



Tax Policy of UltraTech Cement

Company overview

UltraTech Cement Limited (UTCL), a conglomerate of Aditya Birla Group (ABG), is the largest manufacturer of grey cement, Ready Mix concrete and white cement in India. Globally, UTCL ranks at third amongst the leading cement manufacturers (excluding China). It is also India's largest exporter of cement & clinker. Currently, UTCL along with its subsidiaries (collectively referred to as 'UltraTech') have facilities in India, UAE, Bahrain, Bangladesh and Sri Lanka.

UltraTech strives to be a world class production house, a good employer and responsible corporate citizen by being transparent & fair and creating meaningful impact on the society.

Tax policy

The tax policy and strategy is aimed at strong governance using its controls, procedure and risk management framework. UltraTech is committed for total compliance with its tax obligations in accordance with the applicable tax laws and ensuring complete transparency with tax authorities. Our business is subject to substantial amount and various types of taxes and we ensure that these are paid in time and accurately.

The policy applies to UTCL and its subsidiaries. UltraTech aims to comply with extant tax regulations and practice in all the countries in which it operates. Reference to 'tax', 'taxes', 'taxation' are to India tax and to all corresponding taxes worldwide in respect of which UltraTech has legal obligation.

This tax policy comprises of the followings:

1. Governance
2. Compliance
3. Planning
4. Risk management and certainty
5. Engagement with tax authorities

1. Governance

The responsibility for UltraTech tax strategy and governance lies with the Chief Financial Officer (CFO). Implementation of all taxation matters is the responsibility of the Head of Tax Function who reports to the CFO. Compliance with all applicable tax regulations as well as internal policies, guidelines and governance procedures relating to taxation is the responsibility of the local management of each entity. It is the



UltraTech Cement Limited

Ahura Centre, 'B' Wing, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India
T: +91 22 6691 7800 / 6691 7801 | F: +91 22 6691 7901 | W: www.ultratechcement.com | CIN: L26940MH2000PLC128420



responsibility of Head of Tax Function to ensure that the tax team at Head Office has the required skill sets and experience to implement the approach.

In every business and strategic investment decision the taxation impact is one of the prime considerations. Significant issues relating to tax are discussed and considered by the Audit Committee on quarterly basis.

Business strategies & commercial considerations take precedence over tax optimization. Significant business decisions are made with due regard to tax consequences but predominantly aimed to maximize shareholder's value on a sustainable basis.

2. Compliance

UltraTech is committed to adhere to all regulatory and tax compliances in each and every tax jurisdiction in which it operates. Tax filing, tax reporting and tax payment obligations are undertaken in accordance with the rules and regulation of each tax jurisdiction. All applicable transfer pricing rules and regulations for the transactions that are effected within the UltraTech Group across tax jurisdictions are complied with.

Adequately qualified and experienced professionals are employed in the tax team to work closely with the business and provide guidance for ensuring proper compliance with tax obligations. In case of complexity or uncertainty on an issue, support is sought from external tax experts to comply with the relevant tax regulations / obligations.

These compliances are monitored at regular intervals with appropriate documents maintained for easy referral and retrieval.

3. Risk Management

UTCL being a listed entity, reputation risk of non-compliance is supreme. It is ensured that tax compliance and tax reporting are done in a transparent and fair manner with adequate documentation support and taking into account UltraTech's wider corporate reputation and overall high standard of governance, core ethical behaviour and values.

Tax controls, strategies and processes are monitored regularly for identification of tax risks for business and legislative changes. Diligent and professional approach is adopted for assessing tax risks and identifying steps for managing those risks. The tax team provides appropriate mitigation measures for identified risks. Guidance is provided to influence business decisions and adopt procedural behaviors for various functions. Advice is sought from external experts where appropriate or where there is uncertainty regarding applicability or interpretation of tax law.



UltraTech Cement Limited

Ahura Centre, 'B' Wing, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India

T: +91 22 6691 7800 / 6691 7801 | F: +91 22 6691 7901 | W: www.ultratechcement.com | CIN: L26940MH2000PLC128420



4. Planning

Tax planning measures are always within the parameters of extant tax rules and regulations with minimal risks of its non-acceptance by revenue authorities.

Diligent care is taken to opt and utilize available tax incentives, reliefs and exemptions which are in line with the intent of the law.

Experts' advice is sought in cases of uncertainty. Open and transparent tax strategies are adopted for tax optimization. No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions.

UltraTech ensures not to undertake any contrived or artificial tax arrangement which are not underpinned by commercial or economic substance. Due consideration is given to impact on reputation of the company and core values of the group such as integrity, commitment, and seamlessness

5. Engagement with Tax Authorities

UltraTech seeks to foster professional, fair, constructive and transparent relationship with tax authorities. Engagement with tax authorities is influenced by openness, honesty, integrity, respect, trust and co-operation.

Tax computation and returns are submitted with full disclosure of relevant facts and information where potential risk of uncertain tax treatment is envisaged.

Necessary correction of material errors made or misstatement in tax filing are rectified without any undue delay as and when identified.

UltraTech ensures that tax authorities are kept aware of significant transactions and developments in business with the objective of minimizing tax risks and early resolution of identified issues.

A handwritten signature in black ink, appearing to read 'KK Maheshwari', is positioned above the printed name.

KK Maheshwari

Managing Director

June 2019



UltraTech Cement Limited

Ahura Centre, 'B' Wing, 2nd Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India
T: +91 22 6691 7800 / 6691 7801 | F: +91 22 6691 7901 | W: www.ultratechcement.com | CIN: L26940MH2000PLC128420