

# **SHERATON PROPERTIES & FINANCE LIMITED**

## **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS**

(Effective from November 6, 2025)

## POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

### 1. Purpose and Scope

- 1.1. This policy for determination of materiality of events (“**Policy**”) of Sheraton Properties & Finance Limited (“**Company**”) has been adopted pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**Listing Regulations**”).
- 1.2. As per Regulation 30 of the Listing Regulations, the Company is required to make disclosures of any events or information which, in the opinion of the board of directors of the Company (“**Board**”), is material. For this purpose, the events specified in Para A of Part A of Schedule III of the Listing Regulations (*annexed hereto as **Annexure A***) are deemed to be material and the Company is required to make disclosures of such events in accordance with the Listing Regulations.
- 1.3. In addition, the Company is required to make disclosure of events specified in Para B of Part A of Schedule III of the Listing Regulations (*annexed hereto as **Annexure B***) based on the application of the criteria of materiality, as specified under this Policy.

### 2. Criteria for determination of materiality of events and information

- 2.1. The materiality of events and/or information has to be assessed on a case to case basis, depending on the particular facts and circumstances of the concerned information/events.
- 2.2. **Threshold for materiality:**

The following criteria shall be considered in assessment of materiality of an information/event specified in **Annexure B** to this Policy:

- (a) if the omission of the information or event is likely to result in discontinuity or alteration of the information/event already available publicly; or
- (b) if the omission of the information or event is likely to result in a significant market reaction if the said omission came to light at a later date; or
- (c) if the omission of the event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
  - (i) 2% of turnover, as per the last audited consolidated financial statements of the Company;
  - (ii) 2% of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
  - (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;

### **3. Authorised Key Management Personnel**

3.1. The Board has authorized the following key managerial personnel of the Company (“**KMPs**”) for the purpose of determining materiality of an event or information and for the purposes of making disclosures to the stock exchanges (“**Stock Exchanges**”) pursuant to this Policy:

- a. Chief Executive Officer
- b. Chief Financial officer; and/or
- c. Company Secretary

The respective Heads of the Department (“**Designated Officers**”) who are responsible for relevant areas of the Company’s operations to which any item of information relates shall report to all of the KMPs any event / information which is material

as defined in this Policy or of which the relevant Designated Officer is unsure as to its materiality. The event / information shall be reported immediately after a Designated Officer becomes aware of it.

On receipt of a communication of a potential material event / information, the KMPs shall:

- (i) Review the event / information and take necessary steps to verify its accuracy;
- (ii) Assess if the event / information is required to be disclosed to the Stock Exchanges under the Listing Regulations under this Policy and take necessary actions as per Clause 5 of this Policy.

If the KMPs are not certain about the materiality of any event / information, they may refer the matter for external legal advice for appropriate guidance.

#### **4. Timelines for Disclosures**

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the Listing Regulations as soon as reasonably possible and in any case not later than the following:

- (i) 30 (thirty) minutes from the closure of the meeting of the Board in which the decision pertaining to the event or information has been taken;
- (ii) 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- (iii) 24 (twenty-four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

**Provided** that disclosure with respect to events for which timelines have been specified in **Annexure A** of this Policy shall be made within such timelines.

**Provided** further that in case the disclosure is made after the timelines specified under Regulation 30 of the Listing Regulations, the Company shall, along with such disclosure provide the explanation for the delay.

## **5. Disclosures**

- 5.1. The Company shall make disclosures, along with relevant explanations, updating material developments on a regular basis, to the disclosures made under this Policy, till such time the concerned event is resolved/closed. The Company shall also provide specific and adequate replies to all queries raised by Stock Exchange(s) with respect to any event/information.
- 5.2. The Board shall authorize disclosures of any event/information which may have a material effect on the Company, even if such event/information has not been covered under Para A or Para B of Part A of Schedule III, Listing Regulations.
- 5.3. Subject to the applicability of Regulation 30 (11) of the Listing Regulations to the Company, the Company shall confirm, deny or clarify, upon the material price movement as may be specified by the stock exchanges, any reported event or information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event or information in terms of the provisions of this regulation is circulating amongst the investing public, as soon as reasonably possible, but in any case not later than 24 hours from the trigger of material price movement, provided that if the Company confirms the reported event or information, it shall also provide the current stage of such event or information. Provided that when the Company confirms within 24 hours from the trigger of material price movement, any reported event or information on which pricing norms provided under Chapter V or Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 or pricing norms provided under Regulation 8 or Regulation 9 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or pricing norms provided under Regulation 19 or Regulation 22B of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 or any other pricing norms specified by the SEBI or the stock exchanges are applicable, then the effect on the price of the equity shares of the Company due to the material price movement and confirmation of the reported event or information may be excluded for calculation of the price for that transaction as per the framework as may be specified by the SEBI.

- 5.4. In case an event or information is required to be disclosed by the Company in terms of the provisions of Listing Regulations, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.
- 5.5. The promoter, director, key managerial personnel or senior management of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company in order to ensure compliance with the requirements under Regulation 30(11) of the Listing Regulation and the Company shall disseminate the response received from such individual(s) promptly to the stock exchanges.

**6. Disclosure requirements for certain types of agreements binding the Company:**

All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company, who are parties to the agreements specified in Paragraph 5A of **Annexure A** of this Policy, shall be required to inform the Company about the agreement to which such Company is not a party, within 2 working days of entering into such agreements or signing an agreement to enter into such agreements.

**Provided** that for the agreements that subsist as on June 14, 2023, the parties to the agreements shall inform the Company, about the agreement to which the Company is not a party and the Company shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within the timelines as specified by the SEBI.

**7. Disclosures for subsidiaries**

- 7.1. The Company shall disclose to the Stock Exchanges, any information/events relating to its subsidiaries, which are material to the Company, as per this Policy and/or the Listing Regulations.

7.2. For events/information with respect to any subsidiary of the Company, an event/ information would be considered material if the impact of the event/ information would exceed 10% of the consolidated turnover as per last audited financial statements (“**Audited Financial Statements**”) of the Company.

## 8. **Website**

8.1. The Company shall disclose this Policy, as required under the Listing Regulations, on its website and shall also provide the contact details of the KMPs to the Stock Exchange and disclose them on its website.

8.2. In addition, the Company shall disclose on its website all such events or information which has been disclosed to Stock Exchanges under this Policy and the Listing Regulations, and such disclosures shall be hosted on the website of the Company for a minimum period of 5 (five) years and thereafter as per the archival policy of the Company.

## 9. **Amendment and review**

This Policy will be subject to review as may be deemed necessary by the Board and as required under applicable law. In the event of any conflict between the terms of this Policy and applicable law (including the Listing Regulations), the provisions of applicable law shall prevail.

## Annexure A

*(Para A of Part A of Schedule III of the Listing Regulations)*

**A.** 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), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring.

Explanation (1)- For the purpose of this sub-paragraph, the word “acquisition” shall mean-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreement to acquire shares or voting rights in, a company, whether existing or to be incorporated, whether directly or indirectly, such that –
  - (a) the Company holds shares or voting rights aggregating to 5% (five per cent) or more of the shares or voting rights in the said company;
  - (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 2% (two per cent) of the total shareholding or voting rights in the said company; or
  - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-

clause (c) of clause (i) of sub-regulation (4) of regulation 30 of the Listing Regulations.

Explanation (2)- For the purpose of this sub-paragraph, the word “sale or disposal of subsidiary” and “sale of stake in associate company” shall include:

- (a) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the Company; or
- (b) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30 of the Listing Regulations.

Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under Section 180 of the Companies Act, 2013.

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. New rating(s) or Revision in rating(s).
4. Outcome of meetings of the Board: The Company shall disclose to the Stock Exchange(s), within 30 (thirty) 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 Company from Stock Exchange(s)

Provided that in case of Board meetings being held for more than 1 (one) day, the financial results shall be disclosed within 30 (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 Company), 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.

5A. Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key

managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements:

Provided that such agreements entered into by the Company in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that the Company shall or shall not act in a particular manner

6. Fraud/defaults by the company, its promoter, director, KMPs, senior management or subsidiary or arrest of KMPs, senior management, promoter or director of the company, whether occurred within India or abroad.

For the purpose of this sub-paragraph:

- (a) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (b) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable

Explanation (1) - In case of revolving facilities like cash credit, the company would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation (2) - Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the Company.

7. Change in directors, KMPs, managing director, chief executive officer, chief financial officer, company secretary etc., senior management, auditor and compliance officer.

7A. In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the Stock Exchanges as soon as possible but not later than 24 (twenty four) hours of receipt of such reasons from the auditor.

7B. Resignation of an independent director including reasons for resignation. In case of resignation of an independent director of the Company, within 7 (seven) days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the Company:

- (i) The letter of resignation along with detailed reasons for the resignation as given by the said director.
- (ii) 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 Company to the Stock Exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

7C. In case of resignation of key managerial personnel, senior management, compliance officer or a director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, compliance officer or a director, within seven days from the date that such resignation comes into effect.

- 7D. In case the managing director or chief executive officer of the Company was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 (forty-five) days in any rolling period of 90 (ninety) days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
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. 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 Company.

13. Proceedings of annual and extraordinary general meetings of the Company.
14. Amendments to memorandum and articles of association of Company, in brief.
15. (a) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the Company to analysts or institutional investors.

Explanation: For the purpose of this sub-paragraph “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 24 (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 5 (five) working days of the conclusion of such calls.

16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency and Bankruptcy Code (“**Insolvency Code**”), 2016:

- (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 National Companies Law Tribunal (“**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% (hundred per cent) 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, KMPs, 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 the Company:
- (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 Company along with comments of the management, if any.

18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of the Company, in relation to any event or information which is material for the company as per Regulation 30 of the Listing Regulations and is not already made available in the public domain by the Company.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the Company, in respect of the following:
- (a) search or seizure; or
  - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
  - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- (i) name of the authority;
  - (ii) nature and details of the action(s) taken, initiated or order(s) passed;
  - (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
  - (iv) details of the violation(s)/contravention(s) committed or alleged to be committed;
  - (v) Impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.
20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the

Company, in respect of the following:

- (a) suspension;
- (b) imposition of fine or penalty;
- (c) settlement of proceedings;
- (d) debarment;
- (e) disqualification;
- (f) closure of operations;
- (g) sanctions imposed;
- (h) warning or caution; or
- (i) any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- (i) name of the authority;
- (ii) nature and details of the action(s) taken, initiated or order(s) passed;
- (iii) date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- (iv) details of the violation(s)/contravention(s) committed or alleged to be committed;
- (v) impact on financial, operation or other activities of the Company, quantifiable in monetary terms to the extent possible.

21. Voluntary revision of financial statements or the report of the board of directors of the Company under Section 131 of the Companies Act, 2013.

## Annexure B

*(Para B and Para C of Part A of Schedule III of the Listing Regulations)*

**B.** Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the Company:
  - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
  - (b) adoption of new line(s) of business; or
  - (c) closure of operation of any unit, division or subsidiary (in entirety or in 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) 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 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. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
  9. Frauds or defaults by employees of the Company which has or may have an impact on the Company.
  10. Options to purchase securities including any ESOP/ESPS Scheme.
  11. Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party.
  12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
  13. Delay or default in the Payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.
- 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 listed entity may make disclosures of event/information as specified by the Board from time to time.