BLUE COAST HOTELS LIMITED

CIN: L31200GA1992PLC003109

POLICY ON
RELATED PARTY TRANSACTIONS

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(THE POLICY HAS BEEN REVIEWED, AMENDED AND APPROVED IN THE AUDIT COMMITTEE AND BOARD OF DIRECTORS MEETING HELD ON 13.02.2026

1. OBJECTIVES

The Board of Directors ("Board") of Blue Coast Hotels Limited ("Company") has adopted this Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions ("Policy") pursuant to Section 188 of the Companies Act, 2013 ("Act") read with the rules made thereunder, and Regulation 23 read with Regulation 2(1)(zc) and Schedule XII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

This Policy governs transactions between the Company (and, where applicable, its subsidiaries) and their Related Parties, and is intended to ensure timely identification, appropriate approval, effective monitoring and adequate disclosure of such transactions, consistent with the highest standards of corporate governance.

2. DEFINITION:

2.1 Related Party

"Related Party" has the meaning assigned under Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, and includes, with reference to the Company:

(i) a director or his/her relative;

(ii) a Key Managerial Personnel ("KMP") or his/her relative;

(iii) a firm in which a director, manager or his/her relative is a partner;

(iv) a private company in which a director or manager or his/her relative is a member or director;

(v) a public company in which a director or manager is a director and holds, together with his/her relatives, more than 2% of its paid-up share capital;

(vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company (other than advice given in a professional capacity);

(vii) any person on whose advice, directions or instructions a director or manager of the Company is accustomed to act (other than advice given in a professional capacity);

(viii) Any Company which is-

(A) A holding, subsidiary, or an associate Company of such Company; or
(B) A subsidiary of a holding Company to which it is also a subsidiary;
(C) An investing company or the venturer of the company.

(ix) a director (other than an independent director) or KMP of the holding company, or his/her relative;

(x) any person or entity forming part of the promoter or promoter group of the Company; and

(xi) any person or entity holding equity shares of 10% or more in the Company, directly or on a beneficial-interest basis under Section 89 of the Act, at any time during the immediately preceding financial year.

2.2 Relative

"Relative" means with reference to any person, means anyone who is related to another, if-

(i) They are members of a Hindu Undivided Family;
(ii) They are husband and wife; or
(iii) A person shall be deemed to be the relative of another, if he or she is related to another in the following manner: -

1. Father (includes stepfather)
2. Mother (includes stepmother)
3. Son (includes stepson)
4. Son's wife
5. Daughter (includes stepdaughter)
6. Daughter's husband
7. Brother (includes stepbrother)
8. Sister (includes stepsister)

2.3 Related Party Transaction

"Related Party Transaction" ("RPT") means a Related Party Transactions as defined under Regulation 2(1) (zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

2.4 Arm's Length Transaction

A transaction between two Related Parties conducted as if they were unrelated, such that no conflict of interest arises.

2.5 Material Modification

(i) For a material RPT — a variation of 10% or more from the terms of the RPT previously approved by the shareholders; and

(ii) for a non-material RPT — a variation of 10% or more of the existing limit approved by the Audit Committee/Board, as the case may be.

3. MATERIALITY OF RELATED PARTY TRANSACTIONS

3.1 Materiality threshold

A transaction with a Related Party is "material" if the transaction(s), entered into individually or taken together with previous transactions during a financial year, exceeds the threshold applicable to the Company's slab of consolidated turnover, as per its last audited financial statements:

Consolidated Turnover of the Company (as per last audited financial statements)	**Materiality Threshold**
Up to ₹20,000 crore	10% of the annual consolidated turnover of the Company
More than ₹20,000 crore and up to ₹40,000 crore	₹2,000 crore + 5% of the annual consolidated turnover above ₹20,000 crore
More than ₹40,000 crore	₹3,000 crore + 2.5% of the annual consolidated

	turnover above ₹40,000 crore, or ₹5,000 crore, whichever is lower

3.2 Brand usage or royalty payments

Notwithstanding paragraph 3.1, a transaction involving payment to a Related Party in respect of brand usage or royalty shall be considered material if the transaction(s), entered into individually or taken together with previous transactions during a financial year, exceeds 5% of the Company's annual consolidated turnover as per its last audited financial statements.

3.3 Shareholder approval threshold

Every RPT that is material under paragraphs 3.1 or 3.2 (including any Material Modification thereto) requires the prior approval of the shareholders by resolution, and no Related Party shall vote to approve such resolution, whether or not it is a party to the particular transaction.

4. IDENTIFICATION OF RELATED PARTIES AND RELATED PARTY TRANSACTIONS

Every Director and KMP shall, at the time of appointment, at the beginning of each financial year, and whenever there is a change, disclose to the Company all entities in which he/she (or a relative) holds an interest, whether directly or indirectly, including relatives, firms in which he/she or a relative is a partner, private companies in which he/she or a relative is a member or director, and public companies in which he/she is a director and holds (with relatives) more than 2% of paid-up share capital.

Each Director and KMP shall provide notice to the Board or Audit Committee of any potential RPT involving him/her or his/her Relative, with any additional information reasonably requested. The Board/Audit Committee shall determine whether the transaction constitutes an RPT requiring compliance with this Policy. The Company strongly prefers to receive such notice well in advance so that the Audit Committee/Board has adequate time to review the proposed transaction. The Compliance Officer shall maintain and periodically update a database of the Company's Related Parties.

5. APPROVAL FRAMEWORK

1. All related party transactions shall require prior approval of the audit committee, provided that only those members of the audit committee, who are independent directors, shall approve related party transactions
2. All material related party transactions shall require 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.
3. Subsequent modifications to the related party transactions of the Company shall require approval of the Audit Committee and / or shareholders, as applicable. In respect of the approved related party transactions of the subsidiaries (where the Company is not a party), only material modification(s) shall require approval of the Audit Committee and / or shareholders of the Company, as applicable.
4. The **Audit Committee** shall, after obtaining approval of the Board of Directors of the Company ('the Board'), specify the criteria for making omnibus approval for related party transactions of the company and its Subsidiary which shall include the following:

- Maximum value of related party transactions, in aggregate, which can be allowed under the omnibus approval mechanism;
- Maximum value per related party transaction which can be allowed;
- Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- Review, at such intervals as the Audit Committee may deem fit, of related party transactions entered into pursuant to each of the omnibus approval made;
- Related party transactions which cannot be covered under the omnibus approval mechanism.

- Based on the above criteria, the Audit Committee may, in the interest of the conduct of affairs of the Company or its subsidiary, grant omnibus approval for related party transactions that are repetitive in nature.
- The Audit Committee may also grant omnibus approval for related party transactions (subject to individual limit per transaction and aggregate limit for all such transactions) that cannot be foreseen and for which the aforesaid details are not available.
- While assessing a proposal for approval under the omnibus mechanism, the Audit Committee shall satisfy itself on the need for such approval and that the same is in the interest of the Company.
- the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company or its subsidiary pursuant to each of the omnibus approvals given.
- Such omnibus approval referred above shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- Validity of omnibus shareholder approvals for material RPTs granted by shareholders for material RPTs is valid only for the following periods:

Manner of Shareholders' Omnibus Approval	**Validity**
Obtained at an Annual General Meeting (AGM)	Valid up to the date of the next AGM, held within the timelines prescribed under Section 96 of the Companies Act, 2013
Obtained at any general meeting other than an AGM	Valid for a period not exceeding one (1) year from the date of such approval

- In the event any contract or arrangement with a related party is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the Companies Act, 2013 and the Rules framed thereunder and obtain approval of the Board or the shareholders, as applicable, for such contract or arrangement.

6. RELATED PARTY TRANSACTIONS AT SUBSIDIARY-LEVEL

The Audit Committee of the Company has oversight of RPTs entered into by a subsidiary of the Company to which the Company is not itself a party, subject to a de minimis floor of ₹1 crore. Prior Audit Committee approval of the Company is required for any such subsidiary RPT that exceeds ₹1 crore and exceeds the threshold below:

Status of Subsidiary Financials	**Audit Committee approval of the Company is required if the value of the transaction exceeds ₹1 crore AND exceeds the LOWER of:**

Subsidiary with at least one (1) year of audited standalone financial statements	(a) 10% of the annual standalone turnover of the subsidiary as per its last audited financial statements; or (b) the materiality threshold applicable to the Company under Schedule XII (Section 3.1)
Subsidiary with less than one (1) year of audited standalone financial statements	(a) 10% of the aggregate paid-up share capital and securities premium account of the subsidiary, taken as on a date not more than 3 months prior to seeking approval; or (b) the materiality threshold applicable to the Company under Schedule XII (Section 3.1)

7. RATIFICATION OF RELATED PARTY TRANSACTIONS

Where the Company becomes aware of an RPT not approved under this Policy prior to consummation, the Audit Committee shall review the matter, considering all relevant facts and circumstances, and evaluate available options, including ratification, revision or termination.

Independent-director members of the Audit Committee may ratify an RPT within three months of the transaction, or at the immediately next Audit Committee meeting, whichever is earlier, subject to:

(i) the value of ratified transaction(s), individually or in aggregate during a financial year, not exceeding ₹1 crore;

(ii) the transaction not being material under the Listing Regulations;

(iii) the rationale for not seeking prior approval being placed before the Audit Committee at the time of ratification;

(iv) disclosure of the ratification along with RPT disclosures under the Listing Regulations; and

(v) any other condition specified by the Audit Committee.

Failure to obtain ratification shall make the transaction voidable at the option of the Audit Committee; where the transaction is with a Related Party of, or authorised by, a director, that director shall indemnify the Company against any resulting loss.

In any case, where the Committee determines not to ratify a related party transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

The approval requirements mentioned hereinabove shall also apply to those transactions undertaken by the Company or any of its subsidiaries on the one hand and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries.

8. TRANSACTIONS NOT REQUIRING SEPARATE AUDIT COMMITTEE APPROVAL

i) Related party transactions that are required to be approved by the Board and / or any other Board

Committee shall not require separate approval of the Audit Committee, such as transactions relating to appointment and remuneration of Directors and Key Managerial Personnel, CSR spends by the Company etc.

ii) Issue of securities on a preferential basis subject to compliance with the requirements of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;

iii) Transaction involving payment of 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 material in terms of the provisions of Listing Regulations.

iv) Transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

v) Corporate actions which are uniformly applicable / offered to all shareholders in proportion to their shareholding
   - ❖ payment of Dividend (including Interim Dividend);
   - ❖ sub-division or consolidation of securities;
   - ❖ issuance of securities by way of rights issue or bonus issue;
   - ❖ Buyback of securities; and
   - ❖ Such other transactions as may be prescribed under the applicable laws / regulations.

DISCLOSURE

Details of RPTs shall be disclosed to the stock exchanges on a half-yearly basis along with the standalone and consolidated financial results, and along with the quarterly compliance report on corporate governance, in the format prescribed under the Listing Regulations. Particulars of contracts or arrangements with Related Parties under Section 188(1) of the Act shall be disclosed in the Directors' Report in Form AOC-2. This Policy shall be disclosed on the Company's website, with a web-link provided in the Annual Report.