

**POLICY ON MATERIALITY OF RELATED PARTY
TRANSACTIONS AND ON
DEALING WITH RELATED PARTY
TRANSACTIONS**

(as amended up to January 16, 2020)



DEN Networks Limited

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1. Introduction and Background

Den Networks Limited (the “Company” or “DEN”) recognizes that related party transactions can present potential or actual conflicts of interest and may raise questions about whether such transactions are consistent with the Company's and its stakeholders’ best interests.

2. Scope & Inclusion

This Policy sets definition of materiality of related party transactions and dealing with related party transactions.

3. Terms and References

Materiality of related party transactions

Contracts / arrangements with a related party shall be considered as “material related party contracts / arrangements if the transactions to be entered into individually or taken together with previous transactions during a financial year under such contracts / arrangements exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statement or such sum as may be prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) or as prescribed under the Companies Act, 2013 (the “Act”) as given in Annexure I and as amended from time to time.

A transaction involving payments made to related party with respect to brand usage or royalty shall be considered material if the transaction to be entered into individually or taken together with previous transactions during a financial year exceeds five percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company or such

sum as may be prescribed under Listing Regulations and as amended from time to time.

4. Policy

- 4.1 All related party contracts / arrangements shall be entered on arms' length basis.
- 4.2 In exceptional circumstances, where permitted by law, related party contracts /arrangements may deviate from the principle of arm's length, after approval from Audit Committee and the Board of Directors, as the case may be.
- 4.3 All related party contract / arrangements shall be in compliance with the provisions of the Act, Listing Regulations and applicable Accounting Standards, as amended from time to time.
- 4.4 All domestic related party contracts / arrangements shall, wherever applicable, comply with Domestic Transfer Pricing Requirement under section 92BA of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.
- 4.5 All international related party contract / arrangements shall comply with International Transfer Pricing Requirement under section 92B of Income Tax Act, 1961 including certification from independent accountants under the Transfer Pricing Regulations.

All related party contracts / arrangements shall require prior approval of the Audit Committee or the Board of Directors or the Shareholders of the Company, as the case may be, as required under and subject to the Act and the Listing Regulations.

Annexure 1 – Material related party transaction

S. No.	Prescribed Transaction Category	Limits
1.	Sale, purchase or supply of any goods or materials directly or through appointment of agents	Transactions amounting to 10% or more of company's turnover
2.	Selling or otherwise disposing of or buying property of any kind directly or through appointment of agents	Transactions amounting to 10% or more of company's net worth
3.	Leasing of property of any kind	Transactions amounting to 10% or more of company's turnover
4.	Availing or rendering of any services directly or through appointment of agents	Transactions amounting to 10% or more of company's turnover
5.	Related party's appointment to any office or place of profit in the company or its subsidiary company or associate company	Monthly remuneration exceeding INR 2.5 Lakhs
6.	Underwriting the subscription of any securities or derivatives thereof of the company	Transactions exceeding 1% of Company's net worth
7.	Any other related party transaction	Not Applicable

Note:

1. The Turnover or Net worth referred above shall be computed on the basis of the Audited Financial Statements of the preceding financial year
2. Applies to transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year