

HOTEL LEELAVENTURE LIMITED

POLICY FOR

DETERMINATION OF MATERIALITY OF EVENTS

[Framed under Regulation 30 (4) (ii) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

(EFFECTIVE FROM 1TH APRIL, 2019)

1. Preface

- ◆ Regulations 30 (4) (ii) and 30 (5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, provides that:

30 (4) (ii) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.

30 (5) The board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

- ◆ Therefore, to ensure compliance with the aforesaid Regulations, Board of Directors of Hotel Leelaventure Limited [“the Company”] has framed the Policy for determination of materiality of events, which is below mentioned:

2. Definitions

In this Policy, unless the context otherwise requires:

“Company” means Hotel Leelaventure Limited.

“Regulations” means Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Words and expressions used in this code but not defined shall have the meaning as given in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Any subsequent modification and/or amendments brought about by SEBI in the

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 shall automatically apply to this Policy.

3. **Disclosure of events / information:**

Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provides that listed companies need to make disclosures of such events / information which are considered “material” by the Board of Directors of the Company.

The events specified in Para A of Part A of Schedule III of the Regulations [15 categories] are deemed to be material events and such events shall be disclosed without any application of the guidelines of materiality as specified in Regulation 30 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The responsibility is with regard to adequacy and timely disclosures. Those events are:

(I) **Material Events (As per Para A of Part A of Schedule III)**

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).
- (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.
- (7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities 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 listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:
- i. Detailed reasons for the resignation of independent directors as given by the said director shall be disclosed by the listed entities 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 listed entities 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 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.

The events specified in Para B of Part A of Schedule III of the Regulations shall be disclosed upon application of guidelines for materiality as specified in Regulation 30 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Such events are mentioned below:

- (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.

(II) Events (As per 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 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 listed entity
- (8) Litigation(s) / dispute(s) / regulatory action(s) with impact.
- (9) Fraud / defaults, etc. by directors (other than key managerial personnel) or employees of listed entity.
- (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.

(III) Events (As per Para C of Part A of Schedule III)

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 any other information which is exclusively known to the listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

(IV) Events (As per Para D of Part A of Schedule III)

Any other event/ information as specified by the Board from time to time.

The Company shall disclose to stock exchange all events, as specified in Part A of Schedule III or information as soon as reasonably possible and not later than 24 hours from the occurrence of event or information.

4. Criteria for determining materiality of events/information:

The criteria for determining materiality of events / information has been listed out in Regulation 30(4)(i) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, which are as under:

- (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 listed entity, the event / information is considered material.

5. Authorization to KMP for determining materiality of an event or information:

Regulation 30 (5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provides that the board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such

personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.

Therefore, the Board of Directors of the Company authorize Mr. Vivek Nair, Chairman & Managing Director, Mr. Dinesh Nair, Co-Chairman & Managing Director, and Mr. Rajan Shah, Chief Financial Officer and Mr. Alen Ferns, Company Secretary and Compliance Officer of the Company for the purpose of determining materiality of an event or information based on the guidelines of this policy and for the purpose of making disclosures to the Stock Exchanges under Regulation 30 (5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Their contact details shall also be disclosed to the stock exchange(s) and the Company's website.

6. **Policy Review & Disclosure:**

This Policy is framed based on the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the Regulations which make any of the provisions in the Policy inconsistent with the Regulations, the provisions of the regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Board of Directors as and when any changes are to be incorporated in the Policy due to change in regulations or as may be felt appropriate by the Board. Any changes or modification on the Policy would be approved by the Board of Directors and the decision of the Board in this respect shall be final and binding.

This Policy, as revised, has been approved by the Board of Directors of the Company at their meeting held on 18th March, 2019 and shall be disclosed on the website of the Company.

7. **Policy Severable:**

This Policy constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.
