

POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE:

The Board of Directors (the “**Board**”) of Royal Orchid Hotels Limited (the “**Company**”) has adopted this Policy on Related Party Transactions (“the **Policy**”), as required in terms of the Listing Agreement.

2. PURPOSE:

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”), a policy is required to be formulated to deal with Related Party Transactions. The Board has adopted this Policy to ensure that any transaction with Related Parties shall be subject to this policy and approval or ratification in accordance with applicable law. The Objective of this policy is to determine the “Materiality of Related Party Transaction” and to provide the Governance Framework to the Company.

3. DEFINITIONS:

- (i) “**Applicable Law**” means the Companies Act, 2013 and the Rules made thereunder, the Listing Agreement and include any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions;
- (ii) “**Compliance Officer**” means Compliance Officer as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iii) “**Key Managerial Personnel**” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;
- (iv) “**Relative**” means relative as defined under sub-clause (zd) of Regulation 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (v) “**Related Party**” means a related party as defined under sub-clause (zb) of Regulation 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) “**Related Party Transaction**” means a Related Party Transaction as defined under sub-clause (zc) of Regulation 2 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vii) “**Material Related Party Transactions**” means such Transactions as defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

4. GOVERNANCE FRAMEWORK:

- a) All Related Party transactions shall require prior approval of the Audit Committee. Transactions with wholly owned Subsidiaries are exempted from this requirement.
- b) The Audit Committee may grant omnibus approval for Related Party transactions proposed to be entered into by the Company subject to the conditions mentioned in the Regulations. The Audit Committee shall review, on a quarterly basis, the details of Related Party transactions entered into by the Company pursuant to the omnibus approval. Such omnibus approvals shall be valid for a period not exceeding one year.
- c) Any member of the Audit Committee who has a potential interest in any Related Party transaction will abstain from discussion and voting on the approval of the Related Party transaction.
- d) In the event such contract(s) or arrangement(s) is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the applicable regulations and obtain approval of the Board of Directors or its Shareholders, as applicable.
- e) Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall be applicable in case of Related Party Transactions and where the said regulations are silent their provisions of the Companies Act, 2013 deemed applicable.

5. PROCEDURES FOR REVIEW AND APPROVAL:

- a) All Related Party Transactions or changes therein must be reported to the Compliance Officer, who shall refer same for prior approval by the Audit Committee in accordance with this Policy.
- b) If prior approval of the Audit Committee / Board / General Meeting for entering into a Related Party Transaction is not feasible, then the Related Party Transaction shall be ratified by the Audit Committee and the Board / General Meeting, if required, within 3 months of entering in the Related Party Transaction. If prior approval of the Audit Committee / Board / General Meeting for entering into a Related Party Transaction is not ratified within 3 months such Transactions shall be voidable.
- c) No director or Key Managerial Personnel shall participate in any discussion or approval of a Related Party Transaction for which he or she is a Related Party, except that the director / Key Managerial Personnel shall provide all material information concerning the Related Party Transaction to the Audit Committee / Board.
- d) If a Related Party Transaction is an ongoing transaction, the Board / Audit Committee may establish guidelines for the Company's management to follow in its ongoing dealings with the Related Party. Thereafter, the Board / Audit Committee, at least on an annual basis, shall review and assess the ongoing relationships with the

Related Party to ensure that they are in compliance with the Act and rules made there under, the Listing Agreement and this Policy and that the Related Party Transaction remains appropriate.

- e) In addition, the Audit Committee / the Board may review any Related Party Transactions involving independent directors as part of the annual determination of their independence.
- f) Nothing in this Policy shall override any provisions of Applicable Law made in respect of any matter stated in this Policy.

6. DISCLOSURES:

- a) The Company is required to disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report of the Company.
- b) Details of all Material Related Party Transactions shall be disclosed quarterly along with the Company's Compliance Report on Corporate Governance, in accordance with the Listing Agreement to the Audit Committee.
- c) Every related party transaction, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- d) The Company shall keep one or more registers giving separately the particulars of all transactions with any related party.

7. POLICY REVIEW

This Policy shall be subject to review as may be deemed necessary by the Audit Committee/Board of Directors and in accordance with any Regulatory Amendments.

This policy shall be effective from the date when the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 become effective.

In case of any subsequent changes in the provisions of the Regulations or any other Regulations, which make any of the clause / provisions of this policy inconsistent with law, the provisions of such Regulations shall prevail over this policy.

For administrative convenience, any change in the Policy herein shall be made by the Company Secretary in consultation with Managing Director or Chief Financial Officer. Apart from administrative convenience and any statutory amendments, any material change that substantially impacts the implementation of the existing Policy shall be approved by the Board.
