



Century Plyboards (India) Limited

Policy for determination of Materiality of events/ information

Scope and Purpose

The Securities Exchange Board of India, on 2nd September, 2015, has released the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015). By virtue of the said Regulations, 2015, Century Plyboards (India) Limited (the "Company") is required to frame a policy for determination of materiality of events/ information, based on criteria specified in Regulation 30. This policy is required to be duly approved by the Board of Directors and disclosed on the Company's website.

The purpose of this Policy is to ensure fair, proper, sufficient and timely disclosure of material events/ information to the Stock Exchanges and to the public and to ensure that the disclosure is prompt, correct, relevant and not misleading, and that all market participants have simultaneous access to any share price sensitive information. This policy serves as a guideline for disclosing information to Company 's stakeholders and defines the responsibilities especially in matters relating to information disclosure and investor relations.

This Policy for Determination of Materiality (the ' Policy') has been adopted by the Board of Directors of the Company by passing of resolution through circulation on 30th November, 2015.

1. Applicability

This Policy shall be applicable to all events in the Company, as and when they come under the criteria enumerated in the Policy.

2. Definitions

2.1. "**Board**" shall mean the Board of Directors of the Company;

2.2. "**Company**" shall mean Century Plyboards (India) Limited;

2.3. "**Compliance Officer**" shall mean the Company Secretary of the Company;

2.4. "**Key Managerial Personnel (KMP)**" means Key Managerial Personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013 i.e.-



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- a. Chief Executive Officer (CEO) / Managing Director (MD)/ Manager;
- b. Whole-time Director (WTD);
- c. Chief Financial Officer (CFO);
- d. Company Secretary (CS).

2.5. "**Market Sensitive Information**" shall mean information concerning the Company that a reasonable person would expect to have a material effect on the price or value of its securities or information which causes the market to maintain the price of security at or about its current level when it would otherwise be expected to move materially in a particular direction, given price movements in the market generally or in the Company's sector.

2.6. "**Officer**" means as assigned to the term in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company .

2.7. "**Listing Regulations 2015**" mean SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

2.8. "**Stock Exchange**" means the stock exchanges where the Securities of the Company are listed;

3. Policy

A. Unless otherwise decided by the Board, the Chairman, Chief Financial Officer and the Company Secretary shall be severally authorized for the purpose of determining materiality of an event or information and making disclosures to the stock exchange.

The contact details of the KMPs so designated shall be disclosed to the Stock Exchange and also be placed on the Company' s website.

B. Events/ information stated in Para A of Part A of Schedule III of the Listing Regulations, 2015 are *per se* considered 'material' and have to be necessarily disclosed without applying any test of materiality.

C. Events / information as mentioned in Para B, C & D of Schedule III of the Listing Regulations 2015, would be deemed as 'Material' if is likely to have an impact of 10% or more on the gross turnover as per the last consolidated accounts of the



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Company;

- D. In some cases, to ascertain materiality, thresholds as prescribed in clause 3. C of this policy, cannot be applied, the Board or the KMP so authorised, in such cases, shall frame their opinion on a case to case basis, based on specific facts and circumstances relating to the information/event and while so doing, *inter alia* consider the following factors:
- i. Whether non-disclosure can lead to creation of false market in the securities of the Company; or
 - ii. Whether there would be a significant impact on the operations or performance of the Company.

Provided that any confidential information which, if disclosed is likely to put at risk the business interest of the Company, shall not be disclosed. The Company to that extent shall make qualified disclosure to the Stock Exchanges.

- E. In addition to above, the Company shall also consider the following criteria for determination of materiality of events/ information:
- i. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - ii. 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;

4. Interpretation

In any circumstance 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 these policies and procedures until such time as this policy is changed to conform to the law, rule, regulation or standard.

5. Guidance on when an event/ information is deemed to be occurred

- i. The events/information shall be said to have occurred upon receipt of approval of Board of Directors and/ or of the Shareholders, as may be required.



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- ii. The events/ information that may be of price sensitive nature such as declaration of dividends etc., on receipt of approval of the event by the Board of Directors, pending Shareholder's approval;
- iii. In the events/information such as natural calamities, disruption etc. can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties;

6. Authority to Key Managerial Personnel

Shri Sajjan Bhajanka, Chairman and Managing Director, Shri Arun Kumar Julasaria, Chief Financial Officer and Shri Sundeep Jhunjhunwala, Company Secretary of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

Contact details:

Shri Sajjan Bhajanka

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Shri Sundeep Jhunjhunwala

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7. Disclosure

The authorized persons shall observe the following for proper and timely disclosure of any material events/ information as defined hereon:

- i. For determining materiality of any event/ information, reference is to be made to this Policy and the Listing Regulations, 2015.
- ii. Disclosure of an event/ information shall be made within the time mentioned in the Listing Regulations, 2015 specifically for that event/ information.
- iii. All other events/ information other than those covered in the foregoing clause shall be disclosed by the Company as soon as reasonably possible but not later than 24 hours from the occurrence of a particular event.
- iv. Disclosure of any material development in respect of any particular event shall be made on a regular basis, till the time the event is resolved/ closed.
- v. All disclosures made to the Stock Exchange under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years.
- vi. The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.

8. Authority to make alterations

The Board is authorized to make such alterations to this Policy as considered appropriate, subject however, to the condition that such alterations shall not be inconsistent with the provisions of the Listing Regulations, 2015 and any amendment thereto from time to time.



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Annexure A

Indicative List of Events to be disclosed under clause 30 of the Listing Regulations, 2015. This is an inclusive list and shall act only as a guidance document.

A. Events which shall be disclosed without any application of the guidelines for 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 subsidiary 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. Revision in rating(s);
4. Outcome of Meetings of the Board of the Company held to consider the following:
 - a) declaration of 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 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;



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6. Fraud/defaults by Promoter or KMP or by the Company or arrest of KMP or Promoter;
7. Change in directors, KMP, 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 Board of Industrial and Financial Reconstruction 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 analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;

Annexure B

Indicative List of Events to be disclosed under clause 30 of the Listing Regulations. This is an inclusive list and shall act only as a guidance document.

Illustrative list of events which shall be disclosed 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;



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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 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.