



# Century Plyboards (India) Limited

## Policy for determination of Materiality of events/ information

### SCOPE AND PURPOSE

In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of Century Plyboards (India) Limited, is required to formulate and adopt a Policy for Determination of materiality of events / information, and upload the same on the website of the Company. Further, SEBI had vide Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015, Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11<sup>th</sup> July, 2023, Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13<sup>th</sup> July, 2023 and such other Circulars issued by SEBI from time to time, prescribed the details that need to be provided by Listed Companies while disclosing such material events / information.

Accordingly, the Board of Directors of the Company has approved and adopted the Policy for determination of materiality of events / information (the '**Policy**') to be disclosed to the Stock Exchange(s) from time to time.

This Policy has been revised and adopted by the Board of Directors of the Company at its meeting held on 4<sup>th</sup> August, 2023.

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.

### 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 Century Plyboards (India) Limited;

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



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- 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.-
- 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**" shall mean person/(s) as defined in clause (59) of Section 2 of the Companies Act, 2013 and shall include Promoters of the Company.
- 2.7. "**Listing Regulations**" mean SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- 2.8. "**Stock Exchange**" means the stock exchanges where the Securities of the Company are listed;

All other words and expressions used but not defined in this Policy shall have the same meaning as contained in the Listing Regulations and or other applicable laws and amendments thereunder.

### 3. PRINCIPLES FOR DISCLOSURE OF EVENTS/ INFORMATION BY THE COMPANY

The Events/Information that are required to be disclosed by the Company may be divided in the following categories:

- 3.1 Events/ information which in the opinion of the Board of Directors of the Company is material
- 3.2 Events/information stated in Para A of Part A of Schedule III of the Listing Regulations are *per se* considered 'material' and have to be necessarily disclosed without applying any test of materiality. (Enclosed as Annexure A)
- 3.3 Events / information as mentioned in Para B of Part A of Schedule III of the Listing Regulations, shall be disclosed on application of the guidelines for Materiality. (Enclosed as Annexure B)



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- 3.4 The Company shall also disclose:
- (i) 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
  - (ii) 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.
- 3.5 Without prejudice to the generality of para (A), (B) and (C) of Part A of Schedule III of the Listing Regulations, the Company may make disclosures of event/information as specified by the SEBI from time to time.
- 3.6 The Company shall also disclose all the events or information with respect to its Subsidiaries which are material for the Company.
- 3.7 The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- 3.8 The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- 3.9 The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
- 3.10 The Company shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of Regulation 30 of the Listing Regulations are circulating amongst the investing public within the timelines as mentioned in the Listing Regulations. Further, where the Company confirms the reported event or information, it shall also provide the current stage of such event or information.
- 3.11 In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30 of the Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or



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judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

- 3.12 Where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III of Listing Regulations, but which may have material effect on the Company, the Company will make adequate disclosures in regard thereof

### 4. GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENT(S)/ INFORMATION

The Company shall apply the following guidelines for determination of Materiality of event(s)/information:

- 4.1 The omission of an event or information which is likely to result in:
- (i) discontinuity or alteration of event or information already available publicly; or
  - (ii) significant market reaction if the said omission came to light at a later date;
- 4.2 The omission of an event or 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 listed entity;
  - (ii) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, 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 listed entity;
- 4.3 In some cases, to ascertain materiality, thresholds as prescribed in Listing Regulations and included in 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.



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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.

- 4.4 In case where the criteria(s) specified above are not applicable, if in the opinion of the Board of Directors of the Company or Key Managerial Personnel(s) authorised by the Board of Directors, the event / information is considered Material.

It shall be incumbent upon relevant employees of the Company who is in possession of any event or information related to his area of operation in respect of items mentioned in the Regulation 30 read with Schedule III of the Listing Regulations and this Policy, to refer the same to the authorised KMP (as mentioned in point 6 of this Policy) to determine the materiality so as to enable it to decide on its disclosure to the Stock Exchanges.

### **5. TIME FRAME FOR DISCLOSURES**

- 5.1 The Company will disclose all the material events/information and such other filings as required under the Listing Regulations as per the timelines prescribed thereunder.
- 5.2 Where the disclosure is made after the specified timelines, the Company shall along with such disclosure provide the explanation for the delay.

### **6. GUIDANCE ON WHEN AN EVENT/ INFORMATION IS DEEMED TO BE OCCURRED**

- 6.1 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. In-principle approval given by the Board of Directors shall not be required to be disclosed under Regulation 30 of the Listing Regulations and this Policy.
- 6.2 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;
- 6.3 In the events/information other than those mentioned above, 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;



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### **7. AUTHORITY FOR DETERMINING MATERIALITY AND DISSEMINATION OF THE INFORMATION THEREUNDER**

Shri Sajjan Bhajanka, Chairman and Managing Director, Shri Arun Kumar Julasaria, Chief Financial Officer and Shri Sundeep Jhunjhunwala, Company Secretary of the Company are severally authorised 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.

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.
- (ii) Disclosure of an event/ information shall be made within the timelines mentioned in the Listing Regulations specifically for that event/ information.

### **8. WEBSITE DISCLOSURES**

This Policy shall be hosted on the website of the Company, i.e., [www.centuryply.com](http://www.centuryply.com). All disclosures made to the Stock Exchange(s) 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 and thereafter as per the archival policy of the Company, as disclosed on its website.

### **9. REVIEW AND AMENDMENT**

This policy will be reviewed by the Board of Directors of the Company at reasonable intervals. Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time and their decision in this respect shall be final and binding. If any of the provisions under this Policy is in conflict with or inconsistent with the Listing Regulations, as may be amended from time to time, or any other statutory enactments, rules, the provisions of such Listing Regulations / Act, or statutory enactments, rules, as modified/amended, shall prevail and shall be deemed to have been included in this Policy.



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## Annexure A

Indicative List of Events to be disclosed under Regulation 30 read with Para A of Part A of Schedule III of the Listing Regulations. 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 or merger or demerger or restructuring), or 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 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. The Company shall disclose to the Stock Exchanges within 30 minutes of the closure of Meeting, the outcome of Meetings of the Board of the Company 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) the decision on voluntary delisting by the Company from stock exchange(s).

Provided that in case of board meetings being held for more than one day, the



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financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.

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;
- 5A. 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:

Provided that 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 the Listing regulations.
6. 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:

For the purpose of this sub-paragraph:

  - (i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
  - (ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.
7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer;
- 7A. In case of resignation of the auditor of the Company, detailed reasons for





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resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.

- 7B. Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the Company, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the Company:
- i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
    - ia. Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
    - ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
    - iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.
- 7C. In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the Company within seven days from the date that such resignation comes into effect.
- 7D. In case 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, shall be disclosed to the stock exchange(s).
8. Appointment or discontinuation of share transfer agent;
9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details:
- (i) Decision to initiate resolution of loans/borrowings;
  - (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
  - (iii) Finalization of Resolution Plan;
  - (iv) Implementation of Resolution Plan;
  - (v) Salient features, not involving commercial secrets, of the resolution/



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restructuring plan as decided by lenders.

10. One time settlement with a bank;
11. 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 the Company, in brief;
15. (a) Schedule of analyst or institutional investor meet at least two working days in advance (excluding the date of the intimation and the date of the 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, simultaneously with submission to the recognized stock exchange(s), in the following manner:
  - (i) the presentation and the audio/video recordings shall be promptly made available on the website and 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 made available on the website within five working days of the conclusion of such calls.
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, 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;



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- 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 personnel, 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. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), 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.
18. 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



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material for the Company in terms of Regulation 30 of the Listing Regulations and is not already made available in the public domain by the Company.

19. 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.
20. 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



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committed;

v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the Board's Report of the Company under section 131 of the Companies Act, 2013.

In addition to the above-mentioned points, the following events / information shall be disclosed by the Company to the Stock Exchanges, as per the timelines prescribed thereunder:

1. Re-classification of Promoter as Public Shareholder (including the following events)-
  - (i) receipt of request for re-classification by the listed entity from the promoter(s) seeking re-classification;
  - (ii) minutes of the board meeting considering such request which would include the views of the board on the request;
  - (iii) submission of application for re-classification of status as promoter/public by the listed entity to the stock exchanges;
  - (iv) decision of the stock exchanges on such application as communicated to the listed entity;
2. Disclosures of defaults on payment of interest / repayment of principal amount on loans from banks / financial institutions and unlisted debt securities, in terms of SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated 21<sup>st</sup> November, 2019.



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### Annexure B

Indicative List of Events to be disclosed under Regulation 30 read with Para B of Part B of Schedule III of the Listing Regulations. This is an inclusive list and shall act only as a guidance document.

#### **B. 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. 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) 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) / dispute(s) / the outcome thereof which may have an impact on the Company;
9. Fraud/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



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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;