POLICY ON RELATED PARTY TRANSACTIONS

(Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

Latest date of review and approval of the policy, by the Board of Directors on May 12, 2026.

1 Preamble:

(i) The Board of Directors ("the Board") of Seshasayee Paper and Boards Limited ("the Company") have adopted the Policy on Related Party Transactions (RPT). This has been framed in adherence to the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) This Policy applies to transactions between the Company and its one or more of Related Parties. It provides a framework for governance and reporting of RPT, including material transactions.

2 About the Company

The Company, belonging to SPB-Esvin Group which is professionally managed, is deeply committed to the core values of corporate governance concepts. It strives to maintain the highest ethical standards in the conduct of business and has steadfastly stood for the principle of arm's length dealing with Related Parties.

3 Objective of the Policy

(i) This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties, having regard to the potential or actual conflicts of interest that may arise because of entering into these RPTs. Its cardinal objective is compliance with the applicable Laws and Regulations.

(ii) The provisions of this Policy are designed to govern the approval process and disclosure requirements to achieve transparency in the conduct of RPT in the best interest of the Company and its Shareholders.

4 Definitions

a) "Act" means the Companies Act, 2013 read with the Rules thereto including any subsequent amendments thereof.

b) "Arm's length transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest. For determination of Arm's Length basis, guidance may be taken from provisions of Transfer Pricing under Income Tax Act, 2025.

c) "Audit Committee" means Audit Committee of the Board of Directors of the Company.

d) "Associate Company" means any other Company, in which the Company has a significant influence, but which is not a Subsidiary Company of the Company having such influence and includes a joint venture company.

e) "Board of Directors" or "Board" means the Board of Directors of the Company, as constituted from time to time.

f) Industry Standards means Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)" as notified by SEBI from time to time.

g) "Ordinary Course of Business" means, transactions that are necessary, normal and incidental to the business, the objects of the Company permit such activity, there is a historical practice and pattern of frequency (not an isolated transaction), has connection with the normal business carried on by the Company.

h) "Related Party" shall have the meaning assigned to it under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

i) "Related Party Transaction" or "RPT" shall have the meaning assigned to it under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

j) "Material Related Party Transaction" or "Material RPT" means a transaction with a Related Party, entered into individually or taken together with previous transactions during a financial year, which exceeds the thresholds as tabulated below:

Sl. No.	Consolidated Turnover of the Company	Threshold
1	Up to Rs. 20,000 Crore	10% of the annual consolidated turnover* of the listed entity
2	More than Rs. 20,000 Crore to upto Rs. 40,000 Crore	Rs. 2,000 Crore + 5% of the annual consolidated turnover* of the listed entity above Rs. 20,000 Crore
3	More than Rs. 40,000 Crore	Rs. 3,000 Crore + 2.5% of the annual consolidated turnover* of the listed entity above Rs. 40,000 Crore or Rs. 5000 Crores, whichever is lower.

* Annual consolidated turnover of the Company, as per the last audited financial statements

k) "Material Modification" in terms of SEBI LODR means any modification(s) in the pricing, quantity or overall transaction value as determined by the Audit Committee of the Board from time to time.

l) "Relative" means a relative as defined under the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from time to time.

Words and expressions used in this Policy shall have the meanings assigned to them in the Companies Act, 2013, read with relevant Rules thereof, Agreement, Accounting Standards and or the Industry Standards as applicable to the Company.

5 Policy and Procedure

Policy

All Related Party Transactions where the Company is a party to such transactions, must be reported to the Audit Committee and referred for approval by the Committee in accordance with this policy.

6 Identification of RPs and RPTs

(i) The Company shall identify Related Parties in accordance with the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Ind-AS 24.

(ii) The identification shall inter-alia include the following:

(a) Disclosure received from the Directors, Key Managerial Personnel

(b) Company's Corporate structure including subsidiary, associate entities.

(iii) Directors and KMP shall provide disclosures of their interests at the time of appointment, annually, and upon any change. Based on the said disclosure, the Company shall maintain a centralised and updated database of Related Parties, capturing the nature of relationship.

(iv) The Related Party list shall be reviewed and updated on a continuous basis.

(v) The Audit Committee shall be apprised, on a periodic basis, of material changes in the Related Party list and shall rely on such identification for the purpose of review and approval of Related Party Transactions.

Each Director and KMP shall disclose their interests including relatives and entities in which they have control or significant influence, at the time of appointment, annually and upon any change that such person or relative of such person had, has or may have in any transaction with the company, by providing notice to the Board or Audit Committee of any potential RPT together with additional information about the RPT that the Board or Audit Committee as may be required.

An employee of the Company who is aware of any transaction that is or may be perceived to be an RPT shall bring the same to the attention of the Company Secretary.

7 Terms of the Policy

(i) Approval of Audit Committee

Prior approval of the Independent directors of the Audit Committee shall be required for:

1. All Related Party Transactions and subsequent material modifications as defined by the Audit Committee;

2. RPTs of above ₹1 crore, where subsidiary is a party but the Company is not a party and the transaction amount exceeds the threshold of:

   (i) 10% of the annual standalone turnover of the subsidiary as per last audited financial statements of the subsidiary; or

   (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

If such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

(i) 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or

(ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.

(ii) Omnibus Approval

a) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiaries subject to compliance of the conditions contained in Act or SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015. Where the need for related party transaction(s) cannot be foreseen and specific details are not available, audit committee may grant omnibus approval for such transaction(s), subject to value of such transactions not exceeding rupees one crore per transaction and such approvals are valid for a period of one year.

b) The Audit Committee shall review the details of actual RPTs entered into by the Company pursuant to each of the omni bus approval obtained on a quarterly basis.

c) Omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Act or rules, notifications, or circulars issued thereunder from time to time. In case of omnibus approvals for material related party transactions, granted by the shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

(iii) Approval by way of Circular resolution of the Audit Committee

In the event that is impractical to wait till the meeting of the Audit Committee to enter into a Related Party Transaction, such transaction may be approved by the Audit Committee by way of Circular resolution in accordance with this Policy.

(iv) Approval of the Board of Directors

As per the provisions of Section 188 of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, are placed before the Board for its approval.
In addition to the above, the following kinds of transactions with related parties are also placed before the Board for its approval:

(a) Transactions which are in the ordinary course of business and at arm's length basis, but which as per Audit Committee requires Board approval;

(b) Transactions meeting the materiality thresholds laid down in the Policy and under the (Listing Obligations and Disclosure Requirements) Regulations, 2015 are to be placed before the shareholders for approval.

(v) Approval of the shareholders of the Company

All the transactions with related parties exceeding the materiality thresholds, laid down in the Policy, under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are placed before the shareholders for approval.

For this purpose, none of the related parties of the Company shall vote to approve on such shareholders' resolution irrespective of whether the entity is a related party to the particular transaction or not.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not at Arm's Length or not in the ordinary course of business; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 are placed before the shareholders for its approval.

(vi) Ratification

Ratification of an RPT, after its commencement or completion, will be approved by the Audit Committee only in exceptional circumstances and after recording the justification for its decision in writing. While so ratifying, the Audit Committee may impose such conditions or modifications as it deems fit.

An RPT entered into without prior approval or not covered by the omnibus approval of Audit Committee shall not be deemed to violate this Policy or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee for ratification as promptly and reasonably as practicable after being noticed as an RPT.

8 Transactions not requiring approval

Notwithstanding the foregoing, the following RPTs shall not require the approval of Audit Committee, Board or Shareholders, except where required under specific provisions of the Companies Act:

(i) Transactions pertaining to the appointment and remuneration of Directors and KMP other than Promoter Directors that are already approved by the Nomination and Remuneration Committee of the Board and also the reimbursement of reasonable expenses incurred by them in the normal course of business.

(ii) Transactions entered into between the Company and its wholly owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

9 Disclosures

(i) The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or not at arm's length basis along with the justification for entering into such transaction.

(ii) The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as additional information specified by SEBI from time to time, for review of the Audit Committee while seeking prior approval of the RPTs.

(iii) The Company shall place all the information, as specified in Industry Standards read with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as additional information specified by SEBI from time to time, in the Statement to the notice being sent to shareholders seeking their approval for proposed RPTs as applicable.

(iv) The Company shall provide disclosure of the Related Party Transactions to stock exchanges where the Company's securities are listed, in the format as specified by the SEBI/stock exchanges from time to time and within statutory timelines. The Company shall simultaneously upload the disclosure at its website.

10 General

(i) The Company, the Audit Committee or the Board shall comply with applicable provisions of the Companies Act, 2013, read with relevant Rules, Circulars / Clarifications thereof, SEBI (LODR) Regulations and Accounting Standards. The approval process, voting rights, disclosures shall all be in strict compliance of extant Rules and Regulations.

(ii) This Policy will be communicated to all operational heads and other concerned employees of the Company.

(iii) This Policy shall be disclosed on the website of the Company and the web link thereto shall be provided in the Annual Report.

(iv) The Board or the Audit Committee may amend the Policy from time to time, as may be required.

(v) Any interpretation, determination or other action taken by the Audit Committee or the Board shall be final and binding on the concerned Related Party.

(vi) This policy will be reviewed once in 3 years or appropriate recommendations shall be made by the Audit Committee to the Board to update the Policy based on the changes that may be brought about due to any regulatory amendments or otherwise.

N GOPALARATNAM
Chairman