



VIGIL MECHANISM / WHISTLE BLOWER POLICY

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PREFACE:

BlueStone Jewellery and Lifestyle Limited (“**the Company**”) believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct or violation of law in force. The Company strongly believes that unethical and concerns should be reported and hence the Company has establish a vigil mechanism / whistle blower policy, (“**the Policy**”), for the directors and employees (including third party vendors and partners) to report genuine concerns and incidents of unethical behaviour, which are actual or suspected, fraud or violation of policies of the Company to the management. The Policy shall provide for adequate safeguards against victimization of persons who use such mechanism and also make provision for direct access to the chairperson of the Audit Committee of the Board of Directors of the Company (“**Audit Committee**”) in appropriate or exceptional cases.

This Policy is issued pursuant to Section 177 of the Companies Act, 2013, (“The Companies Act”) read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended, enabling a Complainant to freely communicate their genuine concerns about illegal or unethical practices, actual or suspected fraud or violation of Company’s Code of Business Conduct and Ethics (“Code”).

This Vigil Mechanism/Whistle Blower Policy (the Policy) has been formulated to enable all employees and directors to raise concern against any malpractice such as immoral, unethical conduct, fraud, corruption, non-compliances/wrong practices, violation of law, potential infractions of the Code of Conduct of the Company and alike.

PURPOSE:

This Policy is an extension of the Code, and the purpose is to provide a platform to all Stakeholders of the Company to report genuine and specific concerns regarding actual or potentially likely violation of the Code, or other applicable laws or regulations without any fear of reprisal or victimization. With objective of creating a proper Vigil Mechanism, this Policy has outlined the following mechanism for proper redressal of any genuine Complaint. The Policy encourages all the employees to report suspected or actual occurrence(s) of illegal, unethical or inappropriate events (behaviors or practices) that affect Company's interest / image. Under the policy, the customers, agencies, contractors, vendors, suppliers and/or any of their employees or any other stakeholders of the Company can also report such events to the Company. The Company also wishes to inform that the employees do not need to fear of any unfair treatment.

KEY DEFINITIONS:

“**Audit Committee**” means the Audit Committee of Directors constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act read with Regulation 18 of Listing Regulations.

“**Board**” means Board of Directors of the Company.



“Complaint” or “Protected Disclosure” means the communication made in Good Faith which discloses or demonstrates information that may be an evidence for unethical or improper activity (actual or suspected) including but not limited to incorrect financial reporting or misappropriation of Company’s funds or assets, unlawful acts, abuse of authority, misconduct, pilferation of Company’s assets, including confidential or propriety information, damage to Company’s assets including reputational. For a communication by an Employee to be treated as a Protected Disclosure or Complaint, it is necessary that such communication should be specific and supported by reasonable evidence that can be verified independently.

“Consequences Matrix” means a matrix outlining the actions to be taken against the misconduct, based on nature and severity of the Complainant as provided in **Annexure 1**.

“Director” means each director of the Company.

“Disciplinary Action” means any action that may be recommended or taken after the completion of/ during the investigation including but not limited to a warning, suspension or dismissal from official duties or any such action, as outlined in the Consequences Matrix, or any other action as may be deemed fit considering the gravity and severity of the matter.

“Employees” means all employees, whether contractual, permanent or temporary, within and outside the premises of the Company.

“Employee Governance Committee” or “EGC” or “Committee” means the committee, comprising of Chief Retail Officer, Chief Operating Officer, Chief Financial Officer and any other 2 (two) persons as appointed.

“External Stakeholders” means shareholders, consultants, vendors, clients, service providers and other external stakeholders who have relationship with the Company.

“Good Faith”: An employee shall be deemed to be communicating in “Good Faith”, if there is an honest intent and a reasonable basis for communication of unethical practices or any other alleged wrongful conduct. A Protected Disclosure/ Complaint should not be deemed to be in Good Faith when the Complainant does not have personal knowledge of the facts forming part of the Complaint or where the Complainant knew or reasonably should have known that the communication about unethical practices or alleged wrongful conduct is malicious, false or frivolous.

“Internal Stakeholders” means Directors and Employees of the Company.

“Investigation Team” means those persons authorized, appointed or consulted by the Company or EGC / Audit Committee for the purpose of the investigation of the Complaint/concerns.

“Subject” means a person against or in relation to whom a Protected Disclosure has been made.

“Stakeholders” means, with respect to the Company, both Internal Stakeholder and External Stakeholders.

“Whistle Blowing Mechanism” or “Vigil Mechanism” refers to the mechanism established by the Company as per this Policy to facilitate the reporting and investigation of Protected Disclosure/ Complaint.



Terms that have not been defined in this Policy shall have the same meaning assigned to them under the Companies Act read along with the applicable rules made thereunder and Listing Regulations and related applicable regulations, as amended from time to time.

APPLICABILITY:

This Policy applies to all Stakeholders. While the Complaint by the Complainant can be filed against the Internal Stakeholders, the Complaint can be filed by both the Internal Stakeholders as well as the External Stakeholders in the manner as contemplated in this Policy. To clarify, the Subject can only be the Internal Stakeholders under this Policy.

This Policy is intended to encourage and enable all Stakeholders to raise genuine concerns against the Internal Stakeholders within the Company before seeking resolution outside the Company.

CONSTITUTION OF EMPLOYEE GOVERNANCE COMMITTEE:

The Company has established an EGC/Committee for managing the Whistle Blowing Mechanism. The decision of nomination and appointment of members of the Committee shall be the discretion of the Company and would not be by way of any nomination/voting procedure. The Company may, at its discretion, change the structure of the Committee or the Committee members as it deems fit at any given point of time. In the event of any Complaint against any of the Committee member, the alleged Committee member will not be part of the Committee until the closure of the Complaint against such Committee member.

SCOPE OF WHISTLE BLOWER COMPLAINT/CONCERNS:

This Policy covers malpractices and events which have taken place / suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations of company data/ records, deliberate violation of law/regulation, criminal offences, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

In accordance with the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015 the Audit Committee of the Company shall oversee the vigil mechanism through the Audit Committee.

The scope of a complaint/concerns may include (but is not limited to) (i) abuse of authority, (ii) financial irregularities, including fraud or suspected fraud, (iii) leakage of UPSI including pilfering of confidential or property information, (iv) commissions of kickbacks, (v) manipulation of documents, data, or records, (vi) misuse, misappropriation or wastage of Company's assets or funds, (vii) violation of Code, (viii) Civil and Criminal Offences, (ix) violation of applicable laws and regulations.

EXCLUSIONS*:

This Whistle Blowing Mechanism should **NOT** be used in place of the Company's Grievance Redressal procedures or be a route for raising malicious, frivolous or unsubstantiated allegations against colleagues.

The Whistle Blowing Mechanism should not be used for reporting on routine or operational matters like:



- (a) Issues related to routine HR matters, e.g., denial of promotion, dissatisfaction with appraisal/rewards, or reassignment of duties.
 - (b) Sexual harassment-these complaints may be reported to Internal Complaints Committee directly under the Policy on Prevention, Prohibition and Redressal of Sexual Harassment (POSH) at workplace.
 - (c) Issues related to compensation or reimbursement (e.g., reimbursement not credited on time)
 - (d) Issues related to career progressions, transfer or deputation, etc.
 - (e) IT assets are not working properly (e.g., printers are not working).
 - (f) Questioning the financial or other business decisions taken by the Management of the Company.
 - (g) Taxation-related queries (e.g., excess tax deducted from salary).
 - (h) Recruitment or job opening (e.g., to know the job openings in the Company).
 - (i) Inappropriate administration facilities (e.g., tea or coffee machine in the cafeteria).
- (* Only indicative list not exhaustive)

RECEIPT AND DISPOSAL OF INCIDENTS REPORTED:

The incidents that need to be reported under the Policy need to be in a secured envelope with the title “*Incident Reporting under the Whistle Blower policy*” or a email can be sent with the subject line “*Incident Reporting under the Whistle Blower policy*” to whistleblower@bluestone.com.

The emails received on the aforementioned ID, will only be accessible by the authorised officials of the company to whom the powers are delegated by the board members. While sending through a secured envelope, the envelope should be addressed to either Chairman of the Audit Committee or Managing Director or the Chief Retail Officer should be sent to the following address: BlueStone Jewellery and Lifestyle Limited (formerly known as BlueStone Jewellery and Lifestyle Private Limited), Corporate Office: at 302, Dhantak Plaza, Makawana Road, Marol, Marol Naka, Andheri (East), Mumbai – 400059.

Further, in exceptional and appropriate cases as prescribed under the head “Investigation Process” below, Complainant have a right to make a Complaint on a Good Faith basis directly to the Chairperson of the Audit Committee by either way:

- an e-mail to acchair@bluestone.com; or
- a letter marked as “Private and Confidential” and addressed to the Chairperson of the Audit Committee and sending it at the Corporate Office of the Company i.e. BlueStone Jewellery and Lifestyle Limited (formerly known as BlueStone Jewellery and Lifestyle Private Limited), 302, Dhantak Plaza, Makawana Road, Marol, Marol Naka, Andheri (East), Mumbai - 400059

GUIDANCE FOR THE WHISTLE BLOWER/ COMPLAINANT:

The Complainant should consider the following points before or while reporting the Complaint:

- must identify themselves and include the name, designation, and the Company email address;
- should attempt to report the Complaint on Good Faith immediately after the event has occurred (no later than 14 (fourteen) working days);
- should ensure that the Complaint reported is factual and not speculative in nature;
- should ensure that the allegations are specific and not generic in nature;
- must be accompanied with reasonable evidence that is capable of being independently verified for genuineness;
- should ensure that the Complaint report contains as much specific information as possible;



- facts, and evidence to enable appropriate review, assessments, and initiation of the investigation should be provided; and
- should not take any action which may impede with the investigation process.

Anonymous Complaints shall not be entertained/acted upon. However, in case any anonymous Complaint contains allegations with sufficient details, facts and information of the incidence, the EGC or Audit Committee, as the case may be, in such an event, at its sole discretion, may take an appropriate action to investigate such anonymous Complaint received in the manner as contemplated hereunder. In exercising this discretion, the following factors namely viz. (i) seriousness of the Complaint/concern raised, (ii) the credibility of the Complaint/concern, (iii) evidence provided to substantiate the Complaint/ concern, and (iv) the likelihood of verifying genuineness of the allegations from attributable sources may be taken into consideration by EGC or Audit Committee, as the case may be. For this purpose, EGC/Audit Committee, as the case may be, shall make an attempt to seek the requisite details with respect to an anonymous complaint by reaching out to the Complainant.

NATURE OF THE REPORT:

The following details namely viz. (i) the Internal Stakeholder of the Company involved, (ii) details of the Complainant – whether the Internal Stakeholder or the External Stakeholder, (iii) the sector/department of the Company where it happened (Location, department, office), (iv) When did it happen: a date or a period of time, (v) types of concern (indicative) (a) Financial reporting, (b) Legal matter, (c) Management action, (d) Employee misconduct, (e) Health & Safety, (vi) specific allegations with basis and facts supporting such allegations, (vii) submit proof or evidence supporting such allegations, (viii) who to contact for more information, if possible and (ix) prior efforts to address the problem, if any; must be disclosed in the Complaint.

In addition to above Para, the Complaint shall contain a declaration stating that the Complaint is being made in Good Faith and the information and documents submitted are true, accurate and complete to the best of their knowledge and belief.

DISQUALIFICATIONS:

While it will be ensured at all times that Complainant are accorded with complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant Disciplinary Action.

Protection under this Policy would not mean protection from Disciplinary Action arising out of false or bogus allegations made by the Complainant, knowing it to be frivolous, false or bogus, or with mala fide intent.

Complainant who makes 1 (one) or more Protected Disclosures, which have been subsequently found to be mala fide, frivolous, baseless, malicious, or reported otherwise than in a good faith, will be disqualified from reporting further Complaints under this Policy. In respect of such Complainant, the EGC or the Audit Committee, as the case may be, would reserve the right to take/recommend appropriate Disciplinary Action, which could include reprimand. Any complaints filed by such Complainants will be considered by EGC or the Audit Committee, in their absolute discretion.

INVESTIGATION ON THE REPORTING:

On receipt of the incident, the authorised official of the Company shall initiate the initial investigation either himself/herself or by involving any other Officer of the Company or an



outside agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action.

The record will include:

- a) Brief facts;
 - b) Whether the incident was raised previously;
 - c) Details of actions taken by for processing the complaint;
 - d) Findings of the Audit Committee
 - e) The recommendations of the Audit Committee/ other action(s).
- In case the incident is reported against an employee, the Company strongly believes that the employee against whom the incident is reported (hereafter referred as “**Subject**”) shall receive an opportunity to be heard and post his hearing, the incident should be reported to the Audit Committee.
 - The Subject should co-operate with the Audit Committee or any of the Officers appointed by it in this regard and should not withheld, destroy or tamper with any witness.
 - No incident of wrongdoing against the subject shall be considered as maintainable unless there is good evidence in support of the incident.
 - The identity of the Subject will be kept confidential to the extent possible given the legitimate needs of law and the investigation.
 - Disclosure should be factual and not speculative as well as supported by documentary evidence, wherever possible. Further, it should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern and the urgency of a preliminary investigative procedure.

In case of repeated frivolous complaints being filed, the audit committee may take suitable action against the concerned director or employee including reprimand.

REPORTING AND DISCIPLINARY ACTION:

If an investigation leads conclude that an improper or unethical act has been committed, the EGC / Audit Committee shall recommend to the management of the Company to take disciplinary or corrective action as per Consequence Matrix or other appropriate action as it may deem fit. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.

In case the complaint is against the members of EGC/ Audit Committee or the Managing Director, then the incident reported document shall be forwarded to other members of the EGC/Audit Committee / the Board if deemed fit, for investigation. The EGC/Audit Committee / the Board shall appropriately and expeditiously investigate the incident reported. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.

PROTECTION:

No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. However, a complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the, EGC / Chairman of the Audit Committee or the Managing Director shall be subject to appropriate



disciplinary action in accordance with the rules, procedures and policies of the Company. The identity of the Whistle Blower shall be kept confidential and any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

Adequate protection will be given to whistleblowers against any unfair practice like intimidation of termination or suspension of service, refusal of promotion, disciplinary action, transfer, demotion, threatening, or such acts which might hinder the whistleblower's right to continue to perform his/her duties/functions.

RETENTION OF DOCUMENTS:

All protected disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of five years or such other period as specified by any other law in force, whichever is more. A copy of the report will also be maintained in the respective file of the Complainant.

REVIEW:

The Audit Committee shall review the functioning of the mechanism under this Policy.

AMENDMENT:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Employees and Directors unless the same is notified to them in writing.

The updated Policy shall be made available to all the Stakeholders of the Company as soon as the amended Policy becomes notified.



ANNEXURE 1

Consequences Matrix

Category of Misconduct	Nature of Complaint	1st Offence	2nd Offence	3rd Offence
Minor	<ul style="list-style-type: none">Non-compliance with safety guidelines or regulations due to negligent behavior that may cause minor danger to property	<ul style="list-style-type: none">Written warning	<ul style="list-style-type: none">Written Reprimand	<ul style="list-style-type: none">SuspensionTermination
Major	<ul style="list-style-type: none">Unlawfully restricting work efficiency and productivity.Attempting to provoke a fight or intimidating others by using strong words.Leakage of confidential information by negligent behavior.Engaging in political activity and running parallel business during assigned hours of employment.	<ul style="list-style-type: none">Written WarningWritten ReprimandSuspensionPay reductionWithholding promotion	<ul style="list-style-type: none">SuspensionPay reductionWithholding promotionTermination	<ul style="list-style-type: none">Not Applicable
Gross	<ul style="list-style-type: none">Accepting bribes in the course of carrying out assigned dutiesIntimidating others through the threat of physical force.Theft of personal or Company property (e.g. equipment, tools, supplies, etc.).Confidentiality violation by sharing Company information (including UPSI).	<ul style="list-style-type: none">DemotionSuspensionWithholding of promotionTermination	<ul style="list-style-type: none">Not Applicable	<ul style="list-style-type: none">Not Applicable



Unsubstantiated	<ul style="list-style-type: none">Any Complaint where there is not enough evidence or facts to prove the case.	<ul style="list-style-type: none">No Disciplinary Action		
Frivolous complaint	<ul style="list-style-type: none">Complaints which are subsequently proven to be baseless or reported with malafide intent.	<ul style="list-style-type: none">Written warningWritten reprimand	<ul style="list-style-type: none">SuspensionTermination	<ul style="list-style-type: none">Not Applicable