



POLICY ON
RELATED PARTY TRANSACTIONS

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1. Preamble

The Policy on Related Party Transactions is framed by Antony Waste Handling Cell Limited in compliance of Regulations 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time read with Section 188 and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time.

2. Objective

The primary Objectives of this policy are as follows:

- To determine the need, and approval process for Related Party Transactions entered by the Company along with its subsidiaries with related party for ensuring robust Corporate Governance Framework;
- To define manner of dealing with the Related Party Transactions between the Company and its subsidiaries with related Parties.

3. Definitions

- a) **“Act”** means the Companies Act 2013, as amended from time to time.
- b) **“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.
- c) **“Board of Directors”** or **“Board”** means the Board of Directors of Antony Waste Handling Cell Limited, as constituted from time to time.
- d) **“Company”** means Antony Waste Handling Cell Limited.
- e) **“Material modifications”** means any modifications to the material related party transactions which were approved by the Audit Committee or Shareholders during the year which will change the complete nature of the transaction and in case of monetary thresholds which is in excess of 20% of the originally approved transaction, in case of exigencies only. **“Material Related Party Transaction”** as defined in Clause 5 of this Policy.
- f) **“Policy”** means Policy on Related Party Transactions, as amended from time to time.

- g) **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 and/or under the applicable accounting standards and Reg 2(zb) of LODR.
- h) **“Related Party Transaction”** defined in the Regulation 2(zc) of SEBI Listing Regulations and Section 188 of the Companies Act, 2013, as amended from time to time.
- i) **“Relative”** means relative as defined under sub-section (77) of section 2 of the Act and/or under the applicable accounting standards.
- j) **“SEBI Listing Regulations”** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and any other applicable regulation framed by SEBI, as amended from time to time.
- k) **“The Act”** means the Companies Act, 2013, as amended from time to time.
- l) Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation, amended from time to time.

4. Scope

This document outlines the pre-requisites and procedures for transacting with related parties.

- Identification of Related Party and related party transactions.
- Approval of related party transactions as per the Company Policy of Related Party Transactions, applicable Accounting Standards, Companies Act and SEBI Listing Regulations.
- Determine material modification to Related Party Transactions
- Determine the material related party transactions
- Appropriate Documentation supporting related party transactions.

- Disclosure of related party transactions as per the Accounting Standards, Companies Act, SEBI Listing Regulations and any other law applicable to related party transactions.

5. Manner of dealing with Related Party Transaction

(i) Identification of Related Parties

- The Secretarial team shall, always, maintain a database of Company's Related Parties, identified based on definition for related party. The database should contain the names of individuals and Companies along with their personal/Company details including any revisions therein.
- Identification and confirmation of related party status need to be followed on quarterly basis.
- In case of KMP/Directors/Managers the disclosure needs to be in the form of declarations which should be taken on appointment and event based.
- The Secretarial team should share the list of the related party to the relevant Functional heads including Finance and Procurement, on quarterly basis and in case of any changes in the list based on the event based declarations.

(ii) Identification of Related Party Transactions

Types of transactions entered or to be entered with by the Company and/or its subsidiaries with its related parties are:

Value based - The amount of the transaction is fixed as per the agreement/Sales Order/Purchase Order.

Ratio based - The Amount or the value of the transaction is based on the ratio of sharing the expenses established based on appropriate utilization parameters.

Actual (Reimbursement) - The value of transactions depends on the actual incurred during the year.

Exclusions: The following shall not be deemed as a RPT

- Any transaction that involves the providing of compensation to a director by way of salary, fee, commission, perquisites, rent free accommodation or otherwise, towards his or her duties to the Company.

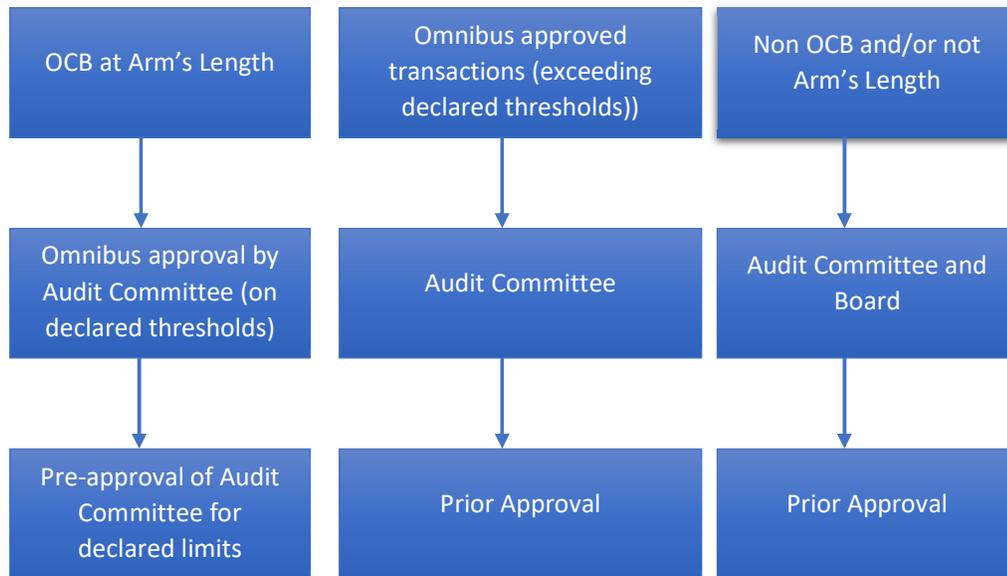
Any transaction with Related Party arising out of corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding

(iii) Review and Approval of Related Party Transaction

The approval of RPT shall follow the below guidelines and in doing so, shall consider the key transaction identification parameters and other related considerations (as below) included under this section:

- A. Prior approval of Audit Committee
- B. Omnibus approval criteria
- C. Arm's length determination
- D. Evaluation of transaction under Ordinary Course of Business
- E. Evaluation of Materiality
- F. Evaluation of material modifications
- G.

APPROVAL MATRIX



Key Considerations for Identifying approval requirements

A. Prior Approval of Audit Committee

All related party transactions and subsequent material modifications shall require prior approval of the Audit Committee of the Company.

Provided that only those members of the Audit Committee, who are independent Directors, shall approve related party transactions.

Provided further that:

- a) a related party transaction to which the subsidiary of 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 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 Company;

- b) with effect from April 1, 2023, a related party transaction to which the subsidiary of a 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 whether entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten per cent) of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

B. Omnibus Approval by Audit Committee

- Criteria for Omnibus Approval as approved in the Policy
 - The transaction is / shall be frequent / regular / repetitive in nature.
 - The transaction is / shall be in ordinary course of business and at arm's length.
 - Such other criteria as may be laid down by the Audit Committee.
 - Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. During which period the commercial terms of approved RPTs may change, provided that, arm's length criterion shall be ensured at the time of each such change.
 - 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 ₹ 1,00,00,000/- (Rupees One Crore) per transaction.
- Omnibus Approval shall interalia specify
 - Name of the related party
 - Nature of the transaction
 - Period of the transaction
 - Maximum amount of the transactions that can be entered into

- the indicative base price / current contracted price and the formula for variation in the price if any
- Any other information relevant or important for the audit committee to take a decision on the proposed transaction.

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.

The listed entity shall provide the following information, for review of the audit committee for approval of a proposed RPT as indicated by SEBI in its circular dated 22nd November 2021.

C. Arm's Length Pricing (ALP)

- At the time of determining the arms' length nature of price charged for the Related Party Transaction, permissible method of arms' length pricing as per applicable law would be considered.
 - For Non-Routine transactions, ALP assessment method would be selected based on the availability of information
 - For Routine transactions ALP assessment standard method, i.e. Comparable Uncontrolled price Method, for ongoing application would be used.
- A Related Party with whom the Related Party Transaction is undertaken must have been selected using the same screening / selection criteria / underwriting standards and procedures as may be applicable in case of an unaffiliated party.
- In case the Company is not doing similar transactions with any other non-related party, terms for similar transactions between other non-related parties of similar standing can be considered to establish 'arm's length basis'.
- Key Consideration for ALP assessment.
 - Consistency in method applied for similar transactions

- Alignment in basis documented with other group companies
- Technical consideration including safety norms, design specifications as suggested and weighed by the Purchase Committee to take precedence in deciding the purchase.

D. Ordinary Course of Business (OCB)

Transactions with related parties will be considered in ordinary course if they are entered in pursuance of the business objective of the Company and necessary for Company's operations or related financial activities, including the fixed assets transactions. Except:

- transactions involving transfer/ demerger/ acquisition/ business restructuring transaction of a business or a unit thereof;
- lending/ borrowing/ providing or receiving guarantees to/ from entities other than the entities which are consolidated in the Company's Consolidated Financial Statements;
- Any other items which are required to be reported as 'Exceptional Item' in the Company's annual financial statements.

Key aspects to be considered in evaluating whether a transaction is not in the ordinary course of business:

- Whether a transaction is usual or unusual;
- Frequency of transaction;
- Whether transaction is done at arm's length;
- Whether transaction is done on similar basis with other third parties;
- Business purpose of the transaction; and/or
- Size and volume of transaction.

E. Determination of Materiality of Related Party Transaction

Transaction with the Related Party shall be treated as "Material" if:

- any transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the limits specified in Sub-rule (3) of Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 of the Act as amended from time to time and which are not in the Ordinary Course of Business and/or are not at arm's length basis; or
- Payment to a Related Party with respect to brand usage or royalty exceeds 5% of the annual consolidated turnover of the Company as per last audited financial statements; or
- the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

Specified Transaction-Threshold limits as per Rule 15 of the Act

Sr. No.	Criteria	Transaction value threshold
1	Sale, purchase or supply of any goods or materials (Directly or through agent)	10% or More of turnover
2	Selling or otherwise disposing of, or buying, property of any kind (Directly or through agent)	10% or More of net worth
3	Leasing of property of any kind	10% or more of turnover
4	Availing or rendering of any services (Directly or through agent)	10% or more of turnover
5	Appointment to any office or place of profit in the company, its subsidiary company or associate company	Remuneration exceeds ₹2,50,000 per month
6	Underwriting the subscription of any securities of the company or derivatives thereof	Remuneration exceeds 1% of net worth

Explanations:

- The turnover or net worth referred in the above shall be computed on the basis of the audited financial statement of the preceding financial year.

- limits specified in point (1) to (4) shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year
- In case of wholly owned subsidiary, the resolution is passed by the holding company shall be sufficient for the purpose of entering into the transaction between the wholly owned subsidiary and the holding company.

(iv) Approval of Material Related Party Transactions

All material related party transactions and subsequent material modifications as defined in this policy shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

All the relevant necessary information including the information as indicated in SEBI circular dated 22nd November 2021 shall be included in the explanatory statement to the resolution proposed to the shareholders for seeking their approval.

(v) Disclosures and Reporting of Related Party Transactions

In terms of the provisions of the Act Related Party Transactions entered into by the Company shall be referred to in the Board's report to the shareholders along with justification for entering into such transaction.

(vi) Documentation for Related Party Transactions

An indicative list of all the documentation required to be maintained is as below:

- Approved Purchase Order in case of provision/sharing of supply of services/goods
- Memorandum of Understanding for agreement on ratio of sharing of expenses and criteria thereof
- Signed copy of Contract/Agreement, where applicable
- Copy of Audit Committee/Board/Shareholders approval, where applicable
- Documents evidencing statutory approvals, where applicable

- Documentation evidencing arm's length pricing an ordinary course of business

6. Non-applicability of the Clause (5) of this policy

The provisions of the clause 5 shall not be applicable in the following cases:

- (a) transactions entered into between a Company and its wholly owned subsidiary
- (c) transactions entered into between two wholly-owned subsidiaries of the Company.

7. Policy Review

The policy shall be periodically reviewed and brought in conformity with statutory and regulatory requirements, as and when required.

This Policy has been approved at the Meeting of the Board of Directors held on December 19, 2018 and lastly modified on March 15, 2022.

8. Interpretation

In any circumstance where the provisions of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the relevant law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the said law, rule, regulation or standard.

9. Disclosure

The Policy is disclosed on Company's website i.e. www.antony-waste.com.