

RELATED PARTY TRANSACTIONS POLICY

1. **Purpose of this Policy:**

Related party transactions can present a potential or actual conflict of interest which maybe against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (the “Act”) read with the Rules framed there under and the provisions of Regulation 23 of the SEBI(Listing Obligation and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time) to ensure that the transactions with related parties are undertaken in compliance with the legal requirements and necessary structure for reporting is in place.

The Advani Hotels and Resorts (India) Limited (“**the Company**”) has framed this Policy on dealing with Related Party Transactions (“**Policy**”). This Policy regulates all transactions between the Company and its Related Parties. This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee. Going forward, the Audit Committee would review and amend the Policy, as and when required, subject to the approval of the Board.

2. **Definitions:**

- A. “**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.
- B. “**Material modification**” means any subsequent change to an existing Related Party Transaction, having variance of 20% of the existing limit or Rs.10 crores whichever is lower.
- C. “**Ordinary course of business**” means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

Transactions which are incidental, ancillary or routinely effectuated in relation to business, or part of standard industry practice, but for which, the business of the Company would be adversely affected.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Listing Regulations, as amended from time to time.

3. **Identification of Related Parties and the Related Party Transactions:**

- i. Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall,
 - a. at the time of appointment;
 - b. periodically – as required by the Company or applicable law
 - c. whenever there is any change in the information already submitted,provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

4. Review and approval of Related Party Transactions:

A. Audit Committee

- i. All the transactions which are identified as Related Party Transactions and modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- ii. Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length basis, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.
- iii. The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria / conditions as mentioned under the Act and the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company.
- iv. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and Material modifications thereof, entered into by the Company pursuant to the omnibus approval. Certain procedural aspects concerning review of a Related Party Transaction may be modified or waived by the Committee, at its discretion.
- v. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- vi. A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for consideration, and ratification, if appropriate.
- vii. The Audit Committee shall also pre-approve Related Party Transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value of such transaction crosses the thresholds as prescribed under the Listing Regulations.

B. Board of Directors

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length basis, the Board will *inter alia* consider factors such as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction and any other information the Board may deem important/relevant for taking decision on a proposed transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

C. Shareholders

- i. If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length basis and exceeds certain thresholds prescribed under the Act, then such Related Party Transaction and any subsequent Material modification thereto, shall require shareholders' approval by a resolution. In such case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

- ii. The provisions of Regulation 23(2), (3) and (4) of the Listing Regulations shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- iii. In the event the Company becomes aware of a Related Party Transaction that has not been approved under this Policy prior to its consummation, the Company would seek post facto approval from the Audit Committee, the Board and/or shareholders as per applicable laws/ regulations.

Reporting of Related Party Transactions

- i. This Policy shall be disclosed on the website of the Company and a web link to the policy shall be provided in the Annual Report.
- ii. A summary statement of RPTs executed by the Company shall be submitted to the Audit Committee on quarterly basis for information, review and noting.
- iii. The RPTs shall be disclosed to the stock exchanges, on the website of the Company and in other statutory documents, in accordance with Applicable Laws.

5. Limitation and Amendment:

In the event of any conflict between the provisions of this Policy and of the Act or the Listing Regulations or any other legal requirement (“**Applicable Law**”), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.

The Audit Committee shall review this Policy from time to time but at least once in three years. Based on the recommendations of the Audit Committee, the Board may review or amend this Policy at any time without any prior intimation and lay down further rules or procedures, to give effect to this Policy.
