



**RattanIndia Power Limited**

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**POLICY FOR DETERMINING THE RELATED  
PARTY TRANSACTIONS**

**PREAMBLE**

RattanIndia Power Limited (“the Company”) is a professionally managed company and has good corporate governance and internal control systems.

The Board of Directors (the “Board”) of the Company understands the importance of stakeholder's confidence and trust in the Company. In order to preserve the same with transparency and to ensure that there is no conflict of interest inflicting any apprehension in the minds of its stakeholders, the Company has adopted the following policy and procedures with respect to Related Party Transactions of the Company.

**DEFINITIONS**

“Act” means the Companies Act, 2013 (‘Act’) read with the Rules thereto including any subsequent amendments thereof.

“Arm’s length transaction” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

“Audit Committee” means Audit Committee of the Board of Directors of the Company.

“Board” means Board of Directors of the Company.

“Listing Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any subsequent amendments thereof.

“Material Related Party Transactions”: A transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover as per the last audited financial statements as defined under Regulation 23 of the Listing Regulations and the contracts or arrangements given under Companies Act, 2013. Provided that in case of any amendment to the Act or Listing Regulations, definition of Material transactions will be deemed to be changed without any further approval of Audit Committee or Board.

Related Party” is a party as defined in Section 2(76) of the Companies Act, 2013 read with Rules thereto and clause (zb) of Regulation 2 of the Listing Regulations.

“Related Party Transaction” or “RPT” means transactions as given under clause (a) to (g) of subsection (1) of Section 188 of the Act and the corresponding Rules thereto and as defined in clause (zc) of Regulation 2 of the Listing Regulations. These include sale, purchase, leasing or supply of goods or property, availing/ rendering of any services, appointment of agents for any of these transactions, underwriting of securities and transfer of resources, services or obligations between

## **Policy:**

### **I. Audit Committee**

All RPTs shall be referred to the Audit Committee for prior approval, irrespective of its materiality. The Audit Committee shall also approve any subsequent modification of RPTs. Chief Financial Officer will refer RPTs to audit committee for such approval. Further, any variations against the pre-approved transactions will be placed before the Audit Committee for ratification.

The Audit Committee will take into account following considerations while dealing with the RPTs:-

- nature of relationship with the related party;
- Nature, material terms and conditions, monetary values and particulars of the contract or arrangement;
- Method and manner of determining the pricing and other commercial terms;
- Whether the transaction is at arm’s length; and
- Any other information relevant or important for the Audit Committee/ Board to take a decision on the proposed transaction.

Prior approval of Audit Committee is not required for RPTs entered into between the Company and its wholly owned subsidiary.

Any member of the Audit Committee who has a potential interest in any related party transaction will absent himself/herself and abstain from discussion and voting on the approval of the related party transaction

## **II. Omnibus Approval**

- (i) The Audit Committee shall take into account following considerations while granting omnibus approval for RPTs, of repetitive nature:
  - Criteria specified by the Audit Committee under Rule 6A of the Companies (Meetings of Board & Its Powers) Rules, 2014 after approval of the Board;
  - Nature of relationship with the related party;
  - Nature, material terms and conditions, monetary values and particulars of the contract or arrangement;
  - Method and manner of determining the pricing and other commercial terms;
  - Justification for need of omnibus approval;
  - Whether the transaction is at arm's length and in ordinary course of business; and
  - Any other information relevant or important to take a decision on the proposed transaction.
- (ii) Pursuant to Regulation 23 of Listing Regulations, the threshold limits for RPTs for granting omnibus approval for each financial year will be decided by the board from time to time.
- (iii) The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Listing Regulations and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. Additionally, the Committee may also grant omnibus approval for RPT of unforeseen nature.
- (iv) The Audit Committee shall review on a quarterly basis the details of RPTs entered into by the Company pursuant to omnibus approval.

## **III. Board Approval**

The Board shall approve RPTs, which are not in ordinary course of business and/or not at arm's length.

Where the Audit Committee does not approve the RPTs, it shall make its recommendations to the Board for approval.

If prior approval of Board or shareholders has not been taken, then such transaction needs to be ratified within 3 months of the date of entering into contract/ arrangement.

#### **IV. Shareholders' Approval**

All material RPTs defined under Regulation 23 of Listing Regulations, whether in ordinary course of business and/or arm's length basis or not, shall require approval of the Board and shareholders, and the related parties shall abstain from voting on such resolutions irrespective of whether the entity is a party to the particular transaction or not.

RPTs exceeding the limits prescribed under the Act and not in ordinary course of business and/or arm's length basis, shall require prior approval of the Board and shareholders, respectively.

Contracts/ arrangements with Company's subsidiaries would result in RPTs. Generally, such contracts/ arrangements would be in the ordinary course of business.

Once such contracts/ arrangements are approved by the Audit Committee, transactions arising out of same would not be subject to evaluation when they are executed. The process will be monitored by CFO continuously.

#### **DISCLOSURE:**

Appropriate disclosures as required under the Act and the Listing Regulations shall be made in the Annual Return, Directors Report and to the Stock Exchanges.

#### **APPLICABILITY & AMENDMENT:**

Any Changes to the policy on account of regulatory requirements will be reviewed and approved by the Audit Committee or the Board or Chief Financial Officer of the Company subject to approval of Audit Committee.

In the event, any provisions contained in this Policy is inconsistent with the provisions contained in the Listing Regulations, the Companies Act, 2013 or Accounting Standards, etc. or any amendments thereto, (Regulatory Acts), the provisions contained in the Regulatory Acts will prevail.