

RELATED PARTY TRANSACTION POLICY
OF
GANGA PAPERS INDIA LIMITED

1. PURPOSE OF THE POLICY:

1.1 Ganga Papers India Limited (“Company”) is governed, amongst others, by the rules and regulations framed by Securities and Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions (“RPT”) and also on dealing with Related Party Transactions.

1.1.1 Accordingly, the Company has formulated this policy (Policy) on materiality of Related Party Transactions and on dealing with Related Party Transactions. This Policy regulates all transactions between the Company and its Related Parties.

1.1.1 The Board of Directors of the Company (“Board”) on recommendation of the Audit Committee of the Company (“Audit Committee”) shall review the Policy once in three years and may amend the same from time to time.

2 DEFINITIONS:

2.1 **“Act”** means the Companies Act, 2013 including any statutory modification or re-enactment thereof for the time being in force.

2.2 **“SEBI LODR”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

2.3 **“Applicable Law(s)”** includes (a) the Act and the rules made thereunder; (b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, any other statute, law, standards, regulations or other governmental instruction relating to RPTs and amendments made thereto.

2.4 **“Arm’s Length Transaction”** as per the Explanation (b) to Section 188 (1) of the Companies Act, 2013 means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

2.5 **“Material Related Party Transaction(s)”** means a transaction with a related party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

In case of transaction involving payment to a related party for brand usage or royalty, it will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year,

exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

- 2.6 **“Material Modification(s)”** means and include any modification to an existing RPTs, in aggregate with a related party, having variance of 25% in value of the transaction already approved by the Audit Committee or Board or Shareholders, as the case may be, or such modification as may be decided by the Audit Committee.
- 2.7 **“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per its Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines.
- 2.8 **“Related Party”** means a related party as defined under sub-section (76) of section 2 of the Act or under the applicable accounting standards:
Provided that:
(a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
(b) any person or any entity, holding equity shares:
(i) of twenty (20) per cent or more; or
(ii) of ten (10) per cent or more, with effect from **April 1, 2023**;
in the listed entity either directly or on a beneficial interest basis as provided under section 89 of the Act, at any time, during the immediate preceding financial year; shall be deemed to be a related party.”
- 2.9 **“Related Party Transaction(s)”** shall have the same meaning as specified under the Act and Rules made thereunder and Regulation 2(1)(zc) of the SEBI LODR, as amended and shall mean a transaction involving a transfer of resources, services or obligations between:
- 2.9.1 the Company or any of its subsidiaries on the one hand and a related party of the Company or any of its subsidiaries on the other hand;
- 2.9.2 the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023, regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract.

Following shall not be considered RPTs of the Company in terms of SEBI LODR:

- the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- payment of dividend by the Company;
- subdivision or consolidation of securities by the Company;
- issuance of securities by way of a rights issue or a bonus issue and
- buy-back of securities.

3 IDENTIFICATION OF RELATED PARTIES, RELATED PARTY TRANSACTIONS AND MATERIALITY THRESHOLD:

3.1 Identification of Related Party:

Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture (if any) shall,

- 3.1.1 at the time of appointment;
- 3.1.2 periodically – as required by the Company
- 3.1.3 whenever there is any change in the information already submitted,

provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

3.2 Identification of Related Party Transactions:

As a policy, the company will identify the RPTs as per the applicable laws, which require consent of the Audit Committee, Board of Directors and Shareholders, as the case may be. The identified RPTs will be subsequently categorized them into broad categories.

Any other RPT identified during the periodic review not covered under any specific broad category shall be independently reviewed, approved and included for confirmation as a part of Related Party Policy mechanism.

The Company shall report the transactions of aforementioned category entered into with related parties identified as per Clause 3.2.1 of this RPT Policy and put the same for necessary approvals required as per the applicable law.

3.2.1 As per SEBI LODR:	3.2.2 As per the Act:
➤ Any transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as	RPTs falling under Section 188(1) of the Act read with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, as amended from time to time and exceed limits provided under the said rules.

<p>per the last audited financial statements of the Company or ₹ 1,000 crore, whichever is lower.</p> <p>➤ Notwithstanding the above, 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 5% of the annual consolidated turnover of Company as per the last audited financial statements of Company.</p>	
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4 APPROVAL OF RELATED PARTY TRANSACTIONS:

<p>4.1 Audit Committee:</p>	<p>4.1.1 All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.</p> <p>4.1.2 Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders.</p> <p>4.1.3 The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.</p> <p>4.1.4 The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has</p>
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	<p>authority to modify or waive any procedural requirements of this Policy.</p> <p>4.1.5 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.</p>
4.2 Board of Directors	<p>If a Related Party Transaction is;</p> <p>(i) a material transaction as per Regulation 23 of the Listing Regulations, or</p> <p>(ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.</p>
4.3 Shareholders	<p>If a Related Party Transaction is;</p> <p>(i) a material transaction as per Regulation 23 of the Listing Regulations, or</p> <p>(ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.</p>

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

5 REPORTING OF RELATED PARTY TRANSACTIONS:

- 5.1 Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.
- 5.2 The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

6. LIMITATION AND AMENDMENT:

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

7. DISCLOSURE OF THE POLICY:

This Policy will be accessible on the website of the Company.