



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) (the 'Listing Regulations').

2. DEFINITIONS

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

“Board of Directors” or **“Board”** means the Board of Directors of Blue Star Limited, as constituted from time to time.

“Company” means Blue Star Limited.

“Holding Company” means Holding Company as defined under Section 2(46) of the Act and Rules framed thereunder.

“Independent Director” means an Independent Director as defined in Section 2(47) of the Act read with Regulation 16 of the Listing Regulations and as may be amended from time to time.

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds 10% (Ten per cent) of the consolidated income or Net Worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Net Worth” means Net Worth as defined under Section 2(57) of the Act and Rules framed thereunder.

“Policy” means this Policy for determining Material Subsidiaries and as may be amended from time to time.

“Subsidiary Company” or **“Subsidiary”** means Subsidiary Company or Subsidiary as defined under Section 2(87) of the Act and the Rules framed thereunder.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, the Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.



3. REQUIREMENT REGARDING MATERIAL SUBSIDIARY

The Company, without passing a special resolution in its General Meeting, would not:

- dispose shares in the Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% (Fifty per cent), or cease the exercise of control over the subsidiary; or
- sell, dispose or lease the assets amounting to more than 20% (Twenty per cent) of the assets of the Material Subsidiary on an aggregate basis during a financial year

unless in cases where the divestment/ 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchange(s) within 1 (One) day of the resolution plan being approved.

4. REQUIREMENT REGARDING UNLISTED MATERIAL SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of an Unlisted Material Subsidiary, whether incorporated in India or not, if:

- its Net Worth exceeds 20% (Twenty per cent) of the consolidated Net Worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- its Income exceeds 20% (Twenty per cent) of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year.

The Material Unlisted Subsidiary incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified, with effect from the year ended March 31, 2019.

5. AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of the Material Subsidiaries.



6. SCOPE AND LIMITATION

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

7. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company, and a web link thereto shall be provided in the annual report of the Company.
