

# MEGATHERM INDUCTION LIMITED

[CIN: U31900WB2010PLC154236]

Registered Office: Plot- LI Block GP, Sector V, Electronics Complex, Salt Lake City, Kolkata-700091

## POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS

Website: <https://megatherm.com/>

## POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS:

### PREFACE

**Megatherm Induction Limited** ("the Company") has always been committed to good corporate governance practices, including in matters relating to Related Party Transactions. An endeavor is consistently made to have only arms' length transactions with Related Parties.

All Related Party Transactions (RPT), as that term is defined in this policy, shall be subject to review in accordance with the procedures set forth below. The Board has determined that the Audit Committee (the "Committee") is best suited to review all Related Party Transactions.

### DEFINITIONS

A '**related party**' is a person or entity that is related to the company. Parties/Entities are considered to be related if an entity shall be considered as related to the company if: *(i) such entity is a related party under Section 2 (76) of the Companies Act, 2013; or (ii) such entity is a related party under the applicable accounting standards.*

**Materiality of Related Party Transactions** means a transaction with a related party shall be considered material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceed ten percent of the annual turnover of the company as per the last audited financial statements of the company."

### PROCEDURES

1. All Related Party Transactions (RPTs) of the company as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) regulation 2015 will be approved by the audit committee of the Board from time to time.
2. Each Director who is a Related Party with respect to a particular Related Party Transaction shall disclose all material information to the Committee concerning such Related Party Transaction and his or her interest in such transaction.
3. Management shall present to the Audit Committee the following information, to the extent relevant, with respect to actual or potential Related Party Transactions:
  - a. A general description of the transaction(s), including the name of the related party and nature of relationship, duration of the contract and particulars of the contract or arrangement, maximum amount of transaction that can be entered into, the material terms and conditions.
  - b. The Related Party's interest in the transaction(s), including the Related Party's position or relationship with, or ownership of, any entity that is a party to or has an interest in the transaction(s).
  - c. The manner of determining the pricing and other commercial terms, the indicative base price / current contracted price and the formula for variation in the price if any.
  - d. any advance paid or received for the contract or arrangement, if any and the approximate value of the transaction(s) and the approximate value of the Related Party's interest in the transaction(s)
  - e. In the case of a lease or other transaction providing for periodic payments or installments, the aggregate amount of all periodic payments or installments expected to be made in the financial year.
  - f. In the case of indebtedness, the aggregate amount of principal to be outstanding and the rate or amount of interest to be



**Amendment**

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever