

**OneSource Specialty Pharma  
Limited  
(Formerly Stelis Biopharma Limited)**

CIN: U74140MH2007PLC432497

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

## INTRODUCTION

Regulation 23 (1) of Securities and Exchange Board of India (Listing of Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) requires listed companies to 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 Directors.

In compliance to the aforesaid regulations, the Board of Directors (the “Board”) of OneSource Specialty Pharma Limited (the “Company”), has adopted this Code of practices and procedures for fair disclosure of UPSI at its meeting held on December 10, 2024 and the policy is effective from the date of listing of equity shares of the Company on BSE and NSE.

## OBJECTIVE OF THE POLICY

The Board of the Company, after considering the recommendation of the Audit Committee, has adopted the Policy and associated procedures with regard to the review, approval and reporting of the Related Party Transactions.

The objective of this Policy is to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and its Related Parties in accordance with the Applicable Law. Such Related Party Transactions are considered appropriate only if they are in the best interests of the Company and its shareholders.

## DEFINITIONS

‘**Applicable Law**’ means the Companies Act, 2013 (“the Act”) and the Rules prescribed thereunder, the SEBI Listing Regulations and includes any other statute, law, standards, regulations or other governmental instruction relating to Related Party Transactions.

‘**Arm’s Length Transaction**’ means a transaction between two related parties which is conducted as if they were unrelated, so that there is no question of conflict of interest.

Pricing may not be the only determinant of a transaction being at arm’s length though it is an important factor. Therefore, the Company would apply a judgment to conclude whether a transaction can be considered to be on an arm’s length basis.

‘**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 includes a Joint Venture Company as per sub-section (6) of Section 2 of the Companies Act, 2013.

For the purpose of this clause, “Significant Influence” means control of at least 20% (twenty percent) of total voting power, or control of or participation in business decisions under an agreement and ‘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.

‘**Audit Committee**’ means the Committee of the Board of Directors which as on date constituted under the provisions of Regulation 18 of SEBI LODR and Section 177 of the Act and other applicable rules thereunder.

‘**Board**’ means Board of Directors of the Company.

‘**Body Corporate**’ means an entity as defined in Section 2(11) of the Act.

**‘Control’** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**‘Director’** means a person as defined in Section 2(34) of the Act.

**‘Employees’** mean the employees and office-bearers of the Company, including but not limited to Whole-Time Directors.

**‘Holding Company’** in relation to one or more Companies means a Company of which such companies are Subsidiary Companies as per sub-section (46) of Section 2 of the Companies Act, 2013.

**‘Key Managerial Personnel’** means key managerial personnel as defined under the Companies Act, 2013 and includes:

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole – time Director;
- Company Secretary and
- Chief Financial Officer

**‘Material Modification’** means modification to an existing related party transaction having variance of 20% of the existing limit as sanctioned by the Audit Committee / Board / Shareholders, as the case may be.

i. **‘Material Related Party Transaction’** means (a) 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 Company as per the last audited financial statements of the listed entity, whichever is lower.

(b) 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 listed entity.]

**‘Ordinary Course of Business’** means all such acts and transactions undertaken by the Company in the normal routine to conduct its business operations and activities and includes all such activities which the Company can undertake as per the Objects clause of the Memorandum of Association of the Company. The Company should take into account the frequency of the activity and its continuity carried out in a normal organized manner for determining what is in the Ordinary Course Business.

**‘Policy’** means policy on Materiality of Related Party Transaction and on dealing with Related Party Transactions.

**‘Relative’** shall have the meaning assigned to it in Section 2(77) of the Act and the Rules prescribed thereunder.

**‘Related Party’** shall have the same meaning as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations from time to time and the applicable accounting standards.

**‘Related Party Transactions’** means such transactions directly or indirectly involving any Related Party as specified under Section 2(76) read with Section 188 of the Act, or Rules prescribed thereunder and 2 (1) (zc) of the SEBI Listing Regulations including any amendment or modification thereof, as may be applicable. Related Party Transaction shall be construed to include a single transaction or a group of transactions in a contract.

**‘Senior Management’** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.]

**‘Subsidiary’** means a Company as defined in Section 2(87) of the Act read with relevant Rules prescribed thereunder.

Any other term not defined herein shall have the same meaning as defined in the Act, the SEBI Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other Applicable Law or Regulation in force.

## **IDENTIFICATION OF RELATED PARTY**

Each Director and Key Managerial Personal is responsible for providing notice to the Board or Audit Committee regarding persons and entities to be considered as “Related Party” by virtue of his/her being Director/KMP in the entity or holding certain shareholding percentage. Such notice shall be provided to the company at the time of appointment and also at the time of first Board Meeting in every financial year and whenever there is any change in the disclosures already made.

## **IDENTIFICATION OF RELATED PARTY TRANSACTIONS**

The Company has formulated guidelines for identification of related party transactions in accordance with Section 188 of the Companies Act, 2013 and as per the SEBI Listing Regulations.

## **REVIEW AND APPROVAL OF RELATED PARTY TRANSACTIONS**

### **a. Approval of the Audit Committee**

All Related Party Transactions and subsequent material modification(s), if any, shall require prior approval of Audit Committee and shall be approved by only those members of the Audit Committee, who are Independent Directors.

Audit Committee shall have all rights to call for information/documents in order to understand the scope of the proposed related party transactions.

Provided further that:

- a related party transaction to which the Company’s subsidiary is a party but the company is not a party, shall require prior approval of the audit committee 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 consolidated turnover, as per the last audited financial statements of the company.
- 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 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.
- prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the company is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of the SEBI Listing regulations are applicable to such listed subsidiary.

The Audit Committee may grant omnibus approval for the proposed Related Party Transaction subject to the following conditions:

- The Audit Committee shall lay down the criteria for granting omnibus approval in line with this 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 the following:
  - the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into.
  - the indicative base price / current contracted price and the formula for variation in the price if any, and
  - 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 Rupees One Crore per transaction.

- The Audit Committee shall review, at least on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given;
- Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- However, the details of the transactions entered into under such approvals, will be placed for review of the Committee/ Board on a quarterly basis. 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;
- Any member of the Audit Committee who has a potential interest in any related party transaction shall abstain from the voting on the approval of the related party transaction.
- Only members of the Audit Committee who are independent members shall approve all Related Party Transactions.
- The audit committee shall also review the status of long-term (more than one year) or recurring RPTs on an annual basis.

Transaction of following nature will not be subject to the omnibus approval of the Audit Committee:

- Transactions which are not at arm's length or not in the ordinary course of business.
- Transactions which are not repetitive in nature.
- Transactions exceeding materiality thresholds as defined in this Policy.
- Transactions in respect of selling or disposing of an undertaking of the Company.
- Financial Transactions e.g. Loan to related parties, Inter Corporate Deposits, subscriptions to bond, debenture or preference shares issued by the related parties, corporate guarantee given/received from related parties.
- Any other transaction the Audit Committee may deem not fit for omnibus approval.

## **b. Approval of the Board of Directors**

The following transactions shall require a prior approval of the Board:

- Related party transactions which are not in the ordinary course of business or not at arm's length price;
- Material related party transactions.
- 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 approval in addition to Audit Committee approval.
- Transactions which are in the ordinary course of business and at arm's length basis, but which in Audit Committee's view requires Board approval.
- Transactions meeting the materiality thresholds laid down in this Policy and any subsequent Material Modification to any Related Party Transaction, which are intended to be placed before the shareholders for approval.

If the Audit Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for the Board to approve a Related Party Transaction, then the Board shall consider and approve the Related Party Transaction at a meeting 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.

Any member of the Board who is interested or has potential interest (as mentioned under Section 184(2) of the Companies Act, 2013), in any related party transaction shall not be present at the meeting during discussions on the subject matter of the resolution relating to such related party transaction.

Where any director is interested in any contract or arrangement with a related party, such director shall abstain from the discussions on the subject matter of the resolution relating to such contract or arrangement.

If a Related Party Transaction will be ongoing, the Board of Directors may, in its discretion, establish guidelines for the Company's Management to follow in its ongoing dealings with the Related Party. Thereafter, the Board of Directors shall periodically review and assess ongoing relationships with the Related Party to see that they are in compliance with the Board of Directors' guidelines.

## **c. Approval of Shareholders**

Following transactions shall require prior approval of the Shareholders/Members of the Company by way of a Resolution passed at the General Meeting of the Company:

- All material related party transactions and subsequent material modifications as defined by the audit committee
- All related party transactions which are not in the ordinary course of business or not at arm's length and which are in excess of the limits prescribed under the Act.
- A related party transaction to which the subsidiary of the Company is a party but the Company itself is not a party to the transaction and if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% (ten per cent) of the annual consolidated turnover.

Further, prior approval of the Shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if Regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.



Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

- In addition to the above, all kinds of transactions specified under Section 188 of the Companies Act, 2013 as mentioned below shall require approval of Shareholders if the transactions:
  - a. are not in the ordinary course of business or not at arm's length basis; and
  - b. exceeds the thresholds laid down in Companies (Meetings of Board and its Powers) Rules, 2014 (as amended from time to time). No related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

The approval of Audit Committee, Board of Directors and Shareholders of the Company for following related party transactions shall not be required:

- a. for transactions entered into between the holding company and its wholly owned subsidiaries.
- b. transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

No related party shall vote to approve the resolution whether the entity is a related party to the particular transaction or not

## **RELATED PARTY TRANSACTIONS NOT APPROVED UNDER THIS POLICY**

In the event the Company becomes aware of a Related Party 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 shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy and shall take any such action it deems appropriate.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

## **DISCLOSURES**

The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report as per the provisions of the Act and Schedule V of SEBI Listing Regulations, including any amendments made from time to time.

The Company shall make such disclosures of related party transactions every six months on the date of publication of its standalone and consolidated financial results. .

Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

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 and which are not in the arm's length basis, along with the justification for entering into such transaction.

As per SEBI Circular dated 22 November 2021 prescribed additional information to be included in the notice being sent to shareholders seeking approval for proposed RPT. The information prescribed in the circular included:

- a. Details of transaction, including the material terms, tenure, value of the proposed transactions.
- b. Details of the related party, 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. Transaction value as a percentage of turnover.
- d. Transaction relating to loans, Inter-Corporate Deposits (ICDs), advances or investments, specific information is required to be disclosed where transaction relates to loans, ICDs, advances, etc.
- e. Justification as to why the RPT is in the interest of the listed entity e. A copy of the valuation report or external party report, if any such report has been relied upon.
- f. Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis.
- g. Any other information that may be relevant.

The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

## **AMENDMENT**

The Audit Committee may review and amend this Policy, from time to time, subject to approval of the Board. In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), circular (s) etc.

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy, subject to the same being in compliance with the applicable laws.

As per Regulation 23(1) of SEBI (LODR) Regulations, 2015, the policy shall be reviewed by the board of directors at least once every three years and updated accordingly.

This Policy will be communicated to all operational employees and other concerned persons of the Company.