

## MATERIAL RELATED PARTY TRANSACTIONS POLICY

(Pursuant to Regulation 23 of the SEBI (Listing Obligation and Requirement) Regulation, 2015)

### 1. Background

This policy is framed pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. The said Regulation mandates every Listed Company to formulate a Policy on dealing with the Material Related Party Transactions and shall apply to all the transactions entered into by the Company with its Related Parties as per the applicable laws and regulations, including the Companies Act, 2013 (the "Companies Act") read with the rules framed thereunder.

### 2. Definitions

- i. **"Act"** means the Companies Act, 2013 and the rules made there under, as amended from time to time;
- ii. **"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;
- iii. **"Ordinary course of business"** means the usual transactions undertaken by the Company to conduct its business operations and activities and includes all such activities which the company can undertake as per Memorandum & Articles of Association;
- iv. **"Company"** shall mean Eco Recycling Limited;
- v. **"Board"** shall mean Board of Directors of the Company;
- vi. **"Audit Committee or Committee"** shall mean Committee of Board of Directors of the Company constituted in accordance with provisions of the Listing Regulations and the Companies Act, 2013;
- vii. **"Related Party"** shall have the same meaning as defined in Section 2(76) of Companies Act, 2013 and Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;

- viii. **"Relative"** shall have the same meaning as defined in Section 2(77) of Companies Act, 2013 and Regulation 2(1)(zd) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015;
- ix. **"Related Party Transaction"** means a transaction between the Company and a Related Party which transaction is of the nature specified in sub-clause (a) to (g) of section 188(1) of the Companies Act, 2013, or is a related party transaction as understood under Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- x. **"Material Related Party Transaction"** means a transaction to be entered into with the Related Party 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;
- xi. **"Regulations"** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification or re-enactment thereof.

3. **Procedure for approval of Material Related Party Transaction**

i. **Approval of the Audit Committee:**

All the Related Party Transactions to be entered by the Company shall require prior approval of the Audit Committee. However, the Company may obtain an omnibus approval from the Audit Committee for such transactions, subject to compliances with the conditions as specified in Section 188 of Companies Act, 2013 read with the relevant rules made thereunder and the provisions of Regulation 23 of the Regulations.

ii. **Approval of the Board of Directors:**

As per the provisions of Section 188 of the Companies Act, 2013, all the Related Party Transactions which are not in the ordinary course of business or not at arm's length basis, are required to be placed before the Board for its approval.

iii. **Approval of the Shareholders of the Company:**

All the transactions with related parties exceeding the materiality thresholds and all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business and (b) exceed the thresholds laid down in Companies (Meetings

of Board and its Powers) Rules, 2014, are required to be placed before the shareholders for their approval. For this purpose, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

4. **Amendment**

This policy shall be subject to review by the Board of Directors from time to time. The amendment to this policy shall be subject to the approval by the Audit Committee and the Board of Directors. Any subsequent amendment / modification in the Regulations shall automatically apply to this Policy.