



V-Mart Retail Limited

Related Party Transaction Policy

Background


The Securities and Exchange Board of India (SEBI) vide SEBI (LODR) (Sixth Amendment) Regulations, 2021, has made some amendments in the Regulation 23 of the Listing Regulations and the Circulars issued thereafter, with a view to strengthen the Corporate Governance practices by the Listed Companies concerning the law relating to approval of Related Party Transactions in India which are as follows:

- Amendment in the definition of Related Party & Related Party Transactions;
- Introduction of definition of 'Material Modifications' by the Audit Committee and addition as a part of the policy on dealing with related party transactions;
- Changes in the Material RPT thresholds in case of a transaction involving payments made to a related party with respect to brand usage or royalty revised;
- Changes in the threshold limits of Material Related Party Transactions;
- Additions in the process for approval of RPT's from the Audit Committees and only Independent Directors being eligible for voting on the transactions of the Committee;
- Changes in the Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year by the Audit Committee; and
- Additional information to be mentioned under the notice being sent to the shareholders seeking approval for any proposed RPT.

The Ministry of Corporate Affairs vide its circulars, notifications in the Companies Act, 2013 and Rules made thereunder has made some amendments in the provisions pertaining to Related Party Transaction which are as follows:

- Changes in the provisions relating to the thresholds limits for approval of Shareholders for approval of the Related Party Transactions;
- Assigning the officials responsible for identification of the potential related party transactions and to provide information for obtaining the necessary approvals for approvals of the RPT's.

In view to incorporate the said amendments the revised policy on related party transaction is detailed for perusal of the Audit Committee and the Board.

	Policy	Related Party Transaction Policy	Revision Date	November, 2022
	Version	3.0	Approval Date	
	Creation Date	01.10.2014	Effective Date	5 th Feb 2019

V-Mart Retail Limited
Related Party Transaction Policy
Version: 3.0
November 2022

Internal



*This document is strictly confidential and is for internal use only.
It contains proprietary and confidential information of V-Mart Retail Limited and unauthorised copying, reproducing or sharing of this Policy is strictly prohibited.*

Document Revision History		
Version	Release date	Change description (in Brief)
1.0	Oct 2014	Documentation and approval of RPT policy.
2.0	Feb 2019	<ul style="list-style-type: none"> Revision in Policy with respect to requirements under SEBI (LODR) Regulations Include threshold limits Policy Revision period
3.0	November 2022	<ul style="list-style-type: none"> Revision in Policy with respect to requirements under SEBI (LODR) Amendment Regulations and Circulars issued thereunder; Revision in Policy with respect to threshold limits under the Companies Act, 2013 and the rules made thereunder.

Document Control			
Document Name	Policy – Related Party Transaction		
Version No.	3.0		
Issue Date	5 th Feb 2019		
Compliance Status	Mandatory		
Review Period	<u>Every three years</u>		
Security Classification	Internal		
Distribution	Employees of V-Mart Retail Limited		
	Name	Role	Signature
Approval	As per Board Resolution dated 5 th Feb 2019.		

Contents

1.	Preamble	4
2.	Scope & Purpose	4
3.	Definitions	4
4.	Material RPTs.....	9
5.	Threshold Limits.....	9
6.	Procedure.....	10
7.	Disclosures.....	14
8.	Applicability & Amendment.....	14
9.	Annexure - 1.....	15
10.	Annexure - 2.....	16
11.	Annexure - 3.....	17

1. Preamble

The Board of Directors (the “Board”) of V-Mart Retail Limited (the “Company”) has adopted this Policy upon the recommendation of the Audit Committee. This Policy spelling out the review & approval/ratification, materiality and the manner of dealing with Related Party Transactions (“Policy”) in compliance with the requirements of provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

2. Scope & Purpose

The Company acknowledge the existence of the fact that related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its other stakeholders. In light of the above the Company has framed this Policy on Related Party Transactions (“Policy”). Also, Regulation 23(1) of the SEBI Listing Regulations requires the company to formulate a policy on materiality of related party transactions and dealing with related party

This policy applies to transactions between the Company and one or more of its related parties. It provides a framework for proper conduct and documentation of all related party transactions including material transactions. Transactions covered by this policy include any contract or arrangement with a related party with respect to transactions defined hereunder as “Related party transaction”.

3. Definitions

“**Act**” means the Companies Act, 2013 (‘Act’) read with the Rules thereto including any subsequent amendments thereof.

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

“**Arm Length Price**” means the price at which a willing seller and an unrelated willing buyer will freely agree to a transaction.

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

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

“**Associate Company**” means in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

“**Control**” as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner which includes (a) ownership, directly or indirectly, of more than one half of the voting power of an enterprise, and (b) a substantial interest in voting power and the power to direct, by statute or agreement, the financial and/or operating policies of the enterprise.

Provided that a Director or Officer of a Company shall not be considered to be in control over such target company, merely by virtue of holding such position.

“Joint venture” means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement;

“Key Managerial Personnel” mean key managerial personnel as defined under the Companies Act, 2013 and includes

- I. Managing Director, or Chief Executive Officer or Manager
- II. Whole-time Director;
- III. Company Secretary; and
- IV. Chief Financial Officer
- 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.

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent amendments thereof.

“Material transactions” means Related Party Transactions defined under Regulation 23 of the Listing Regulations. Accordingly a transaction is considered material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crore or 10% (ten per cent) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

“Material Modification” means and include any modification to an existing Related Party Transaction having variance of 20% of the existing limit or Rs.10 crore whichever is higher, as sanctioned by the Audit Committee/ Shareholders, as the case may be.

Provided that the above thresholds shall be subject to regulation 23 of the SEBI Listing Regulations specifying certain conditions/ thresholds for obtaining shareholders’ approval in case of Material Related Party Transaction.

Regulation 23 (1A) Material RPT thresholds in case of a transaction involving payments made to a related party with respect to **brand usage or royalty revised**. Transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeding five percent (5%) of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity shall be considered material.

“Office or place of profit” means any office or place-

(i) where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

(ii) where such office or place is held by an individual other than a director or by any firm, private Company or other body corporate, if the individual, firm, private Company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation or otherwise.

“Ordinary course of business”

The term “ordinary course of business” has been used in the fourth proviso to Section 188(1) of the Companies Act, 2013 though the same has not been specifically defined under the Companies Act, 2013 or the Companies Rules, 2014 or in the Listing Regulations of SEBI.

Thus, it would depend on facts and circumstances of each case. The management of the Company would

therefore exercise judgment to conclude whether a transaction can be considered to be in the ordinary course of business.

Transactions with related parties will be considered in ordinary course if they are entered in pursuance of the business objective of the company and necessary for the Company's operations or related financial activities.

"Related Party" is a party as defined in Section 2(76) of the Companies Act, 2013 read with Rules thereto and clause (zb) of Regulation 2 of the Listing Regulations.

As per Section 2(76) of the Companies Act, 2013:

"Related party", with reference to a company, means-

- I. a director or his relative
- II. a key managerial personnel or his relative;
- III. a firm, in which a director, manager or his relative is a partner;
- IV. a private company in which a director or manager or his relative is a member or director;
- V. a public company in which a director and manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital;
- VI. anybody corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- VII. any person on whose advice, directions or instructions a director or manager is accustomed to act:
Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity;
- VIII. anybody corporate which is—
 - (A) a holding, subsidiary or an associate company of such company;
 - (B) a subsidiary of a holding company to which it is also a subsidiary; or
 - (C) an investing company or the venturer of the company;
- IX. a director [other than an independent director] or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.

As per Regulation 2(zb) of the Listing Regulations-

"Related party" means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:
 - i. of twenty per cent or more; or
 - ii. of ten per cent or more, with effect from April 1, 2023;

in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year;

shall be deemed to be a related party.

As per Accounting Standards-

As per Indian Accounting Standards / (Ind AS) 24 a related party is a person or entity that is related to the

entity that is preparing its financial statements (referred to as the 'reporting entity').

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control of the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in **point (a) above**.
 - (vii) A person identified in **point (a)(i)** has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

"Relative", means relative as defined under section 2(77) the Companies Act, 2013 and includes anyone who is related to another, if –

- i. They are members of a Hindu Undivided Family;
- ii. They are husband and wife; or
- iii. Father (including step-father)
- iv. Mother (including step-mother)
- v. Son (including step-son)
- vi. Son's wife
- vii. Daughter
- viii. Daughter's husband
- ix. Brother (including step-brother)
- x. Sister (including step-sister)

"Related Party Transaction" or "RPT" means transactions as given under clause (a) to (g) of sub-section (1) of Section 188 of the Act and the corresponding Rules thereto and as defined in clause (zb & zc) of Regulation 2 of the Listing Regulations:

As per Section 188 of the Companies Act, 2013:

- 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; and
- g) underwriting the subscription of any securities or derivatives thereof, of the company:

As per clause (zc) of Regulation 2 of the Listing Regulations:

Related party transaction” means a transaction involving a transfer of resources, services or obligations between:

- (i) A listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, 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 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.

Provided that the following shall not be 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;
- (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. subdivision 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.

As per Accounting standard:

As per Indian Accounting Standards (Ind AS) 24 a related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

“**Significant Influence**” means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement.

Subsidiary /Wholly-owned

As per section 2(87) of the Companies Act, 2013 subsidiary company or subsidiary;

in relation to any other company (that is to say the holding company), means a company in which the holding company—

- (i) controls the composition of the Board of Directors; or
- (ii) exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:

4. Material RPTs

Further, all material RPTs defined under Regulation 23 of Listing Regulations, whether in ordinary course of business and/or arm's length basis or not, shall require approval of the Board and shareholders, and the related parties shall abstain from voting on such resolutions irrespective of whether the entity is a party to the particular transaction or not.

Transaction involving payment made to related party with respect to brand usage or royalty, exceeding 5% of annual consolidated turnover of the Company as per the last audited financial statement, shall also be considered as material RPT under Listing Regulations.

RPTs exceeding the limits prescribed under the Act and not in ordinary course of business and/or arm's length basis, shall require prior approval of the Board and shareholders, respectively.

5. Threshold limits

Pursuant to Regulation 23 of Listing Regulations amended on May 9, 2018, the threshold limits for RPTs for granting omnibus approval for each financial year is as under:

A. For Audit Committee prior omnibus approval

S.No.	Criteria	Amount
1	Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year.	10% of Annual Turnover or Rupees 1000 Crores, whichever is lower
2	Maximum value per transaction which can be allowed.	1 Cr.

B. For Shareholders approval

The Companies Act, 2013 requires prior approval of related party transactions which are not in the ordinary course of business or are not at arm's length or both, by the board as well as by shareholders by a resolution, if the related party transaction exceeds following thresholds, with concerned related party abstaining from voting (*Section 188*):

Nature of transaction	Transaction value
Sale, purchase or supply of any goods or materials directly or through appointment of agents [Section 188 (1) (a)]	10% or more of the Turnover* of the Company
Buying, selling or disposing of property of any kind directly or through appointment of agents [Section 188 (1) (b) & (e)]	10% or more of the Net Worth* of the Company
Leasing of any kind of property [Section 188 (1)(c)]	10% or more of the Turnover* of the Company
Availing or rendering of any services directly or through appointment of agents [Section 188 (1) (d) & (e)]	10% or more of the Turnover* of the Company
Appointment to any office or place of profit in the Company, its Subsidiary Company or Associate Company [Section 188(1)(f)]	Monthly remuneration > 250,000
Remuneration for underwriting the subscription of any securities in or derivatives thereof [Section 188 (1) (g)]	> 1% of net worth

*Turnover or net worth shall be as per annual audited financial statement of the preceding financial year

Note: It is hereby clarified that the limits specified above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

6. Procedure

A. Disclosure by Directors and KMPs

Every Director & KMP shall at the beginning of the financial year provide information by way of written notice to the Company regarding his concern or interest in the entity with specific concern to parties which may be considered as related party with respect to the Company and shall also provide the list of relatives which are regarded as related party as per this policy. Directors and KMPs are also required to provide the information regarding their engagement with other entity during the financial year which may be regarded as related party according to this policy.

B. Identification of Transaction with related Parties

Each Director and Key Managerial Personnel is responsible for providing notice to the Company of any potential Related Party Transaction where he may be considered interested. Audit Committee will determine whether a transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy. The Directors and KMPs will ensure that their notice of any potential Related Party Transaction is delivered well in advance so that the Audit Committee has adequate time to obtain and review information about the proposed transaction.

The Managing Director ("MD") or the Chief Financial Officer ("CFO") is responsible for identification of the potential related party transactions and to provide necessary information in advance to the Company Secretary for initiating the process to obtain the necessary approvals of the Audit Committee/Board/Shareholders. Further, the Chief Financial Officer and the Managing Director are responsible for providing additional information about transactions that the Board / Audit Committee may request, for being placed before the Audit Committee / Board.

C. Review and approval of Related Party Transaction

i. Audit Committee Approval

All Related Party Transactions "RPTs" in which the Company is a party including any modification/renewal thereof shall require prior approval of the Audit Committee. Accordingly, all proposed Related Party Transactions must be reported to the Audit Committee for prior approval by the Committee.

Further, members of the Committee who are Independent Directors shall approve the RPTs.

Any member of the Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

The Management/CFO of the Company shall provide to the Committee all relevant material information of all Related Party Transaction(s), including the terms of the transaction(s), the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters *inter alia* including the following:

- (i) the name of the related party and nature of relationship;
- (ii) the nature, duration of the contract and particulars of the contract or arrangement;
- (iii) the material terms of the contract or arrangement including the value, if any;
- (iv) any advance paid or received for the contract or arrangement, if any;
- (v) the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- (vi) 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
- (vii) any other information relevant or important for the Committee to take a decision on the proposed transaction.

The Committee will also consider the following factors, among others, to the extent relevant for approval of the proposed Related Party Transaction:

- a) Type, material terms and particulars of the proposed transaction;
- b) 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);
- c) Tenure of the proposed transaction(particular tenure shall be specified);
- d) Value of the proposed transaction;
- e) 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);
- f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i. details of the source of funds in connection with the proposed transaction;
 - ii. 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;
 - iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
- g) Justification as to why the RPT is in the interest of the listed entity;
- h) A copy of the valuation or other external party report, if any such report has been relied upon;
- i) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j) Any other information that may be relevant

Subject to the provisions of the applicable laws, the Audit Committee will have the discretion to approve/modify/recommend/refer the proposed Related Party Transaction for the approval of Board or shareholders. Also, Material Modifications in the RPTs in which the Company is not a party but a subsidiary of the Company is a party shall require prior approval of the Committee.

And, in the event such transaction, contract or arrangement is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement.

Omnibus approval by Audit Committee

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:

- (i) The Audit Committee shall lay down the criteria for granting an omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of Related Party Transactions which are repetitive in nature.
- (ii) The Audit Committee shall satisfy itself of the need for such omnibus approval and that such approval is in the interest of the company;
- (iii) Such omnibus approval shall specify:

- i. the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - ii. the indicative base price / current contracted price and the formula for variation in the price if any and
 - iii. such other conditions as the Audit Committee may deem fit;
- (iv) Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding "10% of Annual Turnover or Rupees 1000 Crores, whichever is lower" subject to maximum value of Rs.1 crore per transaction (as mentioned under point 5 i.e. Threshold limits).
- (v) Audit Committee shall review, atleast on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.
- (vi) Such omnibus approvals shall be valid for a period not exceeding one financial year and shall require fresh approvals after the expiry of the financial year.

ii. Board of Directors Approval

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and the rules framed thereunder and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.

In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

- a) 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 approval;
- b) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;
- c) Transactions meeting the materiality thresholds laid down in Clause 5 of the Policy, which are intended to be placed before the shareholders for approval.

Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

- a. the name of the related party and nature of relationship;
- b. the nature, duration of the contract and particulars of the contract or arrangement;
- c. the material terms of the contract or arrangement including the value, if any;
- d. any advance paid or received for the contract or arrangement, if any;
- e. the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- f. 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
- g. any other information relevant or important for the Board to take a decision on the proposed transaction.

The Independent Directors shall pay sufficient attention and ensure that adequate deliberations are held before approving Related Party Transactions which are not in Ordinary Course of Business and not on arm's length and Material Specific Transactions and assure themselves that the same are in the interest of the Company and its shareholders.

iii. Shareholder approval

All transactions meeting the materiality thresholds laid down in Clause 5 of the Policy and any material modification thereto as specified in clause 3 of the policy, are required to be placed before the shareholders for approval through ordinary resolution, post approval by the Audit Committee and Board.

The notice being sent to the shareholders seeking approval for any proposed RPT shall, include:

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

In addition to the requirements under the Companies Act, 2013, shall include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee as specified in point B(i) above;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point B(i) 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 listed entity 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.

If any member of Company is a related party as per this policy, such member of the Company shall not vote on resolution passed for approving such related part transaction.

iv. Transactions which do not require approval

Any transaction entered into by the Company with a Related Party in its ordinary course of business and on an arm's length basis shall not require approval of the Board of Directors and shareholders of the Company, however all the related party transactions shall be approved/confirmed/ratified by the Audit Committee.

v. Related Party Transactions not approved under this Policy

If a Related Party Transaction is entered into by the Company without being approved under this Policy, the same shall be reviewed by the Committee. The Committee shall evaluate the transaction and may decide such action as it may consider appropriate including ratification, revision or termination of the Related Party Transaction within three months from the date on which such contract or arrangement was entered into.

In case the related party transaction is not concluded within the said period and in the provided manner, the transaction shall be voidable at the opinion of the Board or the shareholders, as the case may be.

7. Disclosures

1. Every contract or arrangement entered into shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
2. The Company will disclose to the stock exchange along with the compliance report on corporate governance on a quarterly basis details of all material related party transactions.
3. The Company is required to disclose details of related party transactions entered into in the notes to accounts of their financial statements.
4. Director's report will contain details of contracts or arrangements or transactions that are
 - (i) not at arm's length basis and
 - (ii) material and at arm's length basis.
5. As mandated under the SEBI LODR, the policy shall be published on the Company's website i.e. www.vmart.co.in and in the Company's Annual Report.

8. Applicability & Amendment

Any Changes to the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee or the Board or Chief Financial Officer of the Company subject to approval of audit Committee. The Audit Committee/ Board will give suitable directions/ guidelines to implement the same.

In the event, any provisions contained in this Policy is inconsistent with the provisions contained in the Listing Regulations, the Companies Act, 2013 or Accounting Standards, etc. or any amendments thereto, (Regulatory Acts), the provisions contained in the Regulatory Acts will prevail.

9. Annexure - 1

Notice of Interest by Director/KMP

To
 The Board of Directors
 V Mart Retail Limited

Dear Sir(s)

I,, son/daughter/spouse of, resident of, being a Director/KMP in the Company hereby give notice of my interest or concern in the following Company or Companies, bodies corporate, firms or other association of individuals: -

Names of the Companies/bodies/ corporate/firms/association of individuals	Nature of interest or concern/change in interest or concern	Shareholding	Date on which interest or concern arose/ changed

Place:
 Date:

Signature:
 MD/ Director/
 Secretary/ WholeTime
 Director/CFO

10. Annexure - 2***LIST OF
RELATIVES***

NO.	Relationship	Full Name	Address	Shareholding in V-Mart
1	Spouse			
2	Father (including Step-Father)			
3	Son (including Stepson)			
4	Daughter			
5	Daughter's Husband			
6	Brother (Including Step-Brother)			
7	Sister (Including Step-Sister)			
8	Mother (including Step-Mother)			
9	Son's Wife			
10	Members of HUF			

11. Annexure - 3**Related party transaction - Profile for approval of Audit Committee****Overview**

Name of the party	
Nature of relationship	
Date of contract/arrangement or transaction	

Rationale

Particulars of the proposed related party transaction	Nature of the transaction, value, volume, duration, material terms etc.
Historical perspective	Transactions with the related party Similar transactions with other related parties, other independent third party.
Business justification	
Justification for choosing the related party for the transaction	
Basis and pricing	
