

Mercantile Ventures Limited

Registered Office: SPIC House, 88, Mount Road, Guindy, Chennai – 600 032

POLICY ON MATERIALITY OF TRANSACTIONS WITH RELATED PARTIES

(Pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015)

- a. All transactions with related parties shall be in the ordinary course of business and at arms' length within the meaning of Section 188 of the Companies Act 2013 (the Act) and other applicable provisions. Transactions not conforming to the above shall be subject to such approvals as prescribed under the relevant law.
- b. All transactions with the Related Parties shall be subject to prior approval of the Audit Committee unless exempted under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (the Regulations) or the Act or other relevant rules and regulations.
- c. The Audit Committee shall accord the approvals strictly in accordance with the provisions of the Regulations, the Act and other applicable laws.
- d. For the purpose of determining material related party transactions (other than payment for brand usage or royalty) during a financial year, the threshold limit shall be
 - Ten per cent of the consolidated turnover of the company during the preceding financial year for transactions other than payment for brand usage or royalty and
 - Two per cent of the consolidated turnover of the company during the preceding financial year for payment towards brand usage or royalty.

Provided that the aforesaid threshold limits shall stand modified automatically to align with any changes to the Regulations or other applicable laws for the time being in force.
- e. The aggregate of the transactions with a related party exceeding the aforesaid limits shall be treated as material requiring such approvals prescribed under the Regulations or other applicable laws.
- f. This Policy shall remain in force for a period of three years from 1st April 2019 unless modified by the Board.**