

SUMMIT SECURITIES LIMITED

Familiarisation programmes to Independent Directors

A. Preamble:

Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires every Listed entity to familiarize its independent directors through various programmes about the listed entity including the following:

- (a) nature of the industry in which the listed entity operates;
- (b) business model of the listed entity;
- (c) roles, rights, responsibilities of independent directors; and
- (d) any other relevant information.

B. Overview of the Familiarisation Process:

All Independent Directors are aware and further updated about their roles, rights, responsibilities in the Company. The appointment letter issued to Independent Director inter alia sets out the expectation of the Board from the appointed director, their role, duties, responsibilities, remuneration and the accompanying liabilities that come with the appointment as a director of the Company alongwith the Code of Conduct for acceptance by the Director.

Independent Directors are involved as part of the Board in formulation, review and approval of the statutory policies required to be adopted by the Company in accordance with the applicable laws.

Quarterly results are presented during Board and Committee meetings held from time to time. Regulatory Updates and Compliances are placed before the Board.

Each director of the Company has complete access to any information relating to the Company, Independent Directors have the freedom to interact with the Company's management. They are given all documents sought by them for enabling a good understanding of the Company.

C. Brief Background of the Company:

- i. The Company was originally incorporated as RPG Itochu Finance Limited on January 30, 1997, under the Companies Act, 1956 having its registered office at NCT of Delhi, as a public limited company under certificate of incorporation bearing number, 55-84757. The registered office of the Company was shifted from N.C.T of Delhi to Mumbai in State of Maharashtra. Consequently, the Corporate Identity Number of the Company was changed to U65921MH1997PLC194571.
- ii. Pursuant to a scheme of arrangement between Erstwhile Summit Securities Limited (erstwhile Summit) and Brabourne Enterprises Limited (Brabourne)

and Octav Investments Limited (Octav) and CHI Investments Limited (CHI) and the Company duly sanctioned by the Bombay High Court ('the Scheme'), the Company took over the entire assets and liabilities of CHI, erstwhile Summit, Brabourne and Octav with effect from the appointed date of the Scheme of arrangement i.e. March 31, 2009.

- iii. Pursuant to the Scheme, the name RPG Itochu Finance Limited was changed to Summit Securities Limited effective March 29, 2000 vide fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra, Mumbai.
- iv. The Company's shares are listed on National Stock Exchange of India Limited and BSE Limited since January 28, 2011. Consequent to Listing, the Corporate Identity Number of the Company was changed to L65921MH1997PLC194571.

D. Business & Nature of Industry in which Company Operates:

- i. The Company holds a valid registration certificate as a Non Banking Finance Company from the Reserve Bank of India.
- ii. The assets taken over consequent to the Scheme, were predominantly the investments held by the above named transferor companies in various listed and unlisted companies.
- iii. Accordingly, the Company is an Investment Company and has a varied investment portfolio consisting of both listed and unlisted companies.

E. Existing Business model of the Company:

Presently, the Company has investments in the sectors like infrastructure, pharmaceuticals, transportation and information technology. The Company's wholly owned subsidiary viz. Instant Holdings Limited also consolidated its investment portfolio.

The Company continues its strategy of investing only in high performing sectors of the economy and also its strategy of holding its investment portfolio on a long term basis.

F. Details of the Directors and Key Managerial Personnel.

The present directors and key managerial personnel of the company are as under:

Sr. No	Name	Designation
1	Mr. Ramesh D. Chandak	Director

2	Mr. Hemendra Chimanlal Dalal	Director (Independent)
3	Mr. Prem Kapil	Director (Independent)
4	Ms. Sneha Ranade	Director (Independent)
5	Mr. Amarendra Nath Misra	Director
6	Mr. Abhay Nerurkar	Director (Independent)
7	Mr. Hari Narayan Singh Rajpoot	Director
8	Mr. Rohin Bomanji	Manager
9	Mr. Paras Mal Rakhecha	Chief Financial Officer
10	Ms. Jiya Gangwani	Company Secretary

G. Roles, Rights and Responsibilities of Independent Directors:

(i) Roles and functions:

- (a) The Roles and functions of independent directors as defined in Schedule IV read with Section 149(7) of the Companies Act, 2013 and rules made thereunder are detailed in Para II of Schedule IV of the Act, Excerpts of Schedule IV – Code for Independent Directors are appended as Exhibit 1.
- (b) Further, Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') also provides for the obligations with respect to independent directors (Text of Regulation 25 of the Listing Regulations is given as Exhibit 2). Further, SEBI has, vide its circular dated January 5, 2017, issued a guidance note on Board Evaluation interalia enhancing the role of Independent Directors in bringing an objective view in the evaluation of the performance of board and management.

(ii) Rights and Responsibilities

Every Director of the Company, is responsible to perform the professional duties in accordance with Section 166 of the Companies Act, 2013 (the Act) and the Rules made there under and Schedule IV of the Act (Text of Section 166 of the Act given as Exhibit 3).

In addition, as an independent director, responsibility is cast upon for:

- a. Abiding by the provisions laid down in Section 149 (8) read with Schedule IV- Code for Independent Directors of the Act comprising of
 - I. Guidelines of professional conduct
 - II. Role and functions (as mentioned in pt. (i) of para E above)
 - III. Duties
 - IV. Manner of appointment
 - V. Re-appointment
 - VI. Resignation or removal
 - VII. Separate Meetings
 (Excerpts of Schedule IV is given as Exhibit 1).
- b. Complying with all statutes, rules and regulations as may be applicable to you / the Company, including any conditions which may be imposed on directors/the Company by the Central Government.
- c. Observing the Policy on Code of Conduct for Board Members and Senior Management adopted by the Company.
- d. Observing all other Policies and/or Regulations framed and/or adopted by Company to the extent applicable to the Directors from time to time and any non-observance thereof shall be treated as breach of duty and you shall be liable for the same.

H. Important regulatory changes in respect of provisions for Independent Directors:

I. Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated May 9, 2018:

- a. Regulation 16(1)(b) pertaining to definition of Independent Director - Amendment made to definition of independent directors to regard such persons as ineligible who are member of the promoter group of the listed entity or who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director (w.e.f. from October 1, 2018).
- b. Regulation 17 pertaining to Board of Directors –
 - i. New proviso related to requirement to appoint woman Independent Director by top 500 listed entities w.e.f. April 1, 2019 and by top 1000 listed entities w.e.f. April 1, 2020.
 - ii. Revised quorum for every meeting of Board being 1/3rd of its total strength or 3 directors, whichever is higher, including at least 1 Independent Director. Participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum (w.e.f. April 1, 2019 for top 1000 listed entities & April 1, 2020 for top 2000 listed entities).
 - iii. Evaluation of Independent Directors shall be done by the entire Board of Directors which shall include Performance of the directors and fulfillment of the independence criteria as specified in these regulations and their independence from the management.

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate. (Effective Date: April 1, 2019).

- c. Regulation 17A pertaining to Maximum number of Directorships –
 - i. *A person shall not be a director in more than 8 listed entities w.e.f. April 1, 2019 and in not more than 7 listed entities w.e.f. April 1, 2020:
Provided that a person shall not serve as an Independent Director in more than 7 listed entities.*
 - ii. *A person who is serving as a whole-time director / managing director in any listed entity shall serve as an Independent Director in not more than 3 listed entities.
For this purpose, the count for the number of listed entities on which a person is a director / Independent Director shall be only those whose equity shares are listed on a stock exchange.*
- d. Regulation 19(2A) pertaining to Nomination and Remuneration Committee - Revised quorum for every meeting of NRC being 1/3rd of its total strength or 2 members, whichever is greater, including at least 1 Independent Director in attendance (w.e.f. April 1, 2019).
- e. Regulation 20(2A) pertaining to Stakeholders Relationship Committee- SRC's composition to comprise of at least 3 directors, with at least 1 being an Independent Director (w.e.f. April 1, 2019).
- f. Regulation 24(1) pertaining to Corporate governance requirements with respect to subsidiary of listed entity - At least 1 Independent Director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not (w.e.f. April 1, 2019).
- g. Regulation 25 pertaining to Obligations with respect to Independent Directors – For details please refer Exhibit 2.
- h. Schedule III, Part A, Clause A, sub-regulation 7b pertaining to Disclosure of events or information - In case of resignation of the Independent Directors, the detailed reason for such resignation is required to be disclosed to the SEs, within 7 days of the resignation, including a confirmation from the Independent Director that there is no other material reason other than those provided (w.e.f. April 1, 2019).
- i. Schedule V, Part C sub-clause 2(j) pertaining to Annual Report- Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided shall be given in CG Report (w.e.f. April 1, 2019).

II. Pursuant to Companies (Amendment) Act, 2017 effective from May 7, 2018:

Amendment made in section 149(6) pertaining to criteria for defining Independent Director:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,-

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) who has or had no *pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed,* with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;]

(d) *none of whose relatives—*

(i) *is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:*

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) *is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;*

(iii) *has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;*
or

(iv) *has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);*

- (e) who, neither himself nor any of his relatives—
- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or
- (f) who possesses such other qualifications as may be prescribed.

Excerpts of Schedule IV

Code for Independent Directors

I. Guidelines of professional conduct:

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall—

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:

- a) the term of appointment;
 - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) provision for Directors and Officers (D and O) insurance, if any;
 - e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the company; and
 - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
 6. The terms and conditions of appointment of independent directors shall also be posted on the company's website

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than *three months* from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1. The independent directors of the company shall hold at least one meeting *in a financial year*, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies.

Text of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Obligations with respect to independent directors.

- (1) *No person shall be appointed or continue as an alternate director for an independent director of a listed entity with effect from October 1, 2018.*
- (2) The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.
- (3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.
- (4) The independent directors in the meeting referred in sub-regulation (3) shall, inter alia-
 - (a) review the performance of non-independent directors and the board of directors as a whole;
 - (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
- (5) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.
- (6) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:
Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.
- (7) The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:
 - (a) nature of the industry in which the listed entity operates;
 - (b) business model of the listed entity;
 - (c) roles, rights, responsibilities of independent directors; and
 - (d) any other relevant information.

- (8) *Every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. (Shall come into force w.e.f. April 1, 2019)*
- (9) *The board of directors of the listed entity shall take on record the declaration and confirmation submitted by the independent director under sub-regulation (8) after undertaking due assessment of the veracity of the same.*
- (10) *With effect from October 1, 2018, the top 500 listed entities by market capitalization calculated as on March 31 of the preceding financial year, shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by its board of directors.*

Text of Section 166 of the Companies Act, 2013:

166. Duties of directors

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgement;
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;
- (6) A director of a company shall not assign his office and any assignment so made shall be void;
- (7) If a director of the company contravenes the provision of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Version: February 27, 2019

Details of Familiarisation programmes/ sessions attended by Independent Directors

Particulars	Financial Year	Name of Independent Director			
		Mr. A. V. Nerurkar	Mr. H. C. Dalal	Ms. Sneha Ranade	Mr. Prem Kapil
No. of Programme(s) attended	2015-16	1	1	1	1
	2016-17	1	1	1	1
	2017-18	1	1	1	1
	2018-19	1	1	1	1
	Cumulative till date	4	4	4	4
No. of Hours spent in the Programme(s) attended	2015-16	01:00	01:00	01:00	01:00
	2016-17	01:00	01:00	01:00	01:00
	2017-18	01:00	01:00	01:00	01:00
	2018-19	00:15	00:15	00:15	00:15
	Cumulative till date	03:15	03:15	03:15	03:15