

MERCANTILE VENTURES LIMITED
Principal off.: 88, Mount Road, Guindy, Chennai- 600 032

Policy for determining Related Party Transactions.

Introduction

The Board of Directors (the "Board") of Mercantile Ventures Limited (the "Company") adopts the following policy and procedures with regard to Related Party Transactions (RPT) as defined below, in compliance with the requirements of Section 188 of the Companies Act 2013 and Rules made there under and any subsequent amendments thereto (the "Act") and Listing Agreement with the Stock Exchange and other applicable provisions, in order to ensure the transparency and procedural fairness of such transactions

Purpose & Intention of the Policy

This policy is intended to ensure the proper approval and reporting of transactions as applicable, between the Company and any of its related party in the best interest of the Company and its Stakeholders. Provisions of this policy are designed to govern the transparency of approval process and disclosures requirements to ensure fairness in the conduct of related party transactions, in terms of the applicable laws. Further, the Board may amend this policy from time to time as may be required. The Audit Committee of Directors ("Audit Committee"), shall review, approve and ratify Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on Related Party Transactions must be consistent with the Companies Act 2013, including the Rules promulgated there under and Clause 49 of the Listing Agreement and other applicable provisions and must be approved in the manner as may be decided by the Board of Directors.

Material Related Party Transactions as defined under the Listing Agreement

All material related party transactions will be placed for approval of the shareholders of the Company. A transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.

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DISCLOSURE

Every Related Party Transactions or contract or arrangement entered shall be disclosed in the following manner:

- In the Board's report to the shareholders along with the justification for entering into such contract or arrangement;
- Details of all material transactions with related parties shall be disclosed along with the compliance report on corporate governance; and
- The company shall disclose the policy on dealing with Related Party Transactions in its website and also in the Annual Report.