

RELATED PARTY TRANSACTIONS POLICY

(The above policy has been review, approved and amended in the Audit Committee and Board of Directors Meeting, held on 18.01.2025)

1. OBJECTIVES

The Board of Directors (the "Board") of Blue Coast Hotels Limited (the "Company"), has adopted this policy and procedures with regard to 'Dealing with Related Party Transactions' as defined below, duly approved by the board of directors and shall be reviewed by the board of directors at least once every three years. This policy will regulate the transactions between the Company and its Related Parties based on laws and regulations applicable to the Company.

2. DEFINITION:

Related Party: related party", with reference to a Company, means-

- (i) A director or his relative;
- (ii) A Key Managerial Personnel or his relative;
- (iii) A firm, in which a director, manager or his relative is a partner;
- (iv) A private Company in which a director or manager or his relative is a member or director;
- (v) A public Company in which a director or manager is a director and holds along with his relatives, more than two per-cent of its paid-up share capital;
- (vi) Anybody 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;
- (vii) Any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions 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.
- (v) A director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

Relative: 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: -

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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)

Provided that:

- a) any person or company forming a part of the promoter or promoter group of the company; or
- b) any person or any company, holding equity shares of ten per cent or more in the company either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediately preceding financial year; shall be deemed to be a related party:"

Arm's Length Transaction: transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Materiality: A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Notwithstanding the above, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent (5%) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Material Modification: means i) For material related party transaction(s) - 10% change from the previously approved related party transaction approved by the shareholders; ii) For non-material related party transaction(s)- variance of 10% of the existing limit as may be approved by the Audit Committee / Board, as the case may be.

Threshold Limit Transactions above the aforementioned limit shall require approval of the shareholders through resolution.

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3. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

Each Director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request. Board/Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.

The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

4. TERMS AND CONDITIONS

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. a related party transaction to which the subsidiary of the company is a party but the company is not a party, shall require prior approval of the Audit Committee if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

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;

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- 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.
 - 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.
- 5. FOLLOWING SHALL NOT REQUIRE SEPARATE APPROVAL OF THE AUDIT COMMITTEE UNDER THIS POLICY:**
- 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

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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.

6. RATIFICATION OF RELATED PARTY TRANSACTIONS

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 Committee. The Committee shall consider all of the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the company, including ratification, revision or termination of the related party transaction.

The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Committee under this Policy and shall take any such action it deems appropriate.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of Listing Regulations;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Listing Regulations;
- (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

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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.

DISCLOSURE

Details of transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance as per Listing Regulations. The company shall disclose the Policy on Dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.

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