

POLICY FOR DETERMINATION OF LEGITIMATE PURPOSES

OF

SHREE REFRIGERATIONS LIMITED

EFFECTIVE FROM 08/06/2024

[Under Regulation 3(2A) r/w Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015)]

1. Introduction:

- 1.1 Shree Refrigerations Limited (**‘Company’**) shares data or information with various stakeholders like organizations, agencies, institutions, intermediaries, establishments, persons, etc., during the course of its business operations. Such unpublished data or information, if made publicly available may materially impact the market price of the listed securities of the Company. If such persons trade on the basis of Unpublished Price Sensitive Information (**“UPSI”**), it could result in an undue advantage to such persons.
- 1.2 The Securities and Exchange Board of India (the **“SEBI”**) is a body established under the Securities and Exchange Board of India Act, 1992, as amended (the **“SEBI Act”**) to regulate the securities market in India. Sections 12A (d) and (e) of the SEBI Act prohibits persons from, directly or indirectly engaging in insider trading or dealing in securities while in possession of material or non-public information or communicating such material or non-public information to any person, in any manner which is in contravention of the SEBI Act or the regulations made thereunder.
- 1.3 The Company is also required to comply with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the **“Insider Trading Regulations”**). Regulation 3(2A) read with Regulation 8 of the Insider Trading Regulations requires the board of directors of every company whose securities are listed on the stock exchange (such as the Company) to have a policy for determination of “legitimate purposes” for communication and procurement of UPSI by insiders, as a part of the “Codes of Fair Disclosure and Conduct” formulated under Regulation 8 read with Schedule A of the Insider Trading Regulations.

2. Purpose:

- 2.1 This Policy for Determination of Legitimate Purposes, (the **“Policy”**) is specifically designed to prevent misuse and unauthorized communication and access to UPSI relating to a listed



- d) an investment company, trustee company, asset management company or an employee or director thereof; or
- e) an official of a stock exchange or of clearing house or corporation; or
- f) a member of board of trustees of a mutual fund or a member of the board of directors of the asset management company of a mutual fund or is an employee thereof; or
- g) a member of the board of directors or an employee, of a public financial institution as defined in section 2 (72) of the Companies Act, 2013; or
- h) an official or an employee of a self-regulatory organization recognised or authorized by the Board; or
- i) a banker of the company; or
- j) a concern, firm, trust, Hindu undivided family, company or association of persons wherein a director of a company or his immediate relative or banker of the company, has more than ten per cent. of the holding or interest;

4.2 **‘Insider’** means any person who is (i) a Connected Person; or (ii) in possession of or having access to UPSI.

4.3 **‘Legitimate Purpose’** shall include sharing of UPSI in the ordinary course of business on a Need to know basis, with the Company’s collaborators, lenders including prospective lenders, customers, suppliers, merchant bankers, legal advisors, auditors, credit rating agencies, insolvency professionals, Practicing Company Secretaries, Registered Valuers or other advisors, service providers or consultants, etc. provided that such sharing has not been carried out with a view to evade or circumvent the prohibitions of the Insider Trading Regulations.

4.4 **‘Need-to-know Basis’** shall mean that UPSI should only be ‘disclosed to’ or ‘procured by’ such persons who need to share or need access the UPSI in furtherance of Legitimate Purposes or performance of duties or legal obligations and whose possession of such UPSI will not give rise to a conflict of interest or amount to the misuse of such UPSI.



the specific facts and circumstances of each case. Primarily, the following factors should be considered while sharing the UPSI:

- a) whether sharing of such UPSI is in the ordinary course of business of the Company;
- b) whether sharing of such UPSI is in the interests of the Company or in furtherance of a genuine commercial purpose and necessary to be shared in order to complete any task/ activity/ deal; and
- c) whether the nature of UPSI being shared is commensurate with the purpose for which access is sought to be provided to the recipient.

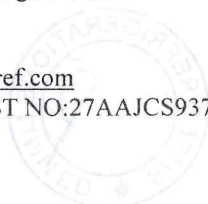
5.5 Any person in receipt of UPSI pursuant to a Legitimate Purpose shall be considered as an Insider for the purpose of the Insider Trading Regulations and due notice shall be given to such person to *inter alia*:

- a) maintain confidentiality of such UPSI, and not disclose such UPSI in any manner except in compliance with the Insider Trading Regulations;
- b) not trade in the securities of the Company and/or its clients while in possession of the UPSI.

A structured digital database of the providers and recipients of UPSI, and the nature of UPSI, shall be maintained by the Compliance Officer in compliance with the requirements of the Insider Trading Regulations under consultation with the Chief Information Security Officer, and in accordance with ISO 27001 and Information Security Policies.

The database shall be maintained with adequate internal controls and checks, such as time stamping and audit trails, to ensure non-tampering of the database, and shall be kept confidential.

Towards this, the Compliance Officer may request and collect (i) the names of the provider and



Step 4: Insiders may share UPSI only by way of (a) official Company email (and address it directly to the recipient without copying any other person), (b) hard copy, (c) any other electronic mode or device as approved in prior by the Compliance Officer, or (d) provide access to the information, data, server with due acknowledgement of receipt from the recipient.

Step 5: The provider and recipient of UPSI shall promptly provide their names along with PAN (or any other identifier where PAN is not available) to the Compliance Officer.

8. Penalty for contravention of this policy.

- 8.1 Any Insider who comes to know of a violation of this Policy should immediately report the violation to the Compliance Officer for appropriate legal and/or disciplinary action.
- 8.2 The Company may take legal and/or disciplinary action against such Insider who holds or shares or procures UPSI in contravention of this policy. Such action may include wage freeze, levy of penalty(ies), suspension and/ or termination, *et cetera*. A penalty of up to INR 1,00,000 (which excludes fines that may be levied by SEBI, for violation of applicable laws/ regulations), may be levied by the Company at its discretion, for each violation of the Policy.
- 8.3 Any action by the Company does not preclude the SEBI or any other regulatory authority, or any court, from initiating action against such Insider, in the event of violation of the Insider Trading Regulations. In case it is observed that there has been a violation of this policy, the Company shall inform the SEBI promptly.
- 8.4 Under the SEBI Act, any person who communicates any UPSI to any person, with or without his request for such information except as required in the ordinary course of business or under any law may be liable to a penalty which may extend to INR 25,00,00,000 or three times the amount of profits made out of insider trading, whichever is higher.

