

ASIAN HOTELS (NORTH) LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF AN EVENT OR INFORMATION

(Adopted by the Board in its meeting held on 11th February, 2016)

PREAMBLE

The Board of Directors of Asian Hotels (North) Limited (the “Company”), has adopted the following policy which shall be called the “Policy for determination of materiality of an event or information” (the Policy), in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), for determination of materiality of an event or information and for the purpose of making requisite disclosures to the Stock Exchange(s) thereon.

OBJECTIVE

The objective of this Policy is to lay down guiding principles for the management to identify events or information which need to be reported under this Policy and simultaneously ensure that such events and information are put in the public domain in time with adequate disclosures.

EFFECTIVE DATE

The Policy shall come into effect from the date of its approval by the Board of Directors of the Company.

CRITERIA / GUIDELINES FOR DETERMINATION OF MATERIALITY OF AN EVENT OR INFORMATION

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in Para B of Part A of Schedule III to the Listing Regulations subject to application of guidelines for materiality:

Quantitative criteria would be calculated based on audited financial statements of the last audited financial year, and would mean an event / information where the value involved or the impact:

- (a) exceeds ten percent of the consolidated gross turnover; or
 - (b) exceeds ten percent of the consolidated 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;
- (c) where the criteria specified in sub-clauses (a) and (b) above are not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

DISCLOSURE OF EVENTS OR INFORMATION

A. The events or information specified in Para A of Part A of Schedule III to the Listing Regulations, upon occurrence of which the Company shall make disclosure to the Stock Exchanges without any application of the guidelines for materiality. These events or information are listed in Annexure –A to this Policy, which shall stand amended as and when any event or information is added or deleted in Para A of Part A of Schedule III to the Listing Regulations without requiring specific approval to amend this Policy.

B. The events or information specified in Para B of Part A of Schedule III to the Listing Regulations, of which the Company shall make disclosure to the Stock Exchanges upon application of the guidelines for materiality. These events or information are listed in Annexure –B to this Policy, which shall stand amended as and when any event or information is added or deleted in Para B of Part A of Schedule III to the Listing Regulations without requiring specific approval to amend this Policy.

C. 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 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.

D. Without prejudice to the generality of Para (A), (B) and (C) above, the Company may make disclosures of an event or information as specified by the Securities and Exchange Board of India from time to time.

E. Further, the Company shall disclose all events or information with respect to its subsidiaries, which are material for the Company.

AUTHORITY TO THE KEY MANAGERIAL PERSONNEL FOR DISCLOSURES

Mr. Dinesh Kumar Jain, Vice President (Corporate) & Company Secretary has been authorized by the Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making requisite disclosures to the stock exchange(s), subject to the provisions of this Policy. Where the Company Secretary is not certain about the materiality of an event or information, he may refer the matter for external legal advice.

Contact Details:

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AMENDMENTS

Save as otherwise stated above, the Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. Any amendment to the Policy shall take effect from the date when it is approved by the Board of Directors of the Company and hosted on the website of the Company (www.asianhotelsnorth.com).

DISSEMINATION OF THE POLICY

This Policy shall be hosted on the website of the Company.

Further, the Company shall disclose on its website, all such events or information which have been disclosed to the stock exchange(s) under the Listing Regulations, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter archived as per the 'Archival Policy' of the Company.

The events or information specified in Para A of Part A of Schedule III to the Listing Regulations, which shall be disclosed without application of the guidelines for materiality

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).
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;

Annexure – B

The events or information specified in Para B of Part A of Schedule III to the Listing Regulations, which shall be disclosed upon application of the guidelines for materiality

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.