

April, 2017

Conflict Minerals Policy Statement for Financial Year 2017-18

➤ **Background:**

The eastern portion of the Democratic Republic of the Congo (DRC) has long been the site of one of the world's worst humanitarian crises, and the conflict there continues. Revenue from the illegal mining and trading of the DRC's natural resources have been exploited to fund armed conflicts and serious human rights abuses are linked to that conflict and to mines for certain ores, now known as conflict minerals.

Under the Dodd-Frank Act in the United States, the following minerals and their derivatives are defined as conflict minerals:

1. **Columbite – Tantalite (Coltan) – refined into tantalum (Ta)**
2. **Cassiterite – refined into tin (Sn)**
3. **Wolframite – refined into tungsten (W)**
4. **Gold (Au)**

These are also referred as 3TG (Tin, Tantalum, Tungsten and Gold).

The conflict minerals section of the Dodd-Frank Act focuses on supplies of tantalum, tungsten, tin and gold sourced in the Democratic Republic of the Congo and neighboring countries. The purpose of the Act is to reduce violence in the region funded through exploitation of mining and trade activities. Companies listed on the NYSE (SEC registrants) will be required to disclose the use and source of conflict minerals. Companies must make a reasonable determination whether products involve specified materials from the region.

➤ **Scope:**

ASHIDA Electronics Pvt Ltd is a leading Indian Manufacturer & Supplier of Numerical Protection & Auxiliary Relays, Control & Relay Panels & SCADA Substation Automation Systems for Protection & Automation of systems installed in Transmission & Distribution sub-stations.


➤ **Commitment from ASHIDA Electronics Pvt Ltd:**

- a. We at ASHIDA Electronics Pvt Ltd are committed to adhere to the relevant requirements of Compliance regarding CMRT program as and when demanded by our esteemed Customers as a part of Supply chain ensuring Conflict free Sourcing of 3TG metals.
- b. With a view of Environmental safety & adherence to Conflict Minerals 3TG initiative ASHIDA Electronics Pvt Ltd is also committed to thereby source all its Raw Materials / Components which directly / indirectly use 3TG metals in their manufacturing from Conflict free Registered Smelters.
- c. We at ASHIDA Electronics Pvt Ltd also ensure that with due diligence our all Suppliers must provide traceability of the 3TG sourcing or provide documental evidence supporting the compliance with the Conflict Free Minerals Sourcing initiative.
- d. If any of the suppliers is found not able to provide the Sourcing details or found Sourcing 3TG metals from Conflict Zone of DRC & neighboring areas, ASHIDA Electronics will take necessary action required to adhere to Conflict Minerals Policy norms.

➤ **Steps taken by ASHIDA Electronics Pvt Ltd:**

- a. A Committee was formed which will be responsible to initiate / educate CMRT initiative internally as well as externally to ASHIDA Suppliers / Vendors. It was unanimous decision to adhere and form CMRT Policy for Financial year FY17-18.
- b. It was decided by the committee to define CMRT Compliance as criteria for new Supplier / Vendor selection, with a view of avoiding future non-compliant supplier qualification.
- c. ASHIDA Electronics Pvt. Ltd. will also verify & obtain compliance of existing suppliers for CMRT to ensure conflict free sourcing.
- d. ASHIDA Electronics Pvt. Ltd. will also provide guidance/ Training wherever Suppliers needs to be educated / trained regarding the CMRT initiative.

Keeping in view above commitments & relevant actions initiated, we would like to mention that it will take time to achieve ultimate aim of 100% Conflict free compliant supply chain however our efforts are always well directed.


Signature

Mrs Sukhada S. Kulkarni
(Manager – Quality)


Signature

Mr. Suyash M. Kulkarni
(CTO)


Signature

Mr. Sujay M. Kulkarni
(COO)

