ÖSEL®

RELATED PARTY TRANSACTIONS POLICY

1. Introduction

Osel Devices Limited has formulated this Related Party Transaction policy (this **"Policy")** in line with the Companies Act, 2013 (the **"Act")** read with the Companies (Meetings of Board and its Powers) Rules, 2014 **('Rules"),** and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements),2015 **("LODR Regulations")** as amended from time to time.

2. Objective:

A) The primary objective of this Policy is to ensure highest standard of Corporate Governance, transparency, probity and ethical standards in all dealings of the Company with Related Parties.

B) The Audit Committee of the Company has approved this Policy to set forth the procedures under which transactions between the Company and its Related Parties shall be identified and reviewed for approval or ratification in accordance with the procedures set forth below and as prescribed under LODR Regulations and the Act and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof).

3. Definitions:

i) **'Act'** means the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force).

ii) **'Audit Committee'** means Committee of Board of Directors of the Company constituted in accordance with the requirements prescribed under the Act and LODR Regulations.

iii) **'Associate company'** in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and indudes a joint venture company.

Explanation: For the purposes of this definition, the expression "significant influence" means control of at least twenty per cent. of total voting power, or control of or participation in business decisions under an agreement; and the expression "joint venture" means a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

iv) **'Control'** shall include the right to appoint majority of the directors or to control the Management or policy decisions, exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or Management rights or shareholder's agreements or voting agreements or in any other manner.

v) **'Key Managerial Personnel',** in relation to company, means -

(i) the Chief Executive Officer or the managing director or the manager;

(ii) the company secretary;

(iii) the whole-time director;

(iv) the Chief Financial Officer;

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(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and

(vi) such other officer as may be prescribed.

vi) **'LODR Regulations'** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications, clarifications, circulars and re-enactment thereof.

vii) **'Material Modification':** would mean a modification in a transaction resulting in deviation of more than 25 % of the approved value of a Related Party Transaction. The audit committee of the Company is also authorized to define the material modifications, as it deems fit depending upon the circumstances.

viii) **'Net Worth'** means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.

ix) **'Office or Place of Profit'** means any office or place:

(a) where such office or place is held by a director, if the director holding it receives from the company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;

(b) where such office or place is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent free accommodation, or otherwise."

x) **'Ordinary Course of Business'**

With reference to a transaction with a related party means a transaction which is:

(i) carried out in the normal course of business envisaged in accordance with the Memorandum of Association of the Company as amended from time to time;
(ii) historical practice with a pattern of frequency;
(iii) the income, if any, earned from such activity/transaction is assessed as business income m the Company's books of accounts and hence is a business activity, or
(iv) common commercial practice; or
(iv) meets any other parameters/criteria as decided by the Board/Audit Committee, from time to time

xi) **'Policy'** means this Related Party Transactions Policy, as amended from time to time.

xii) **'Related Party Transaction' (RPT')** means a transaction except those which have been exempted under the LODR Regulations, involving a transfer of 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; 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, regardless of whether or not a price is charged, either single or a group of transactions in a contract or arrangement.

xiii) **'Related Party':** means a related party as defined under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards:

Provided that

a. any person or entity forming a part of the promoter or promoter group of the Company;
b. any person or any entity, holding equity shares:
   (i) of twenty per cent or more; or
   (ii) of ten per cent 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;

shall be deemed to be a related party.

xiv) **'Relative'** with reference to any person, means anyone who is related to another, if-

- They are members of a Hindu Undivided Family;
- They are husband and wife; or
- One person is related to the other in sudh manner as may be prescribed

Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014 have prescribed the following persons who shall be deemed to be the relative of another, if he or she is related to another in the following manner;

- Father: term "Father" includes step-father;
- Mother: term "Mother" includes the step-mother;
- Son: term "Son" includes the step-son;
- Son's wife;
- Daughter;
- Daughter's husband;
- Brother: term "Brother" includes the step-brother;
- Sister: term "Sister" includes the step-sister.

xv) **'Transaction'** shall be construed to include single transaction or a group of transactions in a contract;

xvi) **'Turnover'** means the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

xvii) **'The Arm's Length Pricing' {'ALP')** a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest known as an "arm's-length transaction".

Any other term not defined herein shall have the same meaning as defined in the Act, LODR Regulations, 2015 or any other applicable law or regulation, as amended from time to time.

4. Material Related Party Transaction

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 Rupees fifty 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.

In case of transaction involving payment to a Related Party for brand usage or royalty, it will be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed 5% percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

5. Manner of dealing with Related Party Transactions

i) Identification of Related Party Transactions:

Each Director and Key Managerial Personnel is required to give notice of disclosure of interest under section 184 and 189 of the Companies Act 2013 alongwith list of relatives to the company. The Company shall ensure that no transaction is entered into with any entity/ individual disclosed by the Director/ **KMP** without requisite approvals.

The Board/ Audit Committee will determine whether the transaction requires compliance with this policy or not.

ii) Obligation related to subsidiary companies:

The Subsidiaries of the Company, before entering into a Related Party Transaction which may require approval of the Audit Committee & shareholders of the Company under this Policy, shall bring to the attention of the Company the details of the proposed Related Party Transaction(s), so that the requisite approvals can be obtained in due course.

iii) Procedure for Approval of Related Party Transactions:

❖ Approval of Audit Committee:

All Transactions, as mentioned below, shall require prior approval of the Audit Committee (by those members who are independent directors):

1. All Related Party Transactions and subsequent material modifications as defined by the Audit Committee;

2. RPTs where subsidiary is a party but the Company is not a party and 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.

3. RPTs where subsidiary is a party but the Company is not a party and such subsidiary does not have audited financial statements and 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

While considering any modification in any Related Party Transaction, the Audit Committee shall consider the following:

a. need for the modification and factors on account of which modification is necessary;
b. whether subject of modification could have been assessed at the time of approval of original transaction itself.

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However, 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:

- The Audit Committee shall lay down the criteria for granting the omnibus approval in line with Related Party Transactions Policy and such approval shall be applicable in respect of transactions which are repetitive in nature;
- The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the Company;
- 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, the Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs.1 crore per transaction. The details of such transaction shall be reported within three months from the date of transaction or in the immediate at the next meeting of the Audit Committee, whichever is earlier, for ratification,

, The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company or its subsidiary pursuant to each of the omnibus approval given;

- Such omnibus approval shall be valid for one year and shall require fresh approvals after the expiry of one year.

❖ Approval of Board of Directors:

As per the provisions of Section 188 of the Act, all kinds of transactions specified under the said Section and which are not in the ordinary course of business or not at arm's length basis, shall require the approval of Board of directors,

In addition to the above, the following kinds of transactions with related parties shall also be placed before the Board for its approval:

- Transactions which may be in the ordinary course of business and at arm's length basis, but which are as per the policy determined by the Board from time to time (i.e. value threshold and/or other parameters) require Board's approval in addition to Audit Committee approval;
- Transactions in respect of which the Audit Committee is unable to determine whether or not they are in the ordinary course of business and/or at arm's length basis and decides to refer the same to the Board for its approval;
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires the Board's approval.
- Transactions meeting the materiality thresholds as laid down above in the Policy, which are intended to be placed before the shareholders for their approval.

❖ Approval of Shareholders:

All the material related party transactions and subsequent material modifications as defined by the audit committee as aforesaid shall require prior approval by the Shareholders through an ordinary resolution as prescribed under Regulation 23 of LODR Regulations.

For this purpose, all entities/persons falling under the definition of related parties shall abstain from voting irrespective of whether the entity/person is a party to the particular transaction or not.

In addition to the above, all kinds of transactions specified under Section 188 of the Act which (a) are not in the ordinary course of business or not at arm's length basis; and (b) exceed the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014, as may be amended from time to time, shall be placed before the shareholders for their approval.

iv) Transactions Not Requiring Approval:

The following Related Party Transactions shall not require approval of Audit Committee or Shareholders:

a. Related Party Transactions to which the listed subsidiary of the Company, if any, is a party but the Company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of LODR Regulations are applicable to such listed subsidiary.
b. Transactions 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. The transactions entered into by the Company with its wholly owned subsidiary(ies) whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval shall not require prior approval of the Audit Committee.
d. 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.
e. 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, provided that the same is not material in terms of the provisions LODR Regulations

v) Effect on Related Party Transaction not approved under this polig:

In the event the Company becomes aware of a RPT that has not been approved under this policy prior to its consummation, the matter shall be reviewed by the Audit Committee and the Audit Committee shall consider all relevant facts and circumstances regarding the RPT, evaluate all options available to the Company, including ratification, revision or termination of the RPT.

In any case, where the Audit Committee determines not to ratify a RPT that has been commenced without its approval, the Audit Committee, may direct additional actions as appropriate, including but not limited to, immediate discontinuation or rescission of the RPT, or modification of the RPT to make it acceptable for ratification. With respect to review of an RPT, the Audit Committee has authority to modify or waive any procedural requirements of this Policy.

Ratification of Related Party Transactions: -

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 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 Listing 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

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

Further, where any contract or arrangement is entered into by a director or any other employee without obtaining the consent of the Board or shareholders pursuant to Section 188(1) of the Act and if is not ratified by the Board and/or shareholders within 3 months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders. If such contract or arrangement is with related party to director or is authorized by any director, the directors concerned shall indemnify the Company against any loss incurred.

6. Interpretation:

In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this policy and procedures till such time as this policy will change to conform to the law(s), rule(s), regulation(s) or standard(s).

7. Disclosures:

- The details of RPTs, which are not in the Ordinary Course of Business and/ or not at Arm's Length, shall be disclosed in the Boards' Report along with a justification for entering into such transactions.
- Details of all material related party transactions shall be disclosed quarterly alongwith the compliance report on Corporate Governance.
- The Related Party Transactions Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report too.
- The Company shall also submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board, from time to time. Such Disclosure shall be submitted by the Company every six months:
  a. on the date of publication of its standalone and consolidated financial results.
- the 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 disclosure provided that the same is not material in terms of the provisions of LODR Regulations."

8. Miscellaneous:

The right to interpret/ amend/ modify this Policy vests in the Board of Directors of the Company as may be recommended by the Audit Committee. This Policy will be communicated to all the Directors, KMPs, operational employees and other concerned persons of the Company.

9. Amendment

In case there are any modification(s) / amendment(s) / notification(s) / circulars(s), guidance note(s), informal guidance(s) issued by SEBI / MCA or judgements made by the Tribunal or any Court which has the effect of amendment in the Regulation(s) / Section(s) / Rule(s) made thereunder. The Chief Financial Officer and/or Company Secretary and/or Managing Director is/are authorized to make amendments in the Policy / Code as to the extent applicable. The amended Policy / Code shall be taken note by the Board of Directors/Committee members in their ensuing Board Meeting/Committee Meeting. Further, all the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 governing the said clause shall apply.

Note: The above amended policy was approved by the Audit Committee and Board of Directors at their meeting held on May 29,2026 and shall become applicable w.e.f. 1st April, 2026.

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