

# ASIAN HOTELS (EAST) LIMITED

CIN : L15122WB2007PLC162762

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## POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

### Preamble

The Board of Directors of Asian Hotels (East) Ltd. (the Company) at its meeting held on 30<sup>th</sup> October, 2015 had adopted this policy on materiality of related party transactions and dealing with related party transactions, in accordance with the requirements of section 188 of the Companies Act, 2013 and regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

The amendment to this policy has been adopted by the Board of Directors on the recommendations of the Audit Committee at its meetings held on 11<sup>th</sup> November, 2021 and shall be effective from 1<sup>st</sup> April, 2022. The amended policy was reviewed and noted by the Board of Directors at its meeting held on 30<sup>th</sup> May, 2022.

### Definitions

- 1) **"Arm's length basis"** means, a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest.
- 2) **"Related party"** means a person defined as Related Party under Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards.  
Provided that any person or entity belonging to the promoter or promoter group of the listed entity and holding 20% or more of shareholding in the listed entity shall be deemed to be a related party.
- 3) **"Transaction"** with a related party shall be construed to include single transaction or a group of transactions in a contract or arrangement.
- 4) **"Related Party Transaction"** means a transaction as defined under Regulation 2(1)(zc) of the Listing Regulations and includes a transaction specified under Section 188(1) of the Companies Act, 2013.
- 5) **"Relative"** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

### Policy

All related party transactions and subsequent material modification must be reported to the Audit Committee for its prior approval in accordance with this policy. Provided that only those members of Audit Committee who are independent shall approve the same.

However, the Audit Committee may grant omnibus approval for related party transactions proposed to be entered into by the Company in terms of Reg. 23(3) of the Listing Regulations.



OWNER OF



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KOLKATA HOTEL

## **Material Modifications**

Any modification of 10% to an existing related party transaction shall be deemed to be material modification and such transaction shall require prior approval of the Audit Committee and Shareholders in terms of Reg. 23(4) of the Listing Regulations.

## **Material Related Party Transaction**

Means a transaction with a related party if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

## **Procedure for Dealing with Related Party Transactions**

- i. No related party transaction shall be entered into by the Company without the prior approval of the Audit Committee unless omnibus approval is already provided by the Audit Committee. Any subsequent material modifications of transactions of the company with related parties will also require prior approval of Audit Committee. Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.
- ii. Any related party transaction beyond the scope of omnibus approval shall require the approval of the Audit Committee & the Board. The same shall also require approval of the Shareholders, if applicable.
- iii. A related party transaction to which the subsidiary of company is a party but the Company is not, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover ('standalone turnover' w.e.f. April 1, 2023), as per the last audited financial statements of the Company.

Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during the discussions on the subject matter of the resolution relating to such contract or arrangement.

- iv. All material related party transactions and subsequent material modifications shall require approval of the shareholders of the Company through resolution and all entities falling under the definition of the related parties shall abstain from voting on such resolutions irrespective of whether the entity is a related party to the particular transaction or not. This shall not be applicable for transactions entered between the company and its wholly owned subsidiaries or between two wholly owned subsidiaries of the Company whose accounts are consolidated with that of the Company.



## **Disclosure & Reporting**

Every related party transaction including material related party transaction shall be disclosed in the Annual Report as per the requirement of the Listing Regulations and the Companies Act, 2013 and rules made thereunder. This policy shall be disclosed on the Company's website.

## **Review and Amendment**

The Board may, subject to applicable Listing Regulations and the Companies Act, 2013 & the Rules made thereunder, review and amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee.

