
Orient Paper & Industries Limited

Policy on Related Party Transactions

INTRODUCTION

Orient Paper & Industries Limited (the "**Company**" or "**OPIL**") recognizes that Related Party Transactions (*as defined below*) can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its shareholders' best interests. Therefore, this Policy regarding the review and approval of Related Party Transactions has been adopted by the Company's Board of Directors ("**Board**") in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified by the Audit Committee / Board of Directors / shareholders as per the provisions of the Companies Act, 2013 ("**Companies Act**") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") as may be amended from time to time.

I. DEFINITIONS

For the purposes of this Policy, the following definitions apply:

"Act" means the Companies Act, 2013 and rules issued thereunder.

"Arm's Length Transaction" shall mean a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

"Audit Committee" means the Committee constituted by the Board of the Company under the applicable provisions of the Companies Act and Listing Regulations.

"Board of Directors" or **"Board"** in relation to the Company, means the collective body of the directors of the Company.

"Key Managerial Personnel" shall mean any of the following officers of the Company: (i) the Managing Director or Chief Executive Officer or Manager and in their absence, Whole-time director; (ii) the Chief Financial Officer; (iii) the Company Secretary; (iv) such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and (v) such other officer as may be prescribed under the Act and the Listing Regulations

"Material Related Party Transactions" shall mean 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 one thousand crore or 10% (ten percent) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower;

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 five percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Material Modifications" shall mean: triggering of any of the following conditions whether individually or in aggregate:

- a. Change in overall transaction value of any previously approved material Related Party Transaction beyond 10% of the approved amount or
- b. Extension in duration of any previously approved material Related Party Transaction

- contract beyond a period of 6 months from the agreed tenure or
- c. Such other criteria as may be prescribed by the Audit Committee on case to case basis.

"Officer(s)" shall mean the Chief Financial Officer or Company Secretary of the Company or such other personnel as designated by Audit Committee or the Board from time to time;

"Policy" shall mean this Related Party Transaction Policy

"Related Party" shall have the same meaning ascribed to such term under Section 2(76) of the Companies Act or under the applicable accounting standards, as may be amended from time to time and includes the following:

- (a) any person or entity forming a part of the promoter or promoter group of the Company; or
- (b) any person or any entity, holding equity shares:
 - i. of ten per cent or morein the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, at any time, during the immediately preceding financial year.

"Related Party Transaction" means:

- (i) a transaction between the Company and Related Party which is of the nature specified in clause (a) to (g) of Section 188(1) of the Act and clause (iv) of sub-section 4 of section 177 of the Act; and
- (ii) a transaction, except those which have been exempted under the Listing Regulations, involving a transfer of resources, services or obligations between the parties as specified in Regulation 2(1) (zc) of Listing Regulations,

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.

"Relative" means relative as defined under section 2(77) of the Companies Act, 2013 and rules prescribed there under;

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and the Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

II. PROCEDURES

- (a) Each of the Directors and Key Managerial Personnel (KMP) shall provide to the Officer, the list of their Related Parties on an annual basis and intimate changes thereon, from time to time. The names of all Related Parties identified shall be consolidated as a reference list and shall be shared with Audit Committee. Further, it shall be duty of every Director and KMP to forthwith bring to the attention of the Audit Committee/ Board any Related Party Transaction that he or she anticipates/ foresees involving him/her or his/ her relative, including any additional information about the transaction that the Audit Committee/ Board may request, for being placed before the Audit Committee/ Board.

- (b) Additionally, at the end of every financial year, a list of shareholders who at any time during the immediately preceding financial year have held prescribed % shareholding will be prepared for the purpose of identification of Related Party
- (c) Prior to entering into any transaction with Related Party, the Officer shall analyze such transaction in consultation with management and with outside counsel if required, to determine whether the transaction or relationship does, in fact, constitute a Related Party Transaction, requiring compliance with this Policy.
- (d) Once identified as a Related Party Transaction by the Officer, such Related Party Transaction shall be reported to the Audit Committee by the Officer, or in the event that the Officer has an interest in the Related Party Transaction, the transaction shall be reported to the Audit Committee by the Managing Director of the Company.
- (e) The Audit Committee shall be provided with all material facts including information/ details as required under the Companies Act and Listing Regulations in connection with all new, existing or proposed Related Party Transactions or material modifications thereto proposed to existing Related Party Transactions.
- (f) The Audit Committee will thereafter determine in all case, except in case of those Related Party Transactions which are exempted for approval of the Audit Committee, whether: (i) to approve the Related Party Transaction; or (ii) to approve the Related Party Transaction and refer the Related Party Transaction to the Board for its consideration and approval as may be required under the Companies Act or Listing Regulations, or (iii) to reject the Related Party Transaction.
- (g) Upon such determination as described in sub-clause (a) above, the Audit Committee shall follow the procedure prescribed below:
 - (i) If the Audit Committee approves the Related Party Transaction, it shall, recommend all Related Party Transactions requiring approval of the Board under this Policy or under the Companies Act or any other applicable provisions of law, to the Board. Only those members of the Audit Committee, who are independent directors, shall approve Related Party transactions.
 - (ii) The following Related Party Transactions which are not in the ordinary course of business of the Company or are in the ordinary course of business but are not Arm's Length Transactions thereto shall require prior approval of the Board at duly convened meeting:
 - (a) sale, purchase or supply of any goods or materials;
 - (b) selling or otherwise disposing of, or buying, property of any kind;
 - (c) leasing of property of any kind;
 - (d) availing or rendering of any services;
 - (e) appointment of any agent for purchase or sale of goods, materials, services or property;
 - (f) a Related Party's appointment to any office or place of profit in the Company, its subsidiary company or Associate Company; and
 - (g) underwriting the subscription of any securities or derivatives thereof, of the Company.

- (iii) Further, all Material Related Party Transactions including material modifications thereof except those Related Party Transactions which are exempted for approval of the Board, shall require prior approval of the Board.
 - (iv) If the Audit Committee determines the Related Party Transaction to be a transaction requiring Omnibus Approval, it shall record the reasons why the Related Party Transaction is considered for Omnibus Approval. If the Audit Committee rejects a Related Party Transaction, it shall record the reasons for rejecting such Related Party Transaction.
- (h) In assessing a Related Party Transaction, the Audit Committee / Board shall consider such factors as it deems appropriate, including without limitation:
- (i) The business reasons for the Company to enter into the Related Party Transaction;
 - (ii) The approximate value of the transaction;
 - (iii) The general description of the transaction, including the material terms and commercial reasonableness of the terms of the Related Party Transaction;
 - (iv) Whether the terms and conditions of the Related Party Transactions are on an Arms-length basis.
 - (v) Whether the terms of the Related Party Transaction are fair to the Company and on the same basis as would apply if the transaction did not involve a Related Party;
 - (vi) The materiality of the Related Party Transaction to the Company;
 - (vii) Whether such transaction is in the ordinary course of business.
 - (viii) The extent of the Related Party's interest in the Related Party Transaction;
 - (ix) The actual or apparent conflict of interest of the Related Party participating in the Related Party Transaction;
 - (x) Whether the Related Party Transaction would affect the independence of an independent director;
 - (xi) Such other information or factors as may be required under the Companies Act and/or Listing Regulations.
- (i) **Shareholder's approval for Related Party Transactions**
- (i) All Material Related Party Transactions and subsequent Material Modification(s), except in case of those Related Party Transactions which are exempted for approval of the Company's shareholders, can be entered into only after obtaining the prior approval of the Company's shareholders by way of a resolution as prescribed under Listing Regulations, , and the Related Parties shall abstain from voting in favour of such resolution, irrespective of whether the related party is party to the particular transaction or not
 - (ii) In addition to the above, all Related Party Transactions falling under the categories enlisted in paragraph g(ii) above which (a) are not Arm's Length Transactions and/or not in the ordinary course of business; and (b) exceed the thresholds laid down under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval. For such Related Party Transactions, any shareholder of the Company who/which is a Related Party in the context of the proposed Related Party Transaction shall abstain from voting.
- (j) In the event that the Officer becomes aware of a Related Party Transaction(s) that was not previously approved under this Policy, the Officer shall notify the Audit Committee, and the Audit Committee, if required under this Policy, and if value of such transaction(s) with the

Related Party, whether entered individually or taken together, during a financial year does not exceed Rupees One Crore and is not a material Related Party Transaction in terms of this Policy, shall refer such transaction to the Board and the Audit Committee / Board as the case may be, will consider whether the Related Party Transaction should be ratified or rescinded within the prescribed time.

In case of ratification by the Audit Committee is required, members of the Audit Committee who are Independent Directors may ratify such transaction(s) within the time prescribed time.

The Board, if required under this Policy, may refer such Related Party Transaction to the shareholders of the Company and shareholders may consider whether such transaction should be ratified or rescinded within the time prescribed time.

The Board / Audit Committee/ shareholders, as the case may be, shall consider all relevant facts and circumstances respecting such transaction including but not limited to, the reason for not obtaining the prior approval of the Committee/ Board/ Shareholders, as the case may be, relevance of business urgency and whether subsequent ratification would be detrimental to the Company or in contravention of any law and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such transaction, and the Company shall take such action as the Committee/Board/shareholders, as the case may be, deems appropriate under the circumstances.

Related Party Transaction entered into without approval shall not be deemed to violate this policy, or be invalid or unenforceable, so long as the transaction is brought to the notice of the Audit Committee / Board/shareholders, as the case may be, as promptly as reasonably practical after it is entered into and is ratified under this Policy.

Failure to seek ratification of the Audit Committee/ Board/ shareholders, as the case may be, shall render the Related Party Transaction voidable at the option of the Audit Committee/ Board/ shareholders, as the case may be, and if such 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.

III. OMNIBUS APPROVAL

1. The Audit Committee shall specify the criteria for making the omnibus approval for Related Party Transactions proposed to be entered by the Company, which shall include the following:-
 - a. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
 - b. the maximum value per transaction which can be allowed;
 - c. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;

- d. review, at such intervals as the Audit Committee may deem fit, related party transaction entered into by the Company pursuant to each of the omnibus approval made;
 - e. transactions which cannot be subject to the omnibus approval by the Audit Committee.
 - f. Any other factor / criteria as may be prescribed under the Companies Act and/or Listing Regulations.
2. The Audit Committee shall consider the following factors while granting the omnibus approval, namely: -
 - a. repetitiveness of the transactions (in past or in future);
 - b. justification for the need of omnibus approval.
 3. The Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and that such approval is in the interest of the Company.
 4. The omnibus approval shall contain or indicate the following: -
 - a. name of the related parties;
 - b. nature and duration of the transaction;
 - c. maximum amount of transaction that can be entered into;
 - d. the indicative base price or current contracted price and the formula for variation in the price, if any; and
 - e. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction or as may be prescribed under the Companies Act and/or Listing Regulations.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, Audit Committee shall have the authority to grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

5. Omnibus approval shall be valid for a period not exceeding one financial year and shall require fresh approval after the expiry of such financial year.
6. Omnibus approval shall not be made for transactions in respect of selling or disposing of the undertaking of the Company.
7. Any other conditions as the Audit Committee may deem fit.
8. Thereafter, 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.
9. In addition, the Audit Committee/ the Board may review any Related Party Transactions involving independent directors as part of the annual determination of their independence.
10. Nothing stated in this Policy shall override any provisions of law made in respect thereof.

IV. DISCLOSURE

The Related Party Transactions shall be disclosed to such persons and governmental and / or regulatory authorities, in the manner prescribed, if required, under the Companies Act / Listing Regulations. Provided, further, the Company is also required to disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.

V. REVIEW OF THE POLICY

The Board shall review the Related Party Transaction Policy from time to time, but at least once in every three years, based on the changing needs and make suitable modifications as may be necessary.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Date: 10.02.2025

Place: Kolkata

Version	Date	Change Description	Prepared by	Approved by
1.0	26.09.2014	Adopted as per the Companies Act, 2013 and SEBI Listing Agreement.	Management	Board of Directors
1.1	25.03.2019	Alignment with the amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations (Amendment), 2018, effective from 1 st April 2019.	Management	Board of Directors
1.2	30.03.2022	Alignment with the amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment), Regulations, 2021 effective from 1 st April 2022.	Management	Board of Directors
1.3	10.02.2025	Alignment with the amendments in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment), Regulations, 2024 effective from 31 st December, 2024.	Management	Board of Directors