

Annexure-2

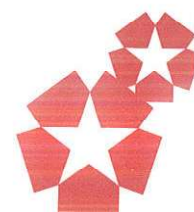
REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS OF CENTURY PLYBOARDS (INDIA) LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN CENTURY PLYBOARDS (INDIA) LIMITED AND CENTURY INFRA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 DISCUSSED AT ITS MEETING HELD ON WEDNESDAY, JULY 20, 2022

Members Present:

S. No.	Name of Director	Designation	Position
1.	Shri Vijay Chhibber	Independent Director	Chairman
2.	Shri Amit Kiran Deb	Independent Director	Member
3.	Shri Naresh Pachisia	Independent Director	Member
4.	Shri Probir Roy	Independent Director	Member
5.	Ms. Ratnabali Kakkar	Independent Director	Member
6.	Shri Sunil Mitra	Independent Director	Member

1. Background

- 1.1 A meeting of the Committee of Independent Directors ("**Committee**") of Century Plyboards (India) Limited was held on July 20, 2022 to consider and, if thought fit, recommend the draft Scheme of Arrangement ("**Scheme**") between Century Plyboards (India) Limited ("**Transferor Company**" or "**Company**") and Century Infra Limited ("**Transferee Company**") and their respective shareholders and creditors under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules and regulations made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) wherein the Container Freight Station Services Undertaking (as defined in the Scheme) of the Transferor Company would stand transferred to and vested in Transferee Company with effect from the appointed date i.e. 1st April, 2022 in accordance with Section 2(42C) of the Income Tax Act, 1962, as a going concern, on slump sale basis. The Scheme is subject to approvals of Board of Directors, shareholders of the Transferor and Transferee Company and approval of other regulatory authorities as may be required, including those of the Stock Exchange, Securities and Exchange Board of India ("**SEBI**") and National Company Law Tribunal ("**NCLT**").
- 1.2 In terms of the SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended ("**SEBI Circular**") issued by SEBI, a report from the Committee of Independent Directors of the Company ("**Report**"), recommending the draft Scheme is required and this Report shall take into consideration, *inter alia*, that the Scheme is not detrimental to the Shareholders of the Transferor Company. This Report of the Committee is made in order to comply with the requirements of the SEBI Circular.



Century Plyboards (India) Limited

Century House,

P 15/1, Taratala Road, Kolkata - 700088

P: (033) - 3940 3950 • F: (033) - 2401 5556

kolkata@centuryply.com • www.centuryply.com

CIN : L20101WB1982PLC034435



1.3 The following documents were placed before the Committee:

- a. Draft Scheme of Arrangement;
- b. Certificate dated July 20, 2022 issued by M/s Singhi & Co, Chartered Accountants (ICAI Firm Registration No.- 302049E), Statutory Auditors of Transferor Company confirming that the accounting treatment contained in the Draft Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of Companies Act, 2013 and other generally accepted accounting principles ("**Accounting Treatment Certificate**");
- c. Undertaking certified by M/s Singhi & Co, Chartered Accountants (ICAI Firm Registration No.- 302049E), Statutory Auditors of Transferor Company to the effect that para (A)(10)(b) of Part I of the SEBI Circular is not applicable to the proposed Scheme; and
- d. Report by N. S. Kumar & Co., a firm of Independent Chartered Accountants indicating computation of the tax net worth of the Container Freight Station Services Undertaking as on March 31, 2022

2. Salient Features of the Scheme

The Committee considered and observed that the draft Scheme provides for the following-

- a. Transfer and vesting of the Container Freight Station Services Undertaking of the Transferor Company to the Transferee Company, as going concern, on slump sale basis (as defined in the Scheme) with effect from the Appointed Date.
- b. Appointed Date shall mean the opening of business hours of 1st April, 2022.
- c. In consideration of the proposed Scheme, Transferee Company shall discharge the lump sum consideration of INR 32,71,00,000 to the Transferor Company by issuing and allotting 32,71,00,000 fully paid up of Re 1/- each of Transferee Company.
- d. The Transferor Company and the Transferee Company shall account for the transfer of the Container Freight Station Services Undertaking in its books of accounts in accordance with Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Companies Act, 2013 and other applicable accounting principles, as may be amended from time to time in the following manner.
- e. This Scheme shall be conditional upon and subject to the following:

Signature



Century Plyboards (India) Limited

Century House,

P 15/1, Taratala Road, Kolkata - 700088

P: (033) - 3940 3950 • F: (033) - 2401 5556

kolkata@centuryply.com • www.centuryply.com

CIN : L20101WB1982PLC034435



- i. Obtaining observation letter or no-objection letter from the Stock Exchange(s) by the Transferor Company in respect of the Scheme, pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular and Regulations 11 and 94 of the SEBI LODR Regulations;
- ii. The Scheme being approved by respective requisite majorities in numbers and value of such classes of persons including the member and creditors of the companies as may be directed by the NCLT;
- iii. Compliance with the provisions of SEBI Circular including seeking approval of the shareholders of Transferor Company through e-voting
- iv. The Scheme being sanctioned by the NCLT under Section 230 to 232 of the Act; and
- v. Certified Copies of the Order of the NCLT sanctioning this Scheme being filed with the Registrar of Companies, West Bengal.

3. Rationale and expected benefits of the Scheme of Arrangement

The Committee discussed and noted the rationale and benefits of the transfer of Container Freight Station Services Undertaking from Transferor company to Transferee company as a going concern on slump sale basis, as provided in the draft Scheme, and which is reproduced hereunder:

- a. The Transferor Company and the Transferee Company are part of the same group ('Century Group') and are owned, controlled and managed by the management of the Century Group. The risks and returns involved in the Container Freight Station Services Undertaking are distinct from those of the other businesses of the Transferor Company. The Container Freight Station Services Undertaking attracts a different set of investors and strategic partners. Hence, in order to streamline the current business structure the management of the Transferor Company and the Transferee Company are desirous of entering into a Scheme of arrangement between the Transferor Company and the Transferee Company.
- b. The proposed arrangement will enable optimum running, growth and development of the Container Freight Station Services Undertaking. In addition, the Container Freight Station Services Undertaking will be transferred into the Transferee Company to unlock value of the undertaking. The transfer of the Container Freight Station Services Undertaking from the Transferor Company to the Transferee Company would inter alia achieve the following benefits:



- i. Provide differentiated focus for the Container Freight Station Services Undertaking and help it realise its potential
- ii. Enhanced management focus and operational flexibility in each business vertical; and
- iii. Facilitate mutually beneficial strategic alliances for the Container Freight Station Services Undertaking in the future

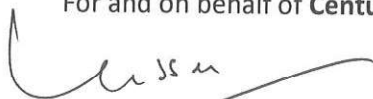
4. Scheme is Not Detrimental to the Shareholders of Transferor Company

- 4.1 The Committee discussed upon the salient features, rationale and expected benefits of the Scheme. The Committee noted that the proposed Scheme is in the interest of the shareholders on account of benefits as enumerated in point no. 3 above which may also potentially unlock long term value.
- 4.2 Considering the overall rationale and benefit of the Scheme, the Committee is of the view that the Scheme is in the best interest of all stakeholders including the shareholders of the Company, and no shareholder is expected to have disproportionate advantage or disadvantage in any manner. The Scheme is in the best interest of the shareholders and will not adversely affect the rights or interest of any shareholder of the Company including the minority shareholders, in any manner whatsoever.

5. Recommendation of the Committee

- 5.1 In light of the aforesaid, the Committee after due deliberations and taking into consideration the impact of the Scheme on the shareholders, Accounting Treatment Certificate, Report on Tax Net-Worth of the Container Freight Station Services Undertaking and other documents presented to the Committee, unanimously recommends the draft Scheme for favourable consideration and approval by the Board, Stock Exchange(s), SEBI and other appropriate authorities.

By Order of the **Committee of Independent Directors**
For and on behalf of **Century Plyboards (India) Limited**



Vijay Chhibber
Chairman,
Committee of Independent Directors
DIN: 02374358



Place: Kolkata
Date: July 20, 2022

