

ASIAN HOTELS (EAST) LIMITED

CIN : L15122WB2007PLC162762

Regd. Off.: Hyatt Regency Kolkata Hotel, JA-1, Sector - III, Salt Lake City, Kolkata - 700 106, W.B., India
Tel: 033 6820 1344 / 1346, Fax : 033 2335 8246, E-mail : clocs@ahleast.com, Website : www.ahleast.com

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 12th February, 2025 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 Reg 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 at its meeting held on 13th February, 2026 upon recommendation of the Audit Committee at its meeting held on even date and shall come into force with immediate effect.

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 related party as defined under Reg 2(1)(zb) of the Listing Regulations, as amended from time to time.
- 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 Reg 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.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or the Listing Regulations, as the case may be.

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 unless otherwise specifically exempted under the Listing Regulations.

Only those members of Audit Committee, who are independent directors, shall approve the Related Party Transaction.



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However, the Audit Committee may grant omnibus approval for Related Party Transaction proposed to be entered into by the Company or its subsidiaries in terms of Reg 23(3) of the Listing Regulations.

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

Material Related Party Transaction means a transaction with a related party if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds as specified under Reg 23(1) of the Listing Regulations, as amended from time to time.

Notwithstanding the above, 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, exceeds five per cent (5%) of the annual consolidated turnover of the Company as per its last audited financial statements.

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 Transaction.
- 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 the 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 the threshold limits specified under Reg 23(2) of the Listing Regulations, as amended from time to time.

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.



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- iv. The following transactions shall require approval of the Board upon recommendation of the Audit Committee:
- All transactions with related parties specified under Section 188 of the Companies Act, which are not in ordinary course of business or not at arm's length, or both.
 - All transactions with related parties which are required to be placed before the shareholders for approval under the Companies Act, 2013 or Listing Regulations.
- v. 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.

Ratification of Related Party Transaction:

In the event the Company or its subsidiary becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy, the members of the Audit Committee, who are independent directors, may ratify such transactions within three (3) months from the date of the transaction or in its immediate next meeting, whichever is earlier, subject to certain conditions specified under Reg 23(2) of the Listing Regulations.

It may be noted that 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.

In cases where the Board and/ or shareholders' approval is required for a Related Party Transaction but such approval has not been obtained and if it is not ratified by the Board or the shareholders, as the case may be, at a meeting within three (3) months from the date on which such Related Party Transaction was entered into, then such Related Party Transaction shall be voidable at the option of the Board or the shareholders, as the case may be.

Related Party Transactions that do not require approval:

The following Related Party Transactions do not require approval of Audit Committee/ Board/ shareholders, as the case may be:

- Any transaction entered into between (i) the Company and its wholly owned subsidiaries or (ii) between two wholly owned subsidiaries of the Company whose accounts are consolidated with that of the Company.
- 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 approval of the Audit Committee provided that the same is not a Material Related Party Transaction.



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- iii. Such other transactions which have been specifically excluded from the definition of Related Party Transactions under Reg 2(zc) of the Listing Regulations and therefore, do not require the Company to obtain the Audit Committee's approval.

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.

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