

POLICY ON RELATED PARTY TRANSACTIONS

INTRODUCTION

Related party transactions can present a potential or actual conflict of interest which may be against the best interest of the Company and its shareholders. Approval of related party transactions is prescribed under the Companies Act, 2013 ("Act") read with the Companies (Meetings of Boards and its Powers Rules) Rules, 2014 and under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015").

In light of the above, **SEC MARK CONSULTANCY LIMITED** ("the Company") has formulated guidelines for identification of related parties and the proper conduct and documentation of all related party transactions.

OBJECTIVES

The objective of this Policy is to set out the manner of dealing with the transactions between the Company and its related parties based on the Act, Regulations, and any other laws and regulations as may be applicable to the Company.

DEFINITIONS

- **"Related Party"**, with reference to a Company, shall have the same meaning as defined in Section 2(76) of the Companies Act, 2013 or under the applicable accounting standards:

The following shall also be treated as the Related Party -

(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 of ten per cent or more; 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 immediate preceding financial year;

shall be deemed to be a related party:

- **"Related Party Transaction"** (RPT) means -
 - for the purpose of the Act, specified transaction mentioned in clause (a) to (g) of sub-section 1 of Section 188;
 - for the purpose of the SEBI (LODR) Regulations, 2015, 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

Exclusions from Related Party Transactions

The following shall not be treated as related party transactions:

(a) Issue of specified securities on a preferential basis, subject to compliance with the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

(b) The following corporate actions which are uniformly applicable or 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
- iv. Buy-back of securities

(c) Acceptance of fixed deposits by banks or Non-Banking Financial Companies at terms uniformly applicable or offered to all shareholders or public, subject to disclosure of the same along with the half-yearly related party transaction disclosures submitted to the stock exchanges in the format specified by SEBI.

(d) Acceptance of current account deposits and savings account deposits by banks in compliance with directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time.

Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits shall include payment of interest thereon.

(e) Retail purchases from the listed entity or its subsidiary by its directors or employees, without establishing a business relationship and at terms uniformly applicable or offered to all employees and directors.

- “**relative**” means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.
- “**Arm’s length transaction (‘ALP’)**” means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.
- A “**transaction**” with a related party shall be construed to include single transaction or

a group of transactions in a contract.

Material related party transaction-

A “Material Related Party Transaction” means a transaction with a Related Party if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds the thresholds specified in Schedule XII of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, as set out below:

Materiality Thresholds

| Consolidated Turnover of the Listed Entity (as per last audited consolidated financial statements) | Materiality Threshold |
|--|--|
| Up to Rs. 20,000 Crore | 10% of the annual consolidated turnover of the listed entity |
| More than Rs. 20,000 Crore and up to Rs. 40,000 Crore | Rs. 2,000 Crore + 5% of the annual consolidated turnover exceeding Rs. 20,000 Crore |
| More than Rs. 40,000 Crore | Rs. 3,000 Crore + 2.5% of the annual consolidated turnover exceeding Rs. 40,000 Crore or Rs. 5,000 Crore, whichever is lower |

Note: For the purpose of the above table, consolidated turnover shall mean the audited consolidated turnover of the listed entity for the immediately preceding financial year.

Notwithstanding the above, 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 Company as per the last audited financial statements of the Company.

- “**Material Modification**” means any modification(s) in the pricing, quantity or overall transaction value having a variance of 20% (twenty percent) or more, in the relevant previously approved related party transaction.

All material related party transactions and subsequent material modifications as defined by audit committee shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.

- RPT Industry Standards - “**RPT Industry Standards**” shall mean the Industry Standards

on “Minimum Information to be Provided to the Audit Committee and Shareholders for Approval of Related Party Transactions” as notified by the Securities and Exchange Board of India (SEBI) vide its Circular dated June 26, 2025, and as amended, modified or supplemented from time to time.,

- The RPT Industry Standards shall not be applicable to:
 - (a) Transactions exempted as mentioned under Regulation 23(5) of the SEBI (LODR) Regulations, 2015 are inter alia as follows:
 1. Transactions entered into between a holding Company and its wholly owned subsidiary whose accounts are consolidated with such holding Company and placed before the shareholders at the general meeting for approval
 2. Transactions are entered into 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.
 3. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
 - [*Explanation:* For the removal of doubts, it is clarified that the term ‘holding Company’ used in clause (b) of this sub-regulation refers to and shall be deemed to have always referred to a listed holding Company.]
 - (b) Quarterly review of RPTs by the Audit Committee in terms of Regulation 23(3)(d) of the SEBI (LODR) Regulations, 2015.
 - (c) Transaction(s) with a related party to be entered into individually or taken together with previous transactions during a financial year (including which are approved by way of ratification) do not exceed Rs. One Crore.
- Any term not defined in this Policy shall have the meaning ascribed to it under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law, regulation, circular or statutory modification thereof, as amended from time to time.

PROCEDURE FOR APPROVAL OF RELATED PARTY TRANSACTIONS:

A. Approval of the Audit Committee and Role of Audit Committee

1. The Company shall not enter into any contract or arrangement with a Related Party without the approval of the Audit Committee. Prior approval of the Audit Committee shall be

obtained for all Related Party Transactions.

2. Any member of the Audit Committee who has a potential interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders as discussed subsequently.

3. Omnibus approval:

The Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval for Related Party Transactions proposed to be entered by the listed entity 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 regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;

(c) The omnibus approval shall specify:

- i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall 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) the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity or its subsidiary pursuant to each of the omnibus approvals 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.

4. Prior approval of the Audit committee shall be required for:

a. All RPTs and subsequent Material Modifications.

b. a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction, exceeds the lower of the following:

- (i) ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or
- (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations.

c. In the event of a related party transaction above rupees one crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party and such subsidiary does not have audited financial statements for a period of at least one year, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:

- (i) ten percent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or
- (ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations:

Provided that the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.]

d. Provided that prior approval of the Audit Committee of the Company shall not be required for RPTs where a listed subsidiary of the Company is a party, but the Company is not a party, if Regulation 23 and 15(2) of SEBI (LODR) Regulations, 2015 are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

e. Remuneration and sitting fees paid by the listed entity 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 this regulation.

Ratification:

- a. 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 this regulation;
 - 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 this regulation;

- 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 authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

Review of approvals

The Audit Committee shall review periodically the details of related party transactions entered into by the Company pursuant to each of the omnibus approval given.

Assessment for approval

While assessing a proposal put up before the Audit Committee / Board for approval, the Audit Committee / Board may review such documents and seek such information as it deems necessary from the management in order to determine if the transaction is in the ordinary course of business and at arm's length or not.

Approval of Board of Directors or of Shareholders the Company

In the event any contract or arrangement with a related party is not in the ordinary course of business or at arm's length, the Company shall comply with the provisions of the Companies Act 2013 and the Rules framed thereunder and obtain approval of the Board or its shareholders, as applicable, for such contract or arrangement. All material related party transactions, other than those with exempted Wholly Owned Subsidiaries will be placed for approval of the shareholders of the Company.

All the Material Related Party Transactions and subsequent Material Modifications shall require prior approval of the Board and shareholders through and no Related Party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Provided that prior approval of shareholders of the Company shall not be required for RPTs where listed subsidiary is a party, but the Company is not a party, if regulation 23 and 15 (2) of SEBI (LODR), Regulations, 2015 are applicable to such listed subsidiary.

Provided that the aforesaid requirements shall not apply in respect of a resolution plan approved under Section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Provided further that the omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time

Provided further that in case of omnibus approvals for material related party transactions,

granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval.

Provided that the provisions pertaining to -

- Prior approval of the Audit Committee for all RPTs.
- Omnibus approval for RPTs; and
- Prior approval of shareholders for Material Related Party Transactions and subsequent Material Modifications

The following shall not be applicable in the following cases:

- a. Transactions entered into between a holding Company and its wholly owned subsidiary whose accounts are consolidated with such holding Company and placed before the shareholders at the general meeting for approval
- b. Transactions are entered into 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.
- c. transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.

The provisions of this regulation shall be applicable to all prospective transactions.

DISCLOSURES

The Company shall disclose, in the Board's report, transactions prescribed in Section 188(1) of the Act with related parties, which are not in ordinary course of business or arm's length basis along with the justification for entering into such transaction.

The Company shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the SEBI from time to time, and publish the same on its website: Provided further that the Company shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results

The remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of regulation 23 of SEBI (LODR) Regulations, 2015.

REVIEW

The listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions including clear threshold limits duly approved by the board of Director and such policy shall be reviewed by the Board of Directors at list once in every three years and updated accordingly.

Date: February 13, 2026

