

ASIAN HOTELS (WEST) LIMITED RELATED PARTY TRANSACTION POLICY

1. Preamble:

The Board of Directors (the “Board”) of Asian Hotels (west) Limited (the “Company”), has adopted the following policy and procedures (“Policy”) with regard to Related Party Transactions (RPTs). The policy envisages the procedure governing Related Party Transactions required to be followed by company to ensure compliance with the Law and Regulation. The Audit committee will review the same from time to time and propose the amendment required in the policy to the board of directors.

2. Purpose

This Policy is formulated, in accordance with the requirement of Securities and Exchange Board of Indian (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Obligations) (including any statutory enactments/ amendments thereof) entered into by the Company with the Stock Exchanges and is intended to ensure proper approval and reporting of RPTs between the Company and its Related Parties. In addition the Company is also required to define the materiality of RPTs. Such transactions are appropriate only if they are in the best interest of the Company and its shareholders.

The Company is required to disclose the Policy on dealing with RPTs each year in its Financial Statements as well as in its website.

3. Definitions

“**Audit Committee or Committee**”. Means a Committee constituted by the Board of Directors of the Company in accordance with provisions of Listing obligations and Companies Act, 2013.

“**Board**” means the board of directors of the Company.

“**Key Managerial Personnel**” or “**KMP**” shall have the meaning referred to in the Companies Act, 2013.

“**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 annual consolidated turnover of the Company as per the last audited financial statements of the Company or such other limit as be prescribed in terms of the Listing Obligations from time to time.

“**Related Party**” means, an entity is:

- (i) a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) a related party under the applicable accounting standards.

“**Related Party Transaction**” means any transfer of resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged.

Explanation: A transaction with a related party shall be construed to include single transaction or a group of transaction in a contract.

“**Relative**” means relative as defined under the Companies Act, 2013

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts / Listing Obligations / regulations / rules.

1. The Companies Act, 2013 or the rules framed thereon;
2. Listing Obligation with Stock Exchanges;
3. Securities Contracts (Regulation) Act, 1956;
4. SEBI Act, 1992;
5. SEBI (Issue of Capital and Disclosure Requirements) Regulations;
6. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
7. SEBI (Prohibition of Insider Trading) Regulations, 2015.
8. General Guideline

4. Policy

All Related Party Transactions must be reported to the Audit Committee and referred by the Audit Committee to the Board for approval in accordance with this Policy.

Further, all material Related Party Transactions shall require approval of the shareholders through Ordinary Resolutions and all entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

4.1 Identification of Potential RPTs

Each Director and “KMP” and other Related Party shall promptly notify the Audit Committee of any material interest that such person or relative of such person had, has or may have in a RPT, by providing notice to the Board or Audit Committee of any potential RPT involving him or her or his or her Relative together with additional information about the RPT that the Board or Audit Committee reasonably request.

The Company prefers that notice of any RPT is given well in advance, so that the Audit Committee / the Board has adequate time to obtain and review information about the proposed RPT.

The Board / Audit Committee shall determine whether a transaction does, in fact, constitute a RPT requiring compliance with this Policy;

4.2. Review and approval of RPTs

All RPTs shall require prior approval of Audit Committee;

RPTs shall be referred to the next regularly scheduled meeting(s) of Audit Committee for its review and approval;

The Audit Committee, in order to review a RPT, shall be provided with all relevant material information of the RPT, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters;

Any member of the Audit Committee who has an interest in any RPT shall recuse himself or herself and abstain from discussion and voting on the approval of such RPTs;

4.3. Criteria for approving RPTs

In determining whether to approve a RPT, the Audit Committee shall consider the following factors, among others, to the extent relevant to the RPT:

- Whether the terms of the RPT are fair and on ‘arm’s length basis’ to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any;
- Whether the RPT would affect the independence of an independent director;
- Whether the proposed RPT includes any potential reputational risk issues that may arise as a result of or in connection with the proposed RPT;
- Whether subsequent ratification of the proposed RPT is allowed and would be detrimental to the Company; and
- Whether the RPT would present an improper conflict of interest for any director or KMP of the Company, taking into account the size of the transaction, the overall financial position of the director, KMP or other Related Party, the direct or indirect nature of the director’s, KMP’s or other Related Party’s interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Audit Committee deems relevant;
- If the Audit Committee determines that a RPT should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the RPT, then the considerations set forth above shall apply to the Board’s review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.
- The Audit Committee shall review, at least on a quarterly basis, the details of RPT entered into by the Company pursuant to each of the omnibus approval given.

4.4. RPTs that do not require prior Audit Committee Approval.

4.4.1 The Audit Committee shall also be entitled to grant omnibus approval (“Omnibus Approval”) for a class of transactions which are repetitive in nature as per the procedure specified for approving RPTs in this Policy. The Audit Committee shall be required to satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company subject to the following conditions;

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPT of the Company and such approval shall be applicable in respect of transactions which are repetitive in natures.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

- c. Such omnibus approval shall specify
- (i) The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - (ii) The indicative base price / current contracted price and the formula for variation in the price if any; and
 - (iii) Such other conditions as the audit committee may deem fit:

Provided that where the need for RPT cannot be foreseen and aforesaid details are not available. Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 Crores per transaction.

- d. such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

4.5 RPTs not approved under this Policy

In the event the Company becomes aware of a RPT with a Related Party that has not been approved under this Policy by the Audit Committee, prior to its consummation, it shall report such transaction to the Audit Committee which shall follow the procedure laid down in this Policy.

In any case, save as otherwise provided in the Policy, where the Audit Committee determines not to ratify a RPT that has been commenced without its prior approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission or revision of the transaction.

5. Amendments

This Policy may be amended by the board at any time and is subject to the (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines from the SEBI.

6. Disclosures

- Every Related Party Transaction with proper justification shall be disclosed in the Directors Report.
- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- The company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

This Policy will be communicated to all operational employees and other concerned persons of the Company.
