

Velan Hotels Limited

Policy on determination of materiality of events/information

1. Background:

The Securities and Exchange Board of India has notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) on September 2, 2015 with effective from December 1, 2015.

Regulation 30 of these Listing Regulations deals with disclosure of material events by the listed entity specified under Part A of Schedule III of the said Listing Regulations.

Further, SEBI has issued a circular on ‘Continuous Disclosure Requirements for Listed Entities’ on September 9, 2015 requiring such details that need to be provided while disclosing above events.

As per Regulation 30 read with SEBI circular dated 09.09.2015:

- A) the events specified in Para A of Part A of Schedule III of the Listing Regulations are deemed to be “Material Events” and the listed entity shall make disclosures of such events to the Stock Exchanges where equity shares of the Company are listed. (enclosed as Annexure I)
- B) the events specified in Para B of Part A of Schedule III of the Listing Regulations are to be disclosed to the stock exchanges, if considered “Material” pursuant to the Company’s Policy on “Reporting of Material Events under Regulation 30 of Listing Regulations”. (enclosed as Annexure II)
- C) the events or information with respect to subsidiary companies, which are considered “Material” for the Company.

As per Regulation 30(8) of the Listing Regulations, the Company is required to disclose on its website all such events or information which is to be disclosed to the Stock Exchanges pursuant to this Regulation.

The disclosures made to the Stock Exchanges shall be displayed on the website of the Company for a minimum period of 5 (five) years and thereafter, as per the Archival Policy of the Company. This policy is to be uploaded on the website of the Company.

Thereafter, such information would be provided to representatives of Information Technology (IT) by the Company's Secretarial Department for uploading on the website of the Company.

2. Archival Requirement:

The disclosures made to stock exchanges would be provided to the Information Technology (IT) department by the Company's Secretarial Department for uploading on the website of the Company.

The information provided to IT would be promptly uploaded on the website of the Company and would be hosted on its website for five years period from the date of such hosting in, "Investors Section".

Thereafter, the information would be archived under the heading "Past Events/Information" and would be retained on the website for such period as may be decided by the Managing Director.

3. Review of the Policy:

In case there are any regulatory changes requiring modifications to the Policy, the Policy shall be reviewed and amended with due approval from the Managing Director. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended.

Annexure I

The Indicative list of information, whether material or not, which shall be published on the website of the Company under the “Investors Section” and would be subject to the Archival Policy of the Company, are as under:

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;
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 in respect of:
 - i. 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;
 - ii. any cancellation of dividend with reasons thereof
 - iii. the decision on buyback of securities;
 - iv. the decision with respect to fund raising proposed to be undertaken;
 - v. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
 - vi. 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;
 - vii. short particulars of any other alterations of capital, including calls; financial results;
 - viii. decision on voluntary delisting by the listed entity from stock exchange(s)
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), 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 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. 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;
10. Proceedings of annual and extraordinary general meetings of the Company;
11. Amendments to memorandum and articles of association of the Company, in brief;
12. Schedule of analyst or institutional investor meet and presentations on financial results prepared by the Company to analysts or institutional investors.

Annexure II

The Indicative lists of information, which if considered “Material” in nature, shall be published on the website of the Company under the “Investors Section” and would be subject to the Archival Policy of the Company, are as under:

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:
 - 2.1 Arrangements for strategic, technical, manufacturing, or marketing tie-up
 - 2.2 Adoption of new line(s) of business
 - 2.3 Closure of operations of any unit/division.
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, revision(s) or amendment(s) and 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. Frauds/ defaults by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities.
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.