



POLICY FOR DETERMINING THE MATERIAL SUBSIDIARIES

PURPOSE OF THIS POLICY:

BlueStone Jewellery and Lifestyle Limited (the “**Company**”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**Listing Regulations**”) lays out regulatory requirements for material subsidiary companies.

The Board of Directors of the Company (the “**Board**”) has adopted the policy and procedures for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the provisions of Regulation 16(1)(c) and Regulation 46(2)(h) of the Listing Regulations.

This Policy will be used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the rules, notifications and circulars made/issued thereunder, as amended, from time to time.

The Audit Committee (*defined hereinafter*) will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

DEFINITIONS:

“**Audit Committee**” means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

“**Independent Director**” means a non-executive director of the Company, not being a managing director or a whole-time director or a nominee director and who is neither a promoter of the Company nor is related to the promoter of the Company or Directors in the Company and who satisfies all the criteria for independence under the section 149(6) of the Act and Regulation 16(b) of the Listing Regulations.

“**Insolvency Code**” means the Insolvency and Bankruptcy Code, 2016, as amended from time to time.

“**Material Subsidiary**” shall mean a subsidiary of the Company whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Material Unlisted Indian Subsidiary**” shall mean an unlisted subsidiary of the Company, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“**Significant transaction or arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.



“**Subsidiary**” shall be as defined under section 2(87) of the Act and the rules made thereunder

“**Unlisted Subsidiary**” means subsidiary whose securities are not listed on any recognized stock exchanges.

APPLICABILITY:

Regulation 16(1)(c) of the Listing Regulations defines a subsidiary as a “material subsidiary” if either of the following two conditions are satisfied:

- if the net worth of the subsidiary exceeds ten per cent of the consolidated net worth of Company and its subsidiaries in the immediately preceding accounting year, **or**;
- the income of the subsidiary exceeds ten per cent of the consolidated income of Company and its Subsidiaries in the immediately preceding accounting year.

POLICY AND PROCEDURE:

1. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
3. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary of the Company.
4. At least one Independent Director of the Company shall be a director on the board of directors of the unlisted material subsidiary, whether incorporated in India or not.

Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16(1)(c) of the Listing Regulations, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

5. The Company shall not dispose of shares in its material subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
6. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.



DISCLOSURES:

The Company shall disclose the details of this Policy in its Board's report as required under the Act and the Listing Regulations. This Policy shall also be disclosed on the Company's website and a web link thereto shall be provided in the annual report.

LIMITATION AND AMENDMENT:

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy.

Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.