



# Responsible Tax Policy

## Introduction:

Techno Electric & Engineering Co. Ltd. (TEECL)'s Responsible Tax Policy defines the approach to managing our tax affairs. The aim of this policy is to ensure transparency for our stakeholders and to provide a clear understanding of how TEECL addresses tax-related matters. We believe that taxes are an integral part of conducting sustainable business. Our tax contributions play an important role in supporting the achievement of the UN Sustainable Development Goals (SDGs) and serve as a vital means through which organizations contribute to the economic development of the countries where they operate. In alignment with its business and sustainable development strategies, TEECL aims to achieve a long-term sustainable approach to the management of tax affairs, having regard to relevant domestic tax laws and international standards where applicable.

## 1. Scope:

This policy is applicable to all our business verticals in every country and the jurisdiction in which we do business.

## 2. Purpose:

The main purpose of this policy is to ensure compliance with the applicable tax laws and regulations in the countries in which we operate. This purpose is combined with the fulfillment of corporate interest, supporting a long-term business strategy, avoiding tax risks and inefficiencies in the implementation of business decisions and generation of sustainable value for the stakeholders.

## 3. Principles:

We manage tax matters in line with the following principles:

- Tax should be managed with relevant domestic and international tax laws and regulations.
- Transactions should be undertaken for commercial purposes and aligned to the business strategy.
- No connection should be maintained with tax havens, unless legitimate trading activity is being performed.
- Risk should be governed through appropriate processes, including oversight by Chief Financial Officer (CFO).
- Dealings with tax authorities should be transparent, co-operative and proactive.

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- Tax payments should be made for the right amount, at the right time.
- Tax reporting and disclosures should be made on a timely basis and compliant with all relevant statutory taxation and accounting obligations.

#### **4. Tax Approach:**

We place sustainability at the heart of our business. Our ambition is to make significant, quantifiable, and positive contributions with a responsible tax approach to the achievement of Sustainable Development Goals (SDGs). TEECL's approach to taxation forms part of its broader commitment to corporate and social responsibilities and it is committed to paying the right amount of tax at the right time. TEECL is committed to the highest standards of corporate governance and responsibility. Such standards also apply to the management of tax affairs. We take a zero-tolerance approach to tax evasion.

#### **5. Compliance:**

As a responsible global corporate tax citizen, TEECL strives to comply with all relevant domestic and international tax laws, rules and standards in all countries and jurisdictions where we operate. TEECL engages in business transactions which support genuine commercial activity. TEECL's tax department, in collaboration with its external tax consultants, works closely together to ensure compliance with domestic and international tax laws and applicable tax and accounting rules and regulations, while also striving to achieve clarity and certainty regarding TEECL's tax status. We prepare and file our tax returns with complete, accurate, and timely disclosures to the relevant tax authorities. Our tax payments are made on time and in accordance with applicable domestic and international tax laws and regulations.

#### **6. Transparency:**

We maintain transparency in our approach to taxation. TEECL is committed to a collaborative and open approach to both tax compliance and tax planning, including our relationships with tax authorities. We make all tax-related disclosures in accordance with the relevant and applicable domestic and international laws, regulations and reporting standards. We aim to respond to enquiries from tax authorities in a constructive, clear, and timely manner.

#### **7. Tax Governance:**

We consider tax as a core aspect of our contribution to society. Our tax practices are diligently managed by qualified professionals specializing in direct and indirect taxation, under the leadership of the Chief Financial Officer (CFO). Our tax strategy has been approved by the Chief Financial Officer (CFO), which is reviewed regularly and updated as necessary to ensure continued compliance and alignment with our business objectives.

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## 8. Training:

We conduct internal tax training for both direct and indirect tax professionals, along with other supporting staff aligned with our tax strategy and in response to amendments in tax laws. These training sessions are held at regular intervals which are conducted by the Chief Financial Officer (CFO) and the GM (Taxation).

## 9. Audits:

We conduct regular external third-party audits which cover all tax compliances including determination and payment of taxes.

## 10. Relationship with Tax Authorities:

We aim to build and maintain transparent, honest, and open mutual working relationships with tax authorities and are engaged in resolving any ambiguity in a constructive and timely manner in the countries and jurisdictions where we operate.

## 11. Tax planning and Practices:

We engage only in tax planning that serves a legitimate business purpose and is grounded in our commercial and economic activities. TEECL's tax strategy includes paying a fair share of taxes in the countries and jurisdictions where we operate. We do not participate in artificial tax planning or use so-called 'tax haven' structures to avoid taxation. While we aim to optimize our tax position, we may make use of incentives promoted by government authorities, provided they align with our legitimate business interests, reputation, and reflect our commitment to corporate social responsibility. Where we claim tax incentives offered by government authorities, we seek to ensure full compliance with the applicable statutory or regulatory frameworks.

Taxes are computed and paid in accordance with the prevailing tax rules and regulations of the country (India) and other jurisdictions where we operate. In case of direct tax, self-assessment tax, or advance tax is computed as per the prevailing tax laws. Indirect taxes are computed state wise as per the prevailing tax rules and paid with the prior approval of the Managing Director (MD). Tax is deducted at sources (TDS) at applicable rates at the time of payment or credit and is paid to the government within the prescribed due dates under the supervision of Chief Financial Officer (CFO). Annual income tax returns (ITR) are filed timely after receiving necessary approvals from the management. TDS statements are filed quarterly within due dates and GST returns are filed both monthly and annually as per the prevailing GST Act. All taxes are paid from our Head Office (HO).



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(Chief Financial Officer)

Policy	Version	Adopted	Revised
Responsible Tax Policy	v 1.0	18 April 2025	NA