



**Persistent**

Persistent Systems Limited  
Group Corporate Tax Policy

(April 2024)

## Group Corporate Tax Policy

### Introduction

Persistent Systems Limited and its subsidiaries (“The Company” or “Persistent”) are engaged in providing outsourced software product development services, platform-based solutions and services for new age technologies. The Company was incorporated in India in the year 1991 and currently has operations in over 15 countries.

This tax policy document sets out Persistent’s approach to managing its tax affairs and the risks associated with them. It is guided by our core value of **Responsibility** towards the communities and adherence with law of countries that it operates in. It is the Company’s endeavour to ensure that the required amount of taxes is 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 made to tax authorities with accuracy and transparency.

### Primary Objectives:

- To be compliant with the taxation laws and regulations of various countries and tax jurisdictions in which the Group operates.
- To maintain integrity, transparency and timeliness in tax compliance and reporting.
- To partner with the business and provide them timely updates on the latest changes in Tax laws and regulations impacting the business decisions.
- To provide appropriate tax advice and its implications on business decisions.
- To support a long-term business strategy that avoids tax risks and tax inefficiencies in the implementation of business decisions.
- To abide by the evolving Global Transfer Pricing principles; not use tax structures with the intent of tax avoidance and artificially transfer value to low tax jurisdictions.

### Below are the Principles of the Tax Policy:

#### 1. **GOVERNANCE:**

The Global Head of Tax in consultation with the Chief Financial Officer (CFO) is responsible for the tax policy, the supporting governance framework and management of tax risk. The operational management of tax risk is done by internal tax team. Members of the tax team are predominantly qualified professionals and are responsible for day-to-day tax compliance in all jurisdictions where the Company operates and formulation of group tax policy. Implementation of the tax policy and management of tax and related risks are informed in timely manner to the Audit Committee and the Board of Directors.

At a functional level, the Group has put in place a comprehensive global regulatory framework with defined process owners for various tax compliances required in all countries. Process controls are subject to regular review by Internal audit team of the Company.

#### 2. **COMPLIANCE:**

The Company is committed to being fully compliant with its statutory filing obligations, ensuring that

complete and accurate tax returns are submitted on time and that the required amount of tax is paid by due date. External tax advisory support is sought on a need basis to support the Company in complying with local tax regulations in various jurisdictions.

Global compliances are tracked through the Company's compliance tracker system which has an inbuilt early warning mechanism. The summary report from the system and the dashboard is made available to the Head of Tax and monitored at regular intervals. Each quarter, the corporate tax team updates the tracker with compliances completed during the quarter. The Corporate Secretarial team shares this confirmation with the Board.

3. **TRANSFER PRICING:**

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

4. **PLANNING:**

As a policy, the Company undertakes all business activities in compliance with laws and regulations and in accordance with Persistent's core values. Persistent 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. Changes in tax laws are monitored on regular basis to assess its impact on our business. The tax policy is aligned with business and commercial strategy and continuously evolving regulatory environment.

5. **RISK MANAGEMENT:**

Persistent's tax risk management, governance and controls include 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 advice is sought on matters where there is significant uncertainty or complexity in relation to the underlying business transactions.

The Tax function takes the lead role in identifying, managing, and monitoring tax risks within the business with regular review. Internal controls and escalation procedures are put in place with the aim of identifying, quantifying, and managing key risks. The team constantly monitors its various tax risks and mitigation measures. The team provides advice to the business teams on tax-related issues, engages with external consultants, undertakes tax filings, and interacts with tax authorities.

6. **ENGAGEMENT WITH TAX AUTHORITIES:**

The Company engages with tax authorities globally with honesty, integrity, respect and in a spirit of

cooperative compliance. 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 endeavor of the Company to be transparent with tax authorities, providing relevant facts and documentation and to resolve disputes constructively, and in a timely manner.