



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 / Information for Disclosure' is version 1.1.

Preparation/Revision History

Sr. No.	Date of preparation / modification	Version No.	Modified by	Reviewed and approved by
1	27.11.2015	Ref: WD/LC/11 was considered as version 1.0	Company Secretary	Board of Directors
2	21.10.2022	1.1	Company Secretary	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 / information for disclosure of items listed in Para B of Part A of Schedule III of the Listing Regulations.

OBJECTIVE

The objective of the policy is to determine materiality of events / 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 Part A 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 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, if it is considered material by the Company.

[Please refer Para 'Criteria for determination of materiality of events' 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 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 pursuant to Para C of Part A of Schedule III of the Listing Regulations.

(D) Without prejudice to the above, the Company may 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.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS

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 events / information, is likely to result in discontinuity or alteration of events / information already available publicly; or

- b) the omission of an events / information is likely to result in significant market reaction, if the said omission came to light at a later date; or
- c) where the criteria specified above as (a) and (b) are not applicable, an events/information may be treated as being material if in the opinion of the board of directors of the Company, the events / information is considered material.

The Board of Directors of the Company has approved the Guidelines for quantitative test for determination of materiality of events/information as listed out in Para B of Part A of Schedule III of Listing Regulations for making disclosure to the stock exchanges. The Quantitative Test Guidelines annexed as **Annexure-C** to this policy.

Further, the Board has authorised the Managing Director/Whole Time Director to amend the guidelines for quantitative test for determination of materiality of events information as listed out in Para B of Part A of Schedule III of Listing Regulations for making disclosure to the stock exchanges.

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 but not later than twenty-four hours from the occurrence of event/information unless otherwise prescribed in this policy.

In case the disclosure is made after twenty-four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay.

The Company, with reference to the disclosures referred in this policy, 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 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 9 of Annexure-A of this Policy, shall be disclosed within seven days from the date of resignation of an Independent Director.
- (c) The events/information in respect of matter specified in para 17 of Annexure-A of this Policy shall be disclosed to the Stock Exchanges in the following manner:
 - (i) the 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
 - (ii) 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/restructuring), or sale or disposal of any unit(s), division(s) 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 directors, in which following events to 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. Fraud/defaults by promoter or key managerial personnel or by the Company or arrest of key managerial personnel or promoter;
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer , Company Secretary etc.), Auditor and Compliance Officer;

8. In case of resignation of auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor;
9. 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;
 - d) the confirmation as provided by the independent director above shall also be disclosed to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
10. Appointment or discontinuation of share transfer agent
11. 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;
12. One time settlement with a bank;
13. Reference to BIFR and winding-up petition filed by any party/creditors;
14. 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;
15. Proceedings of Annual and extraordinary general meetings of the Company;
16. Amendments to memorandum and articles of association of the Company, in brief;
17. Investor Meet and Earning Calls:
 - 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;
18. 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;
19. 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.

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. 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 key managerial personnel) 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.

Annexure-C

Quantitative test for determination of materiality for disclosure of events / information

Guidelines for determination of materiality of events / information described in Para B of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

Sr. No.	Events/Information	Guidelines
1	Commencement of Commercial Production or Commercial Operation	The date of commencement or postponement of commercial production or commercial operation of a unit / division where revenue from the unit / division for a full year is estimated to be not less than 10% (ten percent) of the total revenues of the Company for the financial year.
2	Change in general character or nature of business	Any change in general character or nature of business, brought about by arrangement for strategic, technical, manufacturing or marketing tie-up, adoption of new line of business or closure of operation results in increase / decrease of not less than 10% of the total revenue of the Company for the financial year.
3	Capacity addition / product launch	Capacity addition / product launch where generation of revenue from such capacity addition / product launch is estimated to be not less than 10% of the total revenue of the Company for the financial year.
4	Awarding, bagging or receiving orders / contracts not in the normal course of business or amendment or termination thereof	Awarding / bagging or receiving order / contract or amendment or termination thereof which increase or decrease revenue of the Company by not less than 10% for the financial year.
5	Agreement	Loan Agreement or any other agreement which is binding and not in the normal course of business of the Company, or their revision or amendment or termination for borrowing exceeding net worth of the Company in a financial year.

6	Disruption of Operation	Disruption of operation of a unit / division of the Company, if disrupted due to natural calamity, such as earthquake, flood, fire or an act attributed to the nature, shall be disclosed immediately after the situation reach to normal and preliminary assessment is made or disruption of operation due force majeure or events such as strike or lockout, provided the total revenue affected for such unit / division is not less than 10% of the total revenue of the Company for the financial year.
7	Regulatory framework	Any change in regulatory framework that affects the revenue of the Company by not less than 10% of the total revenue of the Company for the financial year.
8	Litigation / Dispute / Regulatory Action	Any litigation / dispute / regulatory action which have impact of more than 5% of net worth of the Company in a financial year.
9	Fraud/Default	Fraud / default committed against the Company by Directors (other than Key Managerial Personnel) or employees of the Company, after assessing the correctness of such fraud / default which may cause loss to the Company by an amount exceeding Rs.1 Crore.
10	Option to purchase Securities including ESOP/ESPS Scheme	Any decision to buy back shares / other securities includes ESOP /ESPS to be informed.
11	Giving of Guarantee or Indemnity or becoming a Surety	Giving a guarantee, indemnity or becoming a surety for any third party, if such guarantee, indemnity or surety exceeds net worth of the Company , under a single instrument or taken together with other instrument or taken together with other instrument for the same person.
12	Granting, withdrawal, surrender, cancellation or suspension of Key Licenses or regulatory approvals	If such granting, withdrawal, surrender, cancellation or suspension of Key Licenses (such as Factory License, Environment Permission) or Regulatory approvals results into increase or decrease or revenue by not less than 10% of the total revenue of the Company for the financial year, and if the same could not be translated into revenue, then as decided by the Whole-time Director / Managing Director of the Company.

Note: The above threshold limit shall be determined based on latest audited statement of the financial year preceding the year in which the events occur.