

Policy on Related Party Transactions

I. Scope and purpose of the policy

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 (“the Act”) read with the Rules framed thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), Amalgamated Electricity Company Limited (“AECL” or “the Company”) has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

Regulation 23(1) of the SEBI LODR Regulations requires a company to formulate a policy on materiality of related party transactions and dealing with related party transactions. Further, Regulation 23(2) requires the Audit Committee to define material modification and disclose it as a part of the policy.

In light of the above, the Company has framed this Policy on Related Party Transactions (“Policy”). This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Audit Committee.

Going forward, the Audit Committee would review and amend the Policy, at least once every three years, subject to the approval of the Board, unless there is a change in applicable regulations and/or in business conditions affecting the Company/its subsidiaries, which requires an earlier change to the Policy.

If the terms of this Policy differ from any existing or newly enacted regulation or law governing the Company, such regulation or law will take precedence over this Policy until this Policy is changed to conform to said regulation or law.

As on date, the provisions of Corporate Governance as defined by the SEBI LODR Regulations are not applicable to the Company.

II. 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 and the SEBI LODR Regulations, to the extent applicable, as well as any other laws and regulations as may be applicable to the Company.

III. DEFINITIONS

“**Arm’s Length Pricing (‘ALP’) Transaction**” means a transaction between two related parties that is conducted as if they are unrelated, so that there is no conflict of interest or where based on the business requirements and then prevailing economic conditions, the relevant stake holders have approved the terms of proposed related party transactions or where a regulator provides for any conditions impacting the market price of such transaction (for example in the case of an Advance Pricing Agreement) etc.

“**Ordinary Course of Business (‘OCB’)**” means a transaction which/wherein is carried out in the normal course of business envisaged in accordance with the Memorandum of Association (‘MoA’) of the Company as amended from time to time, or is as per historical practice with a pattern of frequency, or is in connection with the normal business carried on by the Company, or the income, if

any, earned from such activity/transaction is assessed as business income in the Company's books of accounts and hence is a business activity, or is common commercial practice, or meets any other parameters / criteria as decided by the Board/Audit Committee.

“Material modification” means any modification made in the value/exposure of any ongoing or proposed Related Party Transaction, as originally approved by the Audit Committee and/or shareholders, which has the effect of variation in the approved value of the transaction, by 25% or more or by which the transaction ceases to be in ordinary course and/or on arm's length basis or such other parameter as may be determined by the Audit Committee from time to time.

“Material Related Party Transactions” shall have the same meaning as defined in Regulation 23 of the SEBI LODR Regulations.

“Relative” in relation to a related party shall have the same meaning assigned to in Section 2(77) of the Act and Regulation 2(1)(zb) of the SEBI LODR Regulations.

Reference and reliance may be placed on the clarification issued by the Ministry of the Corporate Affairs, Government of India and SEBI and other Authorities from time to time on the interpretation of the term “Related Party”.

“Related Party Transactions” shall have the meaning as defined under Regulation 2(1)(zc) of the SEBI LODR Regulations or as envisaged in Section 188(1) of the Act.

“Transaction” shall be construed to include single transaction or a group of transactions in a contract.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law or regulation.

“Related Party”, with reference to the Company, shall have the same meaning as defined in Section 2(76) of the Act.

IV. MATERIALITY THRESHOLDS

Regulation 23 of the SEBI LODR Regulations requires the Company to provide materiality thresholds for transactions beyond which prior approval of the shareholders' will be required by way of a resolution.

Notwithstanding the fact that the provisions of Corporate Governance, as laid down in SEBI LODR Regulations, are not applicable to the Company, the Company has fixed its materiality threshold at 10% of the annual consolidated turnover of the Company as per last the audited financial statements for transactions beyond which the shareholders' approval will be required by way of a special

resolution.

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rupees fifty crore or ten per cent. of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, or subject to such modifications as may be applicable under Regulation 23 of SEBI LODR Regulations and Companies Act, 2013.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

V. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

(1) Identification of related parties

The Company has formulated guidelines for identification and updating the list of related parties as prescribed under Section 2(76) of the Act read with the Rules framed thereunder and Regulation 2(1)(zb) of the SEBI LODR Regulations

(2) Identification of related party transactions

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Act and Regulation 2(1)(zc) of the SEBI LODR Regulations. The Company has also formulated guidelines for determining whether the transaction is in the ordinary course of business and at arm's length basis and for this purpose, the Company seeks external professional opinion, if necessary.

(3) Procedure for approval of related party transactions

Prior approval of the Audit Committee of the Company shall be required (only those members of the Audit Committee, who are independent directors, shall approve related party transactions) for the following transactions:

1. All RPTs entered into by the Company.
2. Any subsequent material modification in the RPT, which has been earlier approved by the Audit Committee.
3. Remuneration and sitting fees paid by the Company or its subsidiary, if any, to its director, key managerial personnel or senior management, who is part of promoter or promoter group, shall require approval of the audit committee provided that the same is not material related party transaction in terms LODR Regulations.

The approval of the Audit Committee can be granted by way of a circular resolution. As and when the provisions of Corporate Governance become applicable to the Company, an Audit Committee shall give its recommendations in respect of related part transactions.

(4) Omnibus approval

As per the notification no. SEBI/LAD-NRO/GN/2025/273, dated November 18, 2025, omnibus approval granted in an Annual General Meeting, shall be valid till the next Annual General

Meeting (held within the timelines prescribed under section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued).

In case of omnibus approval granted in General Meetings, the validity of such approvals shall not exceed one year from the date of such approval.

The Company may obtain omnibus approval from the Audit Committee, subject to availability of the following information:

The Audit Committee shall after seeking guidance of the Board of Directors, specify the criteria for granting the omnibus approval in line with this Policy which shall include the following, namely, and such approval shall be applicable in respect of transactions which are repetitive in nature

- (a) the name/s of the related party and its relationship with the company and/or its subsidiary, nature of transaction, period of transaction, maximum number of transactions, in aggregate, that can be entered into;
 - (b) the maximum value per transaction which can be allowed;
 - (c) the indicative base price / current contracted price and the formula for variation in the price if any (for ex: +/- 5%) and
 - (d) transactions which cannot be subject to the omnibus approval by the Audit Committee; and
 - (e) Review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company or its subsidiary pursuant to each omnibus approval made.
 - (f) such other conditions as the Audit Committee may deem fit.
- The Audit Committee shall consider the following factors while specifying the criteria for making omnibus approval, namely:
 - repetitiveness of the transactions (in past or in future).
 - justification for the need of omnibus approval
 - The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the best interest of the Company or its subsidiary, as may be applicable.
- (g) However, in case of related party transactions which cannot be foreseen and where the above details are not available, the Audit Committee may grant omnibus approval provided the value does not exceed Rs. 1 core per transaction;
 - (h) 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 approval given;
 - (i) Such omnibus approval shall be valid for a period of one year and shall require fresh approvals after the expiry of one year.

- (j) A Related Party Transaction, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for consideration and ratification, within 3 months from the date of the transaction or in the immediate next meeting of the Audit Committee, whichever is earlier, in the manner prescribed under Regulation 23(2)(f) of the SEBI LODR Regulations.
- (k) In compliance to the approval of the Board of Directors, the Audit Committee of the Company has specified following criteria for granting omnibus approval:
- The maximum value of the transactions, in aggregate, which can be allowed under omnibus route in a year will be twenty-five percent (25%) of the annual consolidated turnover of the company as per its last audited financial statements.
 - The maximum value per transaction which can be approved under omnibus route will be the same as per the materiality threshold as defined in [Clause 4](#) of the Policy.

A transaction once ratified by the competent authority will be treated as approved from the inception of the transaction.

Any 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 Company against any loss incurred by it.

- (l) For each category of transactions identified as per the Clause V of this policy, the Company has a specific framework and guidelines explaining the arm's length pricing criteria to be followed by the Company and/or the subsidiary, as may be applicable, while entering into transactions falling under contracts and agreements with related parties identified as per Clause V of this policy. The Company and/or the subsidiary, as may be applicable, while entering into RPTs will ensure adherence with the framework and guidelines and will maintain necessary documents for the same.
- (m) While seeking approval for a Related Party Transaction placed before the Audit Committee, the Audit Committee shall be provided with the information as required to be provided under the Act and the SEBI LODR Regulations.

Minimum Information to be provided to the Audit Committee for approval (including ratification) of RPTs. effective from 1st September, 2025, any Fresh Approval/Omnibus approval or any material modification to an existing Related Party Transactions which was approved by the Audit Committee prior to the applicability of the Industry Standards shall be treated as a new proposal and must comply with the minimum information and approval processes and specified format under the Industry Standards.

1. Transactions exceeding ₹ 1 Crore during a Financial Year but not exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore For transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide 'Minimum information to the Audit Committee for approval of Related Party Transactions' specified in Annexure-13A of the SEBI Master Circular dated November 11, 2024 ("Master Circular") as in force and as may be revised or superseded from time to time.
2. Transaction exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore during a financial year (i) The information presented to the Audit Committee for

review/approval of any proposed Related Party Transaction must include the minimum information specified under Part A, Part B and Part C (as applicable) of Para 4 of the Industry Standards. (ii) A certificate from Managing Director & Chief Financial Officer confirming that the terms of the Related Party Transactions proposed to be entered are in the interest of the Company. (iii) A copy of valuation report or other report issued by an external party, if any. (iv) If any redaction of confidential info is made in disclosures, the Audit Committee must certify that the redacted version still contains sufficient information for decision making. (v) Such other additional information as may be required by the Audit Committee, which is deemed necessary and reasonable, to evaluate the proposed RPT.

Minimum Information to be provided to the shareholders for approval of Material RPTs.

1. Transactions exceeding ₹ 1 Crore during a Financial Year but not exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore. For transaction with a related party, whether individually or taken together with previous transaction(s) during a financial year (including transaction(s) which are approved by way of ratification), do not exceed 1% of annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or Rupees Ten Crore, whichever is lower, the listed entity shall provide 'Minimum information to the Audit Committee for approval of Related Party Transactions' specified in Annexure-13A of the SEBI Master Circular dated November 11, 2024 ("Master Circular") as in force and as may be revised or superseded from time to time.

2. Transaction exceeding the lower of 1% of Consolidated Turnover or ₹ 10 crore during a financial year
The explanatory statement annexed to the notice to shareholders for approval of any proposed Related Party Transaction, shall include disclosures as specified in Para 5 of the Industry Standards, including the following:

1. The information placed before the Audit Committee to the extent applicable.
2. Justification of why the proposed Related Party Transaction is in the interest of the Company, basis of determination of price and other material terms and conditions of RPT.
3. Statement that the Audit Committee has reviewed the certificates provided by the Managing Director and CFO.
4. Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.
5. Copy/web link/QR code of valuation report or other reports by external party, if any.
6. Any other material information relevant to shareholders' decision.
7. The Company may make available a redacted version of information or reports as listed above. Such redacted version shall be approved by the Audit Committee and the Board of Directors who shall affirm that, in its assessment, the redacted disclosures still provides all the necessary information to the public shareholders for informed decision making.

The Board may consider the details as required to be provided under the Act and the SEBI LODR Regulations to the Audit Committee, in order to determine if the transaction is in the ordinary course of business and at arm's length pricing or not.

The requirement for seeking Audit Committee approval for related party transactions shall not be applicable to transactions between the Company and its wholly owned subsidiary/ies or between two wholly owned subsidiaries of the Company, whose accounts are consolidated with the Company. Furthermore, 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 will also be exempt.

Transaction of following nature will not be subject to the omnibus approval of the Audit Committee :

- Transactions which are not valued on an arms' length pricing basis or not in the ordinary course of business.

- Transactions which are not repetitive in nature.
- Transactions exceeding materiality thresholds as laid down in Clause 4 of the Policy.
- Transactions in respect of selling or disposing of an undertaking of the Company.
- Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
- Any other transaction the Audit Committee may deem not fit for omnibus approval.

(5) Approval of the Board of Directors of the Company

- (a) As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business and at arm's length basis, are placed before the Board for its approval.
- (b) In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval.
- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board approval in addition to Audit Committee approval.
 - Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for approval.
 - Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
 - Transactions meeting the materiality thresholds laid down Clause 4 of the Policy and any subsequent Material Modification to a Material Related Party Transaction, which are intended to be placed before the shareholders for approval.

Any subsequent material modification to the material RPT, which has been earlier approved by the Shareholders.

(6) Approval of the Shareholders of the Company

- (a) All the transactions with related parties meeting the materiality thresholds, laid down in Clause IV of the Policy and any material modifications thereto as defined in Clause III will be placed before, the shareholders for their approval.
- (b) All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.
- (c) 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.
- (d) In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules,

2014 are placed before the shareholders for its approval.

Any subsequent material modification to the material RPT, which has been earlier approved by the Shareholders.

The procedure as specified in the Act and LODR Regulations shall be followed in obtaining approval of the Board and Shareholders.

VOTING:

1. In case of Related Party Transactions requiring Board's or Audit Committee's approval, any Director or Member, as the case may be, who is interested in RPT will abstain from discussion and voting on the subject matter of the resolution relating to such Transaction.

2. In case of Related Party Transactions requiring shareholders resolution, no Related party shall vote to approve such resolution whether the entity is a related party to the particular transaction or not.

VI. DISCLOSURES

- (a) The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.
- (b) In addition to the above, the Company shall also provide details of all related party transactions meeting the materiality threshold (laid down in Clause 5 of the Policy above) on a quarterly basis to the Stock Exchange(s).

VII. RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

- (a) In the event the Company becomes aware of a transaction with a related party that has not been approved in accordance with this Policy prior to its consummation, the matter shall be reviewed by the Audit Committee who 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.
- (b) The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to them under this Policy and failure of the internal control systems, and shall take any such action it deems appropriate.
- (c) In any case, where the Audit Committee determine not to ratify a related party transaction that has been commenced without approval, they shall direct additional actions to be performed including, but not limited to, discontinuation of the transaction or seeking the approval of the shareholders, payment of compensation for the loss suffered by the related party etc. In connection with any review/approval of a related party transaction, the Audit Committee have the authority to modify or waive any procedural requirements of this Policy.
- (d) The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.
- (e) This Policy on Related Party Transactions shall be governed by the Companies Act, 2013 read with Rules made thereunder, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Indian Accounting Standards and such other statutes as may be applicable from time to time.

If, due to subsequent changes in the Act or/and Regulation, a particular Standard or any part thereof becomes inconsistent with the Act or/and Regulation, the provisions of the Act or/and Regulation shall prevail.