

SUMMIT SECURITIES LIMITED

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) the 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 Promoter and Promoter Group shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

2.4 Related Party as per the provisions of Companies Act, 2013 and Listing Regulations shall mean:

- (i) a related party under Section 2(76) of the Act;
- (ii) a related party under the applicable Indian Accounting Standards;
- (iii) any person or entity forming a part of the promoter or promoter group of the Company;
- (iv) any person or entity, holding equity shares of 20% (10% effective from April 1, 2023) or more in the Company, either directly or on a beneficial interest basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year.

2.5 Related Party Transaction(s):

“Related Party Transaction(s)” shall mean a transaction, involving transfer of any resources, services or obligations between:

- a) The Company or any of its subsidiaries on one hand and a Related Party of the Company or any of its subsidiaries on the other hand with effect from April 1, 2022; or
- 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, effective April 1, 2023:

regardless of whether a price is charged it shall include:

- i. Sale, purchase or supply of any goods or materials;
- ii. Selling or otherwise disposing of, or buying, property of any kind;
- iii. Leasing of property of any kind;
- iv. Availing or rendering of any services;
- v. Appointment of any agent for purchase or sale of goods, materials, services or property;
- vi. Such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company; and
- vii. 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.

Provided that the following shall not be a Related Party Transaction:

(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) the following corporate actions by the listed entity which are uniformly applicable/offered to all shareholders in proportion to their shareholding:

- i. payment of dividend;
- ii. subdivision or consolidation of securities;
- iii. issuance of securities by way of a rights issue or a bonus issue; and
- iv. buy-back of securities.

2.6 Material Related Party Transactions:

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

- a) 5% 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; or
- b) Rs. 1000 Crore or 10% of the annual consolidated turnover of the Company as per its last audited financial statements, whichever is lower, in case of any other transaction(s).

2.7 Material modifications to Related Party Transactions:

Material modifications to Related Party Transactions shall mean modification to the related party transaction which substantially changes the nature / tenure of transaction as considered by Audit Committee while approving the transaction at the first instance.

3. 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.

4. Review and Approval of Related Party Transactions

4.1 Approval by the Audit Committee:

4.1.1 The Company shall not enter into any Transactions with any Related Party and/or make material modifications to such transactions without prior approval of the Audit Committee of the Company. Only those members of the Audit Committee who are independent directors, shall approve Related Party Transactions.

4.1.2 However, the Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature, 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.

Further, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, the Audit Committee may grant omnibus approval for such transactions, subject to their value not exceeding Rs. 1 crore per transaction.

4.1.3 The Audit Committee shall also review the status of long-term (more than one year) or recurring Related Party Transactions on an annual basis.

4.1.4 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.

4.1.5 In addition to the above, prior approval of Audit Committee of the Company shall be required for a related party transaction where the subsidiary(ies) of a Company is a party but the Company is not a party and the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company (w.e.f. April 1, 2023, 10% of the annual standalone turnover, as per the last audited financial statements of such Subsidiary).

4.2 Approval of the Board:

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

4.2.2 The Board of Directors shall consider the information/documents related to Related Party Transactions as referred to in clause 4.2.1, as placed before it and either approve or reject the same on merit.

4.3 Approval by the Shareholders:

The following Related Party Transactions and subsequent material modifications shall, after the approval of Board, shall also be placed before the shareholders for their prior approval:

- a) All Material Related Party Transactions as specified in Clause 2.6 and subsequent material modifications thereto.
- 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.

4.4 Ratification of Related Party Transactions in exceptional cases:

Any Related Party Transaction which is not under omnibus approval, 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 under the applicable laws.

4.5 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.

5. Disclosures:

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, on the website of the Company and also to the Stock Exchanges where equity shares of the Company are listed and to such other authority as may be prescribed.

6. General Exemption:

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

7. Miscellaneous:

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

7.2. 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 Indian Accounting Standards and other applicable provisions for the time being in force.

7.3. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or other applicable laws in this regard shall mutatis mutandis apply to /prevail upon this Policy.

8. Version History:

Sr. No.	Approved by	Approval Date
1	Board of Directors	November 11, 2014
2	Board of Directors	February 6, 2019
3	Board of Directors	November 10, 2021
4	Board of Directors	February 10, 2022