

POLICY FOR DETERMINATION OF 'MATERIALITY' OF EVENT AND INFORMATION

ROYALE MANOR HOTELS & INDUSTRIES LTD

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1. INTRODUCTION

This Policy is primarily framed based on Regulation 30(4)(ii) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as '**Listing Regulations**').

Regulation 30(4) of the Listing Regulations requires every listed entity to frame a policy for determination of materiality of events and information that requires appropriate disclosure to the stock exchanges.

The Board of Directors (the "**Board**") of Royale Manor Hotels & Industries Limited (the "**Company**" or "**RMHIL**"), at its meeting, has adopted the following **Policy for Determination of Materiality of Event/Information** (the "**Policy**"), as required under Regulation 30(4)(ii) of the Listing Regulations, effective from December 01, 2015.

This Policy provides a framework for determination of materiality of events and information and disclosure thereof with transparency and disseminating information in a fair and timely manner.

2. PURPOSE / OBJECTIVE OF THE POLICY

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the Listing Regulations, to enable them to take well informed investment decisions with regard to the securities of the Company.

This Policy aims to protect the confidentiality of material/price sensitive information within the context of the Company's disclosure obligations.

3. DEFINITIONS:

"**Act**" means the Companies Act, 2013 read with rules made thereunder as amended from time to time.

"**Board**" or "**Board of Directors**" means board of directors as defined under the Companies Act, 2013, as constituted by the Company, from time to time.

"**Company**" shall mean Royale Manor Hotels & Industries Limited.

"**Listing Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.

"**Net Worth**" shall have the same meaning as specified under Section 2(57) of the Companies Act, 2013.

"**Policy**" means Policy for Determination of 'Materiality' of Events/ Information.

"**Stock Exchange(s)**" means the BSE Limited, where the equity shares of the Company are listed.

"**Turnover**" shall have the same meaning as specified under Section 2(91) of the Companies Act, 2013.

4. INTERPRETATION:

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following Acts, Rules and Regulations:

- i. The Companies Act, 2013 or the Rules framed thereunder;
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. Indian Accounting Standards, as amended from time to time.

5. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS:

The Company shall disclose all such events which are specified in Para A of Part A of Schedule III to the Listing Regulations (as applicable from time to time) (appended herewith as **Annexure-A**) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

6. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY:

The Company shall disclose all such material events pertaining to itself or its subsidiary(s), specified in Para B of Part A of Schedule III to the Listing Regulations (appended herewith as **Annexure-B**), subject to application of guidelines for materiality.

In the event, the materiality threshold indicated above cannot be applied to a particular event and/or information, the Company shall assess materiality based on the following criteria:

- a. the omission of disclosure of a particular event or information is likely to result in discontinuity or alteration of event or information already available publicly;
- b. the omission of disclosure of a particular event or information is likely to result in significant market reaction if the said omission came to light at a later date; or
- c. In case 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, the event / information is considered material.

7. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY:

In addition to the above point 5 & 6, Paras C and D of Part A of Schedule III to the Listing Regulations mandate disclosure of the following major developments that are 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 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 and any other disclosures as may be specified by SEBI from time to time.

8. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

The events/ information as set out in Part A of Schedule III to the Listing Regulations, will be disclosed to the relevant stock exchange, as soon as reasonably possible, but not later than 24 hours from the occurrence of such event/ information, after assessing the estimated impact of such event/ information.

- **Quantitative criteria** would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:
 - (a) exceeds ten per cent of the gross turnover or gross income, or
 - (b) exceeds ten per cent of the net worth;**whichever is lower.**
- **Qualitative criteria would mean an event/ information:**
 - (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; or
 - (c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

9. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION:

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

- (a) depends upon the stage of discussion, negotiation or approval; and
- (b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

Some events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g., further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e., Board of Directors and shareholders.

However, considering the price sensitivity involved, for certain events e.g., decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholder's approval.

Some events/information 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.

The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

10. OTHER OBLIGATIONS:

- The Company will inform to Stock Exchange(s) if there is a change in information after it has been disclosed to Stock Exchange(s) (including withdrawal/ cancellation of event).
- The Company shall disclose all events or information with respect to subsidiaries which are material for the Company at the time of making the disclosure;
- The Company will provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- The Company shall, with respect to disclosures referred to in this document, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
- The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

11. AUTHORIZED KEY MANAGERIAL PERSONNEL (KMP) FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

In terms of Regulation 30(5) of the Listing Regulations, 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.

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("**Authorized Person(s)**"):

1. Mr. Vishwajeetsingh Champawat, Chairman & Managing Director [royalemanorhotels@rediffmail.com];
2. Mr. Devraj Singh Chauhan, Chief Financial Officer [royalemanorhotels@rediffmail.com]
3. Mrs. Somya Singhal, Company Secretary & Compliance Officer [royalemanorhotels@rediffmail.com];

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International Airport Circle,
Ahmedabad, Gujarat, 382475
Phone: 079-22868641,2,3,

Details of above KMPs shall be also disclosed to the Stock Exchange(s) and as well as on the Company's website.

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgement while assessing the materiality of events associated with the Company.

In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s).

12. AMENDMENTS:

This Policy shall be reviewed and modified by the Board of Directors, as and when considered necessary as per statutory and business requirements of the Company. The Company reserves its rights to alter, modify, add, delete or amend any of the provisions of this Policy.

13. COMMUNICATION OF THIS POLICY:

This Policy shall be posted on the web-site of the Company and For all new employees joining as functional heads, a copy of this Policy shall be handed over as a part of the joining documentation.

14. DISCLOSURES:

A copy of the Policy including amendments thereto shall be hosted on the website of the Company at www.rmhil.com.

The Company shall disclose on its website all such events or information which has been disclosed to the relevant stock exchange under this Policy, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and, thereafter, as per the archival policy of the Company.

***Disclaimer:** Provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.*

Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) of the Listing Regulations:

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.
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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):

Provided that in case of board meetings being held for more than one day, the 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 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 independent director 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. *The letter of resignation along with] 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.*

(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 listed entities to the stock exchanges along with the *detailed reasons* as specified in sub-clause (i) and (ii) above.

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/ restructuring plan as decided by lenders.

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. (a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.

Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

(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:

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.;

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) 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 persons(s), 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 listed entities:
- 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 listed entity along with comments of the management, if any.
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Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30) of the Listing Regulations:

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.
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