

***POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON
DEALING WITH RELATED PARTY TRANSACTIONS***

1. Introduction and Background:

AMOL DICALITE LIMITED (the “Company” or “ADL”) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders' best interests.

2. Scope & Inclusion:

This policy sets definition of materiality of related party transactions and dealing with related party transactions.

3. Terms and References:

❖ Materiality of related party transactions

Contracts / arrangements with a related party shall be considered as “material related party contracts / arrangements if the transactions during a financial year under such contracts / arrangements exceed the threshold prescribed by SEBI Circular - CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 or any amendment thereof.

4. Policy:

This Policy has been adopted by the Board of Directors of the Company after considering the recommendation of the Audit Committee.

A related party would have the meaning as defined under the Companies Act, 2013 read with Rules made therein and Listing Agreement with Stock Exchanges, as amended from time to time.

A related party transaction would mean the transaction as defined under the Companies Act, 2013 read with Rules made therein and Listing Agreement with Stock Exchanges, as amended from time to time. The transaction with related party shall be construed to include single transaction or a group of transactions in a contract.

All related party transactions shall be reviewed by the Management and be placed before the Audit Committee for prior approval. The transactions would be approved by the majority of the disinterested members of the Audit Committee and/ or Board of Directors of the Company, as the case may be.

PRIOR APPROVAL OF THE AUDIT COMMITTEE:

All Related Party Transactions shall require prior approval of the Audit Committee and shall be placed before the Board.

The Audit Committee may grant omnibus approval for Related Party Transactions subject to fulfillment of the following conditions:

- (a) Such approval is in the interest of the Company.
- (b) The transactions are repetitive in nature.
- (c) Approval shall specify the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, such other conditions as the Audit Committee may deem fit;

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 or such value as may be defined under the Companies Act 2013 or Listing Agreement, as amended from time to time.

All the omnibus approval accorded shall reviewed by the Audit Committee on a quarterly basis. The omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year. Audit Committee shall also review and approve any changes or amendment in the Related Party Transactions which are already approved by the Committee.

PRIOR APPROVAL OF THE BOARD AND SHAREHOLDERS:

In case related party transactions are not in ordinary course of business and/or on arms length basis, prior approval of the Board of Directors as well as of the shareholders via special resolution is required.

In case of transactions mentioned below although being in ordinary course of business and at arms length, prior consent of the Board of Directors as well of the shareholders' approval via special resolution would be required:

Nature Of Related Party Transaction	Threshold Limits
Sale, purchase or supply of any goods or materials directly or through appointment of agents (or)	Exceeding 10% of the Annual Turnover of the Company or Rupees 100 Crore, whichever is lower.
Selling or otherwise disposing of, or buying, property of any kind directly or through appointment of agents (or)	Exceeding 10% of Net worth of the Company or 10% of the Annual Turnover of the Company or Rupees 100 Crore, whichever is lower.
Leasing of property of any kind (or)	Exceeding 10% of Net worth of the Company or 10% of the Annual Turnover of the Company or Rupees 100 Crore, whichever is lower.
Availing or rendering of any services directly or through appointment of agents	Exceeding 1% of Net worth of the Company or 10% of the Annual Turnover of the Company, which ever is lower.
Remuneration for underwriting the	Exceeding 1% of Net worth or 10% of the

subscription of any securities or derivative	Annual Turnover of the Company, which ever is lower
Appointment to any office or place of profit in the company, its subsidiary company or associate company (or)	Monthly Remuneration Exceeding Rs. 2.5 lakhs or 10% of the Annual Turnover of the Company, which ever is lower.

The Turnover or Networth referred above shall as per the last audited financial statements of the Company.

In case of shareholders approval, the related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.