



PRIME FRESH LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

The Board of Directors (the “Board”) of Prime Fresh Limited (the “Company”) has adopted the following policy and procedures with regard to Related Party Transactions as defined below. Audit Committee will review and may recommend amendment in this policy from time to time. This policy has been in force w.e.f. August 12, 2025 in pursuant to the provisions of amendment in SEBI Listing Regulations and lastly the Board had at their meeting held on August 12, 2025 made amendments to suitably incorporate the changes.

This revised policy is intended to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations to the Company and also provides for materiality of related party transactions.

1. OBJECTIVE OF THE POLICY

The objective of this Policy is to set out (a) the materiality thresholds for related party transactions and; (b) the manner of dealing with the transactions between the Company and its related parties based on the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

2. DEFINITIONS

“**Audit Committee**” means “Audit Committee” constituted by the Board of Directors of the Company under provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

“**Arm’s length transactions (ALP)**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“**Board of Director**” or “**Board**” means the Board of Directors of Prime Fresh Limited, as constituted from time to time.

“**Key Managerial Personnel**” means Key Managerial Personnel as defined under the Companies Act, 2013 and the Rules made there under. e) “Policy” means Related Party Transaction Policy.

“**Related Party**”, with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 and 2(1)(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

“**Related Party Transaction**” (**RPT**) shall have the same meaning as defined in the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 as amended from time to time.

“**Relatives**” shall have the same meaning as defined under the Companies Act 2013 and under the applicable Accounting Standards from time to time.

Material Related Party Transaction(s): Transaction(s) to be entered into individually or taken together with previous transaction during a financial year, exceeding the threshold limit as may be prescribed under the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015 and the Companies Act 2013 as amended from time to time.

3. RELATED PARTY TRANSACTION POLICY

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

4. IDENTIFICATION OF RELATED PARTIES:

All Directors/KMPs are required to disclose the entities in which they or their relatives are or deemed to be interested on an annual basis/any changes during the year. Each Director and KMP of the Company shall promptly notify the Company Secretary of any material transaction or Relationship that could reasonably be expected to give rise to any conflict of interest. The Company shall maintain records as may be prescribed under the Act.

5. IDENTIFICATION OF POTENTIAL RELATED PARTY TRANSACTIONS:

- Each director and Key Managerial Personnel are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Board/Audit Committee may request, for being placed before the Audit Committee and the Board. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this policy.
- Each director/Key Managerial Personnel is responsible for providing written notice to the Company Secretary of any potential Related Party Transaction involving him or her or his or her relatives, including any additional information about the transaction that the Company Secretary may reasonably request. The Company Secretary in consultation with other members of management and with the Audit Committee, as may be deemed appropriate, will determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.
- Every director/ Key Managerial Personnel of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contracts or arrangement.
- Where any director/ Key Managerial Personnel, who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of Board held after he becomes so concerned or interested.
- A contract or arrangement entered into by the company without disclosure or with participation by a Director/Key Managerial Personnel who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the Company.
- The Company strongly prefers to receive such notice of any potential Related Party transaction well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and other matter incidental thereto and refer it to the appropriate approval authority. Ratification of a Related Party Transaction after its commencement or even its completion may be done by the appropriate authority as it may deem fit.

6. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS:

Before undertaking any transaction, the Company shall determine whether a transaction does, in fact constitute a Related Party Transaction requiring compliance with the applicable law and this policy and if so, ascertain in which of the following categories such transaction should be classified in order to determine the approval requirements:

1. All transactions with related parties (and any material modification thereof) which are in ordinary course of business and are concluded at arm's length shall be entered into only after prior approval of the Audit Committee or under omnibus approval as mentioned herein below in para 3. Provided that only those members of the audit committee who are independent directors shall approve the related party transactions.
2. All transactions with related parties (and any material modification thereof) which are not in ordinary course of business or not as per arm's length pricing or both will be put up prior approval to Audit Committee and then to the Board in line with the applicable Law. In case the transaction exceeds the prescribed limits/threshold under the Act, it will be also put up for prior approval of the shareholders.
3. Only those members of Audit Committee who are independent directors shall approve related party transactions.

Provided Further that;

- (a) the audit committee of a listed entity shall define "material modifications" and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;
- (b) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity
- (c) with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;
- (d) prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.
- (e) remuneration and sitting fees paid by the listed entity or its subsidiary 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 material in terms of the provisions of sub-regulation (1) of regulation 23 of SEBI (LODR) Regulations, 2015;

(f) The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;
- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation
- (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.]

7. OMNIBUS APPROVAL BY AUDIT COMMITTEE

(l) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to the following conditions:

- a. the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;.
- b. the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
- c. Such omnibus approval shall specify
 - (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can 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;

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

- d. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year."
- (II) To review and approve a Related Party Transaction, the Committee will 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 shall specifically cover the following. The below list is not exhaustive and such other information including but not limited to below information shall be provided to the audit committee as may be prescribed by the regulator from time to time.
- (a) the name of the related party and nature of relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
 - (b) the Type, material terms and particulars of the proposed transaction;
 - (c) Tenure of the proposed transaction (particular tenure shall be specified);
 - (d) the Value of the proposed transaction;
 - (e) The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
 - (f) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary;
 - (i) details of the source of funds in connection with the proposed transaction;
 - (ii) where any financial indebtedness is incurred to make or give loans, interoperate deposits, advances or investments;
 - nature of indebtedness;
 - cost of funds; and
 - tenure;
 - (iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - (iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.
 - (g) justification as to why the RPT is in the interest of the listed entity;
 - (h) A copy of the valuation or other external party report, if any such report has been relied upon;
- (III) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis
- (IV) In determining whether to approve a Related Party Transaction, the Audit Committee will consider the following factors, among others, to the extent relevant to the Related Party Transaction:
- a. Whether the transactions are to be entered into by the Company in its ordinary course of business or not;
 - b. Whether the terms of the Related Party Transaction are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

- c. Whether there are any undue compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;
 - d. Whether the Related Party Transaction would affect the independence of the directors/KMP;
 - e. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - f. Where the ratification of the Related Party Transaction including any Material Modification(s) therein is allowed by law and is sought from the Committee, the reason for not obtaining the prior approval of the Committee and the relevance of business urgency and whether subsequent ratification would be detrimental to the Company; and
 - g. Whether the Related Party transaction including Material Modification(s) therein would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, Executive Officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.
- (V) If the Committee determines that a Related Party Transaction including Material Modification(s) therein should be brought before the Board or the Board in any case elects to review any such matter the Board shall consider and approve the Related Party Transaction at a meeting and the considerations set forth above to the Audit Committee shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.
- (VI) Following related party transactions, if not in the ordinary course and not at arm's length basis, shall be brought before the Board of Directors mandatorily under Companies Act, 2013:
- a. sale, purchase or supply of any goods or materials;
 - b. selling or otherwise disposing of, or buying, property of any kind;
 - c. leasing of property of any kind;
 - d. availing or rendering of any services;
 - e. appointment of any agent for purchase or sale of goods, materials, services or property;
 - f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - g. underwriting the subscription of any securities or derivatives thereof, of the company:
- (VII) All the Material Related Party Transactions including any Material Modification(s) therein i.e. transaction/transactions to be entered into individually or taken together with previous transaction during a financial year, exceeding the limit as may be prescribed under the applicable laws from time to time shall require approval of the shareholders through resolution and the Related Parties shall abstain from voting to approve such resolution. The shareholders shall be provided with such information as may be prescribed under the applicable laws from time to time.

8. ROLE OF THE BOARD OF DIRECTORS OF THE COMPANY

- The Board must monitor and manage any potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in RPTs.
- The Board must comply with the provisions of the Companies Act, 2013, with respect to the RPTs within the meaning of that Act.
- The Board must coordinate with the Audit Committee for effective compliance of the provisions relating to the RPT.
- It is the duty of the Board along with the Audit Committee to place all the material RPTs before the shareholders for their approval by means of a resolution.

9. RELATED PARTY TRANSACTIONS INVOLVING WOS COMPANIES:

The Companies Act and SEBI LODR exempt transactions entered into between the Company and its wholly owned subsidiary from the requirement of shareholder approval whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval. And also transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the company and placed before the shareholders at the general meeting for approval.

10. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The 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, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the 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 Committee has authority to modify or waive any procedural requirements of this Policy.

All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

A transaction with a related party is considered material if the transaction transactions to be entered into, either individually or taken together with previous transactions with such related party during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the company.

11. DISCLOSURE:

All Directors/KMP are required to disclose the parties in which they are deemed to be interested in prescribed form.

Further, each Director and KMP of the Company shall promptly notify the Secretarial Department of any material transaction or Relationship that could reasonably be expected to give rise to a conflict of interest.

Every related party transaction, if required under law/ Listing Agreement shall be referred to in the Board's report along with the justification for entering into such contract or arrangement. The Company shall also maintain Register in the prescribed form.

The company shall disclose the policy on dealing with Related Party Transactions on its website and a web-link thereto shall be provided in the Annual Report.

12. WHISTLE BLOWER FOR ANY RELATED PARTY TRANSACTION ENTERED BY COMPANY IN NON-COMPLIANCE OF SUCH POLICY:

Any officer or employee, can approach access / approach the vigil mechanism or Company Secretary to report a fraudulent related party transaction.

13. GUIDANCE PRINCIPLES FOR APPROVAL OF A RELATED PARTY TRANSACTION BY THE BOARD/COMMITTEE THEREOF:

To review a Related Party Transaction, the Board/Committee will 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 any other relevant matters. In determining whether to approve or a Related Party Transaction, the Board/Committee will consider the following factors, among others, to the extent relevant to the Related Party.

Transaction:

- Whether the terms of the Related Party Transaction are fair to the Company and would apply on the same basis if the transaction did not involve a Related Party;
- Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any; Whether the Related Party Transaction would impair the independence of an otherwise Independent Director or Nominee of a Director;
- Whether the Related Party Transaction would present an improper conflict of interest for any Director, Nominee for Director or KMP of the Company, taking into account the size of the transaction, the overall interest of the Director, Nominee for Director, Executive Officer or other Related Party, the direct or indirect nature of the Director's Nominee, Executive Officer's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant. In any case where either the Board/Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Board/Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction, or modification of the transaction to make it acceptable for ratification. In connection with any review of a Related Party Transaction, the Board/Committee has authority to modify or waive any procedural requirements of this Policy.