

## SAMHI HOTELS LIMITED

### MATERIALITY POLICY FOR DISCLOSURE IN OFFER DOCUMENTS

#### INTRODUCTION

This policy (“**Policy**”) has been formulated to define the respective materiality policies in respect SAMHI Hotels Limited (the “**Company**”), pursuant to the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) (“**SEBI ICDR Regulations**”), in respect of the following:

- A. identification of material companies to be disclosed as group companies in the Offer Documents;
- B. identification of ‘material’ outstanding litigation (excluding criminal proceedings, statutory/regulatory actions and taxation matters); and
- C. identification of ‘material’ creditors and dues therein.

#### APPLICABILITY

The board of directors of the Company (“**Board**”) at their meeting held on **27<sup>th</sup> March, 2023**, discussed and approved this Policy. This Policy shall be effective from the date of approval of Policy by the Board.

In this Policy, the term “**Offer Documents**” means the draft red herring prospectus, the red herring prospectus and the prospectus (together with any addenda or corrigenda thereto) to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Delhi and Haryana at New Delhi and/or the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

#### **A. Identification of material companies to be disclosed as group companies**

##### *Requirement*

As per the requirements of the SEBI ICDR Regulations, group companies of an issuer company include such companies (other than subsidiaries of such issuer company) (i) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Documents, as covered under the applicable accounting standards; and (ii) also other companies as considered material by the board of directors of such issuer company.

The policy on identification of companies to be disclosed as group companies, as mentioned below, shall be disclosed in the Offer Documents.

##### *Policy on Materiality*

For the purpose of disclosure in the Offer Documents, the following shall be considered as Group Companies of our Company: (i) such companies (other than any Subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under Ind AS 24; and (ii) any other companies as may be identified as material by our Board of Directors. In relation to (ii) above, a company shall be considered material and will be disclosed as a ‘Group Company’ in the Offer Document(s) if the shareholding of such company in our Company is more than 10% of our Company’s share capital and the monetary value of our Company’s transactions with such company in the most recent financial

year or stub period, as applicable, exceeds 10% of the total revenue of our Company as per the restated consolidated financial information included in the Offer Document(s) for such financial year or stub period, respectively.

**B. Identification of ‘material’ litigation (excluding criminal proceedings, statutory/regulatory actions and taxation matters)**

*Requirement*

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the Company, its directors and its subsidiaries:

- (i) all criminal proceedings;
- (ii) all actions by regulatory authorities and statutory authorities;
- (iii) claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- (iv) Other pending litigation - As per the materiality policy defined by the board of directors of the Company and disclosed in the Offer Documents.

In addition to the pending litigation involving the Company, its directors and its subsidiaries, the Company shall also disclose pending litigation, as mentioned in points (i)-(iv) above, involving the DUET SPVs (collectively with the Company, its directors and its subsidiaries, the “**Relevant Parties**”)

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving any group companies, which has a material impact on the Company.

The policy on identification of material other pending litigation involving the Relevant Parties mentioned in point (iv) above, as mentioned below, shall be disclosed in the Offer Documents.

*Policy on Materiality*

Other than litigations mentioned in points (i) to (iii) above, any other pending litigation involving the Relevant Parties would be considered ‘material’ for the purpose of disclosure in the Offer Document(s), if:

- a) the claim / dispute amount, to the extent quantifiable, is in excess of ₹ 10 million; or
- b) where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (a) above, but an outcome in any such litigation would materially and adversely affect our Company’s business, operations, cash flows, financial position or reputation, on a consolidated basis.

Pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory / regulatory / governmental / tax authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum. Further, FIRs (whether cognizance has been taken or not) initiated against the Relevant Parties shall be disclosed in the Offer Documents.

**C. Identification of ‘material’ creditors and dues therein**

*Requirement*

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

- (i) based on the policy on materiality defined by the board of directors of the Company, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and aggregate amount involved will be disclosed in the Offer Documents; and
- (iii) complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company with a web link thereto in the Offer Documents.

The policy on identification of material creditors, as mentioned below, shall be disclosed in the Offer Documents.

*Policy on Materiality*

For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Document(s), if amounts due to such creditor is equal to or exceeds 5% of the consolidated trade payables for the latest financial period for which restated consolidated financial information is disclosed in the Offer Document(s).

**GENERAL**

It is clarified that this Policy is solely for the purpose of disclosure requirements in Offer Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose.

This Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and as required for compliance with regulatory amendments from time to time.

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