



RELATED PARTY TRANSACTION POLICY

FSN E-COMMERCE VENTURES LIMITED

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Table of Contents

1. PURPOSE OF THIS POLICY.....	2
2. DEFINITIONS.....	2
3. MATERIALITY THRESHOLDS	5
4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS.....	6
5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS	7
6. LIMITATION AND AMENDMENT	11
7. DISCLOSURE OF THE POLICY	11
8. VERSION HISTORY	12



1. PURPOSE OF THIS POLICY

A. FSN E-Commerce Ventures Limited (“FSN E-Com” or “Company”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

B. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“**Act**”) read with the Rules framed thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), as amended from time to time, the Company has formulated this Policy on Related Party Transactions (“**Policy**”) which also includes the section on determining materiality threshold for related party transactions. This Policy regulates all transactions between the Company and its Related Parties (as defined below).

C. The Board of Directors of the Company (“Board”) on recommendation of the Audit Committee of the Company (“Audit Committee”) shall review the Policy once in three years and may amend the same from time to time.

D. In case of any inconsistency in the Policy and the Act / Listing Regulations, as may be amended from time to time, the provisions of the Act / Listing Regulations would prevail.

2. DEFINITIONS

- i. “**Company**” means FSN E-Commerce Ventures Limited.
- ii. “**Act**” shall mean the Companies Act, 2013 and includes any amendment thereof.
- iii. “**Listing Regulations**” means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



- iv. **“Audit Committee”** means Committee of the Board of Directors of the Company constituted under provisions of the Act and Listing Regulations.
- v. **“Annual Consolidated Turnover”** is defined as Total Income of the last Annual Audited Consolidated Financial Statements of the Company.
- vi. **“Relative”** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder
- vii. **“Related Party”** have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations (as amended from time to time).

viii. **“Related Party Transaction”**

- a. for the purpose of the Act, specified transaction of the Company with Related Parties mentioned in clause (a) to (g) of sub-section 1 of Section 188 and clause (iv) of sub-section 4 of Section 177 of the Act; and
- b. for the purpose of Regulation 2(1)(zc) of the Listing Regulations, a transfer of resources, services or obligations between:
 - the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;
 - the Company 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 Company or any of its subsidiaries

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 this definition shall not be applicable for the units issued by Mutual Funds which are listed on Recognized Stock Exchanges.



Following **shall not be considered** as Related Party Transaction of the Company in terms of the Listing Regulations:

- (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) payment of dividend by the Company
- (c) sub-division or consolidation of securities by the Company
- (d) issuance of securities by way of a rights issue or a bonus issue and
- (e) buy-back of securities.

ix. **“Material Related Party Transaction”** means a transaction with a Related Party:

- if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 crores or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, or
- the transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions of the Company, exceed 5% (five percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

x. **“Key Managerial Personnel”** or **“KMP”** shall have the meaning as defined in the Companies Act 2013.

xi. **“Ordinary Course of Business”** if the transactions satisfy any of the following criteria, such transactions will be generally considered as in the Ordinary Course of Business:

- i) The memorandum of association of the Company should cover such transaction;
- ii) There are previous instances of the Company having carried out such transaction;
- iii) These transactions are frequent over a period of time;



- iv) The transactions are in furtherance of the business objectives of the Company or are important to the business objective of the Company;
- v) The transactions are incidental to the FMCG/ E-commerce industry/ part of standard industry practices or are usual transactions of the FMCG/ E-Commerce industry in order to conduct business operations

xii. **“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.

xiii. **“Material modification”** means any modification made to an existing related party transaction having **variance more than 10% of the approved limit or any change in significant terms and conditions** (e.g. – pricing, tenure, etc.) of an existing related party contract

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), as amended from time to time.

3. MATERIALITY THRESHOLDS:

Regulation 23 of the Listing Regulations requires a company to provide materiality thresholds for transactions beyond which approval of the shareholders through resolution will be required and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

The Company has fixed its materiality threshold at Rs 1,000 crore or 10% of the annual consolidated turnover of the Company as per last audited financial statements of the Company, **whichever is lower**, for the purpose of Regulation 23 of the Listing Regulations.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% (five percent) of the annual



consolidated turnover of the Company as per the last audited financial statements of the Company

4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS:

4.1 Identification of the Related Party

The Company shall periodically identify and update the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed there under and Regulation 2 of the Listing Regulations.

The Secretarial Department of the Company needs to inform any change in the list of Related Parties to the Finance & Accounts team of the Company to identify the Related Party Transactions.

Every Director and Key Managerial Personnel (KMP) shall, at the time of appointment, annually and whenever there is any change in the information already submitted, provide the requisite information about all persons, firms, entities in which he is interested, whether directly or indirectly, to the Company Secretary.

On the basis of the above referred information received and basis the Act and the Listing Regulations, a consolidated list of related parties shall be prepared.

4.2 Identification of the Related Party Transactions

The Company shall identify related party transactions in accordance with Section 188 of the Act and Regulation 2 of the Listing Regulations (as amended from time to time).

The Company shall also determine whether the transaction(s) is in the ordinary course of business and on an arm's length basis and for this purpose, the Company may seek external expert opinion, if necessary.



5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

5.1 Approval of Related Party Transactions

A. Audit Committee

- A.1 All related party transactions and subsequent Material Modifications thereto shall require prior approval of the Audit Committee (only Independent Directors, who are members of the Audit Committee, shall review and approve the related party transactions), whether at a meeting or by resolution through circulation. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- A.2 All Related Party Transactions to which subsidiary of the Company is a party to but the Company is not a party, the value of which exceeds the thresholds as prescribed under Regulation 23 of the Listing Regulations, shall require prior approval of the Audit Committee.
- A.3 Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders as discussed subsequently.
- A.4 Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. However, in case of Related Party Transactions which cannot be foreseen and in which the conditions set out in Regulation 23(3) of the Listing Regulations are not available, the Audit Committee may grant omnibus approval provided the value does not exceed INR 1,00,00,000 per



transaction.

A.5 The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

A.6 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.

A.7 The requirement for seeking Audit Committee approval for related party transactions shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies or between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company.

B. Board of Directors

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, or (iii) requires shareholder approval as specified in C below, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. 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.

C. Shareholders

All the transactions with related parties exceeding the materiality thresholds, laid down in Clause 3 of the Policy, and any subsequent Material Modification to a Material Related Party Transaction, are placed before the shareholders for approval.



For this purpose, all entities falling under the definition of related parties, irrespective of whether the entity is a party to the particular transaction or not, shall abstain from voting on such resolution. Material Modifications to the said Related Party Transactions shall also require prior approval of the Shareholders.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

However, the requirement of shareholders' approval shall not be applicable for transactions entered into:

- (i) between the Company and its wholly-owned subsidiary or
- (ii) between two wholly-owned subsidiaries of the Company,

whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

- D.** In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy. The Audit Committee shall consider all relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. In any case, where the Audit Committee determines not to ratify a Related Party Transaction that has been commenced without approval; the Audit Committee, as appropriate, may direct additional actions,



including but not limited to, immediate discontinuation or rescission of the transaction.

E. Transactions for which separate approval for Related Party Transaction is not required

The transactions or arrangements which are specifically dealt under the separate provisions of the Law and executed under the separate approvals/procedures from relevant competent authority or Board or Committee shall be deemed to be approved under this Policy and are not required to be separately approved under this Policy.

Such transactions are enumerated as below:

- Transaction pertaining to appointment and remuneration of Directors and Key Managerial Personnel (including any variations thereto) that has already been approved by the Nomination and Remuneration Committee and the Board of Directors of the Company
- Share based incentive plans (including ESOPs) for the benefits of the Directors and/or Key Managerial Personnel, pursuant to the approval of the Shareholders
- Any benefits, interest arising to Related Party solely from the ownership of Company's shares at par with other holders, for example, dividends, right issues, stock split or bonus shares approved by the Nomination and Remuneration Committee or any other Board composed committee or Board.
- Contribution to Corporate Social Responsibility (CSR) obligations, which are approved by the CSR & ESG Committee and within the overall limits approved by the Board of Directors of the Company.

F. Reporting of Related Party Transactions

The Company shall disclose, in its Annual Report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.



Further, the Company will disclose all transactions with promoter/promoter group entities in the format prescribed in the relevant accounting standards, for annual results.

In addition to the above, the Company shall also provide details of all related party transactions exceeding the materiality threshold (laid down in Clause 3 of the Policy above) on a quarterly basis to the stock exchanges along with the compliance report on corporate governance pursuant to Listing Regulations.

Further, the Company shall submit to the stock exchanges on half-yearly basis, within the time as prescribed by SEBI from time to time, the disclosures of related party transactions in the format as may be specified by SEBI from time to time, and publish the same on the website of the Company.

6. LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

However, the Chief Financial Officer and the Company Secretary & Compliance Officer are jointly authorized to provide clarifications or to amend the Policy to give effect to any changes / amendments in the Act or Listing Regulations or any other applicable SEBI Regulations. Consequently, the policy shall be placed before the Audit Committee and the Board for their ratification.

7. DISCLOSURE OF THE POLICY

This Policy will be uploaded on the website of the Company and a web link to the policy shall be provided in the Annual Report.

8. VERSION HISTORY

S.No.	Version	Created by	Approved By	Effective Date	Amendment Summary
1	1.1	Finance & Accounts	Board of Directors	10/11/2021	Policy drafted
2	1.2	Secretarial and Finance & Accounts	Board of Directors	22/05/2024	Revised Policy due to change in Regulations