



ROSSELL TECHSYS LIMITED

**POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING
WITH RELATED PARTY TRANSACTIONS**

(Effective from September 25, 2024)

CONTENTS

1. **Introduction:**..... 3

2. **Definitions:** 3

3. **Purpose:** 4

4. **Identification of Related Party:** 4

5. **Identification of Related Party Transaction(s):** 5

6. **Omnibus Approval by the Audit Committee:** 5

7. **Prior Approval of the Related Party Transactions:**..... 6

8. **failure to procure the Approval for the Related Party Transactions:** 8

9. **Disclosure and Reporting:** 8

10. **Review:** 9

1. INTRODUCTION:

Securities and Exchange Board of India (“SEBI”) has mandated every listed Company to formulate a “Policy on materiality of related party transactions and on dealing with related party transactions” (the “Policy”).

Accordingly, Rossell Techsys Limited (the “Company”) has formulated this Policy on dealing with related party transactions with the objective of ensuring compliance with the provisions pertaining to Related Party Transactions stipulated in the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), 2015 [“Listing Regulations”]. This Policy regulates all transactions between the Company and its Related Parties.

2. DEFINITIONS:

- a. **“Accounting Standards”** shall mean those accounting standards that are prescribed by the Government of India under Section 133 of the Act.
- b. **“Act”** means Companies Act, 2013, rules framed thereunder and includes any amendments thereof.
- c. **“Arm’s Length Transaction”** means a transaction between two related parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.
- d. **“Audit Committee”** or **“Committee”** means the Audit Committee of the Board of Directors of the Company constituted in accordance with the requirements prescribed under the Act and SEBI Listing Regulations.
- e. **“Board of Directors”** or **“Board”** means the Board of Directors of Rossell Techsys Limited, as constituted from time to time as per the relevant laws and rules and regulations.
- f. **“Material Modification”** shall mean and include any modification to an existing contract or arrangement with a related party having upward or downward variance of 20% in value of the transaction already approved by the Audit Committee / Board / Shareholders, as the case may be or such modification as may be decided by the Audit Committee;
- g. **“Material Related Party Transaction”** shall have the same meaning as defined in Regulation 23 of the SEBI Listing Regulations and/or contracts or arrangements given under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, requiring shareholder’s approval.
- h. **“Ordinary Course of Business”** with reference to transactions with a related party shall mean transactions/activities that are connected to or necessary for the business of the Company. Every transaction capable of being entered into by the Company for the purpose of carrying its business or those transactions that companies engaged in

similar business activities usually entered into shall be deemed to be a transaction in the Ordinary Course of Business.

- i. **“Regulatory Framework”** shall mean the Act, and Rules made thereunder, the SEBI Listing Regulations, the Accounting Standards and all other enactments, rules, regulations, and provisions of Articles of Association of the Company.
- j. **“Related Party”** shall have the same meaning as defined in Regulation 2(zb) of the SEBI Listing Regulations read with Section 2(76) of the Companies Act, 2013.
- k. **“Related Party Transaction or RPT”** in relation to the Company means a transaction with a related party under the relevant provisions of the Act, SEBI Listing Regulations or any relevant Indian accounting standards, as amended from time to time.
- l. **“Relative”** shall have the same meaning as defined in Regulation 2(77) of the Companies Act, 2013 and rules made thereunder.
- m. **“Subsidiary”** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013 and as defined in SEBI Listing Regulations;

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI Listing Regulations, applicable Accounting Standards or any other applicable law or regulation as amended from time to time.

3. PURPOSE:

The purpose of the policy is to:

- a. Ensure compliance with regulatory provisions under the Act, SEBI Listing Regulations, governing Related Party Transactions and any other legislation if any, both in letter and spirit.
- b. Upheld highest standard of Corporate Governance, transparency, probity, and ethical standards in all dealings of the Company with Related Parties such that its reputation is well protected and to enjoy highest level of trust and confidence of investors, regulatory authorities and all other stakeholders.
- c. Seek necessary approvals of the Audit Committee/Board/Shareholders, as may be necessary, after providing necessary information to them in the prescribed manner and outline the procedures for identification, review, disclosure, and reporting of such transactions.

4. IDENTIFICATION OF RELATED PARTY:

The related party of the Company shall be identified and ascertained in light of the aforementioned definition of the Related Party.

Every Promoter, Director and Key Managerial Personnel of the Company shall be responsible for providing a list of his / her Related Party to the Company. The disclosure

shall be submitted to the Company **(i)** at the time of appointment of such person to office; **(ii)** at the first meeting of the Board held in every financial year, and **(iii)** whenever there is any change in the disclosures already made, then at the first Board meeting held after such change.

The Board shall take note of such disclosure of interests and maintain database of Company's Related Parties and shall ensure that no transaction is entered into in violations of the Act, rules made thereunder and Listing Regulations.

Further, if any question arises whether a person is a Related Party or not, such question shall be determined by the Audit Committee of the Board of Directors of the Company, in line with the applicable act and regulations and such determination shall be final and binding.

5. IDENTIFICATION OF RELATED PARTY TRANSACTION(S):

The Audit committee or Compliance officer or Chief Financial Officer or any other person as identified by the Board from time to time, shall be responsible to determine whether a transaction indeed constitute a Related Party Transaction in terms of the provisions of the Act, Listing Regulations and applicable Accounting Standards and shall seek necessary approval(s) prior to entering into the Related Party Transaction(s) in terms of the Policy.

In the case the above-mentioned persons are unable to determine whether a transaction indeed constitute a Related Party Transaction in terms of the aforementioned applicable provisions, the board may consult the expert in the specific area whom the board may think fit.

6. OMNIBUS APPROVAL BY THE AUDIT COMMITTEE:

The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following condition, namely-

- a. The audit committee shall lay down the criteria for granting the omnibus approval in line with the Policy of Related Party Transaction of the Company and such approval shall be applicable in respect to 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 Company;
- c. The omnibus approval shall specify:
 - i. the name(s) of the related party, nature of transaction, duration/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.

Further, 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 Rupees One (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 pursuant to each of the omnibus approvals given.
- e. Such omnibus approvals shall be valid for a period not exceeding one (1) year and shall require fresh approvals after the expiry of one (1) year.
- f. The below transactions cannot be approved through omnibus route:
 - Transactions in respect of selling or disposing of the undertaking of the Company;
 - Transactions and subsequent material modifications which are considered as not in ordinary course of business and/or not at the arm's length basis;
 - Transactions that exceed the threshold specified by the Board;
 - Any other transaction as may be specified under the Companies Act, 2013 or rules made there under or SEBI Listing Regulations.

7. PRIOR APPROVAL OF THE RELATED PARTY TRANSACTIONS:

All related party transactions and subsequent material modifications shall require **prior** approval of the audit committee, provided that only those members of the audit committee, who are independent directors, shall approve related party transactions, whether at a meeting or by resolution by circulation or any other manner as provided by the Companies Act, 2013 and Rules made thereunder or by Secretarial Standards. The below table provide the details thereof:

S. No.	Regulation/ Section	Approval by	Transaction
1	Regulation 23(2) of Listing Regulations	Audit Committee (Only those members of the audit committee, who are independent directors, shall approve Related Party Transactions)	All transaction entered with related party(ies) and any subsequent modification shall be undertaken only after prior approval of the Audit Committee. The Audit Committee shall be provided with the requisite information for approval of each Related Party Transaction.
2.	Section 188(1) of the Act and Regulation 23(4) of the Listing Regulations	Board of Directors (Where any director is interested in any contract or arrangement with a	All transaction with the Related Party Transaction within the scope of Section 188 of the Act, which are neither in the ordinary course of business nor at an

		<p>related party, such director shall not participate in discussions on the subject matter during the meeting relating to such contract or arrangement and shall not vote on the item of business)</p>	<p>arm's length shall require prior approval of the Board of Directors.</p> <p>In addition to the above, the following transactions with related parties shall also be placed before the Board for its approval:</p> <ol style="list-style-type: none"> 1. Material Related Party Transaction and any subsequent Material Modifications to a Related Party Transactions, which are intended to be placed before the shareholders for approval. 2. All other transaction as referred by the Audit Committee from time to time. <p>Information in such form and manner as prescribed in the Act and/or Listing Regulations shall be provided to the Board.</p>
<p>3</p>	<p>Section 188(1) of the Act, and Regulation 23(4) of the Listing Regulations</p>	<p>Shareholders</p> <p>(No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not)</p>	<p>All Material Related Party Transactions and any subsequent Material Modifications to a Related Party Transactions covered within the scope of the Listing Regulations, shall require prior approval of Shareholders.</p> <p>Transactions with Related Parties (as defined under the Companies Act, 2013) covered within the scope of Section 188 of the Act, which are either not in the ordinary courses of business and/ or not on arm's length basis and exceeds the threshold under Section 188 of the Act read with applicable Rules framed thereunder shall require prior approval of the</p>

			<p>Shareholders through a resolution.</p> <p>Exemptions</p> <p>The approval of shareholders will not be required for transactions entered into between</p> <p>(a) the Company and its wholly owned Subsidiaries or</p> <p>(b) two wholly owned subsidiaries of the Company</p> <p>whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p>
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8. FAILURE TO PROCURE THE APPROVAL FOR THE RELATED PARTY TRANSACTIONS:

In the event the Company becomes aware of a Related Party Transaction that has not been approved in accordance with this Policy prior to its consummation, then such transaction shall be immediately put up for review by the Committee or Board, or the Shareholders as may be required in accordance with this Policy for review and ratification.

The Committee or the Board or the Shareholders shall consider all relevant facts and circumstances regarding such related party transaction and shall evaluate all options available to the Company, including but not limited to ratification, revision, or termination of such related party transaction, and the Company shall take such action as the Committee, or the Board may deem appropriate under these circumstances.

9. DISCLOSURE AND REPORTING:

Appropriate disclosures as required under the Act and the SEBI Listing Regulations shall be made by the Company to the relevant authorities from time to time in the prescribed returns/forms/formats.

The policy on dealing with Related Party Transactions shall be uploaded on the Company's website and a web link of the same shall be provided in the Annual Report of the Company.

10. REVIEW:

Any subsequent amendment/modification in the Act or the Rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard the statutes would prevail over the Policy and shall automatically apply to this Policy. The Board of Directors on recommendation of the Audit Committee shall review the policy at least once in every three years. However, the Board of Directors reserves its right to amend or modify the policy in whole or in part, at any time without assigning any reason whatsoever.

Note: This policy has been approved by the Board of Directors of the Company at its meeting held on September 25, 2024 and shall be effective from September 25, 2024.
