



SAYAJI HOTELS (INDORE) LIMITED

(Formerly known as Sayaji Hotels (Vadodara) Limited)

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POLICY ON MATERIALITY OF RELATED PARTY TRANSACTION AND DEALING WITH RELATED PARTY TRANSACTION

(Approved by the Board on 11th August, 2023)

1. PREAMBLE

The Board of Directors of Sayaji Hotels (Indore) Limited (“**the Company**”) has framed and adopted the policy on dealing with Related Party Transaction (“**Policy**”) pursuant to the provisions of the Companies Act, 2013, and rules thereunder and the requirements of the Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as “Listing Regulations”) and procedures with regard to Related Party Transactions are defined below.

2. OBJECTIVE

This policy will be applicable to the Company. This policy is to regulate transactions between the Company or its subsidiaries and related party of the Company or its Subsidiaries based on the applicable laws and regulations.

3. DEFINITIONS

3.1 “Audit Committee” means the Audit Committee constituted by the Board of Directors of the Company in accordance with provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time

3.2 “Act” means the Companies Act, 2013

3.3 “Arms’ Length Transaction” shall mean a transaction between the Company and the Related Party that is conducted as if they were unrelated, so that there is no conflict of interest.

3.4 “Board” means the collective body of Board of Directors of the Company.

3.5 “Key Managerial Personnel” or “**KMP**” in relation to a company, means

- The Managing Director or the Chief Executive Officer or the manager;
- Whole Time Director;
- The Company Secretary; and
- The Chief Financial Officer
- 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
- Such other officer as may be prescribed under the Act.

3.6 “Material Related Party Transaction” means a transaction to be entered into with related party, individually or taken together with previous transactions during the financial year, exceeding the threshold of:

- In case of transactions involving payments made with respect to brand usage or royalty, if the said transaction(s) exceeds five percent (5%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company;
- In case of any other transaction(s), rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial

statements of the listed entity, whichever is lower.

- 3.7 “Material Modifications”** to a Related Party Transaction shall mean and include any modification in the existing transaction which result in change in the parties of the transaction; or change in value of the transaction by more than 20% of the original approved value; or any other modification, which the Audit Committee may, at its sole discretion, declare as ‘Material modification’.
- 3.8 “Ordinary Course of Business”** shall mean 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.
- 3.9 “Promoter and Promoter Group”** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 3.10 “Related Party”** with reference to the Company means and shall have the same meaning as defined under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards.
- 3.11 “Related-Party Transaction” or “RPT”** means - with reference to the Company means any contract or arrangement with a related party as referred under Section 188 of the Companies Act, 2013 or defined under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards.
- 3.12 “Relative”** with reference to any person, means and shall have the same meaning as defined under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and applicable Accounting Standards

4. APPROVAL OF RELATED PARTY TRANSACTION

4.1 Prior approval of Audit Committee

All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company as per the applicable requirements of the Act or Listing Regulations, as the case may be. Only those members of the Audit Committee who are independent directors, shall approve Related Party Transactions.

In case of RPTs which are repetitive in nature, the Audit Committee may grant omnibus approval subject to the conditions and requirements of the Act or Listing Regulations, as the case may be and the criteria approved for granting the omnibus approval.

The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company, where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, does not exceed Rs. One thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Where the need for RPT cannot be foreseen and requisite details are not available, the Audit Committee may grant omnibus approval for such transaction provided that the value of each

such transaction shall not exceed Rs. One crore.

Audit Committee shall review on a quarterly basis, the details of Related Party Transactions, entered into by the Company pursuant to any omnibus approval granted. The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

In addition to the above, prior approval of Audit Committee of the Company shall be required for a Related Party Transaction where the subsidiary(ies) of a Company is a party but the Company is not a party and the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company (w.e.f April 1, 2023, 10% of the annual standalone turnover, as per the last audited financial statements of such Subsidiary).

4.2 Prior approval of Board

All RPTs within the meaning of the Section 188 of the Act shall require prior approval of the Board.

However, no such approval of the Board shall be required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

4.3 Prior approval of Shareholders

All RPTs within the meaning of Section 188 of the Act exceeding threshold specified therein shall require prior approval of the shareholders of the Company.

However, no such approval of the shareholders is required in case of RPTs entered into by the Company in its ordinary course of business and on an arm's length basis.

All Material Related Party Transactions and subsequent material modifications shall require prior approval of the shareholders.

The approval mechanism for Related Party Transactions shall be as stipulated in the Act and / or Listing Regulations, as amended from time to time.

If any director is interested in any Related Party Transaction, he/she shall not be present at the Board Meeting, neither during the discussion on the subject matter, nor at the time of voting on the resolution relating to such Related Party Transaction.

Provided that the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

5. EXCEPTIONS TO POINT 4

- i. Prior approval of the audit committee and shareholders 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 Regulation are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

- ii. Transactions entered into between the company and its wholly owned subsidiary whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.
- iii. Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

6. RATIFICATION OF RELATED PARTY TRANSACTIONS

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

7. REVIEW AND AMENDMENT

This Policy shall be reviewed by the Board of Directors at least once every three years or as and when any changes are to be incorporated in the Policy due to change in law, regulations or as may be felt appropriate by them. Any changes/amendment/modification in the Policy will be in writing and approved by Board of Directors of the Company.

In case of any subsequent changes in the provisions of the Companies Act, 2013, Listing Regulations or other applicable law, which makes any of the provision in the Policy inconsistent with the Act or Listing Regulations or law, then the provisions of the Act, Listing Regulations or law would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with law.

8. DISCLOSURE

- a. This Policy shall be made available on the website of the Company and web link of the same shall be disclosed in Board's Report, as applicable.
- b. The Company shall maintain a register for RPTs in such form and manner as may be prescribed under Companies Act, 2013 ("the Act") and the Rules made thereunder, Securities and Exchange Board of India (Listing of Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the circulars, if any, issued thereunder, and includes any other statute, law, standards, regulations, circulars or other governmental instruction relating to Related Party Transactions for the time being in force and such register shall be updated from time to time.