

CENTRUM CAPITAL LIMITED POLICY ON MATERIALITY FOR DISCLOSURES

1. Background

Centrum Capital Limited (the Company) is committed to being open and transparent with all stakeholders and believes in disseminating information in a fair and timely manner. The Company's securities are listed on the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Company must comply with the continuous disclosure obligations imposed by the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Listing Regulations). The Listing Regulations are effective December 1, 2015. Listing Regulations mandate listed entities to formulate a Policy for determining materiality of events or information that warrant disclosure to its stakeholders. It is in this context that the Policy on Determination of Materiality for Disclosure(s) ("Policy") is being framed and implemented.

2. Definitions

In this Policy, unless the context requires otherwise:—

- a. "Board of Directors" shall mean the Board of Directors of Centrum Capital Limited.
- b. "Chief Financial Officer" or "whole time finance director" or "head of finance", by whatever name called, shall mean the person heading and discharging the finance function of the Company as disclosed by it to the recognized stock exchange(s) in its filing under the Listing regulations.
- c. "Key Managerial Personnel" means Managing Director, Chief Financial Officer and Company Secretary of Centrum Capital Limited.
- d. Non-Convertible Debt Securities which is "debt Securities" as defined under regulation 2(1)(e) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- e. "Officer" includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and includes Promoter of the Company.
- f. "Promoter" and "Promoter Group" shall have the same meaning as assigned to them respectively in clauses (za) and (zb) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- g. "Holding" means a holding as defined under sub-section(46) of section 2 of the Companies Act, 2013;

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996

and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

3. Objective of the Policy

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly-traded company as laid down by the Listing Regulations, various Securities Laws and any other legislations (In India and Overseas).
- b. To ensure that the information disclosed by the Company is timely, transparent and continuous till the termination of the specific event or information.
- c. To ensure that to the best of the knowledge of the Management, the corporate documents and public statements are accurate and do not contain any misrepresentation.
- d. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations.
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

4. Type of Information

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "Material Information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information that is to be disclosed based on materiality principle are specified in Annexure 1 to this Policy.

Events or information that is to be disclosed without any application of the guidelines for materiality are specified in Annexure 2 to this Policy.

Material Events and Information with respect to non-convertible debentures to be disclosed are specified in Annexure 3 to this Policy

5. Person(s) Responsible for Disclosure

The Managing Director and the CFO are authorized (Authorized Persons) for the purpose of determining materiality of an event or information and to make appropriate disclosure on a timely basis.

The Authorized Persons are also empowered to;

- i. Seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.
- ii. Call for information from all its internal stakeholders including from its subsidiaries.

The Managing Director, CFO and Company Secretary are severally authorized for making disclosures of such material event or information.

The Chairman is authorized to make appropriate changes to the above policy as he may deem expedient taking into account the law for the time being in force and subject to approval of the Board. This policy is subject to review from time to time.

The Authorized Person(s) shall have the following powers and responsibilities for determining the material events or information:

- a. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.
- b. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.
- c. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/ closed, with relevant explanations.
- d. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.
- e. To disclose all events or information with respect to the subsidiaries which are material for the company.

6. Guidelines for Assessing Materiality

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information.

The following criteria will be applicable for determination of materiality of event or information:–

- a) The omission of an event or information which is likely to :
 - result in a discontinuity or alteration of an event or information already available publicly;
 - or
 - result in significant market reaction if the said omission came to light at a later date;
 - or
 - Any event or information having a significant risk to the reputation of the Company
- b) In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.
- c) The quantitative criteria as indicated in *Annexure-2*, shall apply to events specified in Para B of Part A of Schedule III of the Regulations only and shall be used as a yardstick

or reference for determining materiality and arriving at the overall decision on the event to be reported by the Company Secretary

- d) Only such impact which is direct, reasonably perceivable and not remote, quantifiable and having a short term horizon of 1-2 years, shall be considered.
- e) Notwithstanding anything stated in *Annexure-2*, the Authorized Persons may apply qualitative criteria for deeming an event/information to be material or not in cases where aforementioned quantitative criteria cannot be ascertained/applied reasonably

7. Guidance on Timing of an Event or Information

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, and the answer to the above question would depend upon the timing when the Company became aware of the event/information.

In the former, the events/information (based on the facts and circumstances), can probably be said to have occurred upon receipt of approval of Board of Directors after negotiations and discussions that result in a binding contract with material impact on the Business or financial status of the company.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Disclosure(s) as required under the Listing Regulations will be made within 30 minutes of the conclusion of the Board Meeting or within 24 hours from the time the event occurred or the officer(s) becomes aware of the event or information, as applicable.

The Company shall provide specific and adequate reply/explanation/clarifications to the queries, if any, raised by Stock exchange(s) with respect to any events or information pertaining to the Company

The Company may its own initiative accept, confirm, deny or clarify with respect to any reported event of information pertaining to the Company. However, the Company shall not be under an obligation to respond to speculative news/press/media reports.

8. Obligations of Internal Stakeholders and Authorized Person for Disclosure

- a. Any event or information, including the information forming part of Annexure 1 and Annexure 2 to the Policy shall be forthwith informed to the Authorized Person(s) upon occurrence, with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the stock exchanges.
- b. Any other event, even if not covered under the SEBI Regulations but is potentially of price sensitive nature, must also be informed for further evaluation, to the Authorised Persons.
- c. The Authorized Person will then ascertain the materiality of such event(s) or information based on the above guidelines, considering their nature and relevant impact in terms of discontinuity of market information and significant market reaction in case of omission
- d. On completion of the assessment, the Authorized Person shall, if required, make appropriate disclosure(s) to the Stock Exchanges,

9. Policy Review

Material Changes to the Policy will need the approval of the Board of Directors.

Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

Any amendments to the Listing Regulations shall *mutatis mutandis* be deemed to have been incorporated in this Policy.

10. Website

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Documentation Retention and Archival Policy of the Company.

11. Contact Details

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Chief Financial Officer, who is in charge of administering the policy.

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Annexure 1

Events or Information that are to be disclosed based on Materiality Guidelines listed in the Policy

1. Substantial Change in the general character or nature of business brought about by arrangements for strategic, technical, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
2. Significant product launch.
3. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts that are substantial and are not in the normal course of business.
4. Material 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. , which have a material impact on the Company's ability to perform its functions effectively.
5. Significant impact on the Company's operations or reputation arising out of change in the law or regulatory framework.
6. Litigation(s) / dispute(s) / regulatory action(s) that may have a significant impact on the operations of the Company.
7. Fraud/defaults etc. by directors (other than key managerial personnel) or Key Managerial Personnel of the Company.
8. Issue of shares pursuant to any stock compensation plan.
9. Giving guarantees or indemnity or becoming a surety for any third party which is not in the ordinary course of business. (Other than those given to the Group Companies, Holding Company, Subsidiary Company and Associates
10. Granting, withdrawal, surrender, cancellation or suspension of key/material licenses or material regulatory approvals for the company.

Annexure 2**Events or Information that are to be disclosed WITHOUT application of Materiality Guidelines
Listed in the Policy**

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 subsidiary of the listed entity or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (b) There has been a change in holding from the last disclosure made under sub- clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.

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: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - 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) The decision on buyback of securities;
 - d) The 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 or securities or any other rights, privileges or benefits to subscribe to;
 - g) Short particulars of any other alterations of capital, including calls;
 - h) Financial results;
 - i) Decision on voluntary delisting by the Company from stock exchange(s).

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 listed entity), 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. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to BIFR and winding-up petition filed by any party /creditors.
12. 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.
13. Proceedings of Annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. Schedule of Analysts or institutional investors meets and presentations on financial results made by the Company to analysts or institutional investors.
16. The 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, including disclosure on the amount of default;
 - b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, including disclosure on 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:
 - (i) Pre and Post net-worth of the company;
 - (ii) Details of assets of the company post CIRP;
 - (iii) Details of securities continuing to be imposed on the companies' assets;
 - (iv) Other material liabilities imposed on the company;
 - (v) Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
 - (vi) Details of funds infused in the company, creditors paid-off;
 - (vii) Additional liability on the incoming investors due to the transaction, source of such funding etc.;
 - (viii) Impact on the investor – revised P/E, RONW ratios etc.;
 - (ix) 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;
 - (x) 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
- 17) 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 listed entity along with comments of the management, if any.]

Annexure 3

In terms of regulation 30 read with regulation 51(2) of the SEBI (LODR) Regulations, 2015, the Company shall make the following disclosures to the stock exchanges where the non-convertible securities of the Company are listed

The Company shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the Company or is price sensitive or shall affect payment of interest or redemption of non-convertible debt securities including:

- (1) expected default in timely payment of interest or redemption or repayment amount or both in respect of the non-convertible debt securities and also default in creation of security for debentures as soon as the same become apparent
- (2) any attachment or prohibitory orders restraining the Company from transferring non-convertible debt securities from the account of the registered holders along with the particulars of the numbers of securities so affected , the names of the registered holders and their demat account details
- (3) any action which shall result in the redemption conversion, cancellation, retirement in whole or in part of any non-convertible debt securities
- (4) any action that shall affect adversely payment of interest on non-convertible debt securities including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create charge on assets;
- (5) any change in the form or nature of any of its non-convertible debt securities that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;
- (6) any changes in the general character or nature of business/activities, disruption or operation due to natural calamity and commencement of commercial production/commercial operations;
- (7) any events such as strikes and lock outs which have a bearing on the interest payment/dividend payment/principal payment capacity;
- (8) details of any letter or comments made by debenture trustees regarding payment/non payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, Company and/or the assets along with its comments thereon, if any;
- (9) delay/default in payment of interest or dividend/principal amount/redemption for a period of more than three months from the due date;
- (10) failure to create charge on the assets within the stipulated time period
- (11) any instance(s) of default/delay in timely repayment of interest or principal obligations or both in respect of the debt securities including any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the Company with any investor(s)/lenders(s)
Explanation: For the purpose of this sub-para, 'default' shall mean Non-payment of instance of delay in servicing of any interest or principal or debt.
- (12) any major changes in composition of its board of directors, which may amount to changes in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (13) any revision in the rating;
- (14) the following approvals by board of directors in their meeting;-
 - (a) the decision to pass any interest payment
 - (b) short particulars of any increase of capital whether by issue of bonus securities through

capitalisation, or by way of right securities to be offered to the debenture holders or in any other way;

- (15) all the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible debt securities;
- (16) any other change that shall affect the rights and obligations of the holders of non-convertible debt securities, any other information not in public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities or any other information having bearing on the operation/performance of the Company as well as price sensitive information.

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