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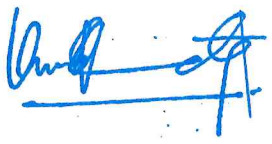
ACC LIMITED

TAX POLICY



Vinod Bahety
Wholetime Director & CEO
Cement Business, Adani Group

ACC Group's Tax Policy:

ACC Limited, (ACC) is a part of the Adani Group who has a world class transport and utility infrastructure portfolio. ACC is one of the leading cement manufacturing companies in the Indian cement industry with its uniquely sustainable development projects.

ACC's primary objective from a tax perspective is to be compliant with all tax legislation requirements. This includes filing timely and accurate returns which reflect ACC's fiscal obligation to the government, while recognising all legislative concessions and reliefs.

Tax Policy - Primary Objectives:

To adopt and execute a global tax strategy of Adani Group, within the given framework of the ACC's business strategies and models. These principles of our Global tax strategy arise from the following:

- The Core Values practiced by the company viz. Customers, Results, Integrity, Sustainability & People (CRISP) as well as Ethical principles that the organization embraces ensuring accurate, transparent and timely statutory compliance with the relevant tax laws.
- Balancing tax optimization, risk mitigation and cost-effectiveness;
- Adhere to the Anti-avoidance Bribery Corruption Directives (ABCD);
- Partnering with businesses to provide appropriate tax advice on implications of business decisions.
- Adopting only legally valid positions and avoiding those positions that are a legally suspect or devoid of merit. Short term gain through aggressive planning in the area of tax may, and likely will, have long term negative consequences for the company's brand, reputation and Customer relationships, and should therefore be avoided.
- Building and pursuing transparent and healthy relationship with tax authorities;
- No compromise on statutory processes, deadline and compliance;
- Documenting all tax positions arising out of tax planning initiatives and securing appropriate approvals;
- Aligning activities and sub-activities with Internal Control System (ICS) documentation and control checks;
- Standardizing processes, leveraging IT and avoiding manual interventions;

- ACC currently does not have significant operations outside India and in the event that the company creates operations/ assets in other countries in future, no taxable value created will be transferred to low-tax jurisdictions or tax havens.

- ACC refrains from engaging in tax arrangements that lack genuine commercial or economic substance, taking into account their potential impact on the Company's reputation and the group's fundamental values, including integrity, commitment, and seamlessness.

Tax Policy Principles:

Compliance:

- Taxes are paid in accordance with the rules and regulations of India, seeking to comply not only with the letter but also with the spirit and of the law;
- All employees must comply with the Code of Conduct;
- Maintain proper documentation and take steps to store the same electronically for easy retrieval and permanent preservation.

Relationship with Governments & Tax Authorities:

- Our relationship with tax authorities and other governmental bodies shall be fair and transparent, based on the concept of integrity, collaboration and mutual trust.

Accountability and Governance:

In achieving the above mentioned objectives, the company adheres to the following principles:

- Corporate business strategies generally have priority over tax optimization.
- Ensure that procedures efficiently address stakeholders' requirements
- Providing group wide applicable tools and methodologies
- Not engaging in tax fraud and tax evasion.
- Business changes to be facilitated by structures allowing flexible exit opportunities
- Tax department must be involved at an early stage in important business initiatives and decisions with potential significant tax implications.

Transfer Pricing Principles:

- ACC will comply with all applicable transfer pricing rules and regulations, including the "arm's length principle" as outlined by the Organisation for Economic Co-operation and Development (OECD) and Indian Transfer Pricing Regulations.

Tax risk management and reporting:

As the business relies on good relationships with public authorities, reputation risks relating to tax matters must be avoided. Therefore, being mindful of the different areas of tax risks, the following principles have to be followed:

- **Technical risk:** Tax management is in compliance with legislation and based on valid business purposes. It should only be implemented if a "should-level" opinion is obtained from reputed tax experts. Also evaluate possibility of advance ruling in case of plans involve significant tax implications.

- **Operational risk:** Diligent professional care and judgment will be employed to assess tax risks. Where there is uncertainty as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions will be taken from professional advisors/experts/counsels to support the decision-making process.

- **Compliance risk:** There need to be controls in place to ensure that data required for tax filings and preparation of transfer pricing documentation is properly backed up by adequate business and legal documentation.

- **Reputation risk:** Open, fair and transparent dealing with tax authorities acknowledging the need for public funding requirements.

- **Tax reporting**: Tax risks are reported correctly as per the accepted accounting and reporting principles.

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