



## **Policy on Related Party Transactions**

### **1. Introduction**

This policy has been adopted by the Board of Directors of Apollo Sindoori Hotels Limited (the Company), on the recommendation of the Audit Committee of the Company, to ensure high standards of Corporate Governance while dealing with Related Party (ies) (as defined below).

This policy shall be guided by the Framework Governing Related Party Transactions and has been drafted with an objective of ensuring compliance with the provisions pertaining to Related Party Transactions in the Companies Act, 2013 (the Act) read with the Rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively known as "Regulations").

### **2. Purpose**

Related Party Transactions ("RPTs") are appropriate if they are in the interest of the Company and its stakeholders. The purpose of the RPT Policy is to authorize, monitor, regulate and report contracts, arrangements and transactions between the Company and a Related Party.

This Policy lays down the process to be adopted by the Company for identification of the Related Parties, approval of the RPTs and any subsequent modification thereof. The Policy also lays down the reporting requirements of RPTs. The RPT Policy is prepared to comply with the Regulations.

### **3. Scope and Applicability**

This Policy applies to all the transactions of the Company with its Related Parties including changes, if any, in Related Parties from time to time.

### **4. Definitions**

For the purpose of this policy, following definitions shall apply:

**"Arm's Length Transaction"** means a transaction between two Related Parties that is conducted as if they are unrelated, so that there is no conflict of interest.

**"Audit Committee"** means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**"Board of Directors or Board"** means the collective body of the Directors of the Company.

**"Chief Executive Officer (CEO)"** means an officer of a company, who has been designated as such by it.



**“Chief Financial Officer (CFO)”** means a person appointed as the Chief Financial Officer of the Company.

**“Company Secretary (CS)”** means a Company Secretary as defined in Section 2(24) of the Act.

**“Key Managerial Personnel (KMP)”** means –

- (a) The Chief Executive Officer or the Managing Director or the Manager;
- (b) the Whole-Time Director;
- (c) The Company Secretary;
- (d) The Chief Financial Officer; and

Any other person appointed as the KMP by the Board of Directors of the Company or as prescribed by the applicable Regulations.

**“Material Related Party Transactions”** in terms of SEBI LODR means a transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

- (i) In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
- (j) (ii) In case of any other transaction(s), if value of transaction to be entered individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements.

**“Material Modification”** will mean and include 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.

Provided that change in the value of RPT on account of following shall not be considered as Material Modification:

Change in the existing RPT due to the reasons beyond the control of the Related Parties

Change due to revision / imposition of statutory levies like taxes, duties etc.

**“Managing Director”** means Managing Director as defined in Section 2(54) of the Act.

**“Ordinary Course of Business”** means a transaction which is carried out in the normal course of business and falls within the perimeter of the ordinary exercise of operational activities or related financial activities.

**“Regulations”** shall have the meaning attributed to it in Clause 1 Introduction.

**“Relative”** in relation to a Related Party shall have the same meaning assigned to in Section 2(77) of the Act.



**“Related Party”** will have the same meaning as defined under Section 2(76) of the Act and/or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and Securities and Exchange Board of India and other Authorities from time to time on the interpretation of the term “Related Party”.

**“Related Party Transactions (RPT)”** means all transactions between the Company on one hand and one or more Related Party (ies) on the other hand including contracts, arrangements and Transactions as envisaged in Section 188(1) of the Act and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Transaction”** shall be construed to include single transaction or a group of transactions in a contract.

**“Whole-time Director”** means Whole-time Director as defined in Section 2(94) of the Act.

## 5. Policy

In terms of this RPT Policy, either the Company or the persons authorized, to act on behalf of the Company, by the Board in accordance with this Policy may enter into any RPTs.

The Board on recommendation of the Audit Committee will lay down and approve a detailed procedure to be complied with to implement the RPT Policy.

The RPT Policy will be reviewed, approved and amended from time to time by the Audit Committee and the Board of Directors of the Company, subject to review of atleast once in every three years.

***The Policy was last reviewed by the Board in their meeting held on 28<sup>th</sup> May, 2024.***

## 6.

### 6.1 Identification of Related Parties

On an annual basis, the CS shall request a disclosure from each Director and each KMP within the meaning of Section 2(76), 184 and 189 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in the prescribed format under those respective regulations.

Directors and KMPs would be responsible for promptly notifying the CS in case of any changes/updates occurring in the Related Parties and in respect of details pertaining to such Related Parties declared by them.



Any individual appointed/elected as a Director or KMP shall be responsible to promptly complete and submit to the CS, the declaration in the prescribed format referred above.

## **6.2 Review and Approval of Related Party Transactions**

The Company prefers to receive notice of any potential Related Party Transaction in advance so that the Audit Committee / Board have sufficient time to review information regarding the proposed Transaction.

### **6.2.1 Audit Committee**

(i) Every Related Party Transaction shall be subject to the prior approval of the Audit Committee.

However, the Audit Committee may grant prior omnibus approval for the Related Party Transactions which are repetitive in nature and are in the ordinary course of business and satisfy the Arm's Length basis, subject to the compliance of condition contained in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **6.2.2 Omnibus Approvals**

(i) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this policy which shall include the following namely:

- (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- (b) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (c) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made;
- (d) transactions which cannot be subject to the omnibus approval by the Audit Committee.

The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely: –

- (a) repetitiveness of the transactions (in past or in future);
- (b) justification for the need of omnibus approval.

(ii) The Audit Committee shall satisfy itself regarding the need for such omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.

(iii) While according omnibus approval, the Audit Committee shall specify the following:

- a. the name(s) of the Related Party,
- b. nature of Transaction,



- c. period of Transaction,
- d. maximum amount of Transactions that shall be entered into,
- e. the indicative base price/current contracted price and the formula for variation in the price if any; and
- f. such other conditions as the Audit Committee may deem fit

(iv) In the event the need for Related Party Transaction cannot be foreseen and the aforesaid details are not available, Audit Committee may grant omnibus approval for such Transactions subject to their value not exceeding rupees one crore per Transaction.

(v) The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

(vi) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

(vii) All material related party transactions shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

(viii) The above mentioned provisions shall not be applicable if the transaction is between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

### **6.2.3 Voting at board meetings**

Any member of the Audit Committee who has a potential conflict of interest in any Related Party Transaction (i) will not remain present at the meeting; or (ii) shall abstain from discussion and voting on the approval of such Related Party Transaction.

### **6.2.4 Information and decisions of Audit Committee**

To review the Related Party Transaction, the Audit Committee shall be provided with necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Act (including secretarial standards) and the Listing Agreement.

While considering any Related Party Transaction, the Audit Committee shall take into account all relevant facts and circumstances including the terms and business purpose of



such Transaction, the benefits to the Company and to the Related Party, whether such Transactions includes any potential risks that may arise as a result of or in connection with the proposed Transaction and any other relevant matters.

#### **6.2.5 Board of Directors**

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case decides to review any such matters or it is mandatory under any law for Board to approve the Related Party Transaction, then the Board shall consider and approve the Related Party Transaction. The considerations set forth above, under Paragraph 5.2.1, shall apply to the review and approval of the matter by the Board of Directors, with such modifications as may be necessary or appropriate under the circumstances.

Any member of the Board who has a potential conflict of interest in any Related Party Transaction will not remain present at the meeting or shall abstain from discussion and voting on the approval of such Related Party Transaction.

#### **6.2.6 Shareholders**

Shareholders' approval by way of a resolution, as prescribed in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be required only for in the following scenarios:

- (i) All the Material Related Party Transactions, other than those mentioned in clause 6.2.2 (viii).
- (ii) Related Party Transactions, which are not in the ordinary course of business or not at Arm's Length basis and are beyond the limits specified in sub-rule (3) of rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time.

##### **6.2.6.1. Threshold Limit**

The Company has taken approval of shareholder's in the Annual General Meeting dated 29<sup>th</sup> September, 2023 as per the SEBI circular No.SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022 for all material related party transactions with Apollo Hospitals Enterprises Limited which is valid upto the date of next AGM for a period not exceeding 15 months.



Related Party	Nature of Transaction	Name of Related Party	Value of the Transaction
Apollo Hospitals Enterprises Limited	Supply of Services (F & B)	Promoters and Promoter Directors	Rs. 350 crores

#### **6.2.6.2 Voting on Related Party Transactions at shareholder meeting**

(i) In respect of Material Related Party Transactions that require the approval of the shareholders, all entities falling under the definition of Related Parties shall not vote to approve on the item of agenda in the notice relevant to the Transaction irrespective of whether the entity is a party to the particular Transaction or not.

(ii) In respect of a Related Party Transaction that requires the approval of the shareholders by it reason of it being not in the Ordinary Course of Business or not at Arm's Length Basis, the Related Party to the said Transaction shall not vote to approve on the item of agenda in the notice relevant to the Transaction.

#### **6.2.7 Effect on Related Party Transaction not approved under this policy**

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this policy prior to its consummation, the matter shall be reviewed by the Audit Committee and the Audit Committee shall consider all relevant facts and circumstances regarding the Related Party Transaction and evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction and the Company shall take such actions as the Audit Committee deems appropriate under the circumstances.

### **7 Disclosure**

The policy shall be published on Apollo Sindoori Hotels Limited website [www.apollosindoori.com](http://www.apollosindoori.com) and web link of the policy shall be disclosed in the Company's Annual Report.

The details of Related Party Transactions, as required under the Companies Act, 2013, shall be disclosed in the Directors' Report and the details of all material transactions with Related Parties shall be disclosed on a quarterly basis along with the compliance report on corporate governance filed with the stock exchanges where the securities of the Company are listed.



**8 Compliance with RPT Policy**

- Every person associated with RPT shall be accountable for complying with this RPT Policy that may be in force from time to time.
- Director or KMP or any other employee, who had entered into or authorized the contract or arrangement in violation of the RPT Policy and RPT Framework shall be guilty of non-compliance.
- In case of breach of this Policy, Audit Committee and/or Board of Directors may initiate appropriate action against the person/s responsible.
- A person shall not be eligible for appointment as a Director of a Company if he has been convicted of an offence under Section 188 of the Act in respect of RPT at any time during the preceding five years.

**9 Administrative Measures**

The Audit Committee of the Company, subject to supervision of the Board, shall interpret and administer this Policy. They shall also be the Competent Authority for investigating and taking appropriate actions / steps for prevention or remedy of any breach and / or defaults in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulations.

**10 Amendment in Law**

Any subsequent amendment/modification in the Regulations shall automatically apply to this Policy.