



THE WEST COAST PAPER MILLS LIMITED

REGISTERED OFFICE & WORKS: PB No.5, Bangur Nagar, DANDELI-581325 (Karnataka)
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POLICY ON RELATED PARTY TRANSACTIONS

The Company will enter into transactions with related parties at arm's length as defined under section 188 of the Company Act, 2013 and also in accordance with other applicable provisions of the Companies Act, 2013 rules made thereunder & listing agreements entered with Stock Exchanges and 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 of immovable property of the company to the related parties will be at the prevailing market rent duly evidenced by competitive quotes.
- (4) Immovable property on lease from the related parties will also be at the market rent 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 honoured by the Company and Inter Corporate Deposit will be extended if required subject to interest rate as mentioned in clause (5) above.

K L Chandak
Executive Director

13.05.2014