

22.0 Environment, Social & Governance
P22.15 Tax Strategy Policy
Vardhman Group

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22.15.1. Objective

The objective of Vardhman's tax policy is to manage tax affairs with utmost integrity, ensuring compliance with all applicable tax laws and regulations across the jurisdictions in which we operate. Our tax strategy aligns with our corporate responsibility, governance principles, and ethical standards, contributing to sustainable development and reflecting our commitment to stakeholders, including government, shareholders, business partners, and the communities we serve.

22.15.2. Scope & Applicability

This policy applies to all business units and entities controlled by Vardhman, across all jurisdictions in which they operate.

It is designed to ensure a consistent and responsible approach to tax management, reflecting our dedication to legal and ethical compliance in all tax-related matters.

22.15.3. Key Roles and Responsibilities

The Managing Director / Joint Managing Director governs this policy, with the Chief Financial Officer (CFO) and the Head of Taxation responsible for its company-wide implementation. They will ensure the tax team is equipped with the necessary skills and experience and will keep the MD /JMD informed on significant tax matters. The Direct Taxation department under the guidance of the management of each entity, is responsible for adhering to all applicable tax regulations and internal policies.

22.15.4. Tax Governance Principles

Our tax governance principles are as follows:

- **Compliance:** We commit to full compliance with applicable tax laws in letter and spirit, ensuring timely tax filing, reporting, and payment of all tax obligations.
- **Transfer Pricing:** All intra-group transactions comply with arm's-length principles and international transfer pricing guidelines, wherever applicable.
- **Tax Structure:** We adopt business structures based on commercial considerations with substantial economic activity for tax management.
- **Transparency:** We are committed to transparent disclosure of tax-related information in our financial and annual reports, including country-by-country reporting where applicable.

22.15.5. Risk Management

We adopt a zero-tolerance approach to tax risk, emphasizing the identification, analysis, evaluation, treatment, mitigation, and monitoring of risks. Our internal controls and procedures ensure that all tax risks are managed effectively, maintaining a low-risk profile in tax compliance.

22.15.6. Engagement with Tax Authorities

Vardhman seeks to maintain open, honest, and cooperative relationships with tax authorities. We provide full disclosure of relevant facts and information and aim to resolve any disagreements through dialogue, submission and if it remain unresolved the company will go in for litigation if necessary. We ensure clarity in our tax affairs.

22.15.7. Anti Bribery Legislation

All employees must comply with our Anti-Bribery and Anti-Corruption Policy and relevant legislation. No arrangements contrary to statutory processes are tolerated, and we do not engage in any actions that would result in unfair tax advantages.

22.15.8. Governance

The Managing Director/ Joint Managing Director shall govern the tax strategy policy.

22.15.9. Policy Review

This policy will be reviewed As & When needed, to ensure it reflects changes in tax laws, regulations, and best practices.