

Praveg Limited

Policy on materiality and dealing with Related Party Transactions

PREAMBLE

This policy is framed as per the Regulation 23(1) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

OBJECTIVE

This policy intends to comply with the requirements of the Listing Regulations to ensure proper approval and reporting of dealings with Related Parties and shall also be governed by the provisions of Section 188 of the Companies Act, 2013 read with Rules made thereunder, as may be amended from time to time.

The Company is committed to transparency and fairness in dealing with all Related Parties and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time.

INTERPRETATION

Any terms used herein shall have the same meaning as defined in the Companies Act, 2013 or Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) or Listing Regulations amended from time to time.

MEANING OF MATERIAL RELATED PARTY TRANSACTION

Transaction to be entered into with a Related Party, individually or taken together with previous transactions during a financial year:

1. In case of transactions involving payments made with respect to brand usage or royalty, if it exceeds 5% of the annual consolidated turnover of the Company as per its last audited financial statements;
2. In case of any other transaction(s), if the amount exceeds Rs. 1,000 Crores or 10% (ten percent) of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower.

OMNIBUS APPROVAL TO RELATED PARTY TRANSACTIONS

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered by the Company subject to the following conditions:-

1. The Committee and the Board will lay down the criteria for granting the omnibus approval in line with this policy.
2. The Committee should satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company.
3. Such omnibus approval shall specify:
 - a. Name/s of the Related Party, Nature of transaction, Period of transaction, Maximum amount of transaction that can be entered into with related party.
 - b. The indicative base price/ current contracted price and formula for variation in price, if any.
 - c. Other conditions which the Committee deems fit.
4. Where the need for Related Party Transaction cannot be foreseen and the details as per above point no. 3 are not available, the Committee can give omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.
5. The Committee will review on a quarterly basis, the details of all related party transactions entered into by the Company pursuant to each of the omnibus approval given.
6. Such omnibus approvals shall be valid for a period of not exceeding one year and shall require fresh approvals after expiry of one year. The Committee will consider and review the omnibus approvals for every financial year in the last quarter meeting of preceding financial year.

LIMITATION AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

REVIEW

The Board of Directors, subject to applicable laws, is entitled to amend, suspend or rescind this Policy at any time in line with the Companies Act, 2013, and / or Listing Regulations.