

SUMMIT SECURITIES LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

I. BACKGROUND

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”) requires every Listed Company to frame a policy for determination of materiality of an event/information based on the criteria specified in Regulation 30 for disclosure to the Stock Exchanges and hosting of it on the website of the Company.

II. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The Company shall consider the following criteria which for determination of materiality of event/ information specified in Annexure to this policy as and when they occur:

Where the omission of an event/ information, is likely to result in:

- a) discontinuity or alteration of event/ information already available publicly; or
- b) a significant market reaction if the said omission came to light at a later date.

Where it would be difficult to report the events/information based on criteria as stated in points a) and b) above, the same may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below.

III. MATERIALITY THRESHOLDS

Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the event/information.

The following will be the materiality criteria shall apply to events specified in Annexure to this policy only.

An event specified in the Annexure to the policy would be considered material if the impact of the event/information as per the last audited Balance Sheet is as under:

- a. For event at Sr. No. 3, if the capacity addition or product launch exceeds 5% of the consolidated total income;
- b. For event at Sr. No. 6, if the disruption results or is likely to result in closure of operations for more than 10 days;
- c. For event at Sr. No. 8, if it exceeds an amount of Rupees Four Crore or 10% of Consolidated Net profit whichever is higher;
- d. For event at Sr. No. 9, if it exceeds an amount of Rupees Fifty Lakh or 5% of consolidated net profit whichever is higher;
- e. For event at Sr. No. 11, if the guarantee or indemnity or surety are not in normal course of business or exceeds 10% of the consolidated total income.

IV. AUTHORITY TO DETERMINE MATERIALITY

For the events/information in the Annexure to the Policy for which thresholds are not prescribed in Clause III above, the Chief Financial Officer and the Manager of the Company are severally authorised for the purpose of determining materiality of an event /information.

V. DISCLOSURE PROCESS

The Chief Financial Officer, Manager and the Company Secretary are severally authorised to make the disclosure of material event/information to the Stock Exchanges. Subsequent to the disclosure to the Stock exchanges, material event/information should be hosted on the website of the Company.

VI. MODIFICATION OF THE POLICY

In case of any amendments to the Regulations which makes any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail. Further, in case there are any Regulatory changes, which require modifications to the Policy, the Policy shall be reviewed and amended with due approval from any one of the Director or Key Managerial Personnel of the Company.

Annexure

Events which shall be disclosed upon application of materiality thresholds as set out above:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
3. Capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire, etc.), force majeure or events such as strikes, lockouts, etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc., by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
