



## **TD POWER SYSTEMS LIMITED**

Corporate Identity Number (CIN): L31103KA1999PLC025071  
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### **Policy for determining material related party transaction (“Policy”)**

*(Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015) (Hereinafter called as “LODR”)*

Adopted by the Board of Directors on February 03, 2016

The object of this policy is to determine the “Materiality of Related Party Transaction” and to provide a Governance framework thereof.

#### **Materiality of Related Party Transaction**

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 of the Company or transaction(s) in excess of sums as prescribed under the Companies Act, 2013.

For the purposes of this policy Related Party and Related Party transactions shall be as defined in Regulation 2(Zb) and 2(Zc) of the LODR.

#### **Governance Framework**

1. All related party transactions shall require prior approval of the audit committee.
2. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the condition mentioned in LODR.
3. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
4. The audit committee shall review on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approvals.

5. Any member of the Audit Committee interested in any Related Party Transaction will abstain from discussion and voting on the approval of the Related Party Transaction.
6. All material related party transactions shall require approval of shareholders through an ordinary resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party or not to the transaction.
7. In the event a related party transaction is covered by applicable provisions of the Companies Act, 2013, the Company shall comply with such provisions including requirements as prescribed under the LODR.

### **Exceptions**

Transactions with Wholly owned Subsidiaries are exempt from the above requirement.

### **Reporting of Related Party Transactions**

Every contract of arrangement, which is required to be approved by the Board/Shareholders under this policy, shall be referred to in the Board's report to the shareholders along with justification for entering into such contract or arrangement.

Further, the Company shall provide additional disclosures on related party transactions as required under the LODR.

### **Policy review**

This policy shall be subject to review and changes as may be deemed necessary by the Board of Directors and to comply with any regulatory requirements.

**Bangalore**  
**February 03, 2016**

**TD Power Systems Limited**

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