Uni Abex Alloy Products Limited
Related Party Transaction Policy (Effective from May 30, 2014)

1. Preamble

i. The Board of Directors (the "Board") of Uni Abex Alloy Products Limited (the "Company" or "UAL"), has adopted the following policy and procedures with regard to Related Party Transactions as defined below.

ii. This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

2. Statutory Provisions :

i. The Companies Act, 2013 (CA 2013) has introduced substantial amendments in Related Party Transactions (RPT) provisions with respect to the scope and coverage of the Related Parties, Related Party Transactions (RPT), reporting and disclosures of RPTs.

ii. Accordingly, the transactions of a Company with its related parties which are not in the Ordinary Course of Business, or which are not on an Arm's Length basis or both would require the consent of the Board of Directors and / or the Shareholders of the Company vis a vis the transactional thresholds prescribed by CA 2013.

iii. Transactions of a Company with its related parties which are in the Ordinary Course of Business and at an Arm's Length basis would be considered as exempt from approvals, however will be subject to the disclosure requirements

3. Definitions

i. **"Arm's length transaction"** - means a transaction/s between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

ii. **"Audit Committee or Committee"** means Committee constituted by the Board of Directors of the Company in accordance with section 177 of the Companies Act, 2013 and Listing Agreement.

iii. **"Board"** means Board of Directors of the Company

iv. **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

v. **"Key Managerial Personnel (KMP)"** means key managerial personnel as defined under the Companies Act, 2013 and includes

a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director ;

b) Company Secretary; and

c) Chief Financial Officer

vi. **"Material Related Party Transaction"** means a Related Party Transaction as defined herein, where the value of the transaction/ transactions to be entered into alone or taken together which previous transactions in any financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

vii. **"Policy"** means Related Party Transaction Policy.

viii. "**Related Party**" means related party as defined in Clause 49 of the Listing Agreement which is as follows:

a) such entity is a related party under Section 2(76) of the Companies Act, 2013; or
b) such entity is a related party under the applicable Accounting Standards

ix. "**Related Party Transaction**" means and includes –

a) specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188 of the Companies Act, 2013;
b) As per clause 49 of the Listing Agreement, any transaction involving any Related Party which is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

x. **"Relative"** means a relative as defined under the Companies Act, 2013 and includes anyone who is related to another, if –

i. They are members of a Hindu undivided family ;
ii. They are husband and wife ; or
iii. Father (including step-father)
iv. Mother (including step-mother)
v. Son (including step-son)
vi. Son's wife
vii. Daughter
viii. Daughter's husband
ix. Brother (including step-brother)
x. Sister (including step-sister)

xi. Transactions in "ordinary course of business" shall mean and include –

a) Transactions that are entered in the normal and usual course of business and are identical to the business of the company.
b) Transactions that are reasonable in the context of the business of the company.
c) Transactions that are part of the standard industry practice.

4. Identification of Potential Related Party Transactions

i. On an annual basis, the Company Secretary shall request a disclosure from each Director and a KMP and other Related Parties within the meaning of Section 2(76) of the Act in the prescribed format.

ii. Directors and KMPs should promptly notify the Company Secretary in case of any changes / updates occurring in the Related Parties and in respect of details pertaining to such related parties declared by them.

iii. Any individual appointed/elected as a director or KMP shall be responsible to promptly complete and submit to the CS, the prescribed Disclosure declaration.

iv. The Company strongly prefers to receive such notice of any potential Related Party Transaction well in advance so that the Audit Committee and Board has adequate time to obtain and review information about the proposed transaction.

5. Manner Of Dealing With Related Party Transactions

i. Approval of Audit Committee:

a) All Related Party Transactions which are in the Ordinary Course of Business and on an Arm's Length Basis should be approved by the Audit Committee.

b) Further, all Material Related Party Transactions shall require approval of the Shareholders through special resolution and the Related Parties shall abstain from voting on such resolutions.

c) All Related Party Transactions shall require prior approval of the Audit Committee either at a meeting or by resolutions by circulations. Any member of the committee who has potential interest in any related party transaction will abstain from discussion and voting on the approval of the related party transaction.

d) Audit Committee shall have all rights to call for information/documents in order to understand the scope of the proposed related party transactions.

e) The Audit Committee may grant prior approval for Related Party Transaction which are repetitive in nature and are in the Ordinary Course of Business and are on the Arm's length basis, subject to the compliance of conditions contained in Clause 49 of the Listing Agreement.

f) The Audit Committee may grant omnibus approval for transactions which are of the value not exceeding Rs. 3 Crore and such approval shall be valid for a period not exceeding one year. The omnibus approval shall provide - the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into and such other conditions as the Audit Committee may deem fit.

g) All Related Party Transactions will be referred to the next regularly scheduled meeting of Audit Committee for review and approval.

h) All Material Related Party Transactions will be placed for approval of the shareholders of the Company through special Resolution and the related parties shall abstain from voting on such resolutions.

ii. Approval of Board of Directors

a) Approval of Board is required if:

(i) A Related Party Transaction is not in the ordinary course of business and at arm's length basis
(ii) If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or
(iii) if the Board in any case elects to review any such matter or
(iv) it is mandatory under any law for the Board to approve a Related Party Transaction.

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b) Any member of the Board who is interested or has potential interest (as mentioned under section 184(2) of the Companies Act, 2013), in any Related Party Transaction shall not be present at the meeting during discussions on the subject matter of the resolution relating to such Related Party Transaction.

iii. **Approval of Shareholders**

a) All kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business and at arm's length basis; 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.

b) Shareholders' approval by way of a Special Resolution of the Holding Company is required for entering into RPTs which are not in the Ordinary Course of Business or not on an Arm's Length basis or both (non-exempt RPTs) with a Wholly Owned Subsidiary (WOS) of the Company and with the WOS of the WOS as the case may be.

c) Such Special Resolution passed by the Company should be noted by the Board of Directors of the WOS and WOS of WOS as the case may be.

6. Points to be considered for approval of Related Party Transactions

i. In determining whether to approve a Related Party Transaction, the Committee/Board of Directors, as the case may be shall consider the following factors, among others, to the extent relevant to the Related Party Transaction:

a) Whether the terms of the Related Party Transaction are fair and on arms length basis to the Company and would apply on the same basis if the transaction did not involve a Related Party;

b) Whether there are any compelling business reasons for the Company to enter into the Related Party Transaction and the nature of alternative transactions, if any;

c) Whether the Related Party Transaction would affect the independence of an independent Director;

d) Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;

e) Whether the Company was notified about the Related Party Transaction before its commencement and if not, why pre-approval was not sought and whether subsequent ratification is allowed and would be detrimental to the Company; and

f) Whether the Related Party Transaction 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, 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.

7. Disclosure

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 arm's length basis along with the justification for entering into such transaction.

ii. In addition, the Company shall also disclose the policy on dealing with Related Party Transactions on its website and a web link thereto shall be provided in the Annual report.

8. Related Party Transactions not approved under this Policy

i. In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

ii. In any case, where the Committee determines not to ratify a Related Party Transaction, which has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

iii. This Policy will be communicated to all operational employees and other concerned persons of the Company.

9. Conflict between the provisions

i. In the event of conflict between the provisions of this policy and provisions of Companies Act, 2013/ Listing Agreement or any other statutory enactments/rules, the provisions of Companies Act, 2013/ Listing Agreement or any other statutory enactments/rules shall prevail over this policy.

ii. This policy shall be amended/ updated in accordance with the amendments made via circulars/ notifications/ rules as may be published in the official Gazette of India from time to time.

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