BLUE BLENDS (INDIA) LIMITED
CIN: L17120MH1981PLC023900

JBF House, 2nd Floor,
Old Post Office Lane,
Kalbadevi Road,
Mumbai - 400 002. (India)

BLUE BLENDS (INDIA) LIMITED

POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

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1. INTRODUCTION AND BACKGROUND

Blue Blends (India) Limited (the "Company") recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

2. SCOPE AND INCLUSION

This policy sets definition of materiality of related party transactions, definition of material modification in related party transactions and dealing with related party transactions.

3. TERMS AND REFERENCES

3.1 Related Party

"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 a part of the promoter or promoter group of the listed entity; or

(b) any person or any entity, holding equity shares:

- (i) of twenty per cent or more; or
- (ii) of ten per cent or more, with effect from April 1, 2023;

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 immediately preceding financial year; shall be deemed to be a related party:]

Provided [further] that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

3.2 Related Party Transaction

"Related Party Transaction" means related party transaction as defined under Regulation 2(1)(zc) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations").

3.3 Related Party Transaction(s) of the Company

Related Party Transaction(s) where the Company is a party to the transaction(s) / contract(s) / arrangement(s) with a related party.

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3.4 Related Party Transaction(s) of the Subsidiary

Related Party Transaction(s) where the Subsidiary of the Company is a party to the transaction(s) / contract(s) / arrangement(s) with a related party but the Company is not a party.

3.5 Materiality of Related Party Transaction(s)

3.4.1. All "Material" related party transactions and subsequent material modification to such transactions shall be considered as material related party contracts / arrangements if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceeds the thresholds as specified in Regulation 23 of SEBI Listing Regulations read with Schedule XII of these of these regulations.

3.4.2 "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 Company as per the last audited financial statements of the Company."

3.5. Definition of "Material Modification"

A modification to an approved Related Party Transaction ("RPT") shall be considered a "Material Modification" if it results in a significant change to the terms, conditions, scope, or value of the transaction and includes, inter alia, any of the following:

(a) **Value Change:** Any increase in the value of the originally approved transaction by more than twenty percent (20%) of the approved transaction value or such lower threshold as may be determined by the Audit Committee from time to time;

(b) **Change in Key Terms**: Any material changes in the pricing, credit period, interest rate, security, consideration, nature of goods or services, or any other commercial terms that significantly alters the basis on which the transaction was originally approved;

(c) **Change in Scope or Nature:** Any modification that materially changes the nature, purpose, or scope of the transaction;

(d) **Extension of Tenure**: Any extension of the duration or validity of the contract beyond the period originally approved by the Audit Committee, Board, or shareholders, as applicable;

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(e) **Change in Counterparty:** Any substitution, addition, or change in the related party involved in the transaction.

All Material Modifications to Related Party Transactions shall require prior approval of the Audit Committee and such other approvals as may be required under applicable law, in the same manner as a new Related Party Transaction.

3.6 Subsidiary

"Subsidiary" means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 ('Act').

All other terms and references used but not defined herein shall have the same meaning as is assigned to them under the Act, the Listing Regulations and rules, regulations, notifications and circulars issued thereunder.

4. POLICY

4.1 All Related Party Transaction(s) shall be entered on arms' length basis.

4.2 In exceptional circumstances, where permitted by law, Related Party Transaction(s) of the Company may deviate from the principle of arm's length, after obtaining approval from Audit Committee, the Board of Directors / Shareholders of the Company, as the case may be.

4.3 In exceptional circumstances, where permitted by law, Related Party Transaction(s) of the Subsidiary which exceed the threshold specified in Regulation 23 of the Listing Regulations, may deviate from the principle of arm's length, after obtaining approval from its audit committee and / or board of directors, as the case may be and approval of Audit Committee and Shareholders of the Company, if applicable.

4.4 All Related Party Transaction(s) of the Company shall be in compliance with the provisions of the Act, the Listing Regulations, the applicable Accounting Standards and other applicable laws, as amended from time to time.

5. APPROVAL

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5.1 All Related Party Transaction(s) of the Company and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the Listing Regulations.

5.2 All Related Party Transaction(s) of the Subsidiary exceeding the threshold as specified in Regulation 23 of the Listing Regulations and subsequent Material Modifications thereto, shall require prior approval of the Audit Committee or the Shareholders of the Company, as the case may be.

6. AMENDMENT

Any subsequent amendment / modification in the Listing Regulations or the Act or any other governing Act / Rules / Regulations or re-enactment, impacting the provisions of this Policy, shall automatically apply to this Policy and the relevant provision(s) of this Policy shall be deemed to be modified and / or amended to that extent, even if not incorporated in this Policy.

7. REVIEW

This Policy will be reviewed as and when required but at least once in three years.