



# **Policy on materiality of Related Party Transactions and dealing with Related Party Transactions**

*(As per regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

## **1. SCOPE & OBJECTIVE**

The Objective of this policy is to determine the Materiality of Related Party Transactions and to provide the Governance Framework to Tanla Platforms Limited (formerly known as Tanla Solutions Limited) (the “Company” or “Tanla”). This policy sets definition of Materiality of Related Party Transactions and provides dealing procedure of transactions with related parties.

## **2. MATERIALITY OF RELATED PARTY TRANSACTIONS**

Any transaction with a Related Party shall be considered material 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 as per the last audited financial statements of the Company or transactions exceeding certain thresholds, as specified under the Companies Act, 2013 (the “Act”) or as may be prescribed under Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and as amended from time to time.

Further, any 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 the listed entity as per the last audited financial statements of the Company.

## **3. GOVERNANCE FRAMEWORK**

- a. All Related Party Transactions shall be entered on arm’s length basis.
- b. In exceptional circumstances, where permitted by law, Related Party Transactions may deviate from the principle of arm’s length, provided that it shall be prior approved by the Audit Committee and the Board of Directors, as the case may be.
- c. All Related Party transactions shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be. Transactions with wholly owned Subsidiaries are exempted from this requirement.



- d. Audit Committee may grant omnibus approval for Related Party transactions proposed to be entered by the Company subject to the conditions mentioned in the Regulations. Audit Committee shall review, on a quarterly basis, the details of Related Party transactions entered by the Company pursuant to the omnibus approval. Such omnibus approvals shall be valid for a period not exceeding one year.
- e. Any member of the Audit Committee who has a potential interest in any Related Party transaction will abstain from discussion and voting on the approval of the Related Party transaction.
- f. In the event such transaction(s) is not in the ordinary course of business or not at arm's length, the Company shall comply with the provisions of the applicable regulations and obtain approval of the Board of Directors or its Shareholders, as applicable.
- g. All Related Party Transactions shall be in compliance with the provisions of the Companies Act, 2013 (the "Act"), the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and applicable Accounting Standards, as amended from time to time.
- h. All domestic Related Party Transactions and all international Related Party Transactions shall, wherever applicable, comply with Domestic Transfer Pricing Requirements under section 92BA and International Transfer Pricing Requirements under section 92B of the Income Tax Act, 1961, respectively.

#### **4. REPORTING OF RELATED PARTY TRANSACTIONS**

Every contract or arrangement, which is required to be approved by the Board/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. The Company shall maintain Register of Contracts as required under the applicable Regulations. The Company shall make appropriate disclosures on Related Party Transactions as required under the Regulations.

#### **5. POLICY REVIEW**

This Policy shall be subject to review as may be deemed necessary by the Board of Directors and in accordance with any Regulatory Amendments.