SHREE PACETRONIX LIMITED

POLICY ON RELATED PARTY TRANSACTIONS

I. INTRODUCTION:

The Board of Directors (the "Board") of Shree Pacetronix Limited (the "Company") has adopted this Related Party Transaction Policy ("Policy") upon the recommendation of the Audit Committee and the said Policy includes the materiality threshold and the manner of dealing with Related Party Transactions ("RPT") in compliance with the requirements of Section 188 of the Companies Act, 2013 and Regulation 23 · of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 {hereinafter referred as "SEBI (LODR) Regulation 2015"}. Amendments, from time to time, to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee.

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions including material transactions. The Company has formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions.

II. OBJECTIVES

This Policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws and regulations as may be amended from time to time. The provisions of this Policy are designed to govern the approval process and disclosure requirements to ensure transparency in the conduct of Related Party Transactions in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

III. DEFINITIONS

"Act" means the Companies Act, 2013 as amended from time to time;

"Audit Committee" shall mean the audit committee constituted by the Board from time to time, in accordance with the provisions of the Act and the SEBI Listing Regulations.

"Board of Directors" or **"Board"** means the collective body of the Directors of the Company, as constituted from time to time, in line with the provisions of the Act and the SEBI Listing Regulations.

"SEBI Listing Regulations" means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Regulation 23" means the Regulation 23 of the SEBI Listing Regulations.

"Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated parties, so that there is no conflict of interest;

"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 its Memorandum & Articles of Association. The Board and Audit Committee may lay down the principles for determining ordinary course of business in accordance with the statutory requirements and other industry practices and guidelines;

"Company" means Shree Pacetronix Limited;

"Relative" with reference to a Director or KMP means persons as defined in Section 2(77) of the Act and rules prescribed thereunder;

"Related Party" shall have the meaning as defined in Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations.

"Related Party Transaction" have the meaning as defined under Section 188 of the Act read with Regulation 2(1)(zc) of the SEBI Listing Regulations, as amended, and shall mean a transaction involving a transfer of resources, services or obligations between:

a. the Company or any of its subsidiaries on one hand and a related party of Company or any of its subsidiaries on the other hand;

b. the Company or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the Company or any of its subsidiaries with effect from April 1, 2023

regardless of whether a price is charged and a transaction with a related party shall be construed to include a single transaction or a group of transactions in a contract, including but not limited to the following –

a. sale, purchase or supply of any goods or materials;
b. selling or otherwise disposing of, or buying, property of any kind;
c. leasing of property of any kind;
d. availing or rendering of any services;
e. appointment of any agent for purchase or sale of goods, materials, services or property;
f. appointment to any office or place of profit in the Company, its subsidiary or associate company
g. underwriting the subscription of any securities or derivatives thereof, of the Company.

Following shall not be considered Related Party Transaction of the Company in terms of SEBI Listing Regulations:

(a) 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

(b) corporate actions which are uniformly applicable/offered to shareholders in proportion of their shareholding such as payment of dividend, subdivision or consolidation of securities by the Company, issuance of securities by way of a rights issue or a bonus issue and buy-back of securities.

(c)retail purchases from Shree Pacetronix or any of its subsidiaries by its directors or key managerial personnel or its subsidiary, and relatives of such directors or key managerial personnel, without establishing any business relationship and at the terms which are uniformly

applicable/offered to all employees, directors, key managerial personnel and relatives of directors or key managerial personnel.

Further, remuneration and sitting fees paid by Shree Pacetronix or its subsidiaries to its directors, key managerial personnels or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23 of the Listing Regulations.

"Material Related Party Transaction" means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the SEBI Listing Regulations which is provided below:

Consolidated Turnover of Listed Entity Threshold	**Threshold**
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

Note: Consolidated Turnover for the purpose of the abovementioned table shall be taken as audited consolidated turnover as on immediately preceding financial year.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

"Key Managerial Personnel" or **"KMP"** shall have the meaning as defined under Regulation 2(1)(o) of the SEBI Listing Regulations read with Section 2(51) of the Companies Act, 2013, each as amended from time to time and includes any person so authorized and designated by the Board of Directors of the Company as KMP in compliance with the provisions of Regulations 2(1)(o) and 6 of the SEBI Listing Regulations and Section 2(51) read with Section 203 of the Act.

"Industry Standards" shall mean the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" as notified by SEBI vide its circular dated June 26, 2025, and subsequently as amended from time to time.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations or any other applicable law or regulation, each as amended.

IV MATERIALITY THRESHOLDS

Regulation 23 of the SEBI Listing Regulations requires a Company to provide materiality thresholds for transactions with its related party. In any event, if a Related Party Transaction ("RPT") exceeds the materiality threshold, prior approval of the shareholders of the Company will be required through an ordinary resolution. Prior approval of shareholders is also required in case of any subsequent material modifications to these already approved Related Party Transactions. None of the related parties ("RPs") of the Company shall vote to approve on such resolution irrespective of whether the entity is a related party to the particular transaction or not (RP's can cast only negative vote to reject the resolution seeking approval of material RPT(s)).

Shree Pacetronix Limited has fixed the following materiality thresholds for the purpose of Regulation 23 of the SEBI Listing Regulations:

- Payment to a Related Party with respect to brand usage or royalty – 5% of the annual consolidated turnover of the Company as per its last audited financial statements.

- Other transactions with a Related Party exceeding thresholds mentioned in Schedule XII of the SEBI Listing Regulations. The thresholds are provided below:

Consolidated Turnover of Listed Entity Threshold	**Threshold**
(I) Up to ₹20,000 Crore	10% of the annual consolidated turnover of the listed entity
(II) More than ₹20,000 Crore to up to ₹40,000 Crore	₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore
(III) More than ₹40,000 Crore	₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore or ₹5,000 Crore, whichever is lower.

Related Party Transaction policy on materiality and its threshold limits shall be reviewed by the Audit Committee and the Board, at least once in every three years and updated accordingly.

V MANNER OF DEALING WITH RELATED PARTY TRANSACTION

Identification of Related Parties

The Company shall, time to time, identify the Related Parties as required under the Act and SEBI (LODR) Regulation, 2015 and update the list of related parties accordingly.

Identification of RPTs

The Company shall identify whether a transaction with any party comes under RPTs or not and for this purpose the Company will seek expert professional opinion, if necessary.

VI RESPONSIBILITY OF DIRECTORS & KMP

Every Director and KMP will be responsible for providing a declaration to the Managing Director of the Company containing information of its Relatives and other details as may be necessary for the Company for identification of its related parties on annual basis and whenever there is a change in the information provided.

Every Director and KMP authorised to enter into contracts/ arrangements will be responsible for providing prior Notice to the Managing Director of the Company of any potential Related Party Transaction. They will also be responsible for providing additional information about the transaction that the Board / Committee may request, for being placed before the Committee and the Board.

VII PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTION

All Related Party Transactions shall be reported to the Audit Committee and referred for approval by the Committee in accordance with this Policy.

1. Approval of Related Party Transaction by Audit Committee

All the transactions which are identified as Related Party Transactions shall require prior approval of the Audit Committee.

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

a. Such approvals shall be applicable in respect of transactions which are repetitive in nature;
b. the transactions are on arm's length basis.
c. it shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
d. Such omnibus approval shall specify:
   I. the name/ s of the related party, nature of the transaction, period of transaction, maximum amount of transaction that can be entered into,
   II. the indicative base price/ current contracted price and the formula for variation in the price if any and
   III. 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 Rs. One Crore per transaction.

e. Audit Committee shall review, at least on a quarterly basis, the details of RPTs entered into by the company pursuant to each of the omnibus approval given.
f. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year,

The Audit Committee may, time to time, ratify the transaction with Related Party.

2. Approval of Related Party Transaction by Board of Directors

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case choose to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the Related Party transaction should be approved by the Board.

All cases where the Related Party Transactions are not in the ordinary course of business and/ or are not on arm's length basis but within the prescribed limits as per the Companies (Meetings of Board & its Powers) Rules, 2014, shall be brought before the Board of Directors for approval through Audit Committee. Such approval of Board may be obtained at a duly convened meeting.

Such approval of Board may be obtained at a duly convened meeting.

3. Approval of Related Party Transaction by Shareholders

All Material Related Party Transaction shall be placed before the Shareholders for their approval and any member who is related party shall not vote to approve such resolutions whether the entity is a related party to the particular transaction or not [Related Party(s) can cast only negative vote to reject the shareholders resolution on material RPT].

Provided that the requirements specified shall not apply in respect of a resolution plan approved under section 31 of the Insolvency code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

VIII DISCLOSURES

All disclosures pertaining to Related Party Transactions required under the Companies Act and SEBI (LODR) Regulation, 2015 shall be made accordingly.

IX LIMITATION

In the event of any conflict between the provisions of this Policy and of the SEBI (LODR) Regulation, 2015 / Companies Act, 2013 or any other statutory enactments, rules, then, the provisions of the SEBI (LODR) Regulation, 2015 / Companies Act, 2013 or other statutory enactments, rules, as the case may be shall prevail over this Policy and shall be adhered to accordingly by all concerned.

X AMENDMENT

The Audit Committee may, for the purpose of aligning this Policy with the regulatory changes, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. The Board may also make any amendments to the Policy from time to time, based on the recommendations of the Audit Committee.

Further, the Board will review this Policy from time to time as prescribed under the Act or SEBI (LODR) Regulations 2015.

NOTE:

The provisions of the Companies Act, 2013 and rules thereto and the SEB! (LODR) Regulations, 2015 (including any amendment thereto from time to time) to the extent applicable, shall be apply in addition to this policy.