

TAX STRATEGY POLICY

1. Introduction

Board of Vakrangee Limited ("Company"), consider "taxation strategy and tax compliance" as an important core part of corporate responsibility, social responsibility and best governance practices. Our approach to tax aims to align with interests of our various stake holders - including government, shareholders, business partners, entire community where we operate and source products. Consequently, the Company will uphold the spirit of the law at all times. Where alternative routes exist to achieve the same commercial results, Company will pursue the most tax efficient and responsible approach in the interest of all stakeholders, while remaining compliant with all relevant laws, regulations and international standards. Company's tax policy, which has been approved by the Board of the Company, provides the guiding principles to exercise this tax strategy.

Company's tax strategy is aligned to the company's corporate governance, value system and risk management. Company's best governing practices ensures that we gain and retain the trust of all stake holders at all the time.

Our Tax Strategy Policy is embedded in 5 pillars of Tax Strategy:

1. Compliance;
2. Accountability & Governance;
3. Engagement with tax authorities & Transparency;
4. Business rationale & tax planning;
5. Tax Risk Management.

1.1. Compliance

Company is committed for all applicable regulatory compliances which is integral to ensuring the long-term sustainability of our business. Tax compliance is priority wherever the company operates. Vakrangee seeks to comply with timely tax filing, tax reporting and tax payment obligations for all the applicable taxes. External tax advisor is appointed on a need basis to comply with tax regulations. All tax compliances are tracked through compliance tracker systems which have inbuilt early warning mechanism. The summary report and the dashboard are made available to Tax Head and monitored at regular intervals.

We commit not to transfer any value to low tax jurisdictions or tax havens. Additionally we will not use any tax structure for tax avoidance without commercial substance. Further, we also commit to undertake transfer pricing using the arm's length principle.

1.2. Accountability & Governance

Board of the company is accountable for the tax strategy. Company's Corporate Tax Department is the focal point on all tax related matters and responsible for tax planning & risk management. The board, Audit Committee and Risk Committee have oversight with regards to identification, evaluation and mitigation of strategic, operational, legal and compliance risks. Company's Internal Audit System and Internal Financial Control System also check and ensure the Tax compliance and best governing practices.

1.3. Engagement with Tax Authorities & Transparency

Company engages with tax authorities with honesty, integrity and maintain an open, and constructive dialog with them based on transparency, respect and trust. Consequently, company should disclose all relevant facts and circumstances. Company might prepare to litigate wherever disagree with ruling or decision of tax authority. Company's environment, sustainability and governance policy ensures transparent dealing with all tax authority and aim to show good corporate citizenship in the way we handle tax issues, disclose all the facts & matters and communicate clearly.





1.4. Business Rationale & Tax Planning

Tax is one of the elements we take into account in our commercial and economic activities. Tax follows the business and profits are allocated to the states in which business value is created. We have clear procedures in relation to tax risk management and carry out risk assessments as part of any tax planning on significant transactions. Company may avail tax incentives which are made available by the laws and regulations of a jurisdiction provided they are aligned with its business or operational objectives. As a policy, the company 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.

1.5. Tax Risk Management

Company as a policy has a zero tolerance to tax risk. The company's enterprise risk management framework encompasses practices related to identification, analysis, evaluation, treatment, mitigation, monitoring of the strategic, operational, legal and compliance risks to achieve the key business objectives. Company's Internal controls and escalation procedures are in place to ensure all key risk are identified, quantified and managed appropriately. Company's Audit Committee, Risk Committee, Internal Auditors and external auditors review and ensure company is always below low risk on tax compliances.

Tax Strategy policy is further supported by company's other policies; Ethics, Bribery and Corruption Policy, Financial Integrity Policy, Internal Financial Control Policy and Risk Management Policy.

This policy will be communicated to all concerned persons of the company and shall be placed on the website of the Company www.vakrangee.in

The Company's tax policy will be subject to formal approval by the Board of Directors and will be reviewed annually. This ensures that tax governance aligns with the Company's overall strategic and ethical framework, reflecting its commitment to responsible tax practices.



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