

## Group Tax Policy

Tanla Platforms Limited is headquartered in Hyderabad. Tanla is listed on two national exchanges, the NSE and BSE, (NSE: TANLA; BSE:532790) and included in prestigious indices such as the Nifty 500 and BSE 500, Nifty Digital Index, FTSE Russell and MSCI.

At Tanla, we approach taxes with utmost diligence, recognizing that paying taxes responsibly strengthens our society, leading to a better future. We maintain a consistent approach to taxes across all the jurisdictions we operate in.

With sustainable growth as our guiding principle, our tax planning, strategies, and payments are carefully balanced to align with applicable tax compliances.

### **Applicability:**

Tanla Platforms Limited and its subsidiaries/branches.

### **Tax Policy:**

The Group's tax policy is closely aligned with the Company's core values, corporate governance practices, and integrated with the enterprise risk management framework applicable in each tax jurisdiction.

### **1. Governance:**

The Board of Directors of Tanla provide strategic direction to the Company while upholding the highest standards of corporate governance. On a quarterly basis, key developments on both direct and indirect tax are presented to the Audit committee by the management team and external tax consultants.

### **2. Tax Planning:**

We acknowledge our duty to fulfil our tax obligations in every jurisdiction where we conduct our business. Our commitment is to operate in such a manner that is efficient and fully compliant with the laws. It is our strong conviction to avoid any form of tax evasion, and we refrain from engaging in aggressive tax planning.

Moreover, we strictly prohibit any promotion or facilitation of tax evasion by any individual or entity associated with us.

### **3. Tax havens and tax-free zones:**

We do not engage in tax haven jurisdictions as a policy. The jurisdiction in which we operate is based solely on business requirements. Further, we thoroughly evaluate the establishment of operations in special economic zones, free trade zones, or other notified areas that offer tax benefits in various jurisdictions. The tax benefits in the special economic zones are contingent on delivering targeted outcomes by the authorities like foreign exchange generation, etc. Our decision to set up business in these zones is determined solely on the business model's ability to deliver the expected outcomes of the authorities.

### **4. Group Transfer Pricing Policy**

The purpose of our Transfer Pricing ("TP") policy is to define the guidelines, methodology, and accountability for all inter-company transactions within the Tanla Group. When dealing with inter-company operations, we carefully consider the following aspects:

- Ensuring all related party transactions are conducted at Arm's Length Price.
- Prioritizing operational efficiency
- Maintaining accuracy, fairness, and consistency across all entities involved

#### **4.1 Transfer Pricing Regulations and Guidelines:**

The generally accepted Indian Transfer Pricing Regulations prescribe that income arising from international transactions or specified domestic transactions between associated enterprises shall be calculated based on Arm's Length Price (ALP). Additionally, the Transfer Pricing regulations necessitate that any allowance for expenditure, interest, or allocation of cost arising from such transactions should also be determined in accordance with the Arm's Length Principle.

At Tanla, we ensure that these policies are followed in letter and spirit by all the Group entities. All the Transfer Pricing arrangements of the Group are consistent with local Transfer Pricing regulations or OECD guidelines, as may be applicable. In specific, we ensure the following:

- **Inter-company Pricing Policy:**

We carefully assess all inter-company transactions to determine the contributions made by each Group entity. We set appropriate prices for these transactions in line with Transfer Pricing requirements. Our commitment to compliance ensures that these transactions are conducted at arm's length and adhere to the relevant regulations and guidelines.

- **Benchmarking inter-company transactions:**

We conduct a thorough identification and benchmarking process for all inter-company transactions to ensure their adherence to the arm's length principle. This involves considering transaction-specific information that impacts inter-company pricing, as well as external information related to these transactions. To comply with Transfer Pricing regulations in the respective countries, we seek guidance from Transfer Pricing experts to identify the most suitable Transfer Pricing methodology for inter-company transactions. We conduct a benchmarking study every year to evaluate the approach to transfer pricing.

- **Maintenance of Contemporaneous Transfer Pricing Documentation:**

In accordance with the local Transfer Pricing regulations, all entities within the Group diligently adhere to Transfer Pricing documentation requirements. Our comprehensive Transfer Pricing documentation encompasses essential details, including:

- Detailed information about the Group entities and their respective operations
- Detailed descriptions of all inter-company transactions.
- Assessment of contributions made by each Group entity to the specific transactions, including functions performed, assets utilized, and risks assumed.
- Categorization of Group entities involved in the inter-company transactions.
- Evaluation of Transfer Pricing methodologies employed.
- Thorough benchmarking and testing of the inter-company transactions from a Transfer Pricing perspective.

## **4.2 Tax and intellectual property rights and data localization**

The purpose of our Intellectual Property Rights and Data Localization policy is to define and implement the guidelines, methods, and responsibilities for registering, leveraging, and disclosing our intellectual property rights. This policy also aims to safeguard our intellectual property from any unauthorized exploitation or infringement by external parties.

- The Group has established robust systems to assess and document various critical aspects throughout the intellectual property rights life cycle. These encompass activities such as IP development, enhancement, maintenance, and protection.
- In the process of registering our Intellectual Property Rights (IPRs), the Tanla Group carefully evaluates various aspects, including identifying jurisdictions that offer stronger legislation to protect and safeguard our IPRs.
- The selection of the jurisdiction for exploiting the registered Intellectual Property Rights is determined by considering the commercial and business rationale.
- To safeguard critical data, we have implemented suitable measures and safeguards to ensure strict compliance with data localization requirements.

The process of selecting the most suitable jurisdiction for registering or dealing with IP Rights is based on a comprehensive evaluation of both legal and business requirements, rather than solely focusing on potential tax savings in a particular jurisdiction.

## **5. Tax Compliance:**

We are committed to compliance with all regulatory requirements across all jurisdictions where we operate, and taxation is a major component of our compliances. We diligently adhere to tax filing, reporting, and payment obligations for all applicable taxes.

We seek the assistance of external tax advisors as needed to ensure compliance with the specific tax regulations of each country on a periodic basis. To maintain robust compliance practices, the company has implemented a comprehensive system of

checks and balances. This system is reviewed periodically and updated to align with changes in the regulatory environment in which we operate.

## **6. Internal Code of Conduct:**

At Tanla, our internal code of conduct serves as the bedrock of our organizational culture, fostering a positive and respectful work environment for all employees. We place significant emphasis on upholding values like integrity, honesty, and accountability in every action and decision we make.

We maintain a zero-tolerance policy towards any violations of our Code of Conduct and Code of Ethics, without exception, regardless of an individual's position within the hierarchy. To further reinforce this commitment, we actively encourage our employees to speak up and report any concerns or potential violations of our Code of Conduct and Code of Ethics through an internal platform known as [Speakup@tanla.com](mailto:Speakup@tanla.com).

We have put in place a Whistleblower policy to provide employees with a mechanism to report any cases of unethical behavior, suspected or actual fraud, or violations of the company's code of conduct. In cases where the Protected Disclosures pertain to financial or accounting matters, employees are directed to address them directly to the Chairman of the Audit Committee of the Company

## **7. Tax Risk Management:**

Tanla Group is largely exposed to a variety of tax risks and have low tolerance to such risks. Our enterprise risk management framework encompasses practices related to identification, analysis, evaluation, treatment, mitigation, monitoring of strategic, operational, legal and compliance risks.

Our risks in taxation could arise from incorrect calculation, differences in interpretation and changes in regulations. The tax function takes the lead role in identifying, managing, and monitoring tax risks within the business with regular reviews across geographies in which we operate. When facing significant uncertainty or complexity related to tax risks, we proactively seek external advice to gain clarity and certainty before engaging in any significant transaction.

To enhance transparency in tax matters, we proactively engage with tax authorities to initiate discussions and find resolutions for issues, or uncertain tax positions. This includes seeking advance tax rulings or obtaining lower tax deduction certificates.

### **8. Engagement with Tax Authorities:**

At Tanla, we engage with tax authorities in a constructive and transparent manner. Our approach is rooted in the spirit of co-operative compliance, where we proactively collaborate with tax authorities to ensure compliance and transparency in all tax matters. We are committed to promptly disclose relevant information and to foster open and transparent communication with the respective tax authorities.

### **9. Dispute Resolution:**

In case of any disagreement with the tax authorities, Tanla takes proactive steps to resolve the matter swiftly and amicably through constructive dialogue. If required, we explore various options for resolution provided under the law, including appeals. In situations where the matters are before higher appellate authorities or involve high complexity and materiality, we seek the guidance and expertise of senior counsels to ensure a well-informed and comprehensive approach to the resolution process.

### **10. Tax Advocacy:**

The dynamic and ever-changing nature of tax laws introduces increasing complexities in their interpretation and implementation, affecting taxes worldwide. To navigate these challenges, it becomes essential to make appropriate representations and collaborate with industry bodies to seek clarifications from lawmakers and adopt best tax practices.

In line with this, Tanla is committed to playing an active role as part of the industry in which we operate. Our approach is forward-looking, seeking to strike a balance between legitimate fiscal interests and the broader interests of Industry and the Group for sustainable economic results.