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Related Party Transaction Policy & Procedure

1. INTRODUCTION

Genus Paper & Boards Limited (hereinafter referred to as "Genus" or the "Company" in this document) recognizes that Related Party Transactions ("RPT") can present potential or actual conflict of interest of the Directors, Senior Management etc. with the interest of the Company. Thus, the Board of Directors of the Company has approved and adopted this policy includes the materiality threshold and the manner of dealing with RPT as defined below, in compliance with the requirements of Section 188 of the Companies Act, 2013 and Rules made there-under and any subsequent amendments thereto (the "Act") and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" "LODR") and any subsequent amendments thereto. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations in order to ensure the transparency and procedural fairness of such transactions and protect the interest of the shareholders of the Company.

2. OBJECTIVE

This policy is framed as per requirement of amended Section 188 of the Act and Regulation 23 of the Listing Regulations and aimed to ensure the appropriate approval and reporting of transactions as applicable, between the Company and any of its related parties, in the best interest of the Company and its Stakeholders. This policy is designed to oversee the transparency of approval process and disclosures requirements to make sure fairness in the conduct of related party transactions, in terms of the applicable laws.

The Audit Committee of the Board of Directors of the Company ("Audit Committee" or "Committee") shall review and approve the Related Party Transactions based on this Policy in terms of the requirements under the above provisions.

The Board shall review this policy at least **once in every 3 (three) years.**

3. DEFINITIONS

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

(A). "**Board**" means the Board of Directors of the Company.

(B). "**Audit Committee or Committee**" means Committee of Directors of the Company constituted under provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

(C). "**Related Party**" - with reference to the company, means:

(i) A director or his relative. (Section 2(76) of the Act)

(ii) A key managerial personnel or his relative. (Section 2(76) of the Act)

(iii) A director (other than an independent director) or key managerial personnel of the holding company or his relative with reference to company. (Section 2(76) of the Act)

(iv) A firm, in which a director, manager or his relative is a partner. (Section 2(76) of the Act)

(v) A private company in which a director or manager or his relative is a member or director. (Section 2(76) of the Act)

(vi) A public company in which a director and manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital. (Section 2(76) of the Act)

(vii) Any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager. (Section 2(76) of the Act)

(viii) Any person on whose advice, directions or instructions a director or manager is accustomed to act.

Provided *that nothing in sub-clauses (vii) and (viii) shall apply to the advice, directions or instructions given in a professional capacity.*

(ix) Any body corporate which is—

a) a holding, subsidiary or an associate Company of the Company;
b) a subsidiary of a holding Company to which it is also a subsidiary; or
c) an investing company or the venturer of the Company.

Explanation*.—For the purpose of this clause, "the investing company or the venturer of a company" means a body corporate whose investment in the company would result in the company becoming an associate company of the body corporate.* (Section 2(76) of the Act)

(ix) (a) Any person or entity forming a part of the promoter or promoter group of the Company; or any person or any entity, holding equity shares:

(i) of twenty per cent or more; or
(ii) of ten per cent or more, with effect from April 1, 2023

in the Company either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediate preceding financial year

(xi) A related party as defined under Section 2(76) of the Companies Act, 2013 and rules prescribed there under.

(xii) A related party as defined under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xiii) A related party as defined under applicable accounting standards.

(D). "**Relatives**" - with reference to any person, means anyone who is related to another, if –

(i) They are members of a Hindu Undivided Family;

(ii) They are husband and wife; or

(iii) One person is related to the other in the following manner, namely:-

(a) Father including step father
(b) Mother including step mother
(c) Son including step son
(d) Son's Wife
(e) Daughter
(f) Daughter's Husband

(g) Brother including step brother
(h) Sister including step sister

(E). "**Related Party transactions**" - transactions/ contracts/ arrangement between the Company and its related parties which fall under one or more of the following categories/headings:

(i). As per Section 188 of the Act:
(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) Such related party's appointment to any office or place of profit in the Company, its subsidiary Company or associate Company.
(g) Underwriting the subscription of any securities or derivatives thereof, of the Company.

(ii). As per the SEBI Listing Regulations:
(a) transfer of resources, services or obligations between:
- the Company or any of its subsidiaries on one hand and a related party of the Company or any of its subsidiaries on the other hand; or
- 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;

Provided that the following shall not be a related party transaction:
(a) 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;
(b) the following corporate actions by the Company which are uniformly applicable/offered to all shareholders in proportion to their shareholding:
i. payment of dividend;
ii. subdivision or consolidation of securities;
iii. issuance of securities by way of a rights issue or a bonus issue; and
iv. buy-back of securities.
(c) acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board

(iii). As per Accounting Standards 18:
- transfer of research and development.
- license agreements.
- finance (including loans and equity contributions in cash or kind).
- guarantees and collaterals.
- Management contracts including for deputation of employees.

(iv). Any other related party transactions/contracts/arrangement between the Company and its related parties as defined under the Act, Listing Regulations, applicable accounting standards and other applicable rules/regulations/laws.

(F). "**Control**" includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

Provided *that a director or officer of the Company shall not be considered to be in control over such company, merely by virtue of holding such position.*

(G). "**Material Related Party Transaction**" means those transaction(s) entered into with the Company by a related party, individually or taken together with previous transactions during a financial year, exceed Rs.1000 crore (rupees one thousand crore) or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such limits as may be prescribed either in the Companies Act, 2013 or the SEBI Listing Regulations, from time to time.

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

(H). **Material Modification** means any modification to a Related Party Transaction having variance of more than 20% of the existing overall transaction value or Rs. 1 crore whichever is higher, as approved by the Audit Committee/Shareholders, as the case may be.

(I). "**Office or place of profit**" means any office or place—

(i). where such office or place is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

(ii). where such office or place is held by an individual other than a director or by any firm, private Company or other body corporate, if the individual, firm, private Company or body corporate holding it receives from the Company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise.

(J). "**Transactions on arm's length basis**" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

(K). "**Key Managerial Personnel**" **("KMP")** includes -

(i). the Chief Executive Officer or the Managing Director or the Manager.

(ii). the Company Secretary.

(iii). the Whole-time Director.

(iv). the Chief Financial Officer.

(v). 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.

(vi). such other officer as may be prescribed under any laws applicable to the Company.

(L). "**Associate Company**", in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the Company having such influence and includes a joint venture company.

Explanation:

(i). the expression "significant influence" means control of at least twenty percent (20%) of total voting power, or control of or participation in business decisions under an agreement.

(ii). the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

(M). **"Turnover"** means the aggregate value of the realization of amount made from sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

4. MATERIALITY THRESHOLDS

The materiality threshold for the purpose of Regulation 23(1), 23(1A) and 23(4) of the Listing Regulations is as follows:

- Payment to a Related Party with respect to brand usage or royalty: – 5% (five percent) of the annual consolidated turnover of the Company as per last its audited financial statements of the Company.
- Other transactions with a Related Party: - Rs. 1000 cr. (rupees one thousand crore) or ten percent (10%) of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.

5. INFORMATION REQUIRED FOR DETERMINING RELATED PARTY

The following details shall be required for ascertaining related party:

(A). Declaration/Disclosure of interest in form MBP-1.

(B). Declaration of relatives.

(C). Declaration about a firm in which a Director/ Manager or his relative is a partner.

(D). Declaration about a private Company in which a Director or Manager is a member or director.

(E). Declaration regarding a public company in which a Director or manager is a Director and holds along with the relatives more than 2% of the paid-up share capital.

(F). Notices from Directors of any change in particulars of Directorship or in other positions during the year

(G). Declaration by Holding Company regarding its Directors/KMPs' and their relatives.

(H). Details of any body corporate, whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager of the Company.

(I). Details of any person on whose advice, directions or instructions a director or manager is accustomed to act.

Provided that nothing in point no.(H) & (I) shall apply to the advice, directions or instructions given in a professional capacity.

(J). Details of any Company which is-

(i). a holding, subsidiary or an associate company of such company.

(ii). a subsidiary of a holding company to which it is also a subsidiary.

6. POLICY AND PROCEDURE

All RPT must be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

(A) Identification of prospective RPT

Each director and KMP is required to provide notice to the Board or Audit Committee of any prospective RPT involving him or her or his or her Relative, including any additional details about the transaction that the Board/Audit Committee may reasonably request. Such notice of any prospective RPT should be given well in advance so that the Audit Committee/Board has adequate time to obtain and review information about the proposed transaction. The Board/Audit Committee will determine whether the transaction falls under the category of RPT and requires compliance with this policy.

(B) Approval of RPT

(a) Audit Committee Approval:

All RPT and subsequent material modifications shall require prior approval of the Audit Committee.

A related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten percent (10%) of the annual consolidated turnover, as per the last audited financial statements of the Company.

With effect from April 1, 2023, a related party transaction to which the subsidiary of the Company is a party but the Company is not a party, shall require prior approval of the audit committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

Prior approval of the audit committee of the Company shall not be required for a related party transaction to which the listed subsidiary is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of Listing Regulation are applicable to such listed subsidiary. Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in above, the prior approval of the audit committee of the listed subsidiary shall suffice.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions

However, the Audit Committee may grant omnibus approval for RPT proposed to be entered into by the company subject to the following conditions:

(i). The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on RPT of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.

(ii). The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.

(iii). Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions as the Audit Committee may deem fit.

Provided that where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction.

(iv). Audit Committee shall review, atleast on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.

(v). Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

(b) Board Approval:

All RPT *(except any transactions entered into by the company in its ordinary course of business on an arm's length basis)* shall require approval of the Board by a resolution at a meeting of the Board and subject to the following conditions:

(i). The agenda of the Board meeting at which the resolution is proposed to be moved shall disclose-

- the name of the related party and nature of relationship;
- the nature, duration of the contract and particulars of the contract or arrangement;
- the material terms of the contract or arrangement including the value, if any;
- any advance paid or received for the contract or arrangement, if any;
- the manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of the contract;
- whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering those factors; and
- any other information relevant or important for the Board to take a decision on the proposed transaction.

(ii). Where any director is interested in any contract or arrangement with a related party, such director shall not be present at the meeting during discussions on the subject matter of the resolution relating to such contract or arrangement-

(c) Shareholders' Approval:

All **Material** RPT and subsequent material modifications shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, the following RPT *(except any transactions entered into by the company in its ordinary course of business on an arm's length basis)* shall require prior approval of the shareholders through a resolution and no related party shall vote to approve such resolutions: (Section 188 of the Act)

(i). where the transaction or transactions to be entered into, as contracts or arrangements with respect to clauses (a) to (e) of sub-section (1) of section 188 of the Act, with criteria as mention below-

- sale, purchase or supply of any goods or material, directly or through appointment of agent, amounting to 10 (ten) percent or more of the turnover of the company, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of the Act.
- selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to 10 (ten) percent or more of net worth of the company, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of the Act.
- leasing of property any kind amounting to 10 (ten) per cent or more of turnover of the company, as mentioned in clause (c) of sub-section (1) of section 188 of the Act.
- availing or rendering of any services, directly or through appointment of agent, amounting to 10 (ten) percent or more of the turnover of the company, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of section 188 of the Act.

Explanation- It is hereby clarified that the limits specified above shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

(ii). where the transaction or transactions to be entered into, is for appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration exceeding Rs. 2.50 lakh (rupees two and a half lakh) as mentioned in clause (f) of sub-section (1) of section 188 of the Act.

(iii). where the transaction or transactions to be entered into, is for remuneration for underwriting the subscription of any securities or derivatives thereof, of the company exceeding 1 (one) percent of the net worth as mentioned in clause (g) of sub-section (1) of section 188 of the Act.

Explanation-

- *The turnover or net worth referred in the above shall be computed on the basis of the audited financial statement of the preceding financial year.*

- *In case of wholly owned subsidiary, the resolution is passed by the holding company shall be sufficient for the purpose of entering into the transaction between the wholly owned subsidiary and the holding company.*
- *The explanatory statement to be annexed to the notice of a general meeting convened pursuant to section 101 shall contain the following particulars, namely:-*
  - *name of the related party.*
  - *name of the director or key managerial personnel who is related, if any.*
  - *nature of relationship.*
  - *nature, material terms, monetary value and particulars of the contract or arrangements*
  - *any other information relevant or important for the members to take a decision on the proposed resolution.*

(iv). Any other RPT, which is prescribed under any law for shareholders' approval from time to time.

The above requirements shall not apply in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

The above requirements of obtaining approval of Audit Committee or Shareholders shall not be applicable on -

- *transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.*
- *transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.*

(C) Review of RPT

The RPT during the quarter will be referred to the next scheduled meeting of the Audit Committee for review and approval. Any member of the Audit Committee, who has a potential interest in any RPT, will refrain himself/herself from discussion and voting on the approval of the RPT.

For reviewing a RPT, the Audit Committee will be provided with all relevant material information of the Related Party Transaction, including -

(i). the terms and conditions of the transaction;
(ii). the purpose of the transaction;
(iii). the benefits to the Company and the Related Party; and
(iv). any other relevant information/documents.

In deciding whether to approve a RPT, the Audit Committee will consider the following factors, among others, to the extent relevant to the RPT:

(i). Whether the terms and conditions of the RPT are fair and on arm's length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party.

(ii). Whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transactions, if any.

(iii). Whether the RPT would affect the independence of an independent director.

(iv). Whether the RPT would present an improper conflict of interest for any director or Key Managerial Personnel of the Company, taking into account the size of the transaction, the overall financial position of the director, chief executive officer or other Related Party, the direct or indirect nature of the director's, Key Managerial Personnel's or other Related Party's interest in the transaction and the ongoing nature of any proposed relationship and any other factors the Board/Committee deems relevant.

If the Committee determines that a RPT should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the RPT, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Nothing contained in this policy shall apply to the following transactions:

(i). Compensation to a director or KMP in connection with his or her duties to the Company or any of its subsidiaries or associates, including the reimbursement of reasonable business and travel expenses incurred in the ordinary course of business.

(ii). receipt of remuneration by Independent Director by way of sitting fees.

(iii). any profit related commission by directors or KMP as approved by members.

(iv). Any transaction in which the Related Party's interest arises solely from ownership of securities issued by the Company and all holders of such securities receive the same benefits pro rata as the Related Party.

7. TREATMENT OF THE RELATED PARTY TRANSACTIONS NOT PREVIOUSLY APPROVED

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a resolution in the general meeting, if required and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

The Company may proceed against a director or any other employee who had entered into such contract or arrangement in contravention of this Policy for recovery of any loss sustained by it as a result of such contract or arrangement and shall take any such action, it deems appropriate.

8. DISCLOSURE AND REGISTERS

- Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.
- All RPT shall be disclosed in the Company's quarterly audited financial statements and Annual Report and applicable statutory filings.

- The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023 and publish the same on its website.
- Particulars of every contracts and arrangements entered into and covered 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.
- The Company shall disclose the policy on dealing with Related Party Transactions on its website and a web link thereto in the Annual Report.
- The Company shall as prescribed under the Rules, keep and maintain one or more registers in such manner and containing such particulars as may be prescribed under the Act and after entering the particulars, such register or registers shall be placed before the next meeting of the Board and signed by all the directors present at the meeting.
- Every director or key managerial personnel shall, within a period of thirty days of his appointment, or relinquishment of his office in other Companies, as the case may be, disclose to the Company the particulars relating to his/her concern or interest in any company or companies or bodies corporate or firms or other associations, which are required to be included in the register maintained.
- The register referred above shall be kept at the registered office of the Company and it shall be open for inspection at such office during business hours and extracts may be taken there-from, and copies thereof as may be required by any member of the Company, shall be furnished by the Company to such extent, in such manner, and on payment of such fees as may be specified in the articles of the Company but not exceeding ten rupees per page.
- The register to be kept under this section shall also be produced at the commencement of every Annual General Meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
- The register shall be preserved permanently and shall be kept in the custody of the Company Secretary / Chief Financial Officer of the Company or any other person authorized by the Board for the purpose.
- This Policy will be communicated to all operational employees and other concerned persons of the Company.

9. CONFLICT BETWEEN LAWS AND POLICY

In case of any conflict between the prevailing laws/rules/regulations and this policy, the prevailing laws/rules/regulations shall prevail. Further, any subsequent amendment / modification in the Act, Listing Regulations and other applicable rules/regulations/laws in this regard shall automatically apply to this Policy.

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- (Reviewed on May 25, 2024)
- (Reviewed on May 28, 2025)
- (Reviewed on May 26, 2026)