



WEST COAST PAPER MILLS LIMITED

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POLICY ON MATERIAL SUBSIDIARIES

Pursuant to Regulation 16 (1) (c) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") requires every listed company to formulate a policy for determining a "material" subsidiary and Regulation 46(2)(h) of the Listing Regulations requires each listed company to publish such policy under separate section on its website.

The Board of Directors (the "Board") of West Coast Paper Mills Limited (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiary as defined below. The Board may review and amend this policy from time to time.

Definitions

"**Material Subsidiary**" shall mean a Subsidiary, whose income or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

"**Significant Transaction or Arrangement**" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

"**Subsidiary**" shall be as defined under the Companies Act, 2013 and the Rules made there under.

Policy and procedure

1. **One Independent Director** of the Company shall be a director on the Board of the unlisted Material Subsidiary whether incorporated in India or not. For this purpose, an unlisted material subsidiary mean an unlisted subsidiary company, whose income or net worth exceeds 20% of the consolidated income of net worth respectively, of the company and its subsidiaries in the immediately preceding accounting year.
2. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company on quarterly basis.
3. The minutes of the Board meetings of the unlisted subsidiary company shall be placed before the Board of the Company.
4. The management shall bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company on a periodical basis.

5. A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

6. Selling ,disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution , unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

The Audit Committee would review and amend the Policy, as and when requires, subject to the approval of the Board.

The Policy is approved by the Board of Directors as on 26.06.2020.