



WEST COAST PAPER MILLS LIMITED

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POLICY ON RELATED PARTY TRANSACTIONS

This policy is framed in compliance with the requirements of Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations, 2015") as amended and intended to ensure the proper approval and reporting of transactions between Company and its Related Parties. The Policy also endeavours compliance with the provisions under section 188 of the Companies Act, 2013 and Rules made there under prescribes certain conditions to enter into any contract or arrangement with its Related Parties.

The Company will enter into transactions with related parties at arm's length as defined under section 188 of the Companies Act, 2013 and also in accordance with other applicable provisions of the Companies Act, 2013, Rules made thereunder & Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(SEBI Regulations) detailed as under-

- (1) Sale of Paper & Paperboard at the prevailing pricing policy by marketing department of the Company and no special discount or facility will be extended.
- (2) Purchase of goods or materials from the related parties will be at prevailing market rate and as per the pricing policy of the said related parties without any special discount or facilities.
- (3) Leasing/Sale of immovable property of the company to the related parties will be at the prevailing market rent/rate respectively, duly evidenced by competitive quotes.
- (4) Immovable property on Buy/Lease from the related parties will also be at the market rate/rent respectively, duly evidenced by the competitive quotes.
- (5) Transactions related to loans & investments with related parties will be as specifically approved by the board of directors of the company as per the limits prescribed under section 186 of the Companies Act, 2013 or with specific approval of the shareholders in the general meeting if limit is to be exceeded. Loans will be given to related parties at the prevailing interest rate charged by the lead bank of the Company for working capital Consortium subject to not less than yield of Government Securities closest to the tenure of the loan as per section 186(7) of the Companies Act, 2013.

- (6) Corporate Guarantees given on behalf of the related parties will be honored by the Company and Inter Corporate Deposit will be extended if required subject to interest rate as mentioned in clause (5) above.
- (7) Appointment of any agents for purchase or sale of goods, materials, services or property.
- (8) Such related party's appointment to any office or place of profit in the Company, its subsidiary or associate company will be done in accordance with provisions of the Companies Act, 2013 and Rules framed thereunder or SEBI Regulations.
- (9) Underwriting the subscription of any securities or derivatives thereof, of the Company.
- (10) Related party transactions shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent or such percent as may be prescribed under the Companies Act, 2013 and Rules thereunder or SEBI Regulations, of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. All material related party transactions shall be entered with approval of the shareholders through resolutions.
- (11) All related party transactions shall be entered with prior approval of the audit committee. Audit committee may grant omnibus approval for related party transactions after laying down criteria for granting the same, subject to the Companies Act, 2013 and Rules thereunder or SEBI Regulations.

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

The Policy has been approved by the Board of Directors as on 26.06.2020 and substitutes the existing policy dated 13.05.2014.