

**Diensten Tech Limited**  
**(Formerly known as JKT Consulting Limited)**

**POLICY ON RELATED PARTY TRANSACTION**

*(Approved by Board of Directors in their meeting held on 19<sup>th</sup> October, 2022)*

<b>Prepared by</b> Corporate Secretarial	<b>Reviewed by</b> Corporate Secretarial & Finance	<b>Approved by</b> Board of Directors
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## 1. Introduction

The Board of Directors (the “Board”) of Diensten Tech Limited (the “Company”), recognizes that certain relationships can present potential or actual conflicts to interest and may raise questions about whether transactions associated with such relationships are consistent with Company’s and its stakeholders’ best interest. The Company must specifically ensure that the certain transactions are effected and disclosed in accordance with strict legal and accounting standard to which it is subject. This policy regarding review and approval of related Party transactions has been adopted by the Company’s Board of Directors in order to set forth the procedures under which certain transactions must be reviewed and approved or ratified by the Audit Committee.

## 2. Purpose

This policy is framed as per requirement of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, and is intended to ensure proper approval and reporting of transactions between the Company and its Related Parties. The Company is required to disclose each year in the Financial Statements certain transactions between the Company and Related Parties as well as policies concerning transactions with Related Parties.

## 3. Applicability and Effective date

This Policy shall come into force with effect from 19<sup>th</sup> October, 2022, as adopted by the board of directors to regulate transactions between the Company and its related Parties based on the applicable laws and regulations.

## 4. Definitions

“**Act**” shall mean the Companies Act, 2013 and the rules framed there under, including any modifications, amendments, clarifications circulars or re-enactment thereof.

“**Arms Length basis**” means a transaction between two related parties that is conducted as if they were unrelated, so there is no conflict of interest. For determining of Arm’s length basis, guidance may be taken from the provisions of Transfer Pricing under the Income Tax Act, 1961, provisions under the Companies Act, 2013, Indian Accounting Standard (IND AS).

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and Companies Act, 2013.

“**Board**” means Board of Directors of the Company.

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

“**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act,

2013 and includes

- (i) Managing Director, or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

**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 one thousand crore or ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company, which ever is lower.

**“Material Modification”** means any subsequent change to an existing RPT, having variance of 20% of the existing limit or Rs. 10 crores whichever is lower.

**“Policy”** means Related Party Transaction Policy.

**“Related Party”** means related party as defined in regulation 2 (zb) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 which is as follows:

An entity shall be considered as related to the Company if:

- (i) Such entity is a related party under Section 2(76) of the Companies Act, 2013;or
- (ii) Such entity is a related party under the applicable accounting standards or Indian Accounting Standard."

**“Relative”** with reference to any person, means anyone who is related to another, if-

i) They are the members of a Hindu Undivided Family

ii) They are husband and wife; or

iii) One person is related to other persons:

- a) Father (including step-father).
- b) Mother (including step-mother).
- c) Son (including step-son).
- d) Son’s wife. e)Daughter.
- f) Daughter’s husband.
- g) Brother (including step-brother);
- h) Sister (including step-sister).

**“Related Party Transaction”** means any transaction directly or indirectly with any Related Party involving a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged. A “transaction” with a related party shall be construed to include single transaction or a group of transactions in a contract.

Provided that the following shall not be a related party transaction:

- a) The issue of specified securities on a preferential basis, subject to compliance of the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018.
- b) The following corporate action which are uniformly applicable/offered to all the shareholders in proportion to their shareholding.
  - i. Payment of Dividend
  - ii. Subdivision or consolidation of securities
  - iii. Issuance of securities by way of right issue or a bonus issue
  - iv. Buy back of securities.

**“Ordinary course of business”** means the usual transactions, customs and practices undertaken by the Company to conduct its business operations and activities and includes all such activities which the Company can undertake as per Memorandum & Articles of Association.

## **5. Policy**

All Related Party transactions will be referred /reported to Audit Committee/members for their approval in accordance with this Policy.

## **6. Identification of the Potential Related Party Transaction**

All the companies which are directly or indirectly related to the Company will be considered as Related Parties. The Company shall also identify related Party Transactions with Directors/Key Managerial Personnel or with their relatives.

Each director/Key Managerial Personnel is responsible for providing written notice to the Company Secretary of any potential Related Party Transaction involving him or her or his or her relatives.

## **7. Review and Approval of Related Party Transactions**

Approval of Related Party Transactions

### **7.1 Audit Committee**

All the transactions which are identified as Related Party Transactions and subsequent modifications thereof, shall be approved by the Audit Committee in the manner specified under the Listing Regulations. The Audit Committee shall consider all relevant factors while deliberating the Related Party Transactions for its approval

- 7.1.1 Any member of the Audit Committee who has a potential interest in any Related Party Transaction shall recuse himself and abstain from discussion and voting on the approval of the Related Party transaction. A Related Party Transaction which is (i) not in the ordinary course of business, or (ii) not at arm's length price, would require approval of the Board or of shareholders, as detailed in subsequent paragraphs.
- 7.1.2 The Audit Committee may grant omnibus approval for Related Party Transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under Regulation 23(3) of the Listing Regulations and such other conditions as it may consider necessary in line with this Policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.
- 7.1.3 The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions and material modifications thereof, entered into by the Company pursuant to the omnibus approval. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.
- 7.1.4 A Related Party Transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Audit Committee, will be placed before the Audit Committee for ratification.
- 7.1.5 The Audit Committee shall also pre-approve related party transactions, where the Company is not a party, but the Company's subsidiary is a party, if the value crosses the thresholds as prescribed under the Listing Regulations.

## **7.2 Board of Directors**

In case any Related Party Transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any Related Party Transaction will recuse himself and abstain from discussion and voting on the approval of the Related Party Transaction.

## **7.3 Shareholders**

7.3.1 If a Related Party Transaction is (i) a material transaction as per Regulation 23 of the Listing Regulations, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, then such RPT and any subsequent material modification thereto, shall require shareholders' approval by a resolution. In such a case, any member of the Company who is a Related Party, irrespective of being related to the said transaction or not, shall not vote on resolution passed for approving such Related Party Transaction.

7.4 The provisions of regulation 23(2), (3) and (4) shall not be applicable in case of transactions entered into between a holding company and its wholly owned subsidiary and between two wholly-owned subsidiaries, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

7.5 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 Company would obtain post facto approval from the Audit Committee, the Board and/or shareholders as required under applicable laws/ regulations. In case the Company is not able to take such prior approval from the Audit Committee, the Board and/or shareholders, such a transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this policy.

## **7.6 Reporting of Related Party Transactions**

7.6.1 Every contract or arrangement, which is required to be approved by the Board or the shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement.

7.6.2 The details of all transactions with related parties shall be submitted, in the format specified, half yearly to the stock exchanges, as per the manner and timelines set-out in the Listing Regulations and the same shall be published on the Company's website.

## **8. Disclosures**

The Company is required to disclose Related Party Transactions in the Company's Board's Report to shareholders of the Company. Details of all Material Related Party Transactions shall be disclosed quarterly along with Company's Compliance Report on Corporate Governance, in accordance with the Listing Agreement. This Policy will be disclosed/ hosted on Company's website and a web link there to shall be provided in the Annual Report of the Company.

**9. Limitation and Amendment**

In the event of any conflict between the provisions of this policy and of the Act or Listing Regulations or any other statutory enactments, rules, regulations, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this policy.

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time.

**Note:** The provisions of the Companies Act, 2013 and rules thereto and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (including any amendment thereto from time to time) to the extent applicable, shall be apply in addition to this policy.

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