

# **Vinayak Vaniya Limited**

## **Policy on Materiality & Dealing with RPT**

# **1. PREAMBLE**

The Board of Directors of Vinayak Vanijya Limited (“Company”) has adopted this Policy on Related Party Transactions (“Policy”) pursuant to the recommendation of the Audit Committee in compliance with:

- Section 177 and Section 188 of the Companies Act, 2013
- Companies (Meetings of Board and its Powers) Rules, 2014
- Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”)
- Applicable Indian Accounting Standards
- Any statutory modification or re-enactment thereof

This Policy lays down the framework for identification, approval, review, disclosure and monitoring of Related Party Transactions (“RPTs”) in order to ensure transparency and protection of shareholders’ interests.

# **2. OBJECTIVE**

The objective of this Policy is to ensure:

- proper identification of Related Parties
- prior approval of Related Party Transactions
- arm’s length dealings
- compliance with legal requirements
- enhanced transparency in disclosures
- protection of minority shareholders
- governance of material related party transactions

# **3. DEFINITIONS**

## **3.1 Audit Committee**

Means the Audit Committee constituted by the Board under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations.

## **3.2 Board**

Means the Board of Directors of the Company.

## **3.3 Related Party**

A Related Party shall have the meaning assigned under:

- Section 2(76) of the Companies Act, 2013
- Regulation 2(1)(zb) of SEBI Listing Regulations
- Applicable Accounting Standards

### **3.4 Related Party Transaction**

A Related Party Transaction means a transaction involving transfer of:

- resources
- services
- obligations

between the Company and a Related Party, regardless of whether a price is charged.

It includes but is not limited to:

- sale or purchase of goods
- sale or purchase of property
- lease of property
- availing or rendering of services
- appointment to office or place of profit
- loans
- guarantees
- securities subscription
- transfer of employees
- royalty payments
- business contracts

### **3.5 Material Related Party Transaction**

A transaction shall be considered material if:

- individually or taken together with previous transactions during a financial year,
- it exceeds **₹1,000 crore or 10% of the annual consolidated turnover of the Company**, whichever is lower,

or such other threshold as prescribed under SEBI Listing Regulations from time to time.

## **4. IDENTIFICATION OF RELATED PARTIES**

Every Director and Key Managerial Personnel shall provide to the Company:

- list of relatives
- entities in which they hold interest
- firms in which they are partners
- companies where they are directors

- shareholding interests
- changes in disclosures immediately upon occurrence

The Company Secretary shall maintain an updated database of Related Parties.

## **5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

### **5.1 Prior Approval of Audit Committee**

All Related Party Transactions shall require prior approval of the Audit Committee.

The Audit Committee shall consider:

- whether transaction is in ordinary course of business
- whether transaction is at arm's length
- business rationale
- benefit to the Company
- pricing mechanism
- potential conflict of interest
- impact on minority shareholders

Interested members shall abstain from participation.

### **5.2 Omnibus Approval**

The Audit Committee may grant omnibus approval for repetitive transactions subject to:

- name of related party
- nature of transaction
- period of transaction
- maximum amount
- pricing basis
- justification

Such approval shall:

- remain valid for one financial year
- be reviewed periodically
- comply with Regulation 23 of SEBI Listing Regulations

## **5.3 Approval by Board**

Where required by law or considered appropriate, the transaction shall also be placed before the Board for approval.

Interested Directors shall not participate in such approval.

## **5.4 Approval by Shareholders**

Material Related Party Transactions and subsequent material modifications shall require approval of shareholders through resolution.

All Related Parties shall abstain from voting whether the entity is a related party to the particular transaction or not, in accordance with SEBI amendments.

## **6. MATERIAL MODIFICATION**

A “Material Modification” shall mean any modification to an approved Related Party Transaction involving:

- increase in transaction value by 20% or more; or
- change in nature of transaction; or
- change in pricing basis; or
- extension beyond approved tenure

or such threshold as may be determined by the Audit Committee.

Material modifications shall require fresh approval.

## **7. TRANSACTIONS NOT REQUIRING APPROVAL**

The following may be exempt subject to legal provisions:

- transactions between holding company and wholly-owned subsidiary
- transactions between wholly-owned subsidiaries
- transactions specifically exempt under law

provided proper disclosure is made.

## **8. TRANSACTIONS NOT PREVIOUSLY APPROVED**

Where a transaction is entered without prior approval:

- it shall be placed before the Audit Committee promptly
- the Committee may ratify, modify or terminate the transaction
- the Company may take corrective action as appropriate

## **9. DISCLOSURE REQUIREMENTS**

The Company shall disclose:

### **In Financial Statements**

- details of Related Party Transactions as per Accounting Standards

### **To Stock Exchange**

- material Related Party Transactions
- policy on materiality
- half-yearly disclosures in prescribed format

### **On Website**

This Policy shall be hosted on the website of the Company.

### **In Annual Report**

The Board's Report shall contain required disclosures under the Companies Act, 2013.

## **10. ROLE OF COMPANY SECRETARY**

The Company Secretary shall:

- maintain register of contracts
- monitor compliance
- obtain approvals
- maintain related party database
- ensure disclosures
- assist Audit Committee

For the Company:

**Ms. Sunayana Anand**  
**Company Secretary & Compliance Officer**

shall coordinate implementation of this Policy.

## **11. MONITORING AND REVIEW**

The Audit Committee shall periodically review:

- all Related Party Transactions
- compliance status
- material modifications
- adequacy of disclosures

The Board may amend this Policy based on regulatory changes.

## **12. CONSEQUENCES OF NON-COMPLIANCE**

Non-compliance may result in:

- cancellation of transaction
- disciplinary action
- reporting to regulators
- financial restatement
- legal consequences under applicable law

## **13. AMENDMENT**

Any amendment to this Policy shall be approved by the Board based on recommendation of the Audit Committee.

Where any provision becomes inconsistent with law, the law shall prevail automatically.

## **14. EFFECTIVE DATE**

This Policy shall come into force from the date approved by the Board and shall remain in force until modified.

**For and on behalf of the Board of Directors**

**Vinayak Vanijya Limited**

**Mukhtar Singh**

Whole-time Director

DIN: 06525800