

PRASHANT INDIA LIMITED
CIN: L15142GJ1983PLC006574

***POLICY ON RELATED PARTY
TRANSACTIONS***

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1. PREAMBLE:

The Board of Directors of **PRASHANT INDIA LIMITED** (“the Company”) has adopted this policy on related party transaction in compliance with various applicable laws, including under the Companies Act, 2013 (the “Act”) and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as LODR), prescribed for related party transactions.

2. OBJECTIVE:

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of related party transactions in compliance with the applicable laws and regulations as may be amended from time to time.

The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

3. DEFINITIONS:

(1) **Audit Committee or Committee** means Committee of Board of Directors of the Company in accordance with Section 177 of the Act read with Rules framed thereunder and Regulation 18 of the Listing Regulations.

(2) **Board** means Board of Directors of the Company.

(3) **Related Party** have the meaning as defined in Section 2(76) of Companies Act, 2013, Regulation 2(1)(zb) of the Listing Regulations, as amended from time to time and the applicable Accounting Standards.

(4) **Relative** means relative as defined under sub-section (77) of Section 2 of the Companies Act, 2013 and rules prescribed there under.

(5) **Material Related party Transaction:** A transaction with related party shall be considered material of the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual turnover or ten percent of the net worth of the listed entity as per last audited financial statements of the company.

4. INTERPRETATION:

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Regulations and/or any other SEBI Regulation(s) as amended from time to time.

In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and the decision of the Audit Committee in such a case shall be final.

5. POLICY ON RELATED PARTY TRANSACTIONS:

All related party transactions shall be approved by the Audit Committee of the Company all related party transactions must be reported to the Audit Committee for their approval.

6. IDENTIFICATION OF RELATED PARTY TRANSACTIONS:

All director and key managerial personnel are responsible for give notice to the Board before entering into any related party transactions apart from this every director of the Company shall provide disclosure of interest at the starting of every financial year. Board of the Company shall record all disclosure of interest received from the directors of the Company then the Audit Committee of the Company will decided whether transaction is fall under related party transactions or not.

7. APPROVAL:

7.1. PRIOR APPROVAL BY THE AUDIT COMMITTEE:

All related party transactions are required prior approval of the Audit Committee of the Company whether it's approved by Board of the Company or by Shareholders of the Company.

I. OMNIBUS APPROVAL BY THE AUDIT COMMITTEE:

The Company may obtain omnibus approval from the Audit Committee of the Company for such transactions, subject to following conditions:

(1) The Audit Committee may grant omnibus approval for Related Party Transactions subject to following conditions:

- (a) Maximum amount of the transaction which can be allowed during the year;
- b) Maximum amount per transaction which can be allowed;
- (c) Maximum transaction which can be allowed during one year;
- (d) Information and disclosures requires to submit to the Audit Committee for such transactions.

(2) The Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.

(3) The omnibus approval shall define:

- i. The name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
- ii. The indicative base price/ current contracted price and the formula for variation in the price if any; and

iii. Such other conditions as the audit committee may deem fit. In case of above details are not available the Audit Committee may grant omnibus approval for such transactions for value of such transactions does not exceeding rupees one crore per transaction.

(4) The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given.

(5) Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

7.2. APPROVAL OF BOARD OF DIRECTORS:

Transactions which are not in ordinary course and at arm's length shall require prior approval of Board. When any director interested in any related party transactions which are requires prior approval of Board such interest director shall not participate in the discussion of that particular subject matter that shall be discussed in meeting of the Board. Criteria for given omnibus approval decided by the Audit Committee at any time shall be approved by the Board of Directors.

7.3. APPROVAL OF SHAREHOLDERS:

In following cases requires approval of Shareholders:

- All Material Related Party Transactions shall require approval of shareholders of the Company Through ordinary resolution and all related party shall not participate in the voting on such resolution.
- Transactions which are not in ordinary business and not at arm's length price and cross threshold limits specified in section 188 of the Companies Act, 2013 shall require the prior approval of shareholders of the Company through ordinary resolution. All the related parties shall not vote on such resolution.

8. RELATED PARTY TRANSACTION NOT APPROVED UNDER THIS POLICY:

In case of Company become aware that any related party transactions entered without prior approval under this policy, the matter shall be reviewed by the Audit Committee. After that the Audit Committee may cancel, ratify, modify or do such other actions as appropriate. The Committee shall also go through the facts, circumstances because of which particular transactions not reported under this policy and take such actions as appropriate.

9. DISCLOSURE OF POLICY:

This policy shall be displayed in the website of the Company and also web link of the Policy shall be provided in the annual report of the Company.

All transactions with related parties which are not in ordinary business and not at arm's length price as per section 188 of the Companies Act, 2013 shall be disclosed in the Annual Report of the Company.