

**RTS POWER CORPORATION LIMITED**

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

**POLICY ON MATERAILITY OF RELATED PARTY TRANSACTIONS**

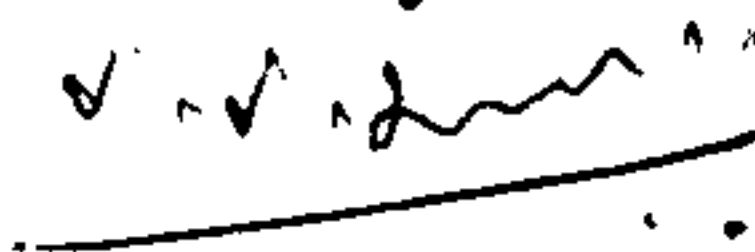
Materiality of related party transactions

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 vide SEBI Circular CIR/CFD/ POLICY CELL /7/2014 dated September15, 2014 or any further amendment thereof.

**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 :12<sup>th</sup> August , 2016