



VRS Foods Limited (Paras Dairy)

Related Party Transactions Policy

VRS FOODS LIMITED

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1. ABOUT THE COMPANY

Paras history reflects back to 1960, when the procurement of milk started with 60 Litres of milk. The only fundamental that worked right from day one is the quality, which got reinforced everyday of progress. Ch. Ved Ram, the founder of the Company one the connoisseurs in the dairy farm industry, Ved Ram & Sons started as our partnership firm in April 1986. Our first unit was established in 1987 and the rapidly changing technology, production units are well armed with latest equipment's.

The Company has build a legacy of unmatched quality and is today recognized across the globe as a leading Manufactures, Exporters and Suppliers of wide range of Dairy Products. It has established itself as the market leader in dairy products, and research and technology development with the honesty, transparency, dedication and convictions the founding philosophy. The Company has been committed to growth, professional excellence & community development.

2 OBJECTIVE OF THE POLICY

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the company and its shareholders. Considering the requirements for approval of related party transactions as per Section 188 of the Companies Act, 2013 ("Act") read with the Rules framed there under. VRS Foods Limited ("The Company") has formulated guidelines for identification of related parties and proper conduct and documentation of all related party transactions.

The Board of Directors ("the Board") of VRS Foods Limited ("the Company"), has adopted related party transactions policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

3. DEFINITIONS

"Arm's length transaction" means a transaction between two related parties that is conducted as if unrelated, so that there is no conflict of interest.

"Related Party" with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013.

"Related Party Transaction" means Specified transaction mentioned in clause (a) to (g) of sub section 1 of Section 188 of the Companies Act, 2013.

"Transaction" with related party shall be construed to include single transaction or group of transaction in a contract.

4. DEALING WITH RELATED PARTY TRANSACTIONS

a) Identification of Related Parties

Formulated guidelines for identification related parties as prescribed section 2(76) of the Companies act, 2013 read with the rules framed there under.

b) Identification of Related Party Transactions

Formulated guidelines of related party transactions in accordance with Section 188 of the Companies act, 2013. Also formulated guidelines for determining whether the transaction is in ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

c) Procedure for approval of Related Party Transaction.

Approval of the Board of Directors of the Company

As per Section 188 of the Companies Act, 2013, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the board for its approval.

Approval of the Shareholder of the Company

As per Section 188 of the Companies Act, 2013, transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual turnover of the Company as per last audited financial statements of the Company. the said transactions are placed before the Shareholder meeting for its approval.

5. AMENDMENTS TO THE POLICY

The Audit Committee of the Company shall review and may amend this policy from time to time, subject to the approval of the Board of Directors of the Company.

Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

6. DISCLOSURE

Company shall disclose, in the Board's report, transactions prescribed in section 188(1) of the Companies act, 2013, with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.