

THREE M PAPER BOARDS LIMITED



COATED DUPLEX BOARD
BOTH SIDE COATED
WHITE BOARD

Regd. Office:

Royal Industrial Estate

Office No. A-33/34

5B Naigaon Cross Road, Wadala

Mumbai 400 031, Maharashtra

Tel.: +91-22-6812 5757 / 6812 5700

Email: account@threempaper.com

CIN No.: L22219MH1989PLC052740

RELATED PARTY TRANSACTION POLICY

PREAMBLE

The Board of Directors (the "Board") of Three M Paper Boards Limited (the "Company") has adopted this Policy upon the recommendation of the Audit Committee. This Policy establishes the materiality threshold and procedures for managing Related Party Transactions ("Policy") to comply with Section 188 of the Companies Act, 2013, and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time.

1. APPLICABILITY

This Policy applies to Transactions between the Company and its Related Parties. It provides a framework for governance and reporting of Related Party Transactions, including material transactions.

2. OBJECTIVE

This Policy aims to ensure due and timely identification, approval, disclosure, and reporting of Related Party Transactions in compliance with applicable laws and regulations under the Companies Act, 2013, and Listing Regulations, as amended from time to time. The Company must disclose Related Party Transactions annually in its Financial Statements, along with policies concerning these transactions.

This Policy is designed per the requirements of Section 188 of the Companies Act, 2013, and Regulation 23 of the Listing Regulations to govern the approval process and disclosure requirements, ensuring transparency in the conduct of Related Party Transactions for the benefit of the Company and its shareholders.

3. TERMS AND REFERENCES

Materiality of Related Party Transactions

Contracts or arrangements with a related party are deemed material if:

- The transactions (either individually or in aggregate over a financial year) exceed 10% of the Company's annual consolidated turnover based on the last audited financial statement, or any amount as prescribed under the Listing Regulations.
- A transaction involving brand usage or royalty payments exceeds 5% of the Company's annual consolidated turnover based on the last audited financial statement.



(Formerly known as "Three M Paper Boards Pvt. Ltd." & "Three M Paper Mfg. Co. Pvt. Ltd.")

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4. POLICY

The Audit Committee shall review and approve all Related Party Transactions per this Policy. All proposed Related Party Transactions must be submitted to the Audit Committee for prior approval. For frequent, regular, or repetitive transactions that fall within the Company's normal course of business, the Committee may grant omnibus approval, as detailed in a separate section of this Policy.

In exceptional cases where prior approval is not obtained due to inadvertent omission or unforeseen circumstances, the Committee may ratify the Transactions. If the Committee does not ratify a Related Party Transaction that was commenced without its approval, it may direct further actions, including but not limited to discontinuing or modifying the transaction to meet ratification requirements.

5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS

a) **Pre-approval Requirement:** All Related Party Transactions must be pre-approved by the Audit Committee. The Audit Committee shall consider relevant factors in its deliberations.

b) **Recusal:** Any Audit Committee member with an interest in a Related Party Transaction will recuse themselves from discussions and voting on the approval of that transaction.

c) **Omnibus Approval:** For repetitive transactions, the Audit Committee may grant omnibus approval, subject to criteria under Regulation 23(3) of the Listing Regulations and other conditions. This approval is valid for one year and requires renewal after expiry.

d) **Board Approval:** Transactions referred to the Board for approval, due to either being outside the *ordinary course of business or **not at arm's length, will be evaluated based on factors such as transaction nature, terms, pricing, and business rationale.

- **Ordinary Course of Business:** Routine acts and transactions within the Company's operations, including but not limited to the sale or purchase of goods or services, leases, and guarantees.
- **Arm's Length Price:** A price that reflects market conditions as if the parties were unrelated.

e) **Shareholders' Approval:** Material Related Party Transactions, or transactions that are not in the ordinary course or at arm's length, exceeding certain thresholds under the Companies Act, 2013, will require approval by a special resolution. Related Parties will abstain from voting on these resolutions.

f) **Post-Facto Approval:** If a Related Party Transaction is identified after its initiation, the Company must promptly seek post-facto approval from the Audit Committee, the Board, and/or shareholders as required.



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6. AMENDMENT

Any amendments to the Listing Regulations, Companies Act, or other relevant rules impacting this Policy will apply automatically, and the affected provisions of this Policy will be modified accordingly, even if not explicitly incorporated here.

7. DISCLOSURE

The Company will disclose the particulars of Related Party Transactions in its Annual Report, including justifications for these transactions, as part of the Board's Report. Disclosures will also be submitted to stock exchanges in the SEBI-prescribed format and published on the Company's website. A link to this Policy will be provided in the Annual Report.

8. INTERPRETATION AND REVIEW

In case of any subsequent changes in the Companies Act, 2013, SEBI Listing Regulations, or other regulations rendering any Policy provisions inconsistent, the prevailing Act or regulations will supersede the Policy, which will then be updated to align with the law.

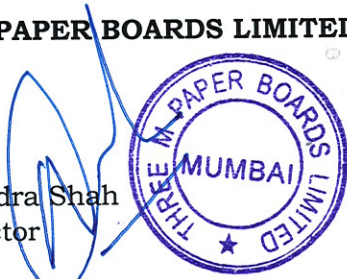
This Policy will be reviewed by the Audit Committee at least once every three years or whenever regulatory changes necessitate an update. Any modifications to the Policy, as recommended by the Committee, will be presented to the Board of Directors for approval.

For **THREE M PAPER BOARDS LIMITED**

Rushabh Hitendra Shah
Managing Director

DIN: 01874177

Date : 26th February, 2024



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