PRASOL CHEMICALS LIMITED

POLICY ON RELATED PARTY TRANSACTION
(Version 2)

Index

Sr. No	Version No	Policy adoption date
1	1	24 February 2022 at Board Meeting (Version 1 Rescinded and Replaced on 18 April 2026)
2	2	18 April 2026 by Board Circular resolution

PRASOL CHEMICALS LIMITED NAVI MUMBAI KHAIRANE

POLICY ON RELATED PARTY TRANSACTION

1. PREAMBLE

The Board of Directors (the "Board") of Prasol Chemicals Limited (the "Company"), has adopted the policy on materiality of Related Party Transactions ('RPTs')and on dealing with Related Party Transactions in accordance with Regulation 23 read with Schedule XII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the provisions of the Companies Act, 2013 (the "**Act**" or "Companies Act") and the rules framed thereunder including the amendments, circulars issued from time to time. This Related Party Transactions Policy supersedes all existing Related Party Transactions policies of the Company with effect from the date of its approval by the Board.

2. PURPOSE

This policy provides the governance framework for establishing materiality thresholds for RPTs and outlines the mechanisms to ensure their proper approval, ratification, disclosure, and reporting. It applies to all transactions between the Company and its related parties.

Such transactions are considered appropriate only if they serve the best interests of the Company and its shareholders.

3. DEFINITIONS

"Audit Committee or Committee" means the Committee constituted by the Board of Directors of the Company, from time to time under the provisions of the Listing Regulations and the Companies Act.

"Board" means Board of Directors of the Company

"Control" shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares andTakeovers) Regulations, 2011

"Key Managerial Personnel" means key managerial personnel as defined under the Companies Act and includes:

PRASOL CHEMICALS LIMITED NAVI MUMBAI KHAIRANE

1. The Managing Director, or the Chief Executive Officer or the manager
2. The whole-time director;
3. The Company Secretary;
4. The Chief Financial Officer;
5. such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
6. Such other officer as may be prescribed

"Material Related Party Transaction" means a transaction with a related party specified under Listing Regulations and as amended from time to time. Accordingly, transaction with a related party shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in schedule XII of the Listing Regulations as under:

Consolidated Turnover of Listed Entity Threshold	Threshold
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to upto ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5000 Crores, whichever is lower.

Provided that in case of any amendment to the Act or Listing Regulations, definition of material related party transaction will be deemed to be changed without any further approval of Audit Committee or Board.

Explanation: For computing the thresholds stated above, the annual consolidated turnover of the Company shall be determined based on the last audited financial statements of the Company as on the date of such determination.

"**Material modification**" in a related party transaction means any modification beyond 20% of the existing values related to change in price, tenure and/or delivery schedule, of any contract or arrangement with related party."

PRASOL CHEMICALS LIMITED NAVI MUMBAI KHAIRANE

"Policy" means Related Party Transaction Policy.

"Related Party" means related party as defined in Companies Act and Listing Regulations, which is as follows: An entity shall be considered as related to the Company if:

(i) A 'related party' as defined under Section 2(76) of the Companies Act and the applicable accounting standards or Ind AS,
(ii) Any person or entity forming part of the ' promoter' or 'promoter group' of the listed entity (effective from 1 April 2022)
(iii) Any person or any entity, holding equity shares in the listed entity either directly or on a beneficial interest basis as prescribed under Section 89 of the Companies Act any time during the immediate preceding financial year of 10% or more.

"Related Party Transaction" means such transactions:

- as specified under the Companies Act and the Rules made thereunder;
- as defined in Listing Regulations, including any amendment or modifications thereof, as may be applicable;
- as defined in the applicable and relevant Indian Accounting Standard

4. POLICY

All Related Party Transactions must be reported to the Audit Committee and referred for approval bythe Committee in accordance with this Policy.

a.Identification of Potential Related Party Transactions

Each director and Key Managerial Personnel shall be responsible for providing notice to the Board or Audit Committee 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. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction.

b.Review and Approval of Related Party Transactions:

The approval policy framework is given below:

PRASOL CHEMICALS LIMITED NAVI MUMBAI KHAIRANE

Approving authority	Type of Transactions
Audit Committee*	a) All Related Party Transactions and subsequent Material Modifications shall require prior approval of the Audit Committee of the Company. b) A related party transaction above Rupees One Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party, but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction exceeds the lower of the following: (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or (ii) the threshold for material related party transactions of the Company. c) In the event of a related party transaction above Rupees One Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of the Company is a party but the Company is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the Company shall be obtained if the value of such transaction exceeds the lower of the following: (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or (ii) the threshold for material related party transactions of the Company.
Board	a) Related Party Transactions referred by the Audit Committee for approval. b) Related Party Transactions are not in ordinary course of business and not on arm's length basis. c) Related Party Transactions required to be approved by the Board under any applicable

PRASOL CHEMICALS LIMITED
NAVI MUMBAI
KHAIRANE

	law.
Shareholders	Prior approval by ordinary resolution for: a) Material Related Party Transactions b) Subsequent material modifications to the approved related party transactions c) Related Party Transactions are not in an ordinary course of business and not on arm's length basis and crosses threshold limit as prescribed under Section 188 of the Companies Act. – As mentioned below.

*Remuneration and sitting fees paid by the Company to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not a Material Related Party Transaction.

Related Party Transactions which are not in an ordinary course of business and not on arm's length basis and crosses threshold limit as prescribed under Section 188 of the Companies Act:

Sr. No.	**Nature of Transactions**	**Prescribed limits**
1	Sale, purchase or supply of any goods or materials directly or through appointment of agents*	10% or more of Turnover of the Company
2.	Purchasing, selling or disposal of property of any kind, directly or through the appointment of agents*	10% or more of Net worth of the Company
3.	Leasing of Property of any kind*	10% or more of Turnover of the Company
4.	Availing or rendering of services directly or through the appointment of agents*	10% or more of Turnover of the Company
5.	Appointment to any office or place of profit in the company, its subsidiary company or associate company	Monthly remuneration exceeding Rs. 2,50,000
6.	underwriting the subscription of any securities or derivatives thereof of the Company.	Exceeding 1% of the net worth

PRASOL CHEMICALS LIMITED NAVI MUMBAI KHAIRANE

*The limits specified above shall apply to transaction/transactions either individually or taken together with previous transactions during a financial year.

Exceptions: As per Regulation 23 (5) of Listing Regulations, the above approval is not required for transactions between:

A. the Company and its wholly owned subsidiary or

B. two wholly owned subsidiaries of the Company whose accounts are consolidated with the Company and placed before the shareholders for approval at the general meeting, or

C. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between the Company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

Related Party Transactions will be referred to the Audit Committee for review and prior approval. Any member of the Committee who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and voting on the approval of the Related Party Transaction. In determining whether to approve, ratify, disapprove or reject a Related Party Transaction, the Audit Committee shall take into account all the factors it deems appropriate.

5.GENERAL CRITERIA FOR THE APPROVAL OF RELATED PARTY TRANSACTIONS:

To review a Related Party Transaction, the Audit Committee, Board and Shareholders to be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters.

The information provided to the Committee may include the following:

a. the name of the related party and relationship with the Company or its subsidiary including nature of concern or interest (financial or otherwise);
b. Details of previous transactions with the related party;
c. Type, material terms and particulars of the proposed transaction;
d. Value and tenure of proposed transaction;
e. % of Company's annual consolidated Turnover of Previous financial year or of subsidiary's annual turnover;

PRASOL CHEMICALS LIMITED
NAVI MUMBAI
KHAIRANE

f. Details for Loan/Inter-Corporate Deposits/Investments transactions i.e. tenure, nature of indebtedness, covenants, purpose, tenure, interest, repayment schedule, secured/unsecured, security details etc.;

g. Justification as to why the Related Party Transaction is in the interest of the Company;

h. Valuation/external party report if any;

i. Certificate from Chief Executive Officer / Managing Director / Whole Time Director/ Manager and Chief Financial Officer of the Company confirming that the terms of related party transactions proposed to be entered into are in the interest of the Company; and

j. Any other information relevant or important for the Committee to take a decision on the proposed transaction.

Additionally, as per the Master Circular of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities dated 30 January 2026,

(A) the listed entity shall provide the audit committee with the information in addition to the requirements under the Companies Act, as specified in the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions"

(B) The notice being sent to shareholders seeking approval of any RPT shall, in addition to the requirements under the Companies Act, include the explanatory statement, setting out the information specified under "Minimum information to the Audit Committee and Shareholders for approval of Related Party Transactions".

6.OMNIBUS APPROVAL BY AUDIT COMMITTEE FOR RELATED PARTY TRANSACTIONS PROPOSED TO BE ENTERED:

All Related Party Transactions shall require prior approval of the Audit Committee, unless specifically exempted under applicable laws. However, the Audit Committee may grant omnibus approval in accordance with the provisions of Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 (3) of the Listing Regulations for Related Party Transactions which are in the ordinary course of business, arm's length basis and repetitive in nature.

Further, where the need for Related Party Transaction cannot be foreseen, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

The omnibus approval shall be valid for a period of one year and fresh approval

PRASOL CHEMICALS LIMITED NAVI MUMBAI KHAIRANE

would be obtained from the Audit Committee after the expiry of one year.

Exceptions: As per Regulation 23 (5) of Listing Regulations, the above approval is not required for transactions between the Company and its wholly owned subsidiary.

The audit committee shall also review the status of long - term (more than one year) or recurring RPTs on an annual basis. Further, an RPT for which the audit committee has granted omnibus approval shall continue to be placed before the shareholders if it is material in terms of Regulation 23(1) of the Listing Regulations.

The omnibus approval by the shareholders for Material Related Party Transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, or rules, notifications, or circulars issued thereunder from time to time.

Further, in case of omnibus approvals for Material Related Party Transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

7. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY:

In case the Company is not able to get prior approval from the Audit Committee, such a transaction shall not be deemed to violate this Policy or be invalid or unenforceable. Such a transaction should be placed before the Audit Committee, promptly for ratification within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier.

The Audit Committee shall consider all the relevant facts and circumstances regarding the Related Party Transaction, and consider the same for either ratification, revision or termination.

In case, if the Audit Committee determines not to ratify a Related Party Transaction that has commenced without its approval, the Audit Committee may direct additional conditions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any Related Party Transaction, the Audit Committee shall have the authority to modify or waive any procedural requirements of this Policy, in compliance with the applicable regulations.

8. REPORTING OF RELATED PARTY TRANSACTIONS:

The details of related party transactions in the format prescribed by SEBI would be submitted to the stock exchanges and published on the Company's website on a half-yearly basis.

PRASOL CHEMICALS LIMITED * KHAIRANE * NAVI MUMBAI

9. DISCLOSURE:

This Policy shall be disclosed on the Company's website, to facilitate the stakeholders in providing the required information, which is of a statutory nature, for the given period in accordance with the Policy.

10. REVIEW/REVISION OF THE POLICY:

This Policy shall be reviewed by the Board as and when any changes are to be incorporated in the Policy due to changes in applicable law or at least once every three years and updated accordingly based on the recommendations of the Audit Committee.

For Prasol Chemicals Limited

Director