

Blue Horizon Investments Limited

Policy on Related Party Transactions

2024-25 & onward

SUMMARY OF POLICY

Policy Name	Policy on Related Party Transactions
Regulations	Section 177, 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Latest Review Date	May 2024 and onwards
Review Cycle	Annually or in the event of any regulatory/ statutory changes
Approver	Board of Directors of Blue Horizon Investments Limited
Version	1.0

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1. PREAMBLE

The Board of Directors of Blue Horizon Investments Limited (“the Company”) has adopted the policy and procedure with regard to the Related Party Transactions (stated below). The Policy envisages the procedure governing Related Party Transactions required to be followed by the Company to ensure compliance with the Applicable Laws.

2. PURPOSE

This Policy has been framed as per Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (hereinafter referred as ‘Listing Regulations’), which requires the Company to formulate a Policy on materiality of related party transactions and on dealing with related party transactions. Apart from Listing Regulations, this Policy also takes into account the compliance requirements of the Companies Act, 2013 and Rules made thereunder with respect to Related Party Transactions.

3. DEFINITIONS

- i. **“Related Party”** means and includes any person or entity who/which is a related party under Section 2(76) of the Companies Act, 2013 or Listing Regulations.
- ii. **“Related Party Transaction”** means a transaction involving a transfer of resources, services or obligations between:
 - 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
 - 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.

iii. **Exclusions:**

The following shall not be a related party transaction:

- 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;
- corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding regarding:-
 - a. Payment of dividend;
 - b. Subdivision or consolidation of securities;
 - c. Issuance of securities by way of a rights issue or a bonus issue; and
 - d. Buy-back of securities.
- acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format

as specified by the Board.

- iv. **“Relative”** means relative as defined under section 2(77) of the Companies Act, 2013 and rules prescribed there under.
- v. **“Material modification(s)”** means any modification made in the terms and conditions of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/ or shareholders, as the case may be, having significant impact on the nature, value, tenure, exposure, or likely financial impact of such transaction.

Provided further that the following shall not be considered as material modification(s):

- Modifications which may be mandated pursuant to any change in law or constitution of parties
 - Modifications pursuant to and in accordance with the terms of the approved transaction/contract, whether with or without mutual consent of parties, as the case may be.
 - Modifications which are purely technical and do not result in substantive change or alteration of rights, interest and obligations of any of the parties
 - Modifications uniformly affected for similar transactions with unrelated parties.
 - The Audit Committee is empowered to define the material modifications from time to time.
- vi. **“Material Related Party Transactions”** means:
- Any transaction to be entered into with a Related Party (other than a Wholly Owned Subsidiary), value whereof individually or taken together with previous Related Party Transaction during a financial year, exceed Rs. 1000 Crores or 10 (Ten) percent of the annual consolidated turnover of the Company, whichever is lower, as per the last audited financial statements of the Company or such other threshold as may be laid down from time to time by Applicable Laws;
 - A transaction involving payments made to a Related Party with respect to brand usage or royalty if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5 (Five) percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Words and expressions used but not defined in this Policy shall have the same meaning as respectively assigned to them, in the Companies Act, 2013 and Rules framed thereunder and Listing Regulations, as amended, from time to time.

4. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

(A) Transactions that require approval/Review

1. All Related Party Transactions shall be reported to the Audit Committee and referred for approval/review by the Committee in accordance with this Policy.
2. Related Party Transactions and subsequent material modifications shall require prior approval of Audit Committee (other than transactions with Wholly Owned Subsidiaries) as per the provisions of the Companies Act, 2013 & Rules made thereunder and the Listing Regulations. Further, Related Party Transactions with wholly owned subsidiaries in the ordinary course of business and at arm's

length will be placed before the Audit Committee for its review.

3. 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 of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10 (Ten) per cent of the annual consolidated turnover, as per the last audited financial statements of the Company.

With effect from April 1, 2023, 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 of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary of the Company. No approval of Audit Committee of the Company is required where transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

4. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company in accordance with the conditions specified in Companies Act, 2013 & Rules made thereunder and Listing Regulations. Omnibus approval cannot be made for transactions in respect of selling or disposing of the undertaking of the Company.
5. Where the need of the related party transaction cannot be foreseen and all prescribed details are not available, the Audit Committee may grant omnibus approval subject to the value per transaction not exceeding Rs. 1,00,00,000/- (Rupees One Crore only) in a year subject to such aggregate value as specified by Audit Committee from time to time. The details of such transaction shall be reported to the Audit Committee for review on quarterly basis. Further, the Committee shall on an annual basis review and assess such transactions including the limits to ensure that they are in compliance with this Policy.
6. **Approval by Board:** All the contracts/ arrangements prescribed under Section 188(1) of the Companies Act, 2013 and within the threshold limits prescribed under Rule 15 (3) of Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time), which are not in the ordinary course of business of the Company and/or on arm's length basis shall, in addition to the prior approval of the Audit Committee, also require prior approval of the Board of Directors of the Company.
7. **Approval of Shareholders:** Following related party transactions require prior approval of Shareholder through Ordinary Resolution:
 - Material Related Party Transactions under the Listing Regulations
 - Related Party Transactions under the Companies Act, 2013, which are not in the ordinary course of business of the Company and/or on arm's length basis and exceed the threshold limit specified under Rule 15 (3) of Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time)
 - Any subsequent material modifications in the above transactions.

However, the approval of the shareholders for transactions shall not apply if the transactions are entered into with wholly owned subsidiaries (WOS) whose accounts are consolidated with the Company.

(B) Transactions which do not require approval

Notwithstanding the foregoing, the following Related Party Transactions shall not require approval of the Audit Committee, Board or the shareholders, as the case may be:

- i. Any transaction involving the providing of compensation to a director or Key Managerial Personnel in connection with his duties to the Company including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.
- ii. Any Transactions or arrangements which are specifically dealt with by the Company under the provisions of specific laws and executed under separate approvals / procedures in terms of such laws. Examples, Contribution to Provident Fund, Superannuation Funds and Gratuity Fund, CSR Contribution, etc.

(C) Ratification of Related Parties

(a) Ratification by Audit Committee

In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this policy, the matter shall be reviewed by the Audit Committee. The Audit Committee shall consider all 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 transactions.

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 by the defaulting person (as may be decided by the Audit Committee) to the related party or the Company as the case may be, 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 the Policy.

(b) Ratification by the Board/ shareholders

In a case where the aforesaid transaction has been ratified by the audit committee, the same shall also be required to be ratified by the Board in case where the same is not in the ordinary course or at arm's length. Furthermore, if the said transaction is a material related party transaction, then the same will also be required to be placed before the shareholders for their approval.

5. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors of the Company. Any amendment in the statutory/regulatory guidelines shall prevail and necessary amendment shall be carried out at a subsequent date in the Policy. The Board of Directors of the Company shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, subject to applicable laws in force. Further, the statutory/regulatory guidelines as prescribed shall prevail in the event of any amendments or requirements not incorporated in the Policy.

6. POLICY SEVERABLE

This Policy read with the provisions of Companies Act, 2013 constitutes the entire document in relation to its subject matter. In the event that any term, condition or provision of this Policy being held to be a violation of any applicable law, statute or regulation, the same shall be severable from the rest of this Policy and shall be of no force and effect, and this Policy shall remain in full force and effect as if such term, condition or provision had not originally been contained in this Policy.