



SIMMONDS MARSHALL LIMITED

Regd. office & Factory : Plot No: C-4/1, Phase II, Chakan, MIDC Bhamboli, Khed Pune 410501, Maharashtra
+91-02135 683939/683900, sml@simmondsmarshall.com CIN: L29299PN1960PLC011645

RELATED PARTY TRANSACTIONS POLICY

INTRODUCTION

Simmonds Marshall Limited (the 'Company') recognizes that certain relationships can present potential or actual conflicts of interest and may raise questions about whether transactions with such relationships are consistent with Company's and its stakeholders' best interests.

This Policy regarding the review and approval of Related Party Transactions has been adopted by the Company's Board of Directors in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified. This policy will be accordingly reviewed once every three years.

The Securities and Exchange Board of India (Listing Obligation and disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) mandates formulation of a policy on transactions with Related Parties and dealing with Related Party Transactions. As part of its corporate governance practices, the Board of Directors (the "Board") of the Company has adopted the following policy and procedure with regard to Related Party Transactions.

APPLICABILITY AND EFFECTIVE DATE

This Policy will be applicable to the Company with effect from May 26, 2025 to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations.

PURPOSE

This policy is framed based on requirements of SEBI Listing Regulations as amended and also to comply with the provisions of Section 188 of the Companies Act, 2013 read with The Companies (Meetings of Board and its Powers) Rules, 2014 and is intended to ensure the governance and reporting of transactions between the Company and its Related Parties.

DEFINITIONS

Act shall mean the Companies Act 2013 and the Rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

Arms's Length basis means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

Board of Directors or Board means the Board of Directors of the Company.



Key Managerial Personnel means key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made there under.

Policy means Related Party Transaction Policy of the Company.

Related Party means a person or an entity

- (i) which is a related party under section 2(76) of the Companies Act, 2013: or
- (ii) which is a related party under the applicable accounting standards.

Provided that:

- (a) any person or entity forming a part of the promoter or promoter group of the listed entity; or
- (b) any person or any entity, holding equity shares:

- (i) of twenty per cent or more; or
- (ii) of ten per cent or more, with effect from April 1, 2023;

in the listed entity 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; shall be deemed to be a related party.

Related party under section 2(76) of the Companies Act, 2013 and rules made there under are as follows-

- (i) a director or his relative;
- (ii) a key managerial Personnel or his relative;
- (iii) Individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them control or significant influence over the Company, and relatives of such individual;
- (iv) a firm, in which a director, manager or his relative is a partner;
- (v) a private Company in which a director or manager or his relative is a member or director;
- (vi) a public Company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid -up share capital;
- (vii) anybody corporate whose board of directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager;
- (viii) any person on whose advice, directions or instructions a director or manager is accustomed to act;

Provided that nothing in (vii) and (viii) above shall apply to the advice, directions instructions given in a professional capacity;

(viii) any Company which is-

- (a) A holding, subsidiary or an associate Company of such Company; or
- (b) A subsidiary of a holding Company to which it is also a subsidiary;



- (c) Joint venture of the Company or investing Company to which the Company is a joint venture or an associate;
- (ix) Enterprises over which any person described in (i), (ii) or (iii) above is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Company and enterprises that have a member of key management in common with the Company
- (x) such other persons as may be prescribed by Central Government.

"Related Party Transaction" means a transaction involving a transfer of resources, services or obligations between:

- (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- (ii) a listed entity 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 listed entity or any of its subsidiaries;

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:

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 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.

- (c) retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors:

Provided further that this definition shall not be applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s);

"Relatives" "Relative", with reference to any person, means anyone who is related to another, if-

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to another person as:
 - (a) Father (including step-father)
 - (b) Mother (including step-mother)
 - (c) Son (including Step-son)
 - (d) Son's wife.
 - (e) Daughter



- (f) Daughter's Husband
- (g) Brother (including step-brother)
- (h) Sister (including step-sister)

All Related Party Transactions and its subsequent material modification must be reported to Audit Committee and referred for prior approval by the Committee in accordance with this Policy. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company or its subsidiary subject to the following conditions:

- a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- c. Such omnibus approval shall specify:
 - (i) the name/s of the related party, nature of 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.1 crore per transaction.

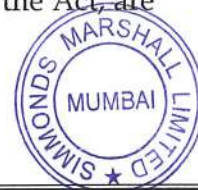
d. Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transaction entered into by the Company or its subsidiary pursuant to each of the omnibus approval given.

e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year

Review and approval of Related Party Transactions Audit Committee:

Every Related Party Transaction and subsequent material modification shall be subject to the prior approval of those members of the Audit Committee, who are independent directors, whether at a meeting or by resolutions by circulation.

However, the Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into with the Company or its subsidiary which are not material related party transactions as defined, are not covered by Section 188 of the Act, are



repetitive in nature and are in the ordinary course of business and on at Arm's Length basis, subject to compliance of the conditions contained in SEBI Regulations.

Only those members of the audit committee, who are independent directors, shall approve related party transactions. Any member of the Committee who has a potential interest in any Related Party Transaction shall abstain from discussion and voting on the approval of the Related Party Transaction.

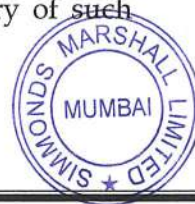
Related party transaction to which the subsidiary of a Company is a party but the Company is not a party, shall require prior approval of the Audit Committee of the Company if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.

Remuneration and sitting fees paid by the Company or its subsidiary to its director, key managerial personnel 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 sub-regulation (1) of Regulation 23 of SEBI Regulations.

To review a Related Party Transaction, the Committee shall be provided with the necessary information, to the extent relevant, with respect to actual or potential Related Party Transactions and/or prescribed under the Companies Act, 2013 and Rules there under, and the SEBI Regulations.

The Company shall provide the following information for review of the audit committee for approval of a proposed RPT:

- a. Type, material terms and particulars of the proposed transaction;
- b. Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);
- c. Tenure of the proposed transaction (particular tenure shall be specified);
- d. Value of the proposed transaction;
- e. The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);
- f. If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: nature of indebtedness, cost of funds and tenure;
 - iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and
 - iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.



- g. Justification as to why the RPT is in the interest of the listed entity;
- h. A copy of the valuation or other external party report, if any such report has been relied upon;
- i. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;
- j. Any other information that may be relevant

The audit committee may also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Board:

If the Committee determines that a Related Party Transaction or its subsequent material modification should be brought before the Board, or if the Board in any case decides to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction or its subsequent material modification, then the Board shall consider and approve the Related Party Transaction or its subsequent material modification and the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

Shareholders:

All the material Related Party Transactions and subsequent material modification shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the Company is a related party to the particular transaction or not.

All the transactions and its subsequent material modification, other than the material Related Party Transactions, with the Related Parties which are not in the ordinary course of business or at Arm's Length basis shall also require the approval of the shareholders through special resolution if so required under any law and the Related Parties shall abstain from voting on such resolution.

The notice being sent to the shareholders seeking approval for any proposed RPT shall, in addition to the requirements under the Companies Act, 2013, include the following information as a part of the explanatory statement:

- a. A summary of the information provided by the management of the listed entity to the audit committee in respect of the RPT;
- b. Justification for why the proposed transaction is in the interest of the listed entity;
- c. Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:
 - i) details of the source of funds in connection with the proposed transaction;
 - ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: nature of indebtedness, cost of funds and tenure;



- d. A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;
- e. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis;
- f. Any other information that may be relevant.

Material Related Party Transactions.

A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

A transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Material Modification

A modification to a transaction with a related party shall be considered material, if the modification results in a variation of ten percent or more to the original approved related party transaction.

RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY

In the event the Company becomes aware of a Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the related Party Transaction. The Committee may examine the facts and circumstances of the case and take any such action it deems appropriate.

The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:

- (i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
- (ii) the transaction is not material in terms of the provisions of sub-regulation (1) of Regulation 23 of SEBI Listing Regulations;



- (iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
- (iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of Regulation 23 of SEBI Regulations;
- (v) any other condition as specified by the audit committee:

Provided that failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorized by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

DISCLOSURES

Disclosure to be made in the explanatory statement to be annexed to notice of general meeting in respect of related party transaction requiring approval of the shareholders:

- (a) Name of the related party;
- (b) Name of the director or key managerial personnel who is related, if any;
- (c) Nature of relationship;
- (d) Nature, material terms, monetary value and particulars of the contract or arrangement;
- (e) Any other information relevant or important for the members to take a decision on the proposed resolution.

Disclosures to be made in Board's Report: Every related party transaction or contract covered under Section 188 of the Act shall be disclosed in the Board's report along with the justification for entering into such contract or arrangement.

Disclosures to the Stock Exchange/ Corporate Governance report: Details of related party transaction on a consolidated basis shall be disclosed to stock exchange on a half yearly basis on date of publication of standalone and consolidated financial results for the half year.

Disclosures on website: The Company shall disclose the policy on dealing with Related Party Transactions on its website and web-link shall be provided in the Annual Report.

Details of related party transaction on a consolidated basis shall be disclosed on the website on a half yearly basis on date of publication of standalone and consolidated financial results for the half year.

GENERAL POINTS

- (i) It shall be the responsibility of the Board to monitor and manage potential conflicts of interest of management, board members and shareholders, including abuse in Related Party Transactions.



(ii) The Independent Directors of the Company shall 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.

(iii) The Audit Committee shall have the following powers with respect to Related Party Transactions:

(a) To seek information from any employee.

(b) To obtain outside legal or other professional advice.

(c) To secure attendance of outsiders with relevant expertise, if it considers necessary

(d) To investigate any Related Party Transaction.

(iv) The CFO of the Company is authorized to issue necessary guidelines/ instructions for implementation of this Policy

(v) The Company while entering into any Related Party Transaction shall ensure that such Related Party Transaction is in the best interest of the Company and adheres to this Policy.

(vi) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements. The register(s) shall be placed before the next meeting of the Board and signed by all the directors present at the meeting.

The Register(s) shall be kept at the registered office of the Company and shall be open for inspection at such office during business hours and extracts may be taken there from, and copies thereof as may be required by any member of the Company shall be furnished by the Company to such extent, in such manner, and on payment of such fees as may be prescribed.

The Register(s) shall also be produced at the commencement of every annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend meeting.

AMENDMENTS IN LAW

Any subsequent amendment/ modification in SEBI Regulations and/or other applicable laws in this regard shall automatically apply to this policy.

