



RELATED PARTY TRANSACTIONS POLICY

1. SCOPE AND PURPOSE OF THE POLICY:

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“**Act**”) read with the Rules framed there under and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI LODR Regulations**”), BlueStone Jewellery and Lifestyle Limited (the “**Company**”) has formulated guidelines for identification of related parties, materiality of related party transactions and the proper conduct of all such transactions.

In the line with the above, the Company has framed this Policy on Related Party Transactions (“**Policy**”), which has been reviewed, approved and adopted by the Board of Directors of the Company at their meeting held on December 10, 2024. At need basis, the Policy will be reviewed and amended, if required.

2. OBJECTIVE:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties (*as defined below*) in compliance with the applicable laws and regulations as may be amended from time to time.

This Policy is to set out (a) the materiality thresholds for the related party transactions and (b) the manner of dealing with the transactions between the Company and its related parties in compliance with applicable provisions.

3. DEFINITIONS:

“**Act**” shall mean the Companies Act, 2013 and the rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactment thereof.

“**Arm’s Length Basis**” shall mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Audit Committee**” shall mean the audit committee of the Board of Directors of the Company constituted in accordance with Regulation 18 of the SEBI LODR Regulations.

“**Key Managerial Personnel**” shall mean:

- i. the chief executive officer (“**CEO**”) and /or the managing director (“**MD**”) or the Manager;
- ii. the whole-time director (“**WTD**”);
- iii. the chief financial officer (“**CFO**”);
- iv. the company secretary (“**CS**”);
- v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- vi. such other officer as may be prescribed.



“Net Worth” shall mean the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the latest audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

“Ordinary Course of Business” shall mean a transaction which is carried out in the common commercial practice, has been frequently carried out as per customs and practices of the company, or transactions permitted by the object clause in the Memorandum of Association of the Company, or transactions that are considered while computing the business income / revenue / turnover of the Company as opposed to “income from other sources” or meets any other parameters / criteria as decided by the Board/Audit Committee, from time to time.

“Material Modification in Related Party Transaction” shall mean any modification(s) in the pricing, quantity or overall transaction value having a variance of twenty percent or more, in the relevant previously approved related party transaction] [*Trilegal Note: Company to confirm.*].

“Relative” shall mean means any person as per Section 2(77) of the Act and rules prescribed there under and as per Regulation 2(1) (zd) of the Regulations as amended from time to time, means anyone who is related to another, if

- (i) they are members of a Hindu Undivided Family; or
- (ii) they are husband or wife; or
- (iii) one person is related to the another in the following manner, namely:
 - a) Father, including stepfather;
 - b) Mother, including stepmother;
 - c) Son, including stepson;
 - d) Son’s wife;
 - e) Daughter;
 - f) Daughter's husband;
 - g) Brother, including stepbrother; and
 - h) Sister, including stepsister.

“Related Party” has the meaning as defined in Section 2(76) of Companies Act, 2013 and the Rules made thereunder, i.e.

- a) which is a related party under section 2(76) of the Companies Act, 2013; or
- b) which is a related party under the applicable accounting standards; or
- c) and Regulation 2(1)(zb) of the SEBI LODR Regulations,

Provided that any person or entity forming a part of the promoter or promoter group of the Company; or any person or any entity, holding equity shares of twenty percent or more or ten percent or more (w.e.f. April 1, 2023), in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Act, at anytime, during the immediate preceding financial year shall be deemed to be a related party.

“Related Party Transaction” has the meaning as defined under Section 188 of the Companies Act, 2013 and under Regulation 2(1)(zc) of the SEBI LODR Regulations as transfer of resources, services or obligations between a listed entity and a related party of the listed entity or any of its subsidiaries or any other person or entity, 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 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, including but not limited to the following –

- a) sale, purchase or supply of any goods or materials;



- b) selling or otherwise disposing of, or buying, property of any kind;
- c) leasing of property of any kind;
- d) availing or rendering of any services;
- e) appointment of any agent for purchase or sale of goods, materials, services or property;
- f) such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company
- g) underwriting the subscription of any securities or derivatives thereof, of the Company Where any director is interested in any contract or arrangement with a Related Party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement.

Provided that the following shall not be considered as a related party transaction:

- a) 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, as amended;
- b) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
 - (i) payment of dividend;
 - (ii) sub-division or consolidation of securities;
 - (iii) issuance of securities by way of a rights issue or a bonus issue; and
 - (iv) buy-back of securities.
- c) 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.

4. MATERIAL RELATED PARTY TRANSACTIONS (MATERIALITY THRESHOLDS)

A Related Party Transaction shall be considered material if the transaction / transactions entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

Further, 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 of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Section 188 read with the limits as specified under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI LODR Regulations as enclosed in **Annexure A** shall be referred for the related party transaction limit.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI LODR Regulations or any other applicable law or regulation.

5. IDENTIFICATION OF RELATED PARTIES

[The Company shall formulated a framework for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the rules framed there under, Regulation 2(1)(zb) of the SEBI LODR Regulations and applicable accounting standards, as amended from time to time.

6. IDENTIFICATION OF RELATED PARTY TRANSACTIONS

[The Company shall formulated a framework for identification of related party transactions in accordance with Section 188 of the Act and rules framed thereunder, and Regulation 2(1)(zc) of the SEBI LODR Regulations. The Company shall also formulated a framework for determining



whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company may seek external professional opinion, if necessary

7. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

a) Audit Committee:

Each Related Party Transaction and subsequent Material Modification in Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or through electronic mode. However, the Audit Committee may grant omnibus prior approval for the Related Party Transactions proposed to be entered into with the Company which are repetitive in nature and are in the ordinary course of business and on an Arm's Length basis, subject to compliance of the conditions contained in the SEBI LODR Regulations.

Prior approval of the Audit Committee is also required when subsidiary of the Company is a party but the Company is not a party, and 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 consolidated turnover, as per the last audited financial statements of the Company.

With effect from April 1, 2023, a related party transaction where subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the Audit Committee 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.

Any member of the Committee who has an interest directly or indirectly in any Related Party Transaction shall not be present at the meeting during the discussions on the matters of the resolution relating to Related Party Transaction. Only the Independent Directors will approve the related party transactions at the Audit Committee.

While considering any transaction, the Committee shall take into account all relevant facts and circumstances including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. While considering the arm's length nature of the transaction, the Committee shall take into account the facts and circumstances as were applicable at the time of entering into the transaction with the Related Party and if the committee requires the management shall obtain certification of independent Chartered Accountant to validate the pricing value and that the transaction will be on arm's length basis. The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Omnibus approval by the Audit Committee

In the case of frequent / regular / repetitive transactions which are in the normal course of business of the Company, the Committee may grant standing pre-approval/ omnibus approval. While granting the approval the Audit Committee shall satisfy itself of the need for the omnibus approval and that same is in the interest of the Company. The omnibus approval shall specify the following:

- a) Name of the related party;
- b) Nature of the transaction;
- c) Period of the transaction;



- d) Key terms (such as price and other commercial terms contemplated under the arrangement) of the proposed transaction;
- e) Maximum amount of the transactions that can be entered into;
- f) Indicative base price / current contracted price and formula for variation in price, if any; and
- g) such other conditions as the Audit Committee may deem fit.

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.

Further any additions that need to be placed before the Audit Committee / Board of Directors in line with the SEBI LODR regulations / amendments will be added thereafter.

Such transactions will be deemed to be pre-approved and may not require any further approval of the Audit Committee for transactions which are repetitive in nature, unless the price, value or material terms of the contract or arrangement have been varied / amended. Any proposed variations / amendments to these factors shall require a prior approval of the Committee.

Further, where the need of the related party transaction cannot be foreseen, and all prescribed details are not available, the Committee may grant omnibus approval subject to the value per transaction not exceeding Rs. 1,00,00,000/- (Rupees One Crore only). The details of such transaction shall be reported at the next meeting of the Audit Committee for its review and ratification. Further, the Committee shall on a quarterly basis review the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given and assess such transactions including the limits to ensure that they are in compliance with this Policy.

The omnibus approval shall be valid for a period of one year and fresh approval shall be obtained after the expiry of one year. If omnibus approval is obtained from shareholders for approval of material Related Party Transactions then shareholders' approval of omnibus Related Party Transactions approved in an AGM shall be valid up to the date of the next AGM, for a period not exceeding fifteen months. In case of omnibus approvals for material Related Party Transactions, obtained from shareholders in general meetings other than AGMs, the validity of such omnibus approvals shall not exceed one year.

With effect from April 1, 2022, the following information with respect to related party transaction as specified in the SEBI circular bearing ref. no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 ("**SEBI Circular**") shall be placed before the Committee

- i. Type, material terms and particulars of the proposed transaction;
- ii. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- iii. Tenure of the proposed transaction (particular tenure shall be specified);
- iv. Value of the proposed transaction;
- v. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- vi. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - a) details of the source of funds in connection with the proposed transaction;



- b) where any financial indebtedness is incurred to make or give loans, inter-corporate, deposits, advances or investments,
 - nature of indebtedness;
 - cost of funds; and
 - tenure.
 - c) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - d) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- vii. Justification as to why the RPT is in the interest of the listed entity;
- viii. A copy of the valuation or other external party report, if any such report has been relied upon;
- ix. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- x. Any other information that may be relevant

Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

- a) Transactions which are not at arm's length or not in the ordinary course of business;
- b) Transactions which are not repetitive in nature;
- c) Transactions exceeding materiality thresholds as laid down in this Policy;
- d) Transactions in respect of selling or disposing of the undertaking of the company;
- e) Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties; and
- f) Any other transaction the Audit Committee may deem not fit for omnibus approval.

b) 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 or not at arm's length basis will be placed before the Board for its prior approval. In addition to the transactions defined as Related Party Transactions, the following kinds of transactions with related parties are also placed before the Board for its approval, which are as follows:

- 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's approval;
- 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 its consideration;
- Transactions which are in the ordinary course of business and at arm's length basis, but which, as per Audit Committee, requires Board approval; and
- Transactions meeting the materiality thresholds, which are intended to be placed before the shareholders for approval.

The agenda of the Board Meeting at which the resolution for related party is proposed shall disclose:

- the name of the related party and nature of relationship;
- the nature, duration of the contract, maximum value and particulars of the contract or arrangement;
- the material terms of the contract or arrangement including the value, if any;
- any advance paid or received for the contract or arrangement, if any;



- the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- any other information relevant or important for the Board to take a decision on the proposed transaction

c) **Approval of Related Party Transactions by Shareholders**

All the transactions with related parties exceeding the materiality thresholds and subsequent material modifications which require prior approval of the shareholders, will be placed before the shareholders for approval. For this purpose, all entities falling under the definition of Related Parties shall abstain from voting, irrespective of whether the entity is a party to the particular transaction or not. However, the said requirement would not be applicable in respect of a resolution plan approved under section 31 of the Insolvency and Bankruptcy Code, 2016 subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

However, the material Related Transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval shall not require approval of the shareholders.

Provided that the provisions pertaining to -

- Prior approval of the Audit Committee for all RPTs;
- Omnibus approval for RPTs; and
- Prior approval of shareholders for material Related Party Transactions and subsequent Material Modifications,

shall not be applicable when the transactions are entered into either between two wholly-owned subsidiaries of the Company or with wholly owned subsidiary/ies by the holding Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

All the transactions, other than the material Related Party Transactions, with the Related Parties which are either not in the ordinary course of business and/ or not at Arm's Length basis shall also require prior approval of the shareholders through resolution, if so, required under any law and the Related Parties shall not vote to approve the relevant transaction irrespective of whether the entity is a party to the particular transaction or not.

The explanatory statement to be annexed to the notice of a general meeting relating to Related Party Transaction shall contain the following particulars namely:

- name of the related party;
- name of the director or key managerial personnel who is related, if any;
- nature of relationship;
- nature, material terms, monetary value and particulars of the contract or arrangement;
- any other information relevant or important for the members to take a decision on the proposed resolution

With effect from April 1, 2022, the following information shall be placed before the shareholders as per SEBI circular for approval of any related party transaction in addition to the requirements under the Act as above.



- a. A summary of the information provided by the management of the Company to the Audit Committee;
- b. Justification for why the proposed transaction is in the interest of the Company ;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary, the details specified as mentioned above; (The requirement of disclosing source of funds and cost of funds shall not be applicable to listed banks/NBFCs.)
- d. A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

d) RPT 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 Board and/or shareholders as may be required in accordance with this policy for the post facto approval. 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 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.

If prior approval of the Audit Committee/ Board/ Shareholders for entering into a RPTs is not feasible owing to paucity of time and also other administrative inconvenience, then such Related Party Transactions shall be recommended by the Audit Committee for ratification to the Board/ Shareholders, if required, within three months of entering into the Related Party Transaction.

In any case, where the Audit Committee determines not to ratify a Related Party Transactions 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 Board, if the transaction value is within material threshold limit or seeking the approval of the shareholders, if the said threshold limit is breached, 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 this Policy.

8. GENERAL PRINCIPLES:

- a) It shall be responsibility of the Board to monitor and manage potential conflicts of interest of management, board members and shareholders, including abuse in Related Party Transactions.
- b) The Independent Directors of the Company shall pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.
- c) The Audit Committee shall have the following powers with respect to Related Party Transactions:
 - To seek information from any employee.



- To obtain outside legal or other professional advice.
 - To secure attendance of outsiders with relevant expertise, if it considers necessary
 - To investigate any Related Party Transaction.
- d) The Company Secretary or authorised official of the Company is authorized to issue necessary guidelines/instructions for implementation of this Policy.
- e) The Company while entering into any Related Party Transaction shall ensure that such Related Party Transaction is in the best interest of the Company and adheres to this Policy.

9. DISCLOSURES:

- The Company shall disclose, in the Board's annual report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.
- Details of all material Related Party Transactions shall be disclosed quarterly along with the compliance report on corporate governance to be submitted to stock exchanges, once Company is listed.
- The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual Report.
- Name of all related parties, nature of relationships and details of all Related Party Transactions should be disclosed in the financial statement as per Indian Accounting Standard.
- The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any related party requires approval of the Board.
- The Company shall submit disclosures of related party transaction as required under Regulation 23 of the SEBI LODR Regulations, as amended from time to time within 15 days from the date of publication of its consolidated financial results, if any, in the format as specified to the stock exchanges and publish the same on its website in specified time limit of that regulation.

10. AMENDMENTS IN LAW:

Any subsequent amendment/modification in the SEBI LODR Regulations, the Act and/or other applicable laws in this regard shall automatically apply to this Policy. Any amendment to this Policy will be in writing.

11. SCOPE LIMITATION:

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



ANNEXURE A

THRESHOLD LIMITS FOR DETERMINING MATERIAL RELATED PARTY TRANSACTIONS

Nature of Transactions	Materiality threshold as per Companies Act, 2013	Materiality threshold as per Listing Regulations
Sale, purchase or supply of any goods or materials directly or through appointment of agent.	Amounting to 10% or more of Turnover*	Transactions to be entered individually or taken together with previous transactions during a financial year with Related Party exceeds rupees one thousand crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
Buying, selling or otherwise disposing of property of any kind directly or through appointment of agent	Amounting to 10% or more of Net worth*	
Leasing of property of any kind	Amounting to 10% or more of Turnover*	
Availing or rendering of any services directly or through appointment of agent	Amounting to 10% or more of Turnover*	
Appointment of related party to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs. 2,50,000/-.	
Underwriting the subscription of any securities in or derivatives thereof of the Company.	Exceeding 1% of net worth*	
Transfer of resources, services or obligations between the Company or its subsidiary and their related party, 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	Not Applicable	
a transaction involving payments made to a related party with respect to brand usage or royalty	Not Applicable	If the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the

**The turnover or net worth referred in the above sub-rules shall be computed on the basis of the audited financial statement of the preceding financial year.*