

Group Tax Policy

Objective :

PDS Group is committed to comply with all the applicable laws and regulations and have a policy of zero tolerance to non-compliance, which is an integral part of our organizational principles.

The purpose of this policy is to set overall approach of for the Company and companies directly or indirectly controlled by the Company with respect to taxation and related aspects.

This policy sets out the Group's approach towards management, governance and control over its tax affairs and sets out the general framework within which the Group operates in relation to tax affairs.

The approach and principles described must be followed with respect to corporate income tax, withholding tax and all other direct and indirect government imposts, etc.

Scope & Applicability:

The tax policy is mandatory and applies to all PDS Group entities.

Definitions/Key Terms:

- a. Company - Company means "PDS Limited".
- b. Board of Directors – The term "Board of Directors" or "Board", shall have the same meaning as prescribed under the Companies Act, 2013 and rules made thereunder as amended from time to time and shall in relation to a company, means the collective body of the Directors of the Company.
- c. Audit Committee – Audit Committee means the Committee of the Board constituted from time to time under the provisions of Securities and Exchange Board of India (LODR) Regulations, 2015 and applicable provisions of the Companies Act, 2013.
- d. Risk Management Committee – Risk Management Committee means the Committee of the Board constituted from time to time under the provisions of Securities and Exchange Board of India (LODR) Regulations, 2015 and applicable provisions of the Companies Act, 2013.
- e. Policy – Policy means the current Policy on Group Tax, including amendments, if any from time to time.

Background:

PDS Group is committed to comply with all the applicable laws and regulations and have a policy of zero tolerance to non-compliance, which is an integral part of our organizational principles.

Tax Principles: Articulating our tax strategy and governance framework

- Transparency
- Integrity
- Optimization
- Transfer Pricing
- Excellence
- Accountability & Governance

Roles & Responsibilities:

- The Company's group entities shall ensure that all tax decisions are made in adherence to the principle set out herein by the appropriate personnel.
- The Company shall provide regular information to its stakeholders, including shareholders, policy makers, employees, civil society and general public about its approach to taxes.
- The Company shall maintain integrity while complying with tax laws of various geographies. The Company shall pay the right amount of tax, at the right time as per the applicable laws.
- The Company shall claim all applicable reliefs and incentives in accordance with the relevant tax legislation.
- The Company shall abide by evolving global transfer pricing principles and alignment of tax structures with value creation.
- The Company shall aim to achieve excellence by adopting the highest standards and the best practices in relation to all tax aspects of the Group.

Procedures/Implementation – Approach to Taxation

- Compliance - PDS Group aims to minimize the administrative burden involved in tax compliance while fully complying with the tax laws, without exception. Tax returns, claims, elections and payments should be made accurately and on time, while interest charges and penalties suffered should be avoided or minimized.
- Corporate Structure - Any corporate and / or transaction structuring is to be undertaken with an economic and commercial substance, consistent with PDS Group's commitment to be characterized as a "good corporate fiscal citizen"
- External advice - When deemed necessary, external advice shall be sought, specifically in relation to complex/ uncertain matters, to support PDS Group in

understanding the tax implications of its economic and commercial activities, and complying with those effects.

- Tax authorities - PDS Group recognizes the important role of all Jurisdictional tax authorities, confirming them as stakeholders in its business. Hence, PDS Group companies seeks to maintain a constructive, collaborative and professional relationship with tax authorities, based on transparency and trust.

PDS Group companies shall only enter into genuine arrangements (in compliance with the tax legislation) and shall always act within the boundaries of applicable tax laws.

Transfer Pricing: Comprehensive strategy to meet the arm's length requirements

- All Group companies must comply with applicable statutory transfer pricing documentation requirements.
- All Group companies shall consult the Group CFO and the Central tax team, along with external consultants (where deemed necessary) to determine transfer price for related party transactions.
- All related party transactions shall be driven on a basis of commercial rationale and independent arm's length evaluation.
- All related party transactions shall be subject to the approval of the Board of Directors/ appropriate authority, as required under the local corporate/ tax laws.
- All related party transactions must comply with the arm's length principle as defined in the OE CD Guidelines, without any exception.

Tax Risk Management & Governance Framework

➤ Limited appetite for tax risk – evidenced by our tax principles

PDS Group shall maintain a zero-tolerance approach to dealing with tax evasion. Hence, the Group entities shall maintain adequate internal controls to manage the tax risks associated with its operations. All Group entities are expected to employ diligent professional care and judgement to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed.

Appropriate advice may be sought from third parties to support the decision-making process wherever there is uncertainty regarding the application or interpretation of tax law. In dealings with tax authorities, open and transparent dialogue to resolve matters shall always be the preferred option.

➤ Key risk management strategies under the framework

- PDS Group shall review all its corporate income tax exposures and provisions, on a periodic basis to identify and assess gaps, if any.

- Annual Compliance Checklist: Tax Leads in PDS Group entities shall confirm statutory obligations, controls and compliance with PDS Tax Principles.
- PDS Group shall continuously monitor proposed changes in tax legislation and ensure these are factored into our future business plans.

➤ Key risk areas covered by the framework

Key risk area	Description of the risk	Mitigation action under the Framework
Policy risk	Transactions and behaviors not in line with Tax Principles	Annual compliance confirmation and transaction reviews
Governance & Organization	Lack of right organizational structure to implement strategy	Organizational structure regularly reviewed by the Central Tax team
People	Insufficient tax knowledge	Regular global, regional and local training sessions, plus individual development plans
Compliance & Documentation	Failure to comply with statutory obligations	Annual compliance checklists from the Group entities, compliance tracking, supported by tax controls governing operational tax compliance
Reporting & Risk Management	Tax positions not accurately reflected in reporting	Periodic review and approval of direct tax exposures and provisions by the Central Tax team

➤ Robust internal controls to effectively manage risks

- PDS Group has established policies to govern its approach to identify, manage and mitigate tax risks. Identified tax risks shall be actively managed within the tax risk framework and control procedures. Significant risks shall routinely be reported to the Board and Audit Committee.
- The tax strategy is regularly reviewed by the management to ensure that the people, processes, and technology deployed are appropriate to manage our current tax matters.
- PDS Group shall proactively seek external advice in situations where there is uncertainty with respect to the application of the tax laws, to ensure that Group does not suffer any unforeseen or unreasonable tax outcomes.
- All tax assignments must be prepared by personnel with an adequate technical understanding of local tax legislation. All key matters shall be reviewed by an

experienced tax specialist/ advisor. External tax advisors may be mandated on the condition that they understand and comply with all aspects of PDS' Group's Tax Policy.

➤ Hybrid model for an efficient tax function

- Risk Management Committee: Oversight of identification, evaluation and mitigation of strategic, operational, legal and compliance risks.
- Central team: The Group CFO has overall responsibility for tax matters and is specifically responsible for forming the Group Tax Policy/ Strategy. Central Tax teams shall be responsible for:
 - Establishing frameworks to prioritize and mitigate tax risks
 - Reportable positions on key issues
 - Assist Group teams on crucial matters – vital positions, tax controversy, etc.
 - Transfer Pricing model documents (incl. FAR), agreements for adoption across Group
- Group teams Responsible for:
 - Day-to-day management of tax functions in respective entities
 - Ensure timely compliances/ meet statutory deadlines
 - Coordination with external consultants - compliance/ assessments (& Central team, as required)
 - Group Policy implementation
 - Optimize costs of the tax function
- External consultants are engaged by the PDS Group, in case of uncertainty and/ or to effectively meet local compliance/ mitigate risks.

Compliance & Consequences:

- All Group entities and employees are required to adhere strictly to the provisions of this Policy.
- Any instance of non-compliance shall be reported to the Central Tax Team and the Risk Management Committee without delay.
- Breaches of this Policy may result in disciplinary action in line with the Company's Code of Conduct, which may include warnings, suspension, termination of employment, or other appropriate measures.
- Non-compliance that results in financial penalties, interest, or reputational damage shall be addressed through corrective actions, including training, process improvements, and enhanced monitoring.
- In cases involving willful default, fraud, or misrepresentation, the matter will be escalated to the Board and may involve reporting to regulatory authorities.

Ownership and Review:

Ownership: This Policy shall be owned and administered by the Board of Directors of the Company through the Risk Management Committee.

Review: The Risk Management Committee will review the Policy, from time to time, to ensure the effectiveness of the Policy. The Risk Management Committee will discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

Version History:

Version No.	Approved on	Created by	Approved by
1	March 21, 2024	Tax Team & Compliance	Board of Directors

