

# **Chalet Hotels Limited**

(Formerly known as Chalet Hotels Private Limited)

CIN: U55101MH1986PLC038538

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

Tel:- 91-22-26564000

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## **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.

Under the Regulations, the aforesaid events or information are broadly classified in Para A and B under Part A of Schedule III.

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.

Events specified in Para B of Part A of Schedule III to the Regulations, are based on application of the guidelines for materiality.

- 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.

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

- 2.1. The events specified in para A of part A of the Schedule III of the Regulations, as amended from time to time, shall be disclosed to the stock exchange without the requirement of any determination of materiality. The events prescribed under the Regulations currently as set out in **Annexure** to this Policy.
- 2.2. Criteria for determination of materiality for disclosure to the stock exchanges shall be applied to events specified in para B of part A of the Schedule III of the Regulations as amended from time to time, as and when such events take place in the Company. The events are currently as set out in **Annexure** to this Policy.

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

- 3.1. Whenever any events referred in point no. 2.2 above, take 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;
- 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 on the basis of the following criteria/benchmark:

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<b>Sr. No.</b>	<b>Events</b>	<b>Criteria / Benchmark</b>
1.	Commencement or postponement of commercial operations of any hotel(s) or announcement of a residential / retail / commercial / any other project	Commencement of commercial operations of any hotel(s) or residential / retail / commercial / any other project as and when it takes place.  Postponement of the scheduled commencement by more than 6 months, provided such scheduled date was earlier intimated.
2.	Change in the general character or nature of business brought about by:	
	- arrangements for strategic, technical, manufacturing, or marketing tie-up; or	- If such arrangement is likely to generate more than 10% of annual turnover of the Company
	- adoption of new lines of business; or	- Irrespective of any value.
	- Closure of operations of any hotel unit or of retail / commercial / any other project (entirely or piecemeal)	- Irrespective of revenue generated by such hotel unit or retail / commercial / any other project
3.	Capacity addition	If such arrangement is likely to generate more than 10% of the annual turnover of the Company.
4.	Awarding / bagging / receiving, amendment or termination of awarded / bagged orders / contracts not in the normal course of business.	If such orders are likely to generate more than 10% of the annual turnover of the Company or is likely to make substantial impact on the Company's market standing.
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.	In case of loan agreements, if such borrowing are in excess of 200% of net worth of the Company. In case of other agreements which are not in the normal course of business of the Company, if such agreements are likely to have impact of more than 10% of the annual turnover of the Company
6.	Disruption of operations of any hotel(s) or retail / commercial / any other project of the company due to natural calamity (earthquake, flood, fire etc.) force majeure or events such as strikes, lockouts etc.	If such disruption continues for more than 15 days or is likely to have impact of more than 10% of the annual turnover of the Company
7.	Effect(s) arising out of change in the regulatory framework applicable to the Company	If such change in regulatory framework is likely to cause an impact of more than 10% of the

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		annual turnover of the Company.
8.	Litigation(s) / dispute(s) / regulatory action(s) against the Company, its KMPs or Promoters and its impact.	If such litigations or disputes or regulatory actions are likely to cause adverse impact exceeding 10% of the annual turnover of the Company or is likely to have material adverse impact on the Company's goodwill or market standing.
9.	Fraud/defaults etc. by directors (other than KMPs) or employees of the company.	If such frauds/defaults are prima facie proved and are likely to have adverse impact exceeding 1% of the annual turnover of the Company or likely to have negative impact on the Company's brand image in the market.
10.	Grant of Options to purchase securities including any ESOP/ESPS Scheme.	All irrespective of value
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	If financial value of such guarantees or indemnities or sureties in a financial year, to or on behalf of an entity, not being a joint venture or a subsidiary, is more than Rs.50 Crores (this limit shall be applicable to guarantees given on behalf of every individual party)
12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals	If such licenses or regulatory approvals are of material importance impacting company's annual turnover in excess of 10% of the annual turnover of the Company

Where any references have been made to turnover, revenue or net profit of the Company, they shall be deemed to be references to the turnover, revenue or net profit of the Company as per the latest audited financial statements of the Company.

- 3.1.4. In case where the criteria specified in point no. 3.1.1 and 3.1.2 above are not applicable, notwithstanding 3.1.3 above, the Board of Directors may determine materiality of any event or information.
- 3.1.5. 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.

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- 3.1.6. The Company shall also disclose all the events or information with respect to its subsidiaries which are material in nature.
  - 3.1.7. The Company shall disclose on its website all such events or information which has been disclosed to stock exchange under this regulation, and such disclosures shall continue to be hosted on the website of the Company for a minimum period of five years and thereafter shall be removed from the website of the Company.
- 4. PERSONS AUTHORISED TO DETERMINE MATERIALITY:**
- 4.1. The Board of Directors of the Company do hereby initially authorise the Managing Director and CEO and in his absence, the Executive Director/CFO, and in the absence of all of them, the Company Secretary & Compliance Officer to determine materiality of event or information that has taken place, for the purpose of making adequate disclosure to the Stock Exchanges.
  - 4.2. Names and contact details of the above personnel be disclosed to the Stock Exchanges and be posted on the Company's website.
- 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 listed entity 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 listed entity 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 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 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 listed entity 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 listed entity from stock exchange(s).

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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 listed entity), 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 listed entity 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 listed entity.
13. Proceedings of Annual and extraordinary general meetings of the listed entity.
14. Amendments to memorandum and articles of association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

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## **Annexure B**

- a) Recommendation of dividend to shareholders or declaration of interim dividend including the date on which dividend shall be paid/dispatched;
- b) decision not to recommend a dividend or any cancellation of dividend with reasons thereof;
- c) Approval / recommendation to the shareholders for buyback of securities;
- d) Approval / recommendation to the shareholders with respect to fund raising proposed to be undertaken through issue of securities or acceptance of deposits from the members / public
- e) Recommendation to the shareholders for issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) Approval of forfeited shares or securities, 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 or alteration of calls on securities;
- g) Recommendation to the shareholders for alterations of capital, including calls;
- h) Approval of financial results;
- i) Approval / recommendation to the shareholders for voluntary delisting by the listed entity of company's securities from one or more stock exchange(s).

The following events / information will be disclosed to the Stock Exchanges as soon as possible but not later than 24 hours of the occurrence of the events / information

- a) Approval of the Board regarding Acquisition(s) (including agreement to acquire) directly or indirectly of control of a Company or entering into agreement for this purpose
- b) Recommendation by the Board to the shareholders regarding a Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring)  
Explanation: For the purpose of this sub-para, the word 'acquisition' shall mean:
  - a. acquiring control, whether directly or indirectly; or,
  - b. acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
    - i. the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
    - ii. 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 the said company.
- c) Commencement of commercial operations of any hotel(s) or announcement of a residential project / commercial property
- d) Approval of the Board / recommendation by the Board to the shareholders for the sale or disposal of a hotel / division / commercial property of the Company or sale or disposal of a subsidiary of the Company.
- e) 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.
- f) Disruption/ suspension of operations of any one or more hotels or commercial

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property of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.

- g) Revision in Rating(s).
- h) Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), 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.
- i) Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
- j) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
- k) Appointment or discontinuation of share transfer agent.
- l) Corporate debt restructuring.
- m) One-time settlement with a bank.
- n) Reference to NCLT / any other appropriate authority and winding-up petition filed by any party/ creditors.
- o) 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 listed entity.
- p) Proceedings of Annual and extraordinary general meetings of the listed entity.
- q) Recommendation by the Board to the shareholders for amendments to the memorandum and articles of association of listed entity, in brief.
- r) Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;
- s) 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).
- t) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- u) 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.
- v) Effect(s) arising out of change in the regulatory framework applicable to the listed



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- w) Litigation(s) / dispute(s) / regulatory action(s) with impact.
- x) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
- y) Options to purchase securities including any ESOP/ESPS Scheme.
- z) Giving of guarantees or indemnity or becoming a surety for any third party.