

## RTS POWER CORPORATION LIMITED

This Policy stipulates definition of materiality of related party transactions and procedures of dealing with related party transactions

### POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

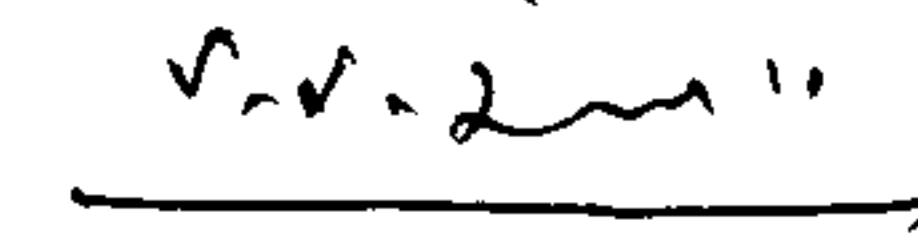
Materiality of related party transactions

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 as prescribed by SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 as amended by SEBI Circular CIR/CFD/POLICY CELL/1/2015 dated 17th March 2015.

### POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

- a. All related party contracts / arrangements shall be entered on arms' length basis.
- b. In exceptional circumstances, where permitted by law, related party contracts /arrangements may deviate from the principle of arm's length, after approval from Audit Committee/Board of Directors
- c. All related party contract / arrangements shall comply with the Companies Act, 2013.
- d. All related party contract / arrangements shall comply with the Listing Agreement.
- e. All related party contract / arrangements shall comply with the Accounting Standards.
- f. All domestic or international related party contracts/ arrangements shall, wherever applicable, comply with Domestic / International Transfer Pricing Requirements under the Income Tax Act, and the Transfer Pricing Regulations.
- g. Approval of Audit Committee and Board of Directors shall be taken for related party contracts / arrangements as required under the Companies Act and Listing Agreement.

On behalf of the Board of Directors



(S. S. Jain)  
Chairman

Kolkata

Dated :14<sup>th</sup> August , 2015