

RELATED PARTY TRANSACTIONS POLICY

INTRODUCTION

Blue Blends India Limited (Company) has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions (RPTs). Endeavour is consistently made to have only arm's length transactions with all parties including Related Parties. The Board of Directors of the Company has adopted the following policy regarding materiality of related party transactions and also on dealings with Related Parties in terms of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 188 of the Companies Act, 2013.

RELATED PARTY

A party will be considered related to the Company if:

- a) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- b) such entity is a related party under the applicable accounting standards.

MATERIAL SUBSIDIARIES

Material subsidiary in a year shall be a subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively of the Company and its subsidiaries, in the immediately preceding accounting year.

RELATED PARTY TRANSACTION

Under Regulation 2(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "related party transaction" means transfer of resources, services or obligations between a listed entity and a related party, regardless of whether price is charged and a transactions with a related party shall be construed to include a single transaction or a group of transactions in a contract."

MATERIALITY TRESHHOLDS OF RELATED PARTY TRANSACTIONS

Transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company.

DEALING WITH RELATED PARTIES

The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee.

In the event such contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013, the Rules framed thereunder, Clause 49 of the listing agreement with stock exchanges and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

In addition, all material related party transactions will be placed for approval of the shareholders of the Company.

PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS**1. Approval of the Audit Committee**

All related party transactions require prior approval of the Audit Committee.

2. Omnibus Approval

The Company may obtain omnibus approval from the Audit Committee for such transactions, subject to compliances with the following conditions:

- a) The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - b) The omnibus approval shall provide;
 - 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 (for ex: +/-5%) and
 - iii. such other conditions as the Audit Committee may deem fit.
3. However, in case of related party transactions which cannot be foreseen and where the above details are not available, Audit Committee may grant omnibus approval provided the value does not exceed Rs.10 crore per transaction;
 4. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given;
 5. Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.
 6. While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review the following documents / seek the following information from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not:
 7. Approval of the Board of Directors of the Company. 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 and at arm's length 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:

1. 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;
2. 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;
3. 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.
4. Transactions meeting the materiality thresholds, which are intended to be placed before the shareholders for approval.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee. The Audit 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 Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate. In any case, where the Audit Committee determines not to ratify a related party transaction that has been commenced without approval, the Audit Committee, as appropriate, may direct additional actions including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.