant provisions of such applicable law shall prevail upon the provisions of this policy.

## **Annexure-A**

### **Events/information that are deemed to be material shall be disclosed without any application of the guidelines of materiality**

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company 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. New Rating(s) or Revision in Rating(s).
4. Outcome of meetings of the Board, in which following events consider:
  - 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) decision on buyback of securities;
  - d) 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
  - g) or securities or any other rights, privileges or benefits to subscribe to;
  - h) short particulars of any other alterations of capital, including calls;
  - i) financial results;
  - j) decision on voluntary delisting from the Stock Exchanges.
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. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control



of the Company or impose any restriction or create any liability upon the Company, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

However, such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company, or they are required to be disclosed in terms of any other provisions of these regulations.

7. Fraud or defaults by the Company, its Promoter, Director, Key Managerial Personnel, Senior Management or subsidiary or arrest of Key Managerial Personnel, Senior Management, Promoter or Director of the Company, whether occurred within India or abroad.
8. Change in Directors, Key Managerial Personnel, Senior Management, Auditor and Compliance Officer.
9. In case of resignation of auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor.
10. In case of resignation of an independent director of the Company, the following disclosures shall be made to the stock exchanges:
  - a) the letter of resignation along with detailed reasons for the resignation as given by the said director;
  - b) names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any;
  - c) the independent director shall, along with the detailed reasons, also provide a confirmation that there are no other material reasons other than those provided.
11. In case of resignation of Key Managerial Personnel, Senior Management, Compliance Officer or Director other than an Independent Director of the Company, the letter of resignation along with detailed reasons, as given by the Key Managerial Personnel, Senior Management, Compliance Officer or Director.
12. In case of resignation of Key Managerial Personnel, Senior Management, Compliance Officer or Director other than an Independent Director of the Company, the letter of resignation along with detailed reasons, as given by the Key Managerial Personnel, Senior Management, Compliance Officer or Director.
13. In case of the Managing Director or Chief Executive Officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty-five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability.

14. Appointment or discontinuation of share transfer agent.
15. Resolution plan/Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
  - a) decision to initiate resolution of loans/borrowings;
  - b) signing of Inter-Creditors Agreement (ICA) by lenders;
  - c) finalization of Resolution Plan;
  - d) implementation of Resolution Plan;
  - e) salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by the lenders.
16. One time settlement with a bank.
17. Winding-up petition filed by any party/creditors.
18. 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.
19. Proceedings of Annual and Extraordinary General Meetings of the Company.
20. Amendments to memorandum and articles of association of the Company, in brief.
21. Analysts or institutional investors meet:
  - a) Schedule of analysts or institutional investors meet, and presentations made by the Company to analysts or institutional investors;
  - b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means.
22. Following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code:
  - a) filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
  - b) filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
  - c) admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
  - d) public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
  - e) list of creditors as required to be displayed by the 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 Insolvency Code 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 the Insolvency Code, not involving commercial secrets, including details such as:
    - pre and post net-worth of the company;
    - details of assets of the company post CIRP;
    - details of securities continuing to be imposed on the companies' assets;
    - other material liabilities imposed on the company;
    - detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
    - details of funds infused in the company, creditors paid-off;
    - additional liability on the incoming investors due to the transaction, source of such funding etc.;
    - impact on the investor – revised P/E, RONW ratios etc.;
    - 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;
    - 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.
23. In case of initiation of forensic audit, 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;
  - b) final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.
24. Announcement or communication through social media intermediaries or mainstream media by Directors, Promoters, Key Managerial Personnel or Senior Management of the Company, in relation to any event or information which is

material for the Company in terms of this Policy and is not already made available in the public domain by the Company.

25. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or Subsidiary, in relation to the Company, in respect of the following:
- a) search or seizure; or
  - b) re-opening of accounts under section 130 of the Companies Act, 2013; or
  - c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
    - i. name of the authority;
    - ii. nature and details of the action(s) taken, initiated or order(s) passed;
    - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
    - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
    - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
26. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or Subsidiary, in relation to the Company, in respect of the following:
- a) suspension;
  - b) imposition of fine or penalty;
  - c) settlement of proceedings;
  - d) debarment;
  - e) disqualification;
  - f) closure of operations;
  - g) sanctions imposed;
  - h) warning or caution; or
  - i) any other similar action(s) by whatever name called; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
    - i. name of the authority;
    - ii. nature and details of the action(s) taken, initiated or order(s) passed;
    - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;

- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
  - v. impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
27. Voluntary revision of financial statements or the report of the Board of the Company under section 131 of the Companies Act, 2013.

## **Annexure-B**

### **Events shall be disclosed, if it is considered material by the Company upon application of the guidelines for materiality**

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 the Company:
  - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - (b) adoption of new line(s) of business; or
  - (c) 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) (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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Fraud or defaults by employees of the Company which has or may have an impact on the 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.