

# Vivriti Group Tax Strategy

The document sets out Vivriti Group's (Vivriti Capital Limited (VCL) & Vivriti Asset Management Private Limited (VAM)) approach towards the management of tax function and strategies and defines the principles governing the management of taxes. It is based on the corporate governance practice, value system and the enterprise risk management of the Company.

## **Vivriti Group overview**

VCL is a Non-Deposit taking Systemically Important Non-Banking Financial Company (NBFC-ND-SI), registered with the Reserve Bank of India ("RBI"). VCL has a subsidiary and associate companies located in India (Vivriti Group).

VAM is an Asset Management Company registered with SEBI which is into the business of fund management, governed under the SEBI Regulations.

This Tax Strategy sets out the Vivriti Group's approach to the management of all taxation matters and defines the principles governing the management of such taxes and applies to the Vivriti Group. It reflects Vivriti Group's commitment to highest level of corporate governance. It is aligned to the Group's corporate governance practice, value system and its enterprise risk management framework.

Vivriti Group Tax Strategy is based on the following guiding principles:

- a. Transparency;
- b. Consistency;
- c. Accountability;
- d. Risk Mitigation
- e. Integrity and Mutual Trust.

Vivriti Group commits to act responsibly in relation to its tax affairs, to fulfil its compliance and disclosure obligations and to operate in accordance with all relevant laws and regulations. The above principals are key ensure that we always gain and retain the trust of all the stakeholders.

## **Objective of Vivriti Group Tax Strategy**

Vivriti Group Tax Strategy aims:

- To ensure that it complies with all applicable laws and tax obligations with the spirit as well as the letter of the tax laws;
- To ensure payment of right amount of taxes in accordance with applicable laws;
- To ensure mutual trust and relationship with the tax authorities through transparent and active co-operation and consultation;
- To ensure due care and diligence in the management of all risks associated with tax matters; and
- To ensure that there are appropriate control procedures in place to mitigate any identified tax risk.

The tax strategy comprises the following:

### **1. Approach of the group to governance and compliance arrangements in relation to taxation matters.**

Vivriti Group Tax Governance framework comprises of the Board of Directors ('Board') and the Audit and Risk Management Committees of the Board at the highest level which performs the overall oversight and supervisory functions. The Audit and Risk Management Committees report regularly to the Board with respect to the committee's activities including significant issues that arise with respect to the Group's compliance with legal or regulatory requirements. Board and its committees continuously monitor and seek inputs for identification, evaluation and mitigation of strategic, operational, legal and compliance risks.

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The Chief Financial Officer (CFO) is responsible for the tax strategy, the supporting governance framework and management of tax risk. The team under the CFO helps to formulate the tax strategy, risk mitigation and regular compliances.

The day-to-day management of the tax matters is carried out by a designated in-house team within the finance team.

The company engages external tax advisors to advise and help on all tax compliance matters and to comply with local country tax regulations.

## **2. Approach of the Group to Tax Planning and Risk management**

Vivriti Group Tax Strategy strives to achieve the following:

- Conducting tax affairs in the letter and spirit of the law;
- Commercial consideration to be the key driver of any decision;
- No aggressive or contrived tax planning;
- No use of secrecy jurisdictions or so-called "tax havens" for tax avoidance;
- Consistency in tax treatments/ characterization;
- Transparency with Tax authorities;
- Proactive discussion and disclosure.

As a principle, the Group does not tolerate tax evasion, nor does it tolerate the facilitation of tax evasion by any person(s) acting on behalf of the Group.

The finance function takes the lead role in identifying, managing and monitoring tax risks within the business with regular review. The team constantly monitors its various tax risks and mitigation measures. The team provides advice to the business on tax-related issues, undertakes tax filings, engages with tax authorities and external consultants and assists with various forms of tax and financial reporting. This is supplemented by Internal Audit team. Internal controls and escalation procedures are put in place with the aim of identifying, quantifying and managing key risks.

Where there is significant uncertainty or complexity in relation to a risk, external advice is sought to get certainty. In order to achieve greater certainty, the company engages with tax authorities to resolve issues, risks and uncertain tax positions.

Vivriti Group has no appetite:

- To knowingly develop financial products or services for clients or participate in such products or services which may be considered unacceptable or inappropriate by relevant tax authorities owing to the fact they are not in line with the spirit of the tax laws in the operating jurisdictions.
- To interpret tax laws in a way that we believe is contrary to their intention or aggressively structure own transactions in a manner which goes against the spirit of the fiscal laws in the operating jurisdiction.
- To accept gross failures in compliance of statutory tax obligations e.g., filing tax returns and paying taxes in respective jurisdictions.

## **3. Transfer Pricing**

Vivriti Group's Transfer Pricing Principle is based on the principle that each jurisdiction should be remunerated for the functions it performs, assets it employed and risk it undertakes. There should be no transfer of value created to low tax jurisdictions without commensurate substance/ functions/ assets/ risk.

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## **4. Engagement with tax authorities**

Vivriti Group engages with tax authorities on a regular basis in a transparent and collaborative manner. We carry out necessary correspondences with tax authorities in a transparent, collaborative and timely manner. We are committed to prompt discussion, disclosure and transparency in all tax matters.

## **5. Customers**

Vivriti Group does not comment/clarify on personal tax matters of any stakeholder. Any information provided is of a general nature and is not to be construed as tax advice.

## **6. Corporate Responsibility**

Paying our share of taxes is part of our Corporate Responsibility and is in line with the expectations of our stakeholders. Vivriti Group may make legitimate use of tax incentives and exemptions offered by Governments.