



## PC JEWELLER LIMITED

---

### POLICY ON MATERIAL SUBSIDIARIES

#### 1) PREFACE

Policy on Material Subsidiaries (the “**Policy**”) was originally framed by PC Jeweller Limited (the “**Company**”) in accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges and revised in accordance with Regulation 16 read with Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time.

#### 2) POLICY OBJECTIVE

The Policy is framed to determine the material subsidiaries of the Company and to provide the corporate governance framework for the subsidiaries.

#### 3) DEFINITIONS

- 3.1) “**Act**” means the Companies Act, 2013 and the Rules made thereunder, as amended from time to time.
- 3.2) “**Audit Committee**” means a Committee of the Board of Directors of the Company, constituted in accordance with provisions of the Act and Listing Regulations.
- 3.3) “**Board**” means the Board of Directors of the Company.
- 3.4) “**Independent Director**” means a director as defined under the Act and Listing Regulations.
- 3.5) “**Material Subsidiary**” means a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- 3.6) “**Significant Transaction or Arrangement**” means any individual transaction or arrangement that exceeds or is likely to exceed 10% 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.
- 3.7) “**Stock Exchanges**” means BSE Limited and National Stock Exchanges of India Limited, where shares of the Company are listed.
- 3.8) “**Subsidiary Company or Subsidiary**” means subsidiary as defined under the Act and Listing Regulations.

#### **4) GOVERNANCE FRAMEWORK**

- 4.1)** 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.

For this purpose, the term “Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- 4.2)** Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- 4.3)** The minutes of the meetings of the Board of the unlisted subsidiary shall be placed at the meeting of the Board of the Company.
- 4.4)** The management of the unlisted subsidiary shall bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary on an annual basis.

#### **5) DISPOSAL OF SHARES IN MATERIAL SUBSIDIARY**

The Company shall not without passing a Special Resolution in its General Meeting dispose of shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the Material Subsidiary 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 Insolvency Code and such an event is disclosed to the Stock Exchanges within one day of the resolution plan being approved.

#### **6) SELLING, DISPOSING AND LEASING OF ASSETS OF MATERIAL SUBSIDIARY**

Selling, disposing and leasing of assets amounting to more than 20% of the assets of 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 Insolvency Code and such an event is disclosed to the Stock Exchanges within one day of the resolution plan being approved.

However, no such prior approval of shareholders shall be required if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

#### **7) SECRETARIAL AUDIT**

The Unlisted Material Subsidiaries incorporated in India, if any, of the Company shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report with the Annual Report of the Company.

#### **8) DISCLOSURE**

The Policy shall be disclosed under a separate section on the website of the Company and a web link thereto shall be provided in the Annual Report.

**9) SCOPE LIMITATION**

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

**10) AMENDMENT / MODIFICATION**

Any subsequent amendment / modification in Listing Regulations, the Act and / or applicable laws in this regard shall automatically apply to the Policy and the relevant provision(s) of this Policy shall be deemed to be modified / amended to that extent, even if not incorporated in this Policy.

-----\*\*\*\*\*-----