POLICY ON RELATED PARTY TRANSACTIONS

1. INTRODUCTION

Nicco Parks & Resorts Limited ("NPRL" or "Company") is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India ("SEBI"). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. Accordingly, the Board of Directors of NPRL (referred to hereinafter as "the Board") had framed this policy relating to Related Party Transactions as defined herein pursuant to Section 177, 188 and other applicable provisions of Companies Act, 2013 ('the Act') read with the Companies (Meeting of Board and its Powers) Rules, 2014 ('Rules') and Regulation 23 and other applicable Regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations' or 'LODR').

In view of a recent notification issued by the Securities Exchange Board of India, the amendment to this Policy has been adopted by the Board of Directors of the Company based on the recommendations of the Audit Committee of the Company ("the Audit Committee") and shall be effective from April 1, 2025.

The Board has determined that the Audit Committee is best suited to review all Related Party Transactions.

2. OBJECTIVE

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions, (b) define material modification and (c) the manner of dealing with and disclosing the transactions between the Company and its related parties as required under the Act, the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS AND INTERPRETATIONS

"**Act**" means the Companies Act, 2013 and rules made there under as amended from time to time.

"**Associate Company**", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation.—For the purposes of this clause- (a) the expression "significant influence" means control of at least twenty percent of total voting power, or control of or participation in business decisions under an agreement; (b) the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

"**Audit Committee**" means a committee of the Board of Directors of the Company constituted under provisions of the Act and Listing Regulations.

"**Board**" shall mean Board of Directors of the Company.

"**Control**" as defined under the Act includes the right to appoint majority of the Directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

"**Holding Company**" shall have the meaning as specified under section 2(46) of the Companies Act, 2013.

"**Listing Regulations**" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Key Managerial Personnel" as defined under the Companies Act, 2013 means:

a) Chief Executive Officer or the managing director or the manager;
b) the Company Secretary (CS);
c) the Whole- time Director (WTD);
d) the Chief Financial Officer (CFO);
e) 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; and
f) such other officer as may be prescribed.

"Related Party"

a. Under the Companies Act, 2013

"Related Party" means, with reference to a company;

i. A director or his relative;
ii. 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 relatives 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 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, except when such advice is given in a professional capacity;
vii. Any person on whose advice, directions or instructions a director or manager is accustomed to act, except when such advice is given in a professional capacity;
viii. Any body corporate which is—
(a) a holding, subsidiary or an associate company of such company;
(b) a subsidiary of a holding company to which it is also a subsidiary; or
(c) an investing company or the venturer of the company;

Explanation. —For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.

Here the term "Relative" means relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if–
i. They are members of a Hindu undivided family;
ii. They are husband and wife; or
iii. One person is related to another in the following manner, namely:
(a) Father (including step-father)
(b) Mother (including step-mother)
(c) Son (including step-son)
(d) Son's wife
(e) Daughter
(f) Daughter's husband
(g) Brother (including step-brother)
(h) Sister (including step-sister)

b. As per Listing Regulations

"Related Party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:
Provided that:

(a) any person or entity forming part of the promoter or promoter group of the listed entity;

or

(b) any person or entity, holding equity shares
(i) of ten percent or more,

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year; shall be deemed to be a related party.

c. As per Indian Accounting Standard (Ind AS) 24

A "Related Party" is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control of the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

"Related Party Transactions"

a. Under the Companies Act, 2013

Any contract or arrangement with respect to the following shall be considered as a Related Party Transactions (RPTs):

i) sale, purchase or supply of any goods or materials;

ii) selling or otherwise disposing of, or buying, property of any kind;

iii) leasing of property of any kind;

iv) availing or rendering of any services;

v) appointment of any agent for purchase or sale of goods, materials, services or property;

vi) such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and

vii) underwriting the subscription of any securities or derivatives thereof of the Company.

Notwithstanding the foregoing, the following shall not be deemed RPTs:

i) Any transaction which is in the ordinary course of business and on an arms' length basis as determined in terms of this Policy.

ii) Any other exception which is consistent with the Applicable Laws, including any rules or regulations made thereunder.

b. As per Listing Regulations

A "Related Party Transaction" means a transaction involving a transfer of resources, services or obligations between:

(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or

(ii) a listed entity or any of its subsidiaries on 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 listed entity or any of its subsidiaries, with effect from April 1, 2023 regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract:

Provided that the following shall not be a related party transaction:

(a) the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

i. payment of dividend;

ii. sub-division or consolidation of securities;

iii. issuance of securities by way of a rights issue or a bonus issue; and

iv. buy-back of securities.

"Material Modification in Related Party Transaction"

"Material modification in a related party transaction" means any modification related to change in price by 10% of the original consideration, tenure, delivery schedule, non-statutory obligations, terms and conditions or short closure of any contract or arrangement with related party.

"Material Related Party Transactions"

Following transactions with a Related Party shall be construed as Material Related Party Transactions:

Sr. No.	Transaction or contract or arrangements for	Limits
1.	Sale, purchases or supply of any goods or materials, directly or through appointment of agent	Exceeds Rupees 1000 Crore or amounting to 10% of the turnover of the Company, whichever is lower. Explanation: The above limit is applicable for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
2.	Leasing of property of any kind	
3.	Availing or rendering of any services, directly or through appointment of agent	
4.	Selling or otherwise disposing of, or buying property of any kind, directly or through appointment of agent	Exceeds Rupees 1000 Crore or amounting to 10% of the net

		worth or turnover of the Company, whichever is lower. Explanation: The above limit is applicable for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
5.	Appointment of a Related Party to any office or place of profit in the Company, its Subsidiary Company or Associate Company	Where monthly remuneration exceeds Rs. 2,50,000.
6.	Remuneration for underwriting the subscription of any securities or derivatives thereof, of the company	For amount exceeding 1% of Net Worth of the Company.
7.	A transaction involving payments made to a related party with respect to brand usage or royalty	Amounting to 5% of the annual turnover of the Company. Explanation: The above limit is applicable for the transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.
	Annual turnover and net worth referred above shall be computed as per audited financial statements for the preceding financial year.	

"Subsidiary Company" shall have the same meaning as specified under section 2(87) of the Companies Act, 2013.

"**Turnover**" shall have the same meaning as specified under section 2(91) of the Companies Act, 2013.

"Wholly Owned Subsidiary" When a company holds 100% of shares of another company, the other company is called a Wholly Owned Subsidiary of the company who has made 100% investment in it.

4. DETERMINING "ORDINARY COURSE OF BUSINESS"

"In the Ordinary Course of Business" means all such acts and transactions undertaken by the Company, including, but not limited to sale or purchase of goods, property or services, leases, transfers, providing of guarantees or collaterals, in the normal routine in managing trade or business and is permitted by the objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organised manner for determining what is in the ordinary course of business.

5. ASCERTAINING "ARMS' LENGTH" IN RELATED PARTY TRANSACTIONS

The expression "arms' length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

A Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening / selection criteria / underwriting standards and procedures as may be applicable in case of an unaffiliated party.

The Company shall produce evidence to the satisfaction of the Audit Committee for complying with the said procedure, as and when applicable as required.

6. PROCESS OF IMPLEMENTATION OF THE POLICY

A. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS

A. Each Director / Key Managerial Personnel is responsible for providing written notice to the Compliance Officer of any potential Related Party Transaction involving him or his relatives, including any additional information about the transaction that the Compliance Officer may reasonably request. The Compliance Officer, in consultation with other members of management and with the Audit Committee, as appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

B. Every Director / Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in or exercise influence over any such discussion.

C. Where any Director / Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, shall disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

D. A contract or arrangement entered into by the Company without disclosure or with participation by a Director / Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.

E. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Compliance Officer has adequate time to obtain and review information about the proposed transaction and other matters incidental thereto and to refer it to the appropriate authority for approval.

F. Any Director / Key Managerial Personnel who has been convicted of the offence dealing with RPTs at any time during the last preceding five years shall be disqualified for appointment as Director / Key Managerial Personnel, as the case may be.

B. MECHANISM FOR APPROVAL FOR RELATED PARTY TRANSACTIONS AND SUBSEQUENT METERIAL MODIFICATIONS

1. TRANSACTIONS WHICH ARE ON ARM'S LENGTH BASIS AND ARE IN ORDINARY COURSE OF BUSINESS

A. Prior approval of Audit Committee.

Provided that only those members of the audit committee, who are Independent Directors, shall approve RPTs.

Prior approval of shareholders by way of ordinary resolution if such RPTs are "Material Related Party Transactions" as defined above.

2. TRANSACTIONS WHICH ARE EITHER NOT ON ARM'S LENGTH BASIS AND / OR NOT IN ORDINARY COURSE OF BUSINESS

(a) Recommendation of Audit Committee prior to the transaction.

Provided that only those members of the audit committee, who are Independent Directors, shall recommend RPTs.

(b) Prior approval of Board of Directors.

(c) Prior approval of shareholders by way of ordinary resolution if such RPTs are "Material Related Party Transactions" as defined above.

7. OMNIBUS APPROVAL BY AUDIT COMMITTEE

The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the Company subject to the following conditions:

a) The Audit Committee shall lay down the criteria for granting the omnibus approval in line with this Policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

b) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;

c) Such omnibus approval shall specify:

i. the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;

ii. the indicative base price / current contracted price and the formula for variation in the price if any; and

iii. such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

(d) Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the Company pursuant to each of the omnibus approval given.

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

8. TRANSACTIONS TO WHICH SUBSIDIARY OF THE COMPANY IS A PARTY BUT THE COMPANY IS NOT A PARTY

Prior approval of 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 consolidated turnover, as per the last audited financial statements of the subsidiary.

9. PROCEDURE TO BE FOLLOWED FOR RELATED PARTY TRANSACTIONS

a) The Compliance officer shall identify the related party (ies), as applicable from time to time on annual basis and; as and when there is any changes in related party(ies) and circulate the same to all the departments of the Company.

b) The Director/ KMP/ Related Party shall bring to the notice of Compliance Officer of any transactions to be entered by the related party with the Company.

c) The concerned departments shall approach Compliance Officer before entering into any transactions with Related Party(ies) along with the details of the transactions to be entered.

d) After receipt of the notice, the compliance officer shall make sure that the transactions to be entered is as per the policy on RPTs approved by the Board and also verify the approval sought for such transaction by the Audit Committee /Board/ Shareholders, as applicable.

e) If the transaction to be entered is already approved by the Audit Committee/ Board/Shareholder, as applicable and if it is within the limit of approval then the compliance officer shall inform the respective department of the same and allow the transaction to proceed.

f) If the transaction proposed to be entered with related party is not already approved by the Audit Committee /Board/Shareholders, then the Compliance officer shall take necessary steps for prior approval of the transactions.

g) Any RPTs approved by the Audit Committee/ Board/ Shareholders shall be informed to the concerned departments specifying the limit of approval.

10. RESTRICTIONS ON PARTICIPATION BY INTERESTED DIRECTOR IN THE AUDIT COMMITTEE/ BOARD MEETING

Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

11. **VOTING BY RELATED PARTIES**

No related party *shall vote to approve* RPTs requiring Shareholders' approval, irrespective of whether the entity is a related party to the particular transaction or not.

STANDARDS FOR REVIEW

A. The agenda of the Audit Committee/ Board meeting shall *inter-alia* consist of the following for review:

a) the name of the related party and nature of relationship with the Company, its associate or its subsidiary;
b) the nature, duration of the contract and particulars of the contract or arrangement;
c) the material terms of the contract or arrangement including the value, if any;
d) any advance paid or received for the contract or arrangement, if any;
e) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors;
g) The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction;
h) In case of transaction with subsidiary, value of proposed transaction in terms of percentage of the subsidiary's annual turnover on standalone basis;
i) In case of transaction related to any loan, inter-corporate deposits, advances or investments made or given by the Company, its associate or its subsidiary-

I. Details of source of funds in connection with the proposed transaction,

II. Where any financial indebtness is incurred to make or give loans, inter-corporate deposits, advances or investments, then nature of indebtness, cost of funds and its tenure,

III. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured,

IV. if secured, the nature of security, and

V. the purpose for which the funds will be utilized by the ultimate beneficiaries of such funds, pursuant to the transaction;

VI. Justification as to why the transaction is in the interest of the Company;

VII. A copy of the valuation or other external party's report, if any such report has been relied upon;

VIII. Justification as to why pre-approval was not sought for, if applicable; and

IX. any other information relevant or important for taking a decision on the proposed transaction.

B. While approving/ ratifying/ recommending a Related Party Transaction, Audit Committee/ Board shall review and consider the following, in accordance with the standards set forth in this Policy:

a) the Related Party's interest in the transaction;
b) whether the transaction was undertaken in the ordinary course of business of the Company;
c) whether the transaction with the Related Party is on at arms' length basis;
d) the purpose of, and the potential benefits to the Company from the transaction;
e) Whether there are any compelling business reasons for the Company to enter into the transaction;
f) Whether the transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;
g) Whether the transaction would impair the independence of an otherwise Independent Director or Nominee Director;
h) Whether the Company was notified about the transaction before its commencement and if not, why pre-approval was not sought for and whether subsequent ratification would be detrimental to the Company; and
i) Whether the transaction would present an improper conflict of interest, as per provisions of law, for any director or Key Managerial Personnel, taking into account the size of the transaction, the overall financial position of the Related Party, the direct or indirect nature of the Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Audit Committee / the Board deems relevant and appropriate.
j) required statutory and public disclosure, if any; and
k) any other information regarding the transaction or the Related Party in the context of the proposed transaction that would be material to the Audit Committee / Board / Shareholders, as applicable, in light of the circumstances of the particular transaction.

iii) The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 102 of the Companies Act, 2013 shall contain the following particulars namely: -

a. name of the related party;
b. name of the director or key managerial personnel who is related, if any;
c. nature of relationship;
d. summary of the transaction provided by the management to the Audit Committee/ Board;
e. Justification as to why the transaction is in the interest of the Company;
f. A statement that the valuation or other external report, if any relied upon by the Company in relation to the transaction will be made available through email address to the shareholders;
g. any other information relevant or important for the members to take a decision on the proposed resolution.

12. RATIFICATION OF RELATED PARTY TRANSACTIONS

a) Every contract or arrangement entered into with a related party shall be referred to in the Board's report to the Shareholders along with the justification for entering into such contract or arrangement.

b) 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 shareholder in the general meeting and if it is not ratified by the Board or, by the Shareholder as the case may be, within three months from the date of contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, by the Shareholder as the case may be and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it.

13. REVIEW OF LONG TERM RELATED PARTY TRANSACTIONS

Audit Committee shall review the status of long term (more than one year) or recurring RPTs, on an annual basis.

14. DISCLOSURES

The Company is required to disclose this Policy on dealing with RPTs on its website and a web link thereto shall be provided in the Annual Report of the Company. The Annual Report of the Company shall also contain the disclosures on related parties as required under the Listing Regulations.

Details of all Material RPTs shall be disclosed quarterly along with the Company's Compliance Report on Corporate Governance, in accordance with the Listing Regulations as amended from time to time.

The Company shall submit to the stock exchanges disclosures of RPTs in the format as specified by the SEBI from time to time, every six months within fifteen days from the date of publication of its standalone and consolidated financial results, and publish the same on its website. The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party.

15. AMENDMENT

If the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy until this Policy is changed to conform to the law, rule, regulation or standard.