



**POLICY FOR RELATED PARTY TRANSACTIONS**  
**(Amended w.e.f. February 13, 2025)**

**Preamble**

The Board of Directors of Asian Hotels (North) Limited acting upon the recommendation of the Audit Committee, has adopted the following policy and procedures regarding Related Party Transactions (RPT). The objective of this Policy is to ensure substantive transparency in conducting such transactions by providing adequate and appropriate disclosures relating thereto and by following procedural compliances with various applicable provisions, rules and regulations as encapsulated in the Companies Act, 2013 (the Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations), as may be amended or re-stated from time to time.

**Applicability**

This Policy shall come into force with effect from February 13, 2025 in supersession of the earlier policy approved by the Board of Directors of the Company on March 30, 2022 which was effective from April 01, 2022.

**Definitions**

**“Act”:**

“Act” means the Companies Act, 2013

**“Audit Committee”:**

“Audit committee” means a committee of the Board of Directors of the Company constituted in terms of Section 177 of the Act and Regulation 18 and other applicable provisions of the Listing Regulations read with Part C of Schedule II to the said Regulations, as may be amended or re-stated from time to time.

**“Board” or “Board of Directors”:**

“Board” or “Board of Directors” means collective body of directors of the Company

**“Control”:**

“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**“Policy”:**

“Policy” means Policy for Related Party Transactions.



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### **“Related Party”:**

An entity shall be considered as related to the Company if:

- (i) such entity is a related party under Section 2(76) of the Act;  
or
- (ii) such entity is a related party under the applicable accounting standards.

#### Explanation:

In terms of Section 2(76) of the Act read with Rule 3 of the Companies (Specification of definitions details) Rules, 2014; and Regulation 2(1)(zb) of the Listing Regulations, “related party” with reference to a Company means:

- (i) a director or his relative;
- (ii) a key managerial personnel or his relative;
- (iii) a firm in which a director, manager or his relative is a partner;
- (iv) a private company in which a director or manager or his relative is a member or director;
- (v) a public company in which a director or manager is a director and holds along with his relatives, more than two percent of its paid up share capital;
- (vi) any body corporate whose Board of Directors, Managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (vii) any person on whose advice, directions or instructions, a director or manager is accustomed to act:  
Provided that nothing in sub-clauses (vi) & (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- (viii) any Body Corporate which is:
  - a. a holding, subsidiary or an associate company of such Company; or
  - b. a subsidiary of a holding company to which it is also a subsidiary; or
  - c. an investing company or the venturer of the Company, which means a body corporate whose investment in the Company would result in the Company becoming an associate company of the Body Corporate
- (ix) a director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to a company.
- (x) any person or entity forming a part of the promoter or promoter group of the Company
- (xi) any person or any entity, holding equity shares of 20% or more or of 10% or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediately preceding financial year.

The above definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

### **“Relative”:**

As per Section 2(77) of the Act read with Rule 4 of Companies (Specification of definitions details) Rules, 2014, relative, with reference to any person, means anyone who is related to another, if-



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1. They are members of a Hindu Undivided Family;
2. They are husband and wife; or

a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

1. Father, provided that the term “Father” includes step-father
2. Mother, provided that the term “Mother” includes step-mother
3. Son, provided that the term “Son” includes step-son
4. Son’s wife
5. Daughter
6. Daughter’s husband
7. Brother, provided that the term “Brother” includes step-brother
10. Sister, provided that the term “Sister” includes step-sister

### **“Key Managerial Personnel”:**

As per Section 2(51) of the Act, “key managerial personnel” in relation to a Company means:

- (1) the Chief Executive Officer or the Managing Director or the manager;
- (2) the Company Secretary;
- (3) the Whole-time Director;
- (4) the Chief Financial Officer;
- (5) such other officer, not more than one level below the directors, who is in whole time employment, designated as Key Managerial Personnel by the Board; and
- (6) such other officer as may be prescribed.

### **“Officer”:**

As per Section 2(59) of the Act, “officer” includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act.

### **“Associate Company”:**

Section 2(6) of the Act defines an “Associate Company”, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

*Explanations –*

- (a) “significant influence” means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement;
- (b) “joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

### **“Related Party Transactions” to which this Policy applies:**

As per Section 188 of the Act, a related party transaction is any contract or arrangement with a



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related party with respect to:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property;
- (f) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- (g) underwriting the subscription of any securities or derivatives thereof, of the company.

Regulation 2(1)(zc) of the Listing Regulations defines a "related party transaction" as a transfer of resources, services or obligations between:

- i) The Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- ii) The Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries;

regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Provided that the following shall not be a related party transaction:

- (a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) the following corporate actions which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
  - i. payment of dividend;
  - ii. subdivision or consolidation of securities;
  - iii. issuance of securities by way of a rights issue or a bonus issue; and
  - iv. buy-back of securities.
- (c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board.
- (d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time.
- (e) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

The above definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).



**“Material Related Party Transaction”:**

“Material Related Party Transaction” means a Material Related Party Transaction as defined in Regulation 23 of the Listing Regulations i.e:

- (i) a transaction with a related party shall be considered material, if the transaction(s) 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 Company as per the last audited financial statements of the Company, whichever is lower;
- (ii) a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company.

**“Material Modifications”:**

“Material Modifications” of Related Party Transaction means and includes any modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board /Shareholders, as the case may be.

The following will be excluded while determining the materiality of modification:

- (a) modifications which may be mandated pursuant to change in Law;
- (b) modifications pursuant to and in accordance with the terms of the approved transaction/contract whether with or without mutual consent of parties, as the case may be;
- (c) modifications resulting from change in constitution of either of the parties pursuant to schemes of arrangement;
- (d) modifications which are purely technical and do not result in substantive change or alteration of rights, interests, and obligations of any of the parties;
- (e) modifications uniformly affected for similar transactions with unrelated parties;

**“Arm’s length transaction”:**

As per Section 188 of the Act, the expression “arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

**“Office or place of profit”:**

As per Section 188 of the Act, “Office or place of profit” means any office or place –

- (i) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (ii) where such office or place is held by an individual other than a director or by any firm,



private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

**Procedure to ascertain Related Parties**

Following information is required to identify the Related Parties:

1. Declaration/Disclosure of interest by all the Directors in Form MBP-1 and similar information for KMPs.
2. Declaration of relatives by all Directors and KMPs.
3. Declaration about a firm in which a Director, Manager or his relative is a partner.
4. Declaration about a private company in which a Director or Manager or his relative is a member or director.
5. Declaration regarding a public company in which a Director or Manager is a director and holds along with his relatives more than 2% of the paid up share capital.
6. Notices from Directors of any change in particulars of Directorship or in other positions during the year.
7. Declaration by holding company regarding its Directors/KMPs and their relatives.
8. Details of any body corporate whose Board of Directors, Managing Director or Manager is accustomed to act in accordance with the advice, directions or instructions of a Director or Manager of the Company.
9. Details of any person on whose advice, directions or instructions a Director or a Manager is accustomed to act:

Provided that nothing in point no. (8) & (9) shall apply to the advice, directions or instructions given in a professional capacity.

10. Details of any body corporate which is:
  - a) a holding, subsidiary or an associate company of such company;
  - b) a subsidiary of a holding company to which it is also a subsidiary; or
  - c) an investing company or the venturer of the Company, which means a body corporate whose investment in the Company would result in the Company becoming an associate company of the Body Corporate.
11. Persons/entities identified under the applicable Accounting Standard.
12. Details of any person or entity forming a part of the promoter or promoter group of the Company
13. Details of any person or any entity holding equity shares of 20% or more or of 10% or more in the Company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time during the immediately preceding financial year.

Based on the above information, a comprehensive list of Related Parties needs to be prepared by the Secretarial Department. The Secretarial/Statutory/Internal Auditors may be called upon to verify the process of ascertaining the Related Parties and their correct recording / listing in Register of Contracts / Arrangement etc. as per Section 189 of the Act, and Rules thereof as well as their classification regarding whether they are on arm's length basis.

The aforesaid list shall be circulated to all concerned.



### **Procedure for seeking approval**

All Division Heads shall submit to the CFO and Company Secretary the details of proposed transactions with details / draft contract / draft agreement or other supporting documents justifying that the transactions are on an arm's length basis in an ordinary course of business. Based on this note, the Company Secretary will appropriately take it up for necessary prior approvals from the Audit Committee at its next meeting and convey back the decision to the respective Division Head.

Once approved by the Audit Committee, the said transaction(s) shall be reported to the Board for its information.

If the proposed transaction is not in the ordinary course of business but at an arms' length basis, or where the transaction is in the ordinary course of business but not on an arms' length basis then, the respective Division Heads shall give a detailed note with justification to CFO and CS for entering into such transaction(s) along with details of proposed transaction(s) with draft agreement/MOU/other supporting documents. Based on this note, the CFO and CS will discuss the matter with MD/WTD so as to further take up the matter for respective prior approvals of the Audit Committee and Board, and if required propose appropriate resolutions for the prior approval of the shareholders.

### **Approval of transactions**

#### **Approval of transactions through Audit Committee**

It is pertinent to note that prior approval of the Audit Committee of the Company must be obtained for all Related Party Transactions and subsequent material modifications. Further, only those members of the Audit Committee, who are independent directors, shall approve Related Party Transactions.

To review a Related Party Transaction, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, 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. In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:

- (i) Whether the terms of the Related Party Transaction are at arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- (ii) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
- (iii) Whether the Related Party Transaction would affect the independence of an independent director;
- (iv) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
- (v) Whether the Company was notified about the Related Party Transaction before its



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commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

- (vi) Whether the Related Party Transaction would present an improper conflict of interest for any Director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the Director, Executive Officer or other Related Party(ies), the direct or indirect nature of the Director's, Key Managerial Personnel's or other Related Party's interest in the transaction, and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

Every related party transaction to be entered into by the subsidiary of the Company to which the Company is not a party, 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:

- (a) 10% of the annual consolidated turnover, as per the last audited financial statements of the Company;
- (b) With effect from April 1, 2023, 10% of standalone turnover, as per the last audited financial statements of the subsidiary.

However, prior approval of the audit committee shall not be required for a related party transaction to which listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of Listing regulations are applicable to such listed subsidiary.

Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not be required approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of regulation 23 of Listing Regulations.

### **Ratification of Related Party Transactions:**

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- a. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees 1 (one) crore;
- b. the transaction is not material in terms of the provisions of sub-regulation (1) of regulation 23 of Listing Regulations;
- c. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- d. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23 of Listing Regulations;
- e. any other condition important for the Audit Committee to take decision on the ratified transaction.





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However, failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

The Audit Committee may grant an omnibus approval for a period not exceeding one year, and shall require fresh approvals after the expiry of one year, for those proposed related party transactions entered by the Company or its subsidiary, which being repetitive in nature, are in the ordinary course of business and at an arms' length, subject to the condition that a proposal containing the following information be placed before the Audit Committee for its perusal:

- The name(s) of the related party(ies),
- Nature of transactions,
- Period of transactions,
- The indicative base price/current contracted price and the formula for variation in the price, if any, and
- Maximum amount of transaction(s) that can be entered into during the tenure of the proposal.
- Justification for the need of omnibus approval
- Any other information relevant or important for the Audit Committee to take decision on the proposed transaction.

Based on the above information, the Audit Committee shall satisfy itself as to the need for such omnibus approval and that such approval is in the interest of the Company or its subsidiary.

In case transactions, purely in the ordinary course of business and at an arm's length, which can not be predicted or foreseen previously, are required to be entered into with related parties, the Audit Committee may grant an omnibus approval for all such transactions subject to their value not exceeding Rupees One Crore per transaction.

All transactions entered into by the Company or its subsidiary under the above omnibus approval shall be put up to the Audit Committee on quarterly basis for its review.

### **Prior approval of the Audit Committee shall not be required for:**

Transaction(s), other than transactions referred to under Section 188 of the Act entered into between holding company and its wholly owned subsidiary or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Holding Company and placed before the shareholders at General Meetings for approval, and

Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand

shall not require approval of the Audit Committee.

The Audit Committee will take into account following considerations while dealing with the RPTs:



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- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
  - i) details of the source of funds in connection with the proposed transaction;
  - ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and
    - tenure;
  - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. Justification as to why the RPT is in the interest of the Company;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j. Any other information that may be relevant
- k. any advance paid or received for the contract or arrangement, if any;
- l. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- m. whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;

The Audit Committee shall also review the status of long term (more than one year) or recurring RPTs on an annual basis.

Anyone of Internal/Statutory/Secretarial Auditors shall certify whether the contracts/transactions/ are at an arms' length.

Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

### **Approval of transactions through Board of Directors**

Approval of the Board is required:

1. For all contracts / arrangements / transactions which are not on an arms' length basis or are



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- not in the ordinary course of business (irrespective of the amount involved);
2. For all “material related party transactions” and subsequent material modifications irrespective of the fact that these were in the ordinary course of business and also on an arms’ length basis; and
  3. For all such transactions which require shareholder’s approval in terms of Section 188 of the Act read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.
  4. Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm’s length basis and decides to refer the same to the Board for approval;
  5. Transactions which are in the ordinary course of business and at arm’s length basis, but which in Audit Committee’s view requires Board approval.

The Board shall consider and approve the Related Party Transaction by a resolution at a meeting of the Board, with such modification(s), if any, as may be deemed appropriate under the circumstances.

Where any director is interested in any related party transaction, such director shall abstain from discussion and voting on the subject matter of the resolution relating to such transaction.

(1) The agenda of the Board meeting at which the resolution for RPTs is proposed to be moved shall disclose-

- (a) the name of the related party and nature of relationship;
- (b) the nature, duration of the contract and particulars of the contract or arrangement;
- (c) the material terms of the contract or arrangement including the value, if any;
- (d) any advance paid or received for the contract or arrangement, if any;
- (e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- (g) any other information relevant or important for the Board to take a decision on the proposed transaction

### **Approval of transactions through shareholders**

The prior approval of the shareholders of the Company by the means of an Ordinary Resolution shall be required for:

- A. All “material related party transactions and subsequent material modifications” irrespective of the fact that these were in the ordinary course of business and also on an arms’ length basis further no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not;

Provided that prior approval of the shareholders of a Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of listing regulations are applicable to such listed subsidiary.

For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the



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prior approval of the shareholders of the listed subsidiary shall suffice.

B. any transaction or transactions, which are not on an arms' length basis or are not in the ordinary course of business and where such transaction or transactions to be entered into as contracts or arrangements:

(a) is with respect to Clauses (a) to (e) of Section 188(1) of the Act with the criteria as mentioned below:

- (i) sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company as mentioned in Clause (a) and Clause (e) respectively of sub-section (1) of Section 188;
- (ii) selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the Company as mentioned in Clause (b) and Clause (e) respectively of sub-section (1) of Section 188;
- (iii) leasing of property of any kind amounting to ten percent or more of the turnover of the Company as mentioned in Clause (c) of sub-section (1) of the Section 188;
- (iv) availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the Company, as mentioned in Clause (d) and Clause (e) respectively of sub-section (1) of Section 188.

Explanation – It is hereby clarified that the limits specified in sub-clauses (i) to (iv) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(b) is for appointment to any office or place of profit in the Company, its subsidiary company, or associate company at a monthly remuneration exceeding two and half lakh rupees as mentioned in clause (f) of sub-section (1) of Section 188;

(c) is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one percent of net worth as mentioned in Clause (g) of sub-section (1) of Section 188.

Explanations –

- (1) The Turnover or Net Worth as referred hereinabove shall be computed on the basis of Audited Financial Statement of the preceding Financial Year;
- (2) In case of a wholly owned subsidiary, the resolution passed by the holding company shall be sufficient for the purpose of entering into the transactions between the wholly owned subsidiary and the holding company.

Any Related Party Transaction or Material Related Party Transaction if entered into with a Wholly Owned Subsidiary, whose accounts are consolidated with the Company and placed before the shareholders of the Company at General Meetings for approval, shall not require approval of the Shareholders.

Any related party transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with Company and placed before the shareholders at the general meeting for approval, shall not require approval of the shareholders.

The explanatory statement to be annexed to the Notice of a general meeting convened pursuant to Section 101 shall contain the following particulars namely:



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- a. name of the related party;
- b. name of the director or key managerial personnel who is related, if any;
- c. nature of relationship;
- d. nature, duration, material terms, monetary value and particular of the contract or arrangement;
- e. summary of the transaction provided by the management to the Audit Committee/ Board
- f. Justification as to why the transaction is in the interest of the Company
- g. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary:
  - i) details of the source of funds in connection with the proposed transaction;
  - ii) where any financial indebtedness is incurred to make or give loans, intercorporate deposits, advances or investments,
    - nature of indebtedness;
    - cost of funds; and
    - tenure;
  - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
  - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g. A statement that the valuation or other external report, if any relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders
- h. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis
- i. any other information relevant or important for the members to take a decision on the proposed resolution.

It is pertinent to note that in terms of the provisions of the Act related party transactions that are in the ordinary course of the business and are at an arm's length would, irrespective of the amount involved, only require prior approval of the Audit Committee and reporting to the Board. However, under the Listing Regulations, all material related party transactions and subsequent material modifications that are in the ordinary course of business and are at an arm's length would require prior shareholders' approval by way of an ordinary resolution if they are 'material' within the meaning of Regulation 23 of the Listing Regulations.

In this regard, Regulation 23 of the Listing Regulations states that "a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover as per the last audited financial statements of the Company, whichever is lower"; and in case a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per last audited financial statements of the Company.

Thus, MD/WTD, CFO and CS will keep a track of all the related party transactions done in the financial year and take shareholders' approval well in advance so as to ensure compliance of Regulation 23 of the Listing Regulations on material related party transactions.



Notes:

1. Any director who is concerned or interested in any contracts / transactions with a related party, such Director shall abstain from discussion and voting on the subject matter of the resolution related to such contract / transactions at the Audit Committee/ Board meeting and shall not be entitled to vote for such item in general meeting if he is a shareholder of the Company.
2. No member of the Company shall vote on such resolution, to approve any related party transaction which may be entered into by the Company, if such member is a related party, irrespective of the fact whether that member is a related party in respect of the particular transaction or not.

**Reporting Related Party Transactions**

The Finance Department shall provide a list of transactions with related party on a quarterly basis to the Secretarial Department and Statutory Auditor within seven days of close of the quarter and the same shall be reviewed by them and placed before the Audit Committee.

**Disclosures**

1. Details of contract(s) or arrangement(s) with related parties have to be disclosed in the Board's report along with justification as per Form AOC-2 (Place the said form before Audit Committee for its review and then to the Board as part of Directors' Report for approval).
2. The Company shall keep a register in Form MBP-4 [Pursuant to Section 189 (1) and Rule 16 (1)] giving the particulars of all contracts or arrangements in such manner as may be prescribed.
3. Necessary disclosures be made in the Annual Financial Statements as required under the applicable Accounting Standard. Further, as required under Clause 10(a) of Para C of Schedule V to the Listing Regulations, necessary details/disclosures of all materially significant related party transactions, which may have potential conflict with the interests of the Company at large, be also given in 'Report on Corporate Governance' section in Annual Report.
4. Details of all material transactions with related parties shall be disclosed quarterly along with compliance report on Corporate Governance.
5. The Company shall submit to the stock exchanges disclosures of related party transactions in format as specified by SEBI from time to time and publish the same on its website. However, the remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of regulation 23 of this listing regulations.
6. The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web-link thereto shall be provided in the Annual Report.
7. The Company shall disclose in its Annual Report, its transactions with any person or entity belonging to the promoter/promoter group which holds ten percent or more shareholding in the Company, in the format specified in the relevant accounting standard.



**Company's policy on certain transactions in the ordinary course of business**

Since the Company is operating a five-star deluxe hotel, as a policy matter, the Company allows its employees a discount of 50% on food and non-alcoholic beverages in certain outlets, and the employees can avail of this facility up to a specified financial limit which is linked to his base monthly salary. As a gesture, the directors of the Company are also allowed a similar discount whenever they wish to avail of this facility.

Further, whenever officials of various subsidiaries or the companies having one of our directors on their Board travel for business purposes and stay at Hyatt Regency Delhi, such companies may be allowed corporate rates in the normal course of business as the Company may allow to its other corporate clients - the touch stone being that none of such companies shall be given a rate lower than the minimum rate given to other non-related corporates on that day.

The Company is of the firm view that the transactions mentioned above, besides being in the normal course of business, are also on an arm's length basis as no preferential treatment is being extended to such related parties.

In any case, following the trade practices, the Company has different pricing policies for various segments of clients namely, airline crews, travel agents & tour operators, corporate clients etc.

Based on the above trade practices and pricing benchmark, the Audit Committee of the Company may grant an omnibus approval up to specified amounts for a specified financial year for those related parties which are likely to avail of the services rendered by the Company.

**Review / Amendment**

The Board/Audit Committee may subject to applicable laws may amend, abrogate, modify or revise any or all clauses of this Policy. This policy shall be reviewed by the Board at least once every three years and updated accordingly.

**Interpretation**

In any circumstance where the terms of the Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this policy and procedures until such time as this Policy and Procedures are changed to conform to the law, rule, regulation or standard.

**Notes:**

- (1) The Original Policy effective March 08, 2015, which was amended and approved by the Board on February 11, 2016, on February 12, 2019 on March 30, 2022 effective from April 01, 2022 and was further amended and approved by the Board of Directors on February 13, 2025.