
ONLINE INSTRUMENTS (INDIA) LIMITED

MATERIALITY POLICY

INTRODUCTION

This policy ("Policy") has been formulated to define the materiality policies in respect of the proposed initial public offering of the equity shares of Online Instruments (India) Limited ("Company"), pursuant to the disclosure requirements prescribed under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), in respect of the following:

- A. Identification of companies to be disclosed as group companies in the Offer Documents (*defined below*);
- B. Identification and disclosure of 'material legal proceedings' involving the Company, its subsidiaries, its promoters and directors ("Relevant Parties"), key managerial personnel, senior management and group companies, including 'material legal proceedings' involving the Relevant Parties; and
- C. Identification of outstanding dues to material creditors.

APPLICABILITY

The board of directors of the Company ("Board") at their meeting held on May 8, 2026 discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

In this Policy, the terms (i) "Offer Documents" shall mean the draft red herring prospectus, the red herring prospectus and the prospectus and includes any addendum or corrigendum thereto, to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India ("SEBI"), the Registrar of Companies, Karnataka at Bangalore and/or the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable and (ii) "Restated Consolidated Financial Information" shall mean the restated consolidated financial information of the Company and its subsidiary, as disclosed in the relevant Offer Document.

All capitalised terms not specifically defined in this Policy shall have the meanings ascribed to such terms in the respective Offer Documents.

The policy on identification of material outstanding litigation shall be without prejudice to any disclosure requirements which may be prescribed under the Companies Act, 2013, as amended, and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer Documents or by SEBI and/or such other relevant authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints, or any other applicable law. In this regard, it is clarified that the policy on identification of material outstanding litigation is solely adopted from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purposes.

A. Identification of companies to be disclosed as group companies in the Offer Document

Requirement:

The SEBI ICDR Regulations define "group companies" as "*such companies (other than promoter(s) and subsidiary/ subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer*".

Policy on materiality for identification of companies to be disclosed as group companies of the Company:

For the purpose of disclosure in the Offer Documents, the following shall be considered group companies of the Company:




- (i) such companies (other than the promoter(s) or subsidiary(ies) of the Company) with which there were related party transactions, during the period for which financial information will be disclosed in the Offer Documents, as covered under the applicable accounting standards; and
- (ii) any other companies as considered material by the Board of the Company, in terms of the policy laid down below.

With respect to (i) above, any company which was a subsidiary of the Company (and has entered into related party transactions with the Company) during any of the financial periods being included in the Offer Documents, but has subsequently ceased to be a subsidiary prior to the date of filing of the Offer Documents, shall not be considered a Group Company for the purposes of the Offer Documents.

For the purpose of (ii) above, a company (other than the companies covered under the schedule of related party transactions) shall be considered "material" and will be disclosed as a "Group Company" (other than the promoter(s) and subsidiary(ies) of the Company) in the Offer Documents if it is forming part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, with which the Company has had one or more related party transactions in the last completed financial year and the stub period, if any, which, individually or in the aggregate, exceed 10% of the total revenue from operations of the Company, for the last completed financial year and the stub period, as applicable, as per the restated consolidated financial statements and/or the relevant stub period as disclosed in the Offer Documents.

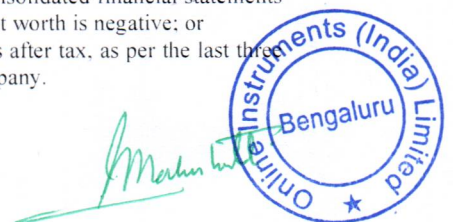
The information about each of the group companies identified based on the above approach shall be disclosed in the Offer Documents in accordance with the SEBI ICDR Regulations.

B. Identification and disclosure of legal proceedings involving the Relevant Parties, key managerial personnel and senior management, including 'material legal proceedings' involving the Relevant Parties

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose the following outstanding litigations involving the Relevant Parties:

- (i) all criminal proceedings, including such matters which are at the FIR stage even if no/some cognizance has been taken by any court or any other judicial authority;
- (ii) all actions (including all penalties and show cause notices) by regulatory and statutory authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities);
- (iii) all claims and proceedings related to direct and indirect tax matters, in a consolidated manner, giving the number of cases and total amount involved in such case involved; and
- (iv) other pending litigation (including civil litigation or arbitration proceedings) based on lower of the threshold criteria mentioned below –
 - a. As per policy of materiality defined by the Board and disclosed in the Offer Documents; or
 - b. Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - i. two percent of turnover, as per the latest annual restated consolidated financial statements of the Company; or
 - ii. two percent of net worth, as per the latest annual restated consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or
 - iii. five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the Company.



Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose (a) any disciplinary action including penalties imposed by SEBI or any of the stock exchanges against any of the Promoters in the last five financial years preceding the date of the relevant Offer Document, including any outstanding action; (b) all criminal proceedings, including such matters which are at the FIR stage even if no/ some cognizance has been taken by any court or any other judicial authority, involving Key Managerial Personnel and Senior Management of the Company; and (c) the actions (including all penalties and show cause notices) by regulatory and statutory authorities against the Key Managerial Personnel and Senior Management of the Company.

Policy on materiality for identification of material outstanding litigation involving the Company, its subsidiaries, its promoters and directors (excluding criminal proceedings, actions by statutory / regulatory authorities, disciplinary actions imposed by SEBI or stock exchanges against the promoters and taxation matters):

For the purpose of point (iv) above, all outstanding litigation proceedings / arbitration proceedings involving the Relevant Parties, the value or expected impact in terms of value of which, would be considered 'material' for the purpose of disclosure in the Offer Documents, if

- a. the aggregate monetary amount of claim/ amount in dispute/ liability involved, whether by or against the Relevant Parties in any such pending proceeding is individually is equivalent to or above of the following (a) 2.00% of the turnover, as per the latest annual restated consolidated financial statements of the Company; or (b) 2.00% of the net worth, as per the latest annual restated consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or (c) 5.00% of the average of the absolute value of the profit or loss after tax, as per the last three annual restated consolidated financial statements of the Company, whichever is lower ("Materiality Amount");
- b. any such litigation where the decision in one case is likely to affect the decision in similar cases, such that the cumulative amount involved in such cases exceeds the Materiality Amount, even though the amount involved in any such individual litigation may not exceed the Materiality Amount; or
- c. the monetary impact is not quantifiable or lower than the threshold mentioned in the point (a) above, but the outcome of any such litigation would materially and adversely affect the business, prospects, operations, performance, prospects, financial position or reputation of the Company.
- d. any findings or observations arising out of any of the inspections by the SEBI or by any other regulator in or outside India, which are outstanding.

It is clarified that for the purpose of this Policy, pre-litigation notices received by the Relevant Parties, Key Managerial Personnel, Senior Management, from third parties (excluding notices from statutory, regulatory or tax authorities) have not and shall not, be considered as litigation until such persons are impleaded as defendants or respondents in proceedings before any judicial/arbitral forum or are notified by any governmental, statutory, or regulatory authority of any such proceeding that may be commenced.

Group companies' litigation

In addition to the litigation specified in the paragraphs above, in accordance with the SEBI ICDR Regulations, the Company is also required to disclose any pending litigation involving its group company(ies) (as identified under Paragraph A above, hereinafter "Group Companies"), which has a material impact on the Company. Accordingly, based on the review of the information provided to the Company through the certificates provided by the Group Companies, the Board shall consider such outstanding litigation involving the Group Companies as material, if such outstanding litigation are material from the perspective of Company's business, prospects, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation.

C. Identification of outstanding dues to material creditors

Requirement:



As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

- (i) based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved will be disclosed in the Offer Documents;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of creditors and amount involved will be disclosed in the Offer Documents; and
- (iii) complete details about outstanding overdues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company and a web link thereto will be included in the Offer Documents.

For outstanding dues to micro, small and medium enterprises (“MSME”) and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

Policy on materiality for identification of material creditors:

For identification of material creditors for disclosure in the Offer Documents in terms of point (i) and (iii) above, all creditors of the Company to whom the amount due from the Company is equal to or in excess of 5.00% of the consolidated trade payables of the Company, as per the latest financial period covered in the restated consolidated financial statements are disclosed in the Offer Documents, shall be considered to be material.

GENERAL

It is clarified that the Policy is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory, judicial, quasi-judicial, governmental, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

