

SUMMIT SECURITIES LIMITED

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Policy on Related Party Transactions:

1. Objective:

This Policy aims to ensure compliance of the applicable provisions of the Companies Act, 2013 & Rules made thereunder ('the Act'), Indian Accounting Standard (IND AS) 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') as amended or re-enacted from time to time ("Listing Regulations), as amended or re-enacted from time to time and which relate to the identification of the Related Parties and governance & approval of the Related Party Transactions, wherever required.

2. Definitions:

2.1 Arms' Length Transactions:

"Arms' Length Transaction" shall mean:

- (a) a transaction between the Company and the Related Party that is conducted as if they were unrelated, so that there is no conflict of interest, and
- (b) Such price charged for the transactions to a Related Party has in no case been influenced by the relationship and meets the criteria prescribed in Transfer Pricing Guidelines prescribed under the Income-tax Act, 1961.

2.2 Ordinary Course of Business:

"Ordinary Course of Business" shall mean 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.

2.3 Related Party shall mean:

- (i) a related party under Section 2(76) of the Act;
- (ii) a related party under the applicable Accounting Standards;
- (iii) any person or entity belonging to the promoter or promoter group of the company and holding 20% or more of shareholding in Company.

2.4 Related Party Transaction(s):

“Related Party Transaction(s)” shall mean a transaction, involving transfer of any resources, services or obligations between the Company and a Related Party, regardless of whether a price is charged and includes:

- (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;
- (f) Such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
- (g) Underwriting the subscription of any securities or derivatives thereof, of the Company:

For the purpose of above, a Related Party Transaction shall include a single transaction or a group of transactions in a contract, with a Related Party.

3. Material Related Party Transactions:

Material Related Party Transaction means a transaction entered into with a Related Party, individually or taken together with previous transaction(s) during a financial year, exceeding the following thresholds:

- a) 2% of the annual consolidated turnover of the Company as per its last audited financial statements, in case of transactions involving payments made with respect to brand usage or royalty;
- b) 10% of the annual consolidated turnover of the Company as per its last audited financial statements, in n case of any other transaction(s).

4. Identification of Related Parties:

The Company shall seek required disclosures or information from Directors and/or Key Managerial Personnel to identify a related party, in such form or manner as per the Act/ applicable laws, as amended from time to time.

5. Review and Approval of Related Party Transactions

5.1 Approval by the Audit Committee:

5.1.1 The Company shall not enter into any Transactions with any Related Party without prior approval of the Audit Committee.

5.1.2 However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company, which shall be valid for a financial year and fresh

approval shall be obtained from the Audit Committee every financial year.

5.1.3 The Audit Committee shall consider the information/documents related to Related Party Transactions placed before it and either approve or reject the same on merit.

5.2. Approval of the Board:

5.2.1 The following Related Party Transactions shall, after the approval of the Audit Committee, also be placed before the Board of Directors for approval:

- a. Transactions not in arm's length.
- b. Transactions not in ordinary course of business.
- c. Material Related Party Transactions as specified in Clause 3.

5.2.2 The Board of Directors shall consider the information/documents related to Related Party Transactions placed before it and either approve or reject the same on merit.

5.3 Approval by the Shareholders:

The following Related Party Transactions shall, after the approval of Board, shall also be placed before the shareholders for approval:

- a) All Material Related Party Transactions as specified in Clause 3.
- b) All Related Party Transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act requiring the approval of shareholders.

5.4 Ratification of Related Party Transactions in exceptional cases:

Any Related Party Transaction entered into by the Company with a Related Party, without obtaining the consent of Audit Committee or the Board of Directors or approval of shareholders in General Meeting, can in genuine cases be ratified by the Audit Committee or the Board of Directors or the shareholders at a General Meeting, as permitted in the Act or Listing Regulations.

5.5 While seeking the approval of the Audit Committee, Board or the Shareholders, all information that is relevant and necessary to the Related Party Transaction and as prescribed under the Laws or by the Audit Committee or the Board, shall be duly provided to the Audit Committee, Board or Shareholders, as the case may be.

6. Disclosure:

Disclosures as applicable and required under the Act, Listing Regulations and IND AS, concerning the related party transactions and/or Material Related Party Transactions shall be made in the Annual Report of the Company including its Financial Statements and also to the Stock Exchanges where equity shares of the Company are listed and to such other authority as may be prescribed.

7. General Exemption:

There is no approval required for transactions entered into between the Company and its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders of the Company for approval.

8. Miscellaneous:

8.1 This policy shall be reviewed by the Board of Directors at least once in every three years and updated accordingly.

8.2 Dealing with Related Party Transactions shall be in accordance with the Companies Act, 2013 & Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, applicable Accounting Standards and other applicable provisions for the time being in force.

8.3 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

9. Version History

Sr. no.	Approved by	Approval Date
1	Board of Directors	November 11, 2014
2	Board of Directors	February 6, 2019