



V2 RETAIL LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) the Board of Directors (“the Board”) of V2 Retail Limited (“the Company”) has adopted the following policy with respect to the determination of Material Subsidiaries.

2. Policy Objective

The objective of this policy is to lay down criteria for identification and dealing with Material Subsidiaries and to formulate a governance framework for subsidiaries of the Company.

3. Definitions

- i. **“Act”** means Companies Act, 2013.
- ii. **“Audit Committee”** means “Audit Committee” constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii. **“Board of Directors”** or **“Board”** means the “Board of Directors” of V2 Retail Limited, as constituted from time to time.
- iv. **“Company”** means V2 Retail Limited.
- v. **“Independent Director”** means a Director of the Company, not being a Managing or Whole-Time Director or a Nominee Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies the criteria of independence as prescribed under the provisions of the Companies Act, 2013 (including the rules prescribed thereunder) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactments thereof for the time being in force).
- vi. **“Material Subsidiary”** It shall mean a subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of the listed entity & its subsidiaries in the immediately preceding accounting year.
- vii. **“Unlisted Subsidiary”** shall mean a subsidiary not listed on the recognized Stock Exchanges.



- viii. **“Policy”** means this Policy, as amended from time to time.
- ix. **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.
- x. **“Subsidiary”** shall mean a subsidiary as defined under the Act and the rules made thereunder.

4. Provision with regard to Subsidiary Companies

- a. The Audit Committee of the Company shall, periodically, review the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- b. The minutes of the Board meetings of the unlisted subsidiary companies shall, periodically, be placed at the Board meeting of the Company.
- c. The management should periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

5. Provisions with regard to Material Subsidiary Companies

- a. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation - For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

- b. The Audit Committee shall on an annual basis review the list of all subsidiary companies of the Company for determining/ considering their materiality, as defined herein, and make suitable recommendations.
- c. The Company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.



- d. The Company shall not sell, dispose and lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing special resolution in its General Meeting, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court / Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- e. The material unlisted Indian subsidiary of the Company shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with its annual report.

6. Amendment(s)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, based on the recommendations of the Audit Committee and as per the requirements of the Act or Regulations or guidelines and any such other enactments/rules as may be applicable.

7. Disclosures

The Policy shall be disclosed on the Company's website and a weblink thereto shall also be provided in the Annual Report of the Company.

8. Interpretation

In the event of any conflict between the provisions of this Policy and the Act or Regulations or any such other statutory enactments/ rules, as applicable shall prevail over this Policy.