

NUKLEUS OFFICE SOLUTIONS LIMITED

CIN NO – U70101DL2019PLC355618

(Website: www.nukleus.work)

POLICY ON THE MATERIALITY OF AND DEALING WITH RELATED PARTY TRANSACTIONS



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1. Introduction

Pursuant to the provisions of Section 188 of the Companies Act 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended from time to time), the Board of Directors of **Nukleus Office Solutions Limited** has adopted the following policy, which applies to transactions between the Company and one or more of its Related Party(ies).

2. Purpose

This Policy is intended to ensure that proper approval and reporting of transactions between the Company and the related parties have been made. It provides a framework for governance and reporting of Related Party Transactions including Material Related Party Transactions.

3. Definitions

- a. **“Act”** shall mean the Companies Act, 2013 and the Rules framed thereunder, including any modifications, clarifications, circulars or re-enactment thereof;
- b. **“Audit Committee”** means the committee of Board constituted in pursuance of Section 177 of the Act and Regulation 18 of Listing Regulations;
- c. **“Board”** means the Board of Directors of the Company;
- d. **“Company”** means **Nukleus Office Solutions Limited**.
- e. **“Key Managerial Personnel”** means the person(s) appointed as such in pursuance of Section 203 read with Section 2(51) of the Act;
- f. **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or replaced from time to time;
- g. **“Promoter”** and **“Promoter Group”** shall have the respective meanings as assigned to them in the Listing Regulations;
- h. **“Related Party”**, with reference to the Company, means a related party as defined under Section 2(76) of the Act 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; or
- b) any person or any entity, holding equity shares:
 - i. of twenty per cent or more; or
 - ii. of ten per cent or more, with effect from April 1, 2023;

in the Company either directly or on a beneficial interest basis as provided under Section 89 of the Act, at any time, during the immediately preceding financial year; shall be deemed to be a related party.



- i. **“Related Party Transaction”** shall mean a transaction between the Company and a Related Party under the provisions of the Act read with the Rules and a related party transaction as defined under the Listing Regulations;
- j. **“Arm’s Length Transaction”** means a transaction entered into by two related parties and conducted as if they were unrelated, so that there is no conflict of interest.
- k. **“Material Modifications”**: shall mean and include any modification to an existing Related Party Transaction having variance of 25% or more gross operational revenue.
- l. **“Material Related Party Transaction”** means a Related Party Transaction which are entered into individually or taken together with previous transactions during a financial year, exceeds Rupees one thousand crores or ten per cent of the annual consolidated turnover of the company as per the last audited financial statements of the Company, whichever is lower.

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.

All capitalized terms used in this Policy but not defined herein shall have the same meaning as assigned to them in the Act and the Rules thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended from time to time.

4. Materiality Thresholds

The thresholds for RPTs beyond which approval of the shareholders through a resolution shall be required are as under:

(a) As per SEBI LODR

- i) Any transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company or 1,000 crore, whichever is lower.
- ii) 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 5% of the annual consolidated turnover of Company as per the last audited financial statements of Company. These thresholds are hereinafter be referred to as (the “Materiality Thresholds”).

(b) As per the Act

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 under Companies (Meetings of Board and its Powers) Rules, 2014 shall be placed before the shareholders for their approval.



5. Manner of Dealing with Related Party Transaction

A. Identification of Related Parties and the Related Party Transactions

Every promoter, director and key managerial personnel (KMP) of the Company and its subsidiaries/ Joint venture shall,

- i. at the time of appointment;
 - ii. periodically – as required by the Company; and
 - iii. whenever there is any change in the information already submitted,
- provide requisite information about his / her Relatives and all firms, entities, body corporates, in which such promoter, director or KMP is interested, whether directly or indirectly, to the Company or the subsidiary/ Joint venture (as the case may be). Every such promoter, director and KMP shall also provide any additional information about the transaction, that the Board /Audit Committee may reasonably request.

B. Review and approval of Related Party Transaction

i. Audit Committee

- a) All Related Party Transaction(s) and subsequent material modification(s) thereof shall be approved by the Audit Committee in the manner prescribed under the Listing Regulations unless the transaction is subject to any exemption as provided under the Act or Rules made thereunder or under the SEBI Listing Regulations.
- b) Only those members of the audit committee, who are independent directors, shall approve related party transactions
- c) A Related Party Transaction which is not in the ordinary course of business, or not at arm's length price, shall be approved by the Board of Directors or the shareholders, as detailed in the Act, the Listing Regulations and any other relevant laws, rules, regulations and guidelines.
- d) The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the Company subject to the following conditions:
 1. That such Related Party Transaction(s) are repetitive in nature
 2. the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the Company.
 3. the omnibus approval shall specify 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.



4. 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.
 5. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:
- e) No member of the Audit Committee having any potential interest in any Related Party Transaction(s) shall participate in discussions and voting on the approval of the Related Party transaction(s). Such member(s) shall recuse himself/herself and abstain from participating in discussions and voting on the approval of the said Related Party transaction(s).
 - f) In case of any Related Party Transaction(s) entered into by the company pursuant to any omnibus approval, the Audit Committee shall review the details of Related Party Transaction(s) and Material Modification(s) thereof on a quarterly basis.
 - g) In case of Related Party Transaction(s) other than any Related Party Transaction(s) entered into by the Company pursuant to any omnibus approval or otherwise pre-approved by the Audit Committee, such Transaction(s) shall be placed before the Audit Committee for ratification.
 - h) If the value of Related Party Transaction(s) and subsequent Material Modification(s) where the Company is not a party but its subsidiary is a party, crosses the material threshold as prescribed under clause 4 of this Policy, the Audit Committee shall approve such Related Party Transaction(s) and subsequent Material Modification(s) thereof.
 - i) Prior approval of the Audit Committee of the Company 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 Regulations 23 and 15(2) of the Listing Regulations are applicable to such listed subsidiary.

Explanation: For related party transaction(s) of unlisted subsidiaries of a listed subsidiary as referred to in Clause 5(B)(i)(i) above, the prior approval of the Audit Committee of the listed subsidiary shall suffice.
 - j) The Audit Committee shall at its discretion modify or waive any procedural requirements of this Policy with respect to any review of a Related Party Transaction(s).

ii. Board of Directors

- a) Related Party Transaction(s) that are not in the ordinary course of business or not at an Arm's Length Transaction, referred by the Audit Committee or the Company to the Board of Directors for its approval, the Board of Directors shall consider factors such as nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction, while granting its approval or requiring such modifications to transaction terms as deemed fit by the Board.
- b) Any member of the Board who has any interest in any Related Party Transaction(s) will excuse himself/herself and abstain from discussions and voting on the approval of such Related Party Transaction(s).



iii. Shareholders

- a) In case, Related Party Transaction(s) is/are (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or is not an arm's length transaction and exceeds the materiality thresholds prescribed under clause 4 of this policy, then the said Related Party Transaction(s) and any subsequent Material Modification(s) thereto, shall require shareholders' approval by a resolution and no related party shall vote to approve such resolution(s) irrespective of whether the entity is a related party to the particular transaction or not.
- b) All material Related Party Transaction(s) and subsequent Material Modification(s) as defined by the Audit Committee under Regulation 23(2) of the Listing Regulations 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 prior approval of the shareholders of the Company 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 regulations 23 and 15(2) of the Listing Regulations are applicable to such listed subsidiary.

Explanation: For Related Party Transaction(s) of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Provided further that the requirements specified under Regulation 23(4) 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 exchange(s) within one day of the resolution plan being approved.

6. Related Party Transactions not approved under the Policy

- i. If the company has entered into a Related Party Transaction that has not been approved under this Policy, the Audit Committee shall evaluate the relevant facts and circumstances relating to such Related Party Transaction(s) or material modification(s).
- ii. The Audit Committee after evaluating the above shall take such action as it may deem appropriate including ratification or revision or termination the said Related Party Transaction(s) and/or rejection of material modification(s).

7. Disclosure of Related Party Transactions

- i. Related Party Transactions required to be approved by the Board of Directors of the Company or the shareholders, shall be mentioned in the Board's report to the shareholders including the justification for entering into the same.
- ii. The Company shall submit to the stock exchange(s) disclosures of all Related Party Transaction(s) subject to and in the format as specified in the Listing Regulations as amended from time to time.

8. Limitation and Amendment



In case of any conflict between this Policy and applicable law, the applicable law (as existing on the date of the concerned transaction) shall prevail.

Any amendment to this policy shall be made after it is reviewed by the Audit Committee with the approval of the Board of Directors of the Company.

9. Disclosure and Review of the Policy

This Policy shall be reviewed by the Board of Directors of the Company at least once every three years and updated accordingly. This Policy shall be uploaded on the website of the Company.

