

1. OUR VISION

In our pursuit for achieving our vision, we will conduct ourselves in a manner that reflects our shared values and our commitment to conduct business in the right way.

Ess Dee Aluminium Limited (EDAL)'s Material Related Party Transactions Policy is ---
"To strive towards achieving highest standards of corporate ethics & transparency to carry out its responsibilities to all stakeholders including consumers, share-holders, employees, local community and society at large".

The Company is committed to monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

2. CONFLICT OF INTEREST

We must avoid any relationship or activity that might impair our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations when the business actions we take on behalf of the Company conflict with our own personal or family interests. Our duty to the Company is to advance its legitimate interests. Some instances where conflict of interest could arise are:

(a) **Related Parties:**

If we conduct Company's business with a relative or with a Company in which a relative is associated in any significant role, we must disclose the same to our Compliance Officer. Relatives, for the purposes of this Code shall mean those persons who are defined as 'Relatives' under the Companies Act, 2013 including the Listing Agreement. If a relative is being considered for any position or assignment within the Company, we must disclose the same to appropriate authority within the Company.

(b) **Relative**

with reference to any person, means any one 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 such manner as may be prescribed under Section 2(77) of the Companies Act, 2013 and rules made thereunder;

(c) **Related Party:**

An entity shall be considered as related to the company if:

- (i) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
- (ii) such entity is a related party under the applicable accounting Standards.

(d) Related Party Transaction:

A related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged. A "transaction" with a related party shall be construed to include single transaction or a group of transactions in a contract. Following transactions are identified for the purpose of compliance with regard to related party:

- i. sale, purchase or supply of any goods or materials;
- ii. selling or otherwise disposing of, or buying, property of any kind;
- iii. leasing of property of any kind;
- iv. availing or rendering of any services;
- v. appointment of any agent for purchase or sale of goods, materials, services or property;
- vi. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
- vii. underwriting the subscription of any securities or derivatives thereof of the Company

(e) Material related Party Transaction includes the following

- i) A transaction with a related party if entered into individually or taken together with all previous transaction during a financial year exceeds ten per cent of the annual consolidated turnover of the Company as per the last audited financial statements of the company; or
- ii) The following transaction(s):

Sr No	Details of Transactions	Threshold limit
1	Sale, Purchase or supply of any goods or materials directly or through appointment of agents	* exceeding twenty five per cent of the annual turnover as mentioned in Section 188 (1)(a) & (e) of the Companies Act, 2013
2	Selling or otherwise disposing of, or buying property of any kind directly or through appointment of agents	* exceeding ten per cent of the Networth as mentioned in Section 188 (1)(b) & (e) of the Companies Act, 2013
3	Leasing of property of any kind	* exceeding ten per cent of the Net worth or exceeding ten per cent of the net worth as mentioned in Section 188 (1)(c) of the Companies Act, 2013
4	Availing or rendering of any services directly or through appointment of agents	* exceeding ten per cent of the Net worth as mentioned in Section 188 (1)(d) & (e) of the Companies Act, 2013.

<i>*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.</i>		
5	Appointment to any office or place of profit in the company, its subsidiary company or associate company	at a monthly remuneration exceeding Rs 2,50,000/- as mentioned in Section 188 (1)(f) of the Companies Act, 2013
6	Remuneration for underwriting the subscription of any securities or derivatives thereof of the Company	One per cent of the networth as mentioned in Section 188 (1)(g) of the Companies Act, 2013

3. REPORTING REQUIREMENTS BY MEMBERS OF THE BOARD

- The members of the Board and the key executives shall disclose to the Board whether they have a material interest in any transaction or matter affecting the Company.
- The Board and the top management shall conduct themselves in such a manner so as to meet the expectations of operational transparency to stakeholders while at the time maintain confidentiality of information in order to foster a culture for good decision making.
- The Board of Directors shall collectively monitor and manage potential risk of conflicts of interest of management, board members and shareholders including misuse of corporate assets and abuse in related party transactions.
- Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- 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.
- The Company would ensure that All Related Party Transactions are pre-approved by the Audit Committee.

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

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;

- c. 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.

- d. 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.
- e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

Provided the requirement for prior approval of the Audit Committee shall not be applicable for 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.

- The approval of the shareholders by way of special resolution shall be taken for the material related party transaction as per the applicable provisions of the Companies Act, 2013 (save & except the transaction entered into in the ordinary course of business which are done at arms' length price) or Listing agreement, as amended from time to time.
- The Company while seeking such approval of shareholders shall ensure that all the entities falling under the definition of related parties shall abstain from voting on such resolutions. *Provided that for 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, only the related parties as may be categorized as a related party in the context of the said transaction for which the special resolution is being passed shall not cast vote for the said transaction.*

4. REPORTING

- The Company is committed to disclose the details of all material transactions with related parties quarterly along with the compliance report on corporate governance.
- The company shall disclose the policy on dealing with Related Party Transactions on its website and web site thereto shall be provided in the Annual Report.

5. RETROSPECTIVE EFFECT

EDAL affirms that, if required, the material related party contracts or arrangements which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014, in terms of this policy.

Explanation: for the purpose of this clause a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five per cent of the annual turnover or twenty per cent of the net worth of the company as per the last audited financial statements of the company, whichever is higher.

6. PROTECTED DISCLOSURE

All Protected Communication/Disclosures should be addressed to Compliance Officer of the Company. The contact details are as under:

Company Secretary
Ess Dee Aluminium Limited
Ess Dee House, Akurli Road
Kandivali East,
Mumbai-400 101

7. AMENDMENTS

The Company reserves the right to make amendments to Policy on Related Party Transaction