



SHRENIK LIMITED
CIN: L51396GJ2012PLC073061

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

(Modified w.r.t. the Sixth Amendment to the SEBI LODR Regulations dated 9th November, 2021 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated 22nd November, 2021).

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1. INTRODUCTION

This policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions has adopted by the Board of Directors of Shrenik Limited. The Company understands the requirements under various laws related to Related Party transactions and that such transactions can bring in conflicts of interests between the Company and the Related Party. Therefore, the Company shall always ensure that such transactions, whenever entered, must always be as per the provisions of the law and must be in the best interest of the Company and its Stakeholders.

2. OBJECTIVE

The Policy is intended to determine Materiality of a Related Party Transaction and is further intended to regulate the dealings with Related Party Transactions as per the laws, rules and regulations, provisions of the Companies Act, 2013 ("Act") applicable to the Company from time to time. The policy is framed keeping in view the requirements as mentioned under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. SEBI (LODR) Regulations, 2015, as amended from time to time.

3. DEFINITION

- a. "Related Party" means related party as defined under Companies Act, 2013 and under the Regulation 2(1)(zb) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendment or modification thereof, as may be applicable.
- b. "Relative" means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.
- c. "Related party transaction" means such transactions as specified under the Act and Rules made thereunder and Regulation 2(1)(zc) of the SEBI Regulations, including any amendment or modification thereof, as may be applicable.
- d. "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.
- e. "Material Modification" of related party transaction will mean and include any modification to an existing related party transaction having variance of 25% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be (w.e.f. April 1, 2022).

4. MATERIALITY THRESHOLDS

Regulation 23(1) of SEBI Regulations requires a company to provide materiality thresholds for transactions beyond which the prior approval of shareholders will be required by way of Resolution.

Shrenik Limited has fixed its materiality thresholds at the level prescribed under explanation to Regulation 23(1) of the SEBI Listing Regulations as under:

1. In case of any other Transaction, if the amount of the Transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds (Rs. 1,000 crore or)* 10% of the annual consolidated turnover of the Company as per its last audited financial statements, (whichever is lower)*.

**Effective April 1, 2022*

2. Any other Related Party Transaction shall be placed before the Shareholders for approval, as per the threshold limits mentioned and in terms of the provisions of Section 188 of the Companies Act, 2013 read with relevant Rules.

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5. REVIEW AND APPROVAL OF RELATED PARTY TRANSACTION

i. Every Related Party Transaction shall be subject to the prior approval of the Audit Committee whether at a meeting or by resolution by way of circulation. Provided that only those members of the Audit Committee, who are Independent Directors, shall approve such Related Party Transactions. Further, any member of the Audit Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the related party transaction.

ii. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the Company subject to the provisions made under the SEBI (LODR) Regulations, 2015 and Companies Act, 2013, as amended from time to time, respectively. The Audit Committee shall review / note on a quarterly basis the details of such Related Party Transactions entered into by Shrenik Limited pursuant to the omnibus approval given. The omnibus approval shall be valid for a period of one year.

iii. The Audit Committee shall determine whether the transaction does, in fact, constitute a Related Party Transaction requiring compliance with this Policy.

iv. Matrix for Related Party Transaction is, as under:

Audit Committee Approval	Board Approval	Shareholder's Approval
All Related Party Transaction	<ul style="list-style-type: none">• Related Party Transactions referred by Audit Committee for approval of the Board• Related Party Transactions, to be approved by the Board, as required under the applicable Law / Regulations applicable to the Company• Related Party Transactions requiring shareholders' approval	Approval by resolution for: <ul style="list-style-type: none">• Material Related Party Transactions• Related Party Transactions not in Ordinary Course of Business or not on Arm's length basis and crosses threshold limit as prescribed under the Act / Regulations applicable to the Company.

Note: No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

6. AMENDMENT

In case of any subsequent changes in the provisions of the Companies Act, 2013 and SEBI LODR or any other regulations ("the Regulations") which makes any of the provisions in the policy inconsistent with the Regulations, the provisions of the Regulations relating to Related party transaction shall automatically deemed to be incorporated in this policy and the provisions in the policy would be modified in due course to make it consistent with the Regulations.

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7. DISCLOSURES

- i. The Company shall submit disclosures of related party transactions along with the financial results for the half year on a standalone / consolidated basis, in the format specified by the SEBI, from time to time, and publish the same on its website.
- ii. This Policy shall be published on the Company's website and web link of the policy shall be disclosed in the Company's Annual Report.

8. REVIEW OF POLICY

The Policy shall be reviewed by the board of directors at least once in every three years or before and must be updated accordingly. Further, all the provisions under this Policy shall be subject to any amendments or modifications made in the applicable rules and regulations from time to time.

[This Policy is amended as per the recommendations of the Audit Committee meeting held on 30th March, 2022 and approved by the Board of Directors at its meeting held on same day]

(All amendments shall be effective from April 01, 2022, unless otherwise specified under the respective clauses of the Policy)