

# **Chalet Hotels Limited**

CIN: L55101MH1986PLC038538

Raheja Tower, Plot No. C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai 400051

Website: www.chalet-hotels.com

Tel:- 91-22-26564000

## **Policy for determination of materiality of events / information to be disclosed to Stock Exchange**

### **1. OBJECTIVE:**

- 1.1. Pursuant to the Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Regulations"), the Company is under an obligation to make disclosure of any events or information which, in the opinion of the Board of Directors is material.
- 1.2. The objective of this policy is therefore to lay down the criteria for determination of materiality of events and information that need to be disclosed to the Stock Exchanges as and when they take place in the Company and other matters related thereto.
- 1.3. The Policy was framed and adopted by the Board of Directors of Chalet Hotels Limited at its meeting held on June 12, 2018, and the revised policy has been adopted by the Board of Directors at its meeting held on February 10, 2020. The revised policy shall be effective from February 10, 2020.

### **2. EVENTS FOR WHICH MATERIALITY TO BE DETERMINED:**

- 2.1. Under the Regulations, the events or information requiring disclosure are broadly classified into Para A and Para B under Part A of Schedule III therein.
  - 2.1.1 Events specified in Para A of Part A of Schedule III to the Regulations are deemed to be material events and the Company shall make disclosure of such events without application of threshold for materiality. Para A of Part A of Schedule III to the Regulations updated as on January 10, 2020, is set out in **Annexure A** to this Policy.
  - 2.1.2 Events specified in Para B of Part A of Schedule III to the Regulations, are based on application of the guidelines for materiality, i.e. these events shall be disclosed, as and when such events take place in the Company, if they meet the criteria for materiality as set out in Point 3 below. Para B of Part A of Schedule III to the Regulations updated as on January 10, 2020, is set out in **Annexure B** to this Policy.

### **3. CRITERIA TO BE APPLIED FOR DETERMINING MATERIALITY:**

- 3.1. Whenever any event referred to in point no. 2.1.2 above, takes place in the Company, following criteria shall be applied to determine materiality for the purpose of making disclosure to the Stock Exchanges in terms of the Regulations:
  - 3.1.1. Whether omission to disclose such event or information is likely to result in discontinuity or alteration of event or information already available publicly;  
Or
  - 3.1.2. Whether omission to disclose an event or information is likely to result in significant market reaction, if the said omission came to light at a later date;
  - 3.1.3. In case where the criteria specified in point no. 3.1.1 and 3.1.2 above are not applicable, the persons authorised by the Board in this regard, shall determine materiality of the event or information based on whether the value involved or the impact exceeds 10% of the gross turnover or 10% of the net worth, whichever is lower.

The above thresholds shall be determined on the basis of the last Annual Audited Consolidated Financial Statements of the Company.

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## *Illustration:*

The Company may have a matter under litigation and receives an unfavourable order as per which the Company has to pay an amount of Rs.1,200 million. In such a case, for the purpose of disclosure to the Stock Exchanges the criteria mentioned in point 3.1.3 above shall be assessed in the following manner:

A. Gross Turnover	Rs.10,000 million
B. 10% of Gross Turnover	Rs.1,000 million
C. Net Worth	Rs.15,000 million
D. 10% of Net Worth	Rs.1,500 million
Lower of (B) and (D)	Rs.1,000 million

Since, the amount to be paid as per the order of the Court is Rs.1,200 million and the threshold as calculated above is Rs.1,000 million, this would be considered as a material event and the Company would be required to make disclosure to the Stock Exchanges.

*Note: The above mentioned figures are hypothetical in nature and do not represent actuals.*

- 3.1.4. Notwithstanding the criteria specified in point no. 3.1.1 to 3.1.3 above, the Board of Directors or the person authorized by the Board in this regard, may decide to disclose any event or information, which they consider as material.
- 3.1.5. Where the Company has provided disclosure pertaining to a material event / project / transaction, subsequent actions that are taken by the Company in furtherance of the same may not be treated as material events under this Policy.
- 3.1.6. In case of any confusion with regard to the date of occurrence of event or information for the purpose of informing to the Stock Exchanges, the Company shall decide the same after examining it in light of the Guidance Note issued by SEBI in this regard.
- 3.1.7. The Company shall also disclose all the events or information with respect to its subsidiaries which are material in nature.
- 3.1.8. The Company shall disclose on its website all such events or information which have been disclosed to the Stock Exchanges under the Regulations, and such disclosures shall continue to be hosted on the website of the Company for a minimum period of five years and thereafter may be removed from the website in accordance with the 'Preservation of Documents and Website Archival Policy' of the Company.

## **4. PERSONS AUTHORISED TO DETERMINE MATERIALITY:**

- 4.1. The Board of Directors of the Company do hereby authorise the Managing Director & CEO and in his absence, the Executive Director & CFO, and in the absence of both of them, the Company Secretary & Compliance Officer to determine materiality of events or information, for the purpose of making adequate disclosure to the Stock Exchanges.

### **Authorised Key Managerial Personnel for determining materiality of an event and information and making disclosures to Stock Exchanges under Regulation 30(5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

<b>Sr. No.</b>	<b>Name and Designation</b>	<b>Contact Details</b>
1.	Mr. Sanjay Sethi, Managing Director & CEO	E-mail: ceooffice@chalet-hotels.com Contact No.: 022-26564000
2.	Mr. Milind Wadekar, Chief Financial Officer	Email: compliance@chalet-hotels.com Contact No.: 022-26564000
3.	Ms. Christabelle Baptista, Company Secretary and Compliance Officer	E-mail: companysecretary@chalet-hotels.com Contact No.: 022-26564000

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## **5. REVIEW AND AMENDMENT:**

5.1. The Board may monitor, review and amend the Policy from time to time, as also whenever necessitated due to amendments in the Regulations.

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## **Annexure A**

### **Events which shall be disclosed WITHOUT any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):**

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, any other 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 such other 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 such other 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.
  - 7A. In case of resignation of the auditor of the Company, detailed reasons for 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 auditor 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:

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- i. Detailed reasons for the resignation of Independent Directors as given by the said Director shall be disclosed by the Company to the Stock Exchanges.
  - 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 detailed reasons as specified in sub-clause (i) above.
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 Analyst or Institutional Investor meet 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, 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;
  - 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) Salient features, not involving commercial secrets, of the resolution plan approved by the Tribunal, in such form as may be specified;
  - m) Any other material information not involving commercial secrets.

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## **Annexure B**

### **Events which shall be disclosed upon application of the guidelines for materiality referred insub-regulation (4) of regulation (30):**

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 listed entity 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.