

# MEGAMONT LIMITED

(Formerly known as V.R.Woodart Limited)

(CIN:L46610MH1989PLC138292)

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## MEGAMONT LIMITED

### **POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

(Last Modification on May 28, 2025)

#### **1. INTRODUCTION**

The Securities and Exchange Board of India (SEBI) has specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), requires a Company to adopt a policy on Materiality of Related Party Transactions and on dealing with Related Party(s).

In view of the above requirement, the Board of Directors of Megamont Limited has adopted the Policy on Materiality of Related Party Transactions and on dealing with Related Party(s) ("Policy") to ensure high standards of corporate governance while dealing with Related Party(s) of the Company.

This Policy shall be guided by the objective of ensuring compliance with the provisions pertaining to related party transactions with the Companies Act, 2013 and the Listing Regulations.

#### **2. OBJECTIVE OF THE POLICY**

The objective of this Policy is to set out:

- a. Determination of materiality of Related Party Transactions and;
- b. Manner of dealing with the transactions between the Company and its related parties in accordance to the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

This Policy also inter alia lays down the process to be adopted by the Company for approval of the related party transactions including any subsequent modification thereof and reporting & disclosure requirements thereof.

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## 3. DEFINITIONS

- a) **'Act'** means the Companies Act, 2013, as amended from time to time.
- b) **'Rules'** means Companies (Meetings of Board and its Powers) Rules, 2014, including any modifications or amendments thereof.
- c) **'Arm's Length Transaction (ALT)'** means a transaction between the Company and its Related Party (s) that is conducted as if they are unrelated, so that there is no conflict of interest.
- d) **'Audit Committee'** means Audit Committee of Board of Directors of the Company constituted under provisions of the Act and Listing Regulations.
- e) **'Board of Directors'** or **'Board'** means Board of Directors of the as constituted from Megamont Limited time to time.
- f) **'Company'** means Megamont Limited.
- g) **'Compliance Officer'** may be a Company Secretary of the Company or any other person as may be authorized by the Board in this regard.
- h) **'Material Modification'** with reference to the related party transactions shall mean increase by 20% of the transaction value as earlier approved by the Audit Committee or Shareholder, as case may be, OR absolute change in the nature of the transaction.
- i) **'Material Related Party Transaction'** means a transaction with a Related Party if the transaction(s) to be entered into individually or taken together with previous transactions during a Financial Year, **exceeds Rupees One Thousand Crore or Ten Percent** of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company, whichever is lower.  
Notwithstanding to the above, a transaction involving payments made to a Related Party **with respect to brand usage or royalty** shall also be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, **exceed five percent** of the annual consolidated turnover of the Company as per the last audited Financial Statements of the Company.
- j) **'Related Party'** shall have the meaning ascribed to it in Listing Regulations and the Act, including all amendments and modifications thereof from time to time.

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- k) **'Related Party Transaction or RPT'** shall have the meaning prescribed to it in Listing Regulations and the Act, including all amendments and modifications thereof from time to time.
- l) **'Relative'** means relative as defined under sub-section (77) of section 2 of the Act and rules prescribed there under, including any amendment or modification therein.
- m) **'SEBI'** means the Securities and Exchange Board of India.
- n) **'Listing Regulations'** mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments thereof.
- o) **'Specified Transaction'** means the transaction which has been specified under Section 188 of the Act.

## 4. MANNER OF DEALING WITH RELATED PARTY TRANSACTIONS

### 4.1 Audit Committee approval for Related Party Transactions:

- i. All Related Party Transaction and subsequent material modification shall require prior approval of the Audit Committee. Provided that only those members of Audit Committee, who are Independent Directors, shall approve the related party transactions.

Provided that a related party transaction to which the subsidiary, of the Company is a party but Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a Financial Year exceeds ten percent of the annual standalone turnover, as per the last- audited financial statements of the Company.

Provided that prior approval of the Audit Committee of the Company shall not be required for a related party transaction to which the listed subsidiary, if any, of the Company is a party but the Company is not a party, if regulation 23 and 15(2) of Listing Regulations are applicable to such listed subsidiary.

For related party transactions of unlisted subsidiaries of listed subsidiary, if any, as referred above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.

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ii. Approval of Audit Committee is not required in case of:

Remuneration and sitting fees paid by the Company or its subsidiary to its Director, Key Managerial Personnel or Senior Management, except who is part of Promoter or Promoter Group, provided that the same is not material.

iii. Omnibus approval of Related Party Transactions:

In the case of repetitive transactions which are in the normal course of business of the Company or its subsidiary(s), the Audit Committee may grant omnibus approval. While granting omnibus approval, the Audit Committee shall satisfy itself on the need for omnibus approval for transactions of repetitive nature and such approval shall be in the interest of the Company and/or its subsidiary(s).

iv. Criteria for making the omnibus approval:

The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall inter alia include the following, namely: -

- a. maximum value of the transactions, in aggregate, which can be allowed under the omnibus route in a year;
- b. the maximum value per transaction which can be allowed;
- c. extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- d. review, at such intervals as the Audit Committee may deem fit, Related Party Transaction entered into by the Company and/or its subsidiary(s) pursuant to each of the omnibus approval made;
- e. transactions which cannot be subject to the omnibus approval by the Audit Committee.

The omnibus approval granted by the Audit Committee shall indicate the following: -

- a. name of the Related Party(s);
- b. nature of the transaction;
- c. period of the transaction
- d. maximum amount of transaction that can be entered into;
- e. the indicative base price or current contracted price and the formula for variation in the price, if any; and
- f. any other information relevant or important for the Audit Committee to take a decision on the proposed transaction:

Where need of the Related Party Transaction cannot be foreseen and above details are

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not available, the Audit Committee may grant omnibus approval subject to the value per transaction shall not exceed by INR 1,00,00,000/- (Indian Rupees One Crore Only).

The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company or its subsidiary pursuant to each of the omnibus approvals given.

The omnibus approval provided by the Audit Committee shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of such one year.

If the Audit Committee is of the view that the proposed Related Party transaction is not in the ordinary course of business of the Company and/or its subsidiary(ies) to do so; or the value of the transaction is not at arm's length, the Audit Committee shall place the same before the Board for their approval.

## 4.2 Approval by the Board

The Board shall approve the Related Party Transaction if:

- a. it is a Specified Transaction with such Related Party(ies) and aforesaid transaction is not in the ordinary course of business or not at Arm's Length Basis; or
- b. all Material Related Party Transaction as per Act and SEBI Listing Regulations; or
- c. the Audit Committee determines that a Related Party Transaction should be brought before the Board; or
- d. the Board in any case elects to review any Related Party Transaction Suo moto.

Provided that in case of a transaction falling under Point no. (a) and (b) above, a prior approval of the Board shall be required.

Provided that any member of the Board who has any interest in any related party transaction shall abstain himself from discussions and shall not vote to approve such related party transaction.

## 4.3 Approval by the Members

- A. The prior approval of the shareholders by way of ordinary resolution in accordance with the procedure set out in Section 188 of the Act, shall be required in respect of Specified Transaction(s) with Related Party(ies) which are not in the ordinary course of business and/or not at arm's length and exceeds the threshold limits as set out in the Rules, as amended from time to time.

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Sr. No.	Prescribed Transaction Category	Thresholds*
1.	Sale, purchase or supply of any goods or material, directly or through appointment of agent	Amounting to 10% or more of the turnover of the company
2.	Selling or otherwise disposing of, or buying, property of any kind (directly or through appointment of agents)	Amounting to 10% more of net worth of the company
3.	Leasing of property of any kind	Amounting to 10% or more of the turnover of the company
4.	Availing or rendering of any services, directly or through appointment of agent	Amounting to 10% or more of the turnover of the company
5.	Appointment to any office or place of profit in the company, its subsidiary company or associate company at a monthly remuneration	Exceeding Rs.2.5 Lakhs per month
6.	Remuneration for underwriting thereof, of the company	Amounting to 1% percent more of net worth of the company

For the purpose of such Transaction(s), the limits shall apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

*Note: The turnover or net worth referred to above shall be computed on the basis of the audited financial statement of the Company in the preceding financial year.*

B. All Material Related Party Transactions as per SEBI Listing Regulations and subsequent Material Modification thereof shall require prior approval of the shareholders by way of an ordinary resolution.

C. No related party shall vote to approve material related party transactions whether the entity is a related party to the particular transaction or not.

4.4 The information as prescribed in the Industry Standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" as amended by SEBI from time to time or any other Circular by SEBI from time to time shall be placed before the Audit Committee/ Board for approval of

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RPTs and shall form part of explanatory statement of the Notice, for seeking Shareholders' approval

## 4.5 Related party transactions not previously approved

In the event any Transaction has been undertaken/is being undertaken with a Related Party without obtaining requisite approval under this Policy, such transactions should be immediately reported to the Company Secretary.

The members of the audit committee, who are independent directors, may ratify related party transactions within 3 months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- i. the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed INR 1,00,00,000/- (Indian Rupees One Crore Only);
- ii. the transaction is not material;
- iii. rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- iv. the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of Regulation 23(9) of the SEBI Listing Regulations;
- v. any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

The Audit Committee shall keep the Board apprised of any instances of such transactions entered into with any related party in contravention of this Policy and recommend to Board for its consideration and approval.

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## 4.6 Administrative measures

The Audit Committee shall be the competent authority for investigating and taking appropriate actions/steps for prevention or remedy of any breach and/ or defaults in complying with this Policy. Any disciplinary action taken by the Audit Committee shall be in addition to the penal provisions of the Regulations.

## 5. DISCLOSURES

- i. As required under Section 188 of the Act read with the Rules made thereunder, all the Specified Transactions with related party(ies) as defined under the Act, which are not on arm's length basis or are material in nature, shall be disclosed in the Board's report of the Company.
- ii. The Company Secretary shall also make necessary entries in the Register of Contracts or Arrangement required to be maintained under the Act.
- iii. In addition to the above, the Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the SEBI from time to time and publish the same on its website;

Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results.

## 6. EXEMPTIONS

Notwithstanding anything contained anywhere else in this Policy, the following transactions shall be exempted from the purview of this policy:

- a. transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval;
- b. transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- c. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

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## 7. INTERPRETATION

The Audit Committee of the Company shall, subject to supervision of the Board, interpret and administer this Policy in line with the broad intent of this Policy read with the applicable provisions of the Act, rules made thereunder, and the SEBI Listing Regulations.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

The decision of the Audit Committee with regard to any or all matters relating to this Policy shall be final and binding on all concerned.

## 8. REVIEW AND AMENDMENT

This Policy shall be reviewed by the Board at least once every three years and updated accordingly. However, Board shall have the discretion to review this Policy at any point time whenever it may deem fit and necessary.

Any change in the Policy shall be reviewed and approved by Audit Committee and Board of Directors of the Company and shall be in accordance with the Act and the SEBI Listing Regulations.

## 9. DISSEMINATION

The Company shall upload this Policy on its website and a web link of the same will be provided in the Annual Report.

## 10. EFFECTIVE DATE

The effective date of this amended Policy is May 28, 2025.

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