

NIKKI GLOBAL FINANCE LTD.

Registered Office: 215, Delhi Chambers, Delhi Gate, Daryaganj, Central Delhi, New Delhi- 110002

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RELATED PARTY TRANSACTION POLICY

(As per Regulation 23 of SEBI LODR Regulations, 2015)

1. Purpose and Scope

This Related Party Transaction Policy ("Policy") is framed in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") to ensure transparency, accountability, and fairness in dealings with related parties. The Policy provides a comprehensive framework for identifying related parties and related party transactions (RPTs), defining materiality thresholds, and prescribing the process for review, approval, and disclosure of such transactions.

The objective of this Policy is to ensure that RPTs are conducted in a manner that is transparent, at arm's length, and in the best interest of the Company and its stakeholders. It aims to:

- Establish principles for identifying related parties and the nature of transactions with them;
- Define materiality thresholds in line with applicable laws and regulations;
- Provide a governance mechanism for reviewing, approving, and reporting RPTs to ensure full compliance with legal and regulatory requirements, while upholding sound corporate governance practices.

2. Definitions

- Related Party:** As defined under Section 2(76) of the Companies Act, 2013, and Regulation 2(1)(zb) of SEBI LODR.
- Related Party Transaction:** A transfer of resources, services, or obligations between the company and a related party, regardless of whether a price is charged, as per Regulation 2(1)(zc) of the SEBI LODR Regulations, 2015.
- Material Related Party Transaction:** 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 ₹1,000 crore or 10% of the annual turnover of the company as per the last audited financial statements, whichever is lower. In case of transaction involving payment to a related party for brand usage or royalty, it will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a

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financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- d) **Material modification:** means any subsequent change to an existing Related Party Transaction, having variance of 20% of the existing limit or Rs.10 crores whichever is lower.*
- e) **Arm's 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.*
- f) **Ordinary course of business:** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.*

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Listing Regulations, as amended from time to time.

4. Determination of Related Parties

The Company shall determine its related parties in accordance with the definitions prescribed under the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A comprehensive list of such related parties shall be maintained and periodically updated to ensure accuracy and compliance.

Every promoter, director, and key managerial personnel (KMP) of the Company shall, a. at the time of appointment; b. periodically – as required by the Company or applicable law c. whenever there is any change in the information already submitted, provide requisite information about his / her Relatives and all firms, companies, body corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction that the Board /Audit Committee may reasonably request.

5. Policy on Materiality of RPTs

This Policy has been formulated and adopted by the Board of Directors of the Company upon the recommendation of the Audit Committee. The Audit Committee shall periodically review the Policy and propose amendments, as deemed necessary, for the Board's approval. Furthermore, the Board of Directors shall review this Policy at least once every three years to ensure its continued relevance and alignment with applicable laws and best governance practices.

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6. Materiality Limits

As per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to prescribe **materiality thresholds** for transactions with related parties.

In cases where a Related Party Transaction (RPT) exceeds the specified materiality threshold, prior approval of the shareholders must be obtained by way of an ordinary resolution. Similarly, any subsequent material modification to an already approved RPT shall also require shareholders' prior approval.

Importantly, no related party of the Company shall vote in favor of such resolutions—irrespective of whether the related party is involved in the specific transaction or not. However, they may cast a negative vote to reject the resolution, in accordance with the applicable regulations.

7. Minimum Information

As per the recommendation of the “RPT Industry Standards” & SEBI Circular, it is required to present the standard minimum information to the Audit Committee and Shareholders (as applicable) for review and approval of RPT.

A. Minimum information to be provided to the Audit Committee for approval (including ratification) of RPTs.

“The listed entity shall provide the audit committee with the information as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, while placing any proposal for review and approval of an RPT.”

Minimum information of the proposed RPT, applicable to all RPTs

A(1): Basic details of the related party

A(2): Relationship and ownership of the related party

A(3): Details of previous transactions with the related party

A(4): Amount of the proposed transaction(s)

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A(5): Basic details of the proposed transaction

B. Minimum Information to be provided to the shareholders for approval of Material RPTs:

“The notice being sent to the shareholders seeking approval for any RPT shall, in addition to the requirements under the Companies Act, 2013 and SEBI (LODR) Regulations 2015, include the information as part of the explanatory statement as specified in the Industry Standards on “Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions.”

(1) The explanatory statement contained in the notice to the shareholders for seeking their approval for an RPT shall provide the minimum information so as to enable the shareholders to take a view whether the terms and conditions of the RPT are favorable to the listed entity.

(2) The notice to the shareholders seeking approval for any material RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

(a) Information as placed before the Audit Committee in the format as specified in the RPT Industry Standards, to the extent applicable.

(b) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.

(c) Disclose the fact that the Audit Committee has reviewed the certificates provided by the CEO/ Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.

(d) Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.

(e) Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.

(f) The Audit Committee and Board of Directors, while providing information to the shareholders, can approve redaction of commercial secrets and such other information that would affect competitive position of listed entity and affirm that, in its assessment, the redacted disclosures

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still provides all the necessary information to the public shareholders for informed decision-making.

(g) Any other information that may be relevant.

8. Approval Process



Audit Committee Approval

- a) All RPTs shall require prior approval of the Audit Committee.
- b) The Audit Committee may grant omnibus approval for RPTs proposed to be entered into by the company, subject to specified conditions, including repetitive nature, maximum amount, price formula, and quarterly review.

Omnibus Approval

- a) The omnibus approval shall specify:
 - (i) the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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:
- b) 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 rupees one crore per transaction.
- c) the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;

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- d) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity [or its subsidiary] pursuant to each of the omnibus approvals given.
- e) Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

Board Approval

All RPTs requiring Board approval under the Companies Act, 2013 shall be placed before the Board for its approval.

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length pricing basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a) Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval.
- b) Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
- c) Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- d) Transactions meeting the materiality thresholds laid down Clause 5 of the Policy and any subsequent Material Modification to a Material Related Party Transaction, which are intended to be placed before the shareholders for approval.

Shareholders' Approval

- a) All material RPTs and subsequent material modifications shall require prior approval of the shareholders through a resolution.
- b) No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

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9. Reporting of Related Party Transactions

i. Every contract or arrangement, which is required to be approved by the Board or the 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.

ii. The details of all transactions with Related Parties shall be submitted, in the prescribed format to the stock exchanges, and requisite disclosures shall be made in other public documents/certificates as legally required, in the manner and as per the timelines set out in the Listing Regulations and the same shall be published on the Company's website.

10. Exemptions

The following transactions shall not require approval under this policy:

- a. Transactions entered into between two government companies.
- b. Transactions between a holding company and its wholly owned subsidiary whose accounts are consolidated and placed before shareholders.
- c. And other exemptions as specified into SEBI (LODR) Regulations 2015.

11. Disclosure and Reporting

- a. The policy on RPTs shall be disclosed on the company website and a link shall be provided in the annual report.
- b. Details of all material RPTs shall be disclosed half yearly.
- c. 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.
- d. Disclosures of RPTs shall be submitted in the format specified by SEBI and published on the website.

12. Related party transactions undertaken without prior approval as per this policy

The members of the Audit Committee, who are independent directors, may ratify the related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier. Ratification is subject to certain conditions as specified in the Listing Regulations.

The failure to seek ratification of the audit committee shall render related party transactions voidable at the option of the audit committee and if the transaction is with a related party to any

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director or is authorized by any director, the director(s) concerned shall indemnify the Company against any losses incurred.

13. Limitation, Review and Amendment

In the event of any conflict between the provisions of this policy and the applicable laws or regulations, the latter shall prevail. Any provisions not explicitly covered herein shall be interpreted in line with the applicable legal and regulatory framework. Further, this policy shall be reviewed periodically, at least once every three years, or as may be required under applicable laws, to ensure its continued relevance, effectiveness, and alignment with statutory requirements. Any subsequent amendment/modification to the Applicable Law shall automatically apply to this Policy. The Board of Directors (or such other competent authority) reserves the right to amend, modify, or revise this policy in whole or in part, at any time, in accordance with changes in applicable laws, rules, or regulations or as deemed necessary in the interest of the Company.

14. Responsibility

Compliance of this Policy shall be the responsibility of the Managing Director, the Company Secretary and Chief Financial Officer of the Company, severally, who shall have the power to ask for any information or clarifications from the management in this regard.
