

**PRICOL LIMITED****POLICY ON RELATED PARTY TRANSACTION**

(As adopted on 31<sup>st</sup> October 2016 amended on 19<sup>th</sup> March 2019, 7<sup>th</sup> February 2020, 9<sup>th</sup> February 2022 & 31<sup>st</sup> July 2025)

[Pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

**1. OBJECTIVE**

The Company has formulated this policy to determine the materiality of related party transactions and to lay down the procedure in dealing with the related party transactions. This policy is to regulate the transactions between the Company and its Related Parties as per the laws and regulations applicable to the Company.

**2. DEFINITIONS**

**“Act”** shall mean Companies Act, 2013 as amended from time to time

**“Audit Committee”** means “Audit Committee” constituted by the Board of Directors of Pricol Limited, from time to time, under the Act and the Regulations.

**“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.

**“Deemed Related Party”** means person or entity as defined under Regulation 2(1) (zb) of the Regulations.

**“Key Managerial Personnel”** means the key managerial personnel of the Company as defined under Section 2(51) of the Act and the rules made there under.

**“Material modification”** will mean and include any modification to an existing related party transaction having variance of 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

**“Material Related Party Transaction under Regulations”** means as per Regulation 23 of the Regulations.

**“Material Related Party Transaction under Act”** means the contracts or arrangements with the related party (as defined under section 2(76) of the Act) which is not in the ordinary course of business of the Company or not on an arm’s length basis, and exceeds the limit specified under Rule 15(3) of Companies (Meetings of Board and its Powers) Rules, 2014.

**“Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time

**“Related Party”** means person or entity as defined:

- (i) under section 2(76) of the Act
- (ii) under Regulation 2(1) (zb) of the Regulations and
- (iii) under the applicable accounting standards.

**“Related Party Transaction”** means as defined under Regulation 2(1) (zc) of the Regulations.

**“Relative”** shall mean “relative” as defined in section 2(77) of the Act and rules prescribed there under.

“**Threshold Limit**” means the limit prescribed for Material Related Party Transaction under Act or Material Related Party Transaction under Regulations.

### **3. POLICY**

This policy is framed to be in compliance with the Act and the Regulations.

#### **3.1. IDENTIFICATION OF POTENTIAL RELATED PARTY AND TRANSACTIONS**

Each director and Key Managerial Personnel (KMP) is responsible for providing notice to the Board or the Audit Committee of the list of Related Parties. This list of related parties shall be updated on an annual basis and further changes informed as soon as possible.

Each director as well as KMP shall inform in advance to the Company of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board / Audit Committee may reasonably request. Board / Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

#### **3.2. APPROVAL**

##### **3.2.1 Related Party Transactions including Material Modifications**

- a) shall require prior approval of Audit Committee.
- b) shall require approval of the Board of Directors, if the transaction is not in the Ordinary Course of Business and / or at arm's length.

Provided that certain Related Party Transaction as exempted under Regulation 23 of the Regulations does not require approval of Audit Committee or Board of Directors (as the case maybe), subject to limits as specified, if any.

Audit Committee may also ratify the Related Party Transactions as per Regulation 23 of the Regulations.

##### **3.2.2. Material Related Party Transactions under Regulations**

(Whether it is in the ordinary course of business and / or on arm's length basis)

- a) shall require prior approval of Audit Committee.
- b) shall require approval of the Board of Directors.
- c) shall require prior approval of the shareholders and the Related Parties (irrespective of whether being a party to the particular transaction or not) shall not vote to approve such resolutions.

Provided that certain Related Party Transactions as exempted under Regulation 23 of the Regulations does not require approval of Audit Committee or Board of Directors or Shareholders (as the case maybe), subject to limits as specified, if any.

**3.2.3. Material Related Party Transactions under the Act****3.2.3.1 When the transaction is in the ordinary course of business and on arm's length basis**

- a) shall require prior approval of Audit Committee.
- b) may obtain approval of the Board of Directors.

**3.2.3.2 When the transaction is not in the ordinary course of business and / or not on arm's length basis**

- a) shall require prior approval of Audit Committee.
- b) shall require approval of the Board of Directors.
- c) shall require approval of the shareholders through a resolution and the Related Party to such transaction shall not vote on such resolution to approve the transaction.

The interested director shall not be present at the Audit Committee meeting / Board meeting during the discussions on the subject in which he is interested and shall not vote on the resolution relating to the contract / arrangement / transaction in which he is interested.

The requirement for approval of Audit Committee or Board or Shareholders shall not be applicable for transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

The Company shall periodically reconcile the accounts of the Related Party. The Audit Committee shall periodically review the details of the Related Party Transactions entered into by the Company as per regulations.

**OMNIBUS APPROVAL**

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary which are repetitive in nature subject to the terms and conditions as specified in the regulations.

Criteria for making the omnibus approval

- (a) maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- (b) the maximum value per transaction which can be allowed;
- (c) extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- (d) review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the company pursuant to each of the omnibus approval made.
- (e) transactions which cannot be subject to the omnibus approval by the Audit Committee.

**3.3. Minimum information to be provided for approval of Related Party Transactions**

The Company shall provide the Audit Committee and/or shareholders, as the case may be, with the information as required in the Industry Standards on "Minimum information

to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions”, while placing any proposal for review and approval of a RPT, in addition to any other information to be provided under the Act or Regulations.

### **3.4. Related Party Transactions when not approved under this Policy**

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee.

The Audit Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification as per Regulation 23 of the Regulations, revision or termination of the Related Party Transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Audit Committee under this Policy, and shall take any such action as it deems appropriate.

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. In connection with any review of a Related Party Transaction, the Audit Committee has authority to modify or waive any procedural requirements of this Policy subject to the compliance of statutory requirements.

The Audit Committee may also place its recommendations in this regard to the Board for its approval.

In respect of transactions which requires approval under Section 188(1) of the Act, any contract or arrangement is entered into by a director or KMP, without obtaining the approval of the Audit Committee or Board or Shareholders as required above and if it is not ratified by the Board or Shareholders within three months from the date on which such contract or arrangement was entered, shall be dealt as per Section 188 of the Act.

### **3.5. AMENDMENT TO THE POLICY**

The Board on the recommendations of the Audit Committee may amend this policy, as and when it deems fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the competent authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail and this policy shall stand amended accordingly without any further action, from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

### **3.6 DISCLOSURE**

- (1) This Policy will be communicated to all the operational employees and other concerned persons of the Company.
- (2) Details of all material transactions with related parties shall be disclosed with the compliance report on corporate governance.
- (3) Contract or arrangement entered with the Related Party, covered under Section 188(1) of the Act shall be referred to in the Board’s report to the shareholders along with the justification for entering into such contract or arrangement.

- (4) The Company shall disclose the policy on dealing with Related Party Transactions on its website "[www.pricol.com](http://www.pricol.com)" and a web link thereto shall be provided in the Annual Report.
- (5) The Company shall disclose the name of the related party, the nature of relationship, the transaction details and such other details as required under Accounting Standard-18, in the Annual Report.
- (6) The Company shall disclose the Related Party Transactions as per Regulation 23 of the Regulations.

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