



SHREE REFRIGERATIONS LIMITED

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



Shree Refrigerations Limited

CIN: L29191PN2006PLC128377 | Fax no.: +91 2164 272015



Plot No 131/1/2/1, Opp. MSEB Stores, Viravde, Ogalewadi,
Viravade, Satara, Karad, Maharashtra, India, 415105



cs@shreeref.com



+912164272015



www.shreeref.com

Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions

1. Purpose of this Policy:

Shree Refrigerations Limited (“**Company**”) is governed, amongst others, by the Companies Act, 2013 and the rules framed thereunder, as amended (“**Act**”), and regulations framed by Securities and Exchange Board of India (“**SEBI**”). The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated every listed company to formulate a policy on materiality of related party transactions and on dealing with related party transactions (“**Policy**”). Accordingly, the Company has formulated this Policy to *inter alia* regulate all transactions between the Company and its related parties.

2. Object of the Policy

The aim of this Policy is to establish (a) the materiality thresholds for transactions with related parties; (b) the procedures for handling transactions between the Company and its related parties, in accordance with the Act, SEBI Listing Regulations, and any other applicable laws and regulations; and (c) to outline the guiding principles and mechanisms to ensure proper approval, disclosure, and reporting of such transactions, ensuring they are conducted in the best interest of the Company and its stakeholders.

3. Definitions:

- **Act** means the Companies Act, 2013 including any amendment or modification thereof.
- **Arm’s Length Transaction** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- **Associate Company** means a company as defined under Section 2(6) of the Act and as defined by Accounting Standard (AS) 23, —Accounting for Investments in Associates in Consolidated Financial Statements.



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- **Audit Committee** means the committee of the Board formed under Section 177 of the Act and Regulation 18 of the Listing Regulations.
- **Board** means the Board of Directors of the Company as appointed from time to time.
- **Body Corporate** means an entity as defined in Section 2(11) of the Act.
- **Company** means Shree Refrigerations Limited.
- **Director** means a person as defined in Section 2(34) of the Act.
- **Employees** shall mean the employees and office-bearers of the Company, including but not limited to Whole Time Directors.
- **Key Managerial Personnel** as defined in Section 2(51) of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- **Listing Regulations** or **LODR** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- **Material Related Party Transaction (RPT)** : means a RPT exceeding threshold limits as may be prescribed under Applicable Laws from time to time.
- **“Material Modifications (s)”** shall mean any of the following:
 - Any modification in the term of an existing RPT resulting in financial implication to the extent of 25% or more of the value of the RPT;
 - Any RPT ceased to be on arm length basis;
 - Any other criteria as may be determined by the Audit Committee on case-to-case basis.
- **Ordinary course of business** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.
- **Paid-up share capital** shall be construed as “total voting power”, where shares with differential voting rights have been issued.
- **Policy** means Related Party Transaction Policy of Shree Refrigerations Limited.



- **Related Party:** An entity shall be considered as related to the Company if: such entity is a related party under Section 2(76) of the Act and as amended from time to time.
- **Related party Transactions:** Transactions covered under this policy includes any contract or arrangement with a related party with respect to transactions defined as —Related Party Transaction under Section 188 of the Act and Regulation 23 (1) of the Listing Regulations.
- **Relative,** with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder.
- **SEBI** means Securities Exchange Board of India.
- **Subsidiary** means a company as defined in Section 2(87) of the Act.

Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Regulations, Securities Contract Regulation Act or any other applicable law or regulation.

4. KMP Disclosure

Every promoter, director, and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall:

- at the time of appointment;
- periodically – as required by the Company or applicable law
- whenever there is any change in the information already submitted

provide requisite information about his / her Relatives and all firms, companies, Body Corporates, or other association of individuals, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.



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5. Identification and approval of Related Party Transactions:

- The Company Secretary or any other officer of the Company as authorised by the Company Secretary shall maintained an updated database of Company's Related Parties mapped in accordance with Applicable Laws, reviewed half yearly.
- The Company Secretary shall also procure the list of Related Parties of Subsidiaries from respective officials/KMPs of such Subsidiaries.
- Each Director/KMP shall provide written notice of any potential RPT involving him/her or relatives, including any additional information requested

6. Review Standards

A RPT reviewed under this Policy will be considered approved or ratified if it is authorized by the Audit Committee or the Board or the Shareholders in the General Meeting, as applicable, in accordance with the standards set-forth in this Policy after full disclosure of the Related Party's interests in the transaction. As appropriate for the circumstances, the Audit Committee or Board, as applicable, shall review and consider:

- Related party's interest in the transaction.
- Amount involved
- Whether undertaken in Ordinary Course of Business
- Whether on arm's length basis
- the purpose of and the potential benefits to the Company from the RPT, its related parties and/ or its subsidiaries;
- whether there are any compelling business reasons for the Company to enter into the RPT and the nature of alternative transaction, if any;
- whether the RPT includes any potential reputational risk issues that may arise as a result of or in connection with the RPT;



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- whether the Company was notified about the RPT before its commencement and if not, why pre-approval was not sought and whether subsequent ratification would be detrimental to the Company;
- Any other information regarding the RPT or the Related Party in the context of the proposed transaction that would be material to the Audit Committee/ Board/ Shareholders, as applicable in light of the circumstances of the particular transaction.

7. Approval of Related Party Transactions –

Audit Committee Approval

- All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval.
- A related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee or Board or Shareholders of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds the threshold specified under Applicable Laws.
- If prior approval of the Audit Committee and/or Board and/or Shareholders as applicable, for entering into a RPT or subsequent Material Modification is not obtained, the following provisions shall apply: -

(a) In case of requirement of prior approval of the Audit Committee: The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to:

(i) The aggregate value of the transaction(s) with the related party, either individually or collectively, during the financial year shall not exceed Rs. 1 crore;



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- (ii) The transaction is not material as per the Regulations;
- (iii) A rationale for not obtaining prior approval is presented to the Audit Committee at the time of seeking ratification;
- (iv) Details of ratified transaction are disclosed in accordance with the applicable disclosure requirements;
- (v) Any additional conditions specified by the Audit Committee are met.
- In case where prior approval of the Board or Shareholders is required: The Board or Shareholders as the case may be, may ratify the RPTs by complying with the provisions and following up the procedure as may be prescribed/permitted under the Applicable Laws.
 - In the event the Audit Committee or the Board or the Shareholders in General Meeting determines not to ratify a RPT as stated in (d) above which has been already acted upon by the Company, then the Committee or the Board or the general meeting, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation of such RPT or approve modifications to such RPT to make it acceptable for ratification. The Audit Committee or the Board shall have an authority to modify or waive any procedural requirements of this Policy so long as such modification or waiver is not inconsistent with the provisions of the Applicable Laws.
 - No Director or KMP shall participate in any discussion or approval of a RPT for which he or she is a Related Party, except that the Director / KMP shall provide all material information concerning such Related Party Transaction to the Audit Committee or the Board as the case may be.
 - Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length basis, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.



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8. Procedure for omnibus approval for RPTs

- The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria / conditions as mentioned under the Act and the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company.
- the omnibus approval shall specify:
 - the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;
 - the indicative base price / current contracted price and the formula for variation in the price if any; and
 - such other conditions as the audit committee may deem fit.

Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction.

- The Audit Committee shall review, on a regular basis, the details of Related Party Transactions and Material modifications thereof, entered into by the Company pursuant to the omnibus approval. Certain procedural aspects concerning review of a Related Party Transaction may be modified or waived by the Committee, at its discretion.
- Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for consideration, and ratification, if appropriate.

9. Transactions which do not Require Approval:

- The approval of Related Party Transactions shall not be required for transactions in the ordinary course of business entered into between:

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- 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 in terms of the provisions of the Regulations.
- two Government Companies;
- 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.
- 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.

10. Transaction that shall not be a Related Party Transaction.

Following transaction shall not be a related party transaction under this Policy:

- the issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- the corporate actions which are uniformly applicable/offered to all Shareholders in proportion to their shareholding such as payment of dividend, subdivision or consolidation of securities, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities.
- Such other RPT as may be specified by Applicable Laws to be exempt. In case any difficulty or doubt arises in the interpretation of this Policy, the decision of the Chairman of the Audit Committee shall be final

11. Reporting of Related Party Transactions

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



- The details of all transactions with Related Parties shall be submitted, in the prescribed format to the stock exchanges, and requisite disclosures shall be made in other public documents/certificates as legally required, in the manner and as per the timelines set out in the Listing Regulations and the same shall be published on the Company's website.

12. Limitation, Review and Amendment:

In the event of any conflict between the provisions of this Policy and of the Act or the Listing Regulations or any other legal requirement ("Applicable Law"), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy. The Board may review this Policy periodically (and at least once every three years) and make amendments from time to time, as may be deemed necessary (including based on recommendation(s) of the Audit Committee).

13. Disclosure of the Policy:

- The Board's Report will include details of contracts or arrangements or transactions that are (i) not at arm's length basis and (ii) material, based on the thresholds defined under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, whether at arm's length or in the ordinary course of business, and (iii) a justification for entering into such transactions as per the Companies Act, 2013 and related rules.
- The Company will disclose related party transactions along with the financial results for the half year, on a standalone or consolidated basis, in the format specified by SEBI, and publish these disclosures on its website.
- The Company will also provide details of all material related party transactions (as specified in Clause 4 of the Policy) on a quarterly basis to the stock exchanges along with the Compliance Report on Corporate Governance.



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- As required under Regulation 62(1A)(g) of the SEBI Listing Regulations, this Policy will be hosted on the Company's website.

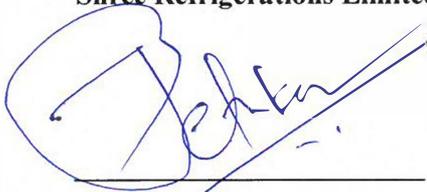
14. VIOLATION

If any related party transaction comes to the notice of company which has not been approved in accordance with this policy, then it shall be dealt by Audit Committee. The Audit Committee shall consider all the relevant facts and circumstances regarding the related party transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related party transaction. The Audit Committee shall also examine the facts and circumstances pertaining to the failure of reporting such related party transaction to the Audit Committee under this Policy and failure of the internal control systems and shall take any such action it deems appropriate.

15. WEBSITE

As per Regulation 46 (2)(h) of the Listing Regulation, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

**For and on behalf of
Shree Refrigerations Limited**



Tanmay Mukund Pethkar
Company Secretary and Compliance Officer

Date: 23rd February 2026

Place: Pune

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