

ASIAN HOTELS (EAST) LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

Preamble

The Board of Directors (the 'Board') of Asian Hotels (East) Ltd. (the 'Company') at its meeting held on 30th October, 2015 has adopted this new policy and procedures with Related Party Transactions, in compliance with the requirement of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations] (effective from 1st December, 2015) in substitution of the existing policy. The Board will review and may amend this policy from time to time subject to the recommendation of the Audit Committee.

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 Companies Act, 2013 or under the applicable accounting standards.
- 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 transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged and would include a transaction specified under Section 188 (1) of the Companies Act, 2013.

Policy

All Related Party Transactions must be reported to the Audit Committee for its approval in accordance with this policy. However the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company.

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 10 % of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Procedure for Dealing with Related Party Transactions

- 1) 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 modification of transactions of the company with related parties will also require prior approval of Audit Committee.
- 2) Any Related Party Transaction beyond the scope of omnibus approval and Material Related Party Transaction shall require the approval of the Audit Committee & the Board. The same shall also require approval of the Shareholders, if required.
- 3) 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.
- 4) All material related party transactions 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 with 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 in the Company's website.

Review and Amendment

The Board may, subject to applicable Listing Regulations and 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.

