

# Group Corporate Tax Policy

**Version 1.0**

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## 1. Introduction

Birlasoft Limited, its subsidiaries and its affiliates (“Birlasoft” or “The Company” or “Group”) combines the power of domain, enterprise, and digital technologies to reimagine business processes for customers and their ecosystem. Its consultative and design thinking approach makes societies more productive by helping customers run businesses. Birlasoft, with its over 12,000 professionals, is committed to driving digital transformation through innovative, cutting-edge technology solutions to build sustainable communities.

The company was incorporated in India in 1990 and currently operates in 18 countries.

## 2. Purpose

The Corporate Tax Policy document Birlasoft’s approach to manage its tax strategy, affairs, commitments, risks, threats, and opportunities associated with them. It is the Company’s endeavor to ensure that the required and requisite taxes are paid in full, at the right time and in the right jurisdiction, in compliance with all statutory obligations. The Company ensures that full disclosure is presented to tax authorities with accuracy and transparency.

## 3. Scope

This policy is applicable to all the operations of Birlasoft Limited present in India and all its subsidiaries and affiliates operating across the globe. Company complies with applicable tax regulations and practices in all the countries in which it operates. In this policy, references to ‘tax’, ‘taxes’, ‘taxation’ are to those taxes that are applicable in various jurisdictions in which the Company operates.

## 4. Objectives of Tax Policy

- 1) To comply with all applicable tax laws and regulations of various countries in which the Group operates.
- 2) To support a long-term business strategy that mitigates tax risks and avoids tax inefficiencies in the implementation of business decisions and corporate governance.
- 3) To ensure transparency, uphold integrity, and adhere to timely tax compliance and reporting.
- 4) To not operate through “tax havens” for tax avoidance
- 5) To collaborate with the business and provide them timely updates on the latest changes in tax laws and regulations impacting the business decisions.
- 6) To gauge appropriate tax advice and its implications on business operations and decision-making process.
- 7) To comply with evolving global transfer pricing principles and avoid tax structures intended for tax avoidance and/or artificial value transfer to low-tax jurisdictions.

## 5. Group Tax Policy

The tax policy is aligned to the Company’s ethos, corporate governance practices, value system and its enterprise risk management framework.

Integrity, disclosure, and transparency are key to the corporate governance practices to ensure that we gain and retain the trust of all the stakeholders.

The tax policy charter of Birlasoft comprises the following:

- 1) **Governance and overview**
- 2) **Regulatory Compliance**
- 3) **Transfer Pricing**
- 4) **Corporate Planning**
- 5) **Risk Strategy and its management**
- 6) **Engagement with tax authorities**

#### **5.1 Governance and overview**

The Chief Financial Officer (CFO) is entrusted with the responsibility to frame, implement, monitor, report, and disclose the Tax Policy. The internal tax team, composed mainly of qualified professionals, oversees the operational management of tax risk. They are responsible for day-to-day tax compliance in all jurisdictions where the Company operates. The Audit Committee and the Board of Directors are kept informed about the implementation of the tax policy, compliance progress, and the management of tax-related risks in a timely manner.

#### **5.2 Regulatory Compliance**

The Company is committed to being compliant with its regulatory obligations, ensuring that complete and accurate tax returns are submitted timely and that the required amount of tax is paid by the due date. External tax advisory support is sought as needed to help the Company comply with local tax regulations in different jurisdictions across countries, as applicable.

Global compliances are tracked through the Company's compliance monitoring system which have inbuilt early notification mechanism and the summary report of the dashboard is made available to the task approvers and monitored periodically. The tax team updates the tax compliance status in the compliance monitoring tool facilitating the Company's Compliance Officer to report it to the Board of Directors on compliance status.

#### **5.3 Transfer Pricing**

The Company ensures that all transfer pricing computations within the Company and its subsidiaries are based on the well accepted arm's length principle. The Company endeavours to ensure that the transfer pricing policy and disclosures comply with the transfer pricing laws and regulations of each country where it operates.

#### **5.4 Corporate Planning**

As a policy, the Company undertakes all business activities in compliance with laws and regulations and in accordance with Birlasoft's core values, mission, and vision. Birlasoft does not undertake aggressive tax planning, does not tolerate tax evasion, nor does it tolerate the facilitation of tax evasion by any person(s) acting on the behalf of the

company. The Company always seeks to operate within the letter and spirit of the law and seeks external advice in relation to tax matters or areas of complexity or uncertainty. Modifications in tax laws are regularly monitored to assess its impact on our business. The tax policy is aligned to our business and commercial strategy, considering the continuously evolving regulatory environment.

### **5.5 Risk Strategy and management**

Birlasoft's tax risk strategy and its management framework consist of the governance mechanisms and internal controls including measures and tools to ensure that the Company can identify, assess, manage, and mitigate any operational reporting, financial reporting, and compliance risks in all the countries where it operates. External professional expert views and opinions are sought on matters where there is significant uncertainty or complexity in relation to the underlying business transactions or related to the changing tax regulatory framework in different jurisdictions.

The Tax function takes the lead role in identifying, managing, monitoring, and mitigating tax risks within the business. Internal controls, periodic reviews, and escalation procedures are in place for identifying, quantifying, and managing key risks, threats, and opportunities. The team provides advice to the business teams on tax-related issues, engages with external consultants, undertakes tax filings, and interacts with tax authorities.

### **5.6 Engagement with tax authorities**

The Company engages with tax authorities in an ethical manner with integrity, respect and in a spirit of cooperative compliance, as per the laws of the land. The Company is committed to prompt disclosure and transparency in all tax matters with respective tax authorities. From time to time, the Company may be subject to audit in the countries where it operates. During such audits, it is the endeavour of the Company to be transparent with tax authorities, providing relevant facts, figures, and documentation and to resolve disputes constructively, and in a timely and effective manner.

## **6. Amendments to Tax Policy**

The Company periodically reviews and monitors local laws and regulations pertaining to taxation that might have a significant impact on tax policy and the strategy of the Company. The changes and modifications required shall be made to this document which shall be approved by the CFO before their integration in updated versions of the Tax Policy. The Board reserves the right to amend this document as suggested by the CFO.