

CHITRAKUT HOLDINGS LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION

1. Introduction

The following Policy on Determination of Materiality of Event or Information ("Policy") is issued in pursuance of the requirements of Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations") for determination of material events or information to be disclosed to Stock Exchanges. The Board of Directors of the Company has accorded approval for the same at its meeting held on December 01, 2015 under applicable SEBI Regulations.

2. Authorised Persons

Pursuant to Regulation 30 (5) of Listing Regulations, the Whole-time Director and Company Secretary of the Company (Key Managerial Personnel) shall be authorized severally to determine the materiality of an event or information to be disclosed to Stock Exchanges in terms of the Policy.

3. Material Events or Information

- i) Events or information specified in Para A of Part A of Schedule III of the SEBI Listing Regulations as may be amended from time to time shall be disclosed as events which are "deemed" to be material, without any application of the guidelines for materiality. (Ref. Annexure – 1)
- ii) Events or information specified in Para B of Part A of Schedule III of the SEBI Listing Regulations as may be amended from time to time shall be disclosed upon application of the guidelines of materiality referred in Regulation 30 (4). (Ref. Annexure – 2)
- iii) The criteria as specified in Regulation 30(4) of the SEBI Listing Regulations will be applicable for determination of materiality of an event or information, which includes the following:
 - (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - (b) 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;
 - (c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of the Company, the event / information is considered material.

- iv) Events or information specified in Para C of Part A of Schedule III of the SEBI Listing Regulations viz., major development that is likely to affect business of the Company, 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 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.
- v) Any other event or information, as specified by SEBI from time to time shall also be disclosed to the Stock Exchanges.
- vi) If, in the opinion of the Board, any event or information is considered as material, the same shall be disclosed to Stock Exchanges.

In addition to the above, the stipulations in the "Code of Conduct and Fair Disclosure Procedure for Regulating, Monitoring, Reporting and Prohibition of Insider Trading In Chitrakut Holdings Limited", as approved by the Board of Directors of the Company in terms of the provisions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 shall also be taken into account for disclosure of any event/information.

4. Disclosure to Stock Exchanges:

- i) Disclosure shall be made to the Stock Exchanges of all events or information as soon as reasonably possible, but not later than twenty-four hours from the occurrence of events or information.
- ii) The outcome of the meetings of the Board of Directors to consider the specified items (Point 4 of Annexure – 1) shall be disclosed within 30 minutes of the closure of the meeting.
- iii) In case of delay of such disclosure, explanation for the delay shall be provided.
- iv) The Company shall provide updates of material developments of all material events or information till such time the event is resolved/closed, with relevant explanations.
- v) The Company shall also disclose all events or information with respect to Subsidiaries/Associates, if any, which are material for the Company.

5. Effective Date & Review:

The Policy shall be effective from December 01, 2015 and is subject to review by the Board from time to time.

Annexure – 1

Events which shall be disclosed without any application of the guidelines for materiality: (Regulation 30 read with Para A of Part A of Schedule III)

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.

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 subclause (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 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. 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 the 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 – 2

Events which shall be disclosed upon the application of the guidelines for materiality:
(Regulation 30 read with Para B of Part A of Schedule III)

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.