

The Tax Policy and Strategy are designed to achieve strong governance. Atul Ltd (Atul) is committed to Honour its tax obligations according to the applicable tax laws and ensuring complete transparency with tax authorities. The business of the Company is subjected to substantial amounts of various types of taxes, and it ensures that these are paid on time.

The Policy applies to Atul and its subsidiary, joint venture and associate companies | entities and joint operation. The Company aims to comply with extant tax regulations and practices 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 Atul has a legal obligation.

This tax policy comprises the following:

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

1. Governance

The responsibility for the tax strategy and governance lies with the Chief Financial Officer (CFO). The Head of Accounts and Tax function works with the CFO and is responsible for the implementation of all taxation matters. Compliance with all applicable tax regulations as well as internal policies, guidelines and governance procedures relating to taxation is the responsibility of local managements of the entities. It is the responsibility of the Head of Accounts and Tax function to ensure that the tax team at the Head Office possesses the required skill sets and experience to implement the approach.

The tax impact is crucial in every business and strategic investment decision. Significant issues relating to tax are deliberated during the quarterly meetings of the Audit Committee.

Business strategies and commercial considerations take precedence over tax optimisation. While significant business decisions are made with due regard to tax consequences, their primary aim is to maximise shareholder value on a sustainable basis.

2. Compliance

Atul is committed to adhering to all regulatory and tax compliances in every tax jurisdiction in which it operates. Tax filing, tax reporting and tax payment obligations are undertaken in accordance with

the rules and regulations of each tax jurisdiction. All applicable transfer pricing rules and regulations for the transactions that are affected within the Atul Group across tax jurisdictions are complied with.

The tax team comprises adequately qualified and experienced professionals who work closely with the businesses to provide guidance and ensure proper compliance with tax obligations. In case of complexity or uncertainty on any issue, support is sought from external tax experts to comply with the relevant tax regulations | obligations.

These compliances are monitored at regular intervals and documented for easy referral and retrieval.

3. Risk Management

Atul, 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 to ensure a high standard of governance, core ethical behaviour and values of the Company.

Tax controls, strategies and processes are monitored regularly for identification of tax risks for business and legislative changes. A 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.

4. Planning

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

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

Advice from experts is sought in cases of uncertainty. Open and transparent tax strategies are adopted for tax optimisation. Business decisions are never influenced or taken in a way that involves shifting profits to lower tax jurisdictions.

Atul ensures not to undertake any contrived or artificial tax arrangement that is not underpinned by commercial or economic substance. Due consideration is given to the impact on the reputation of the Company and the core values of the Group, such as integrity, commitment and compliance.

5. Engagement with tax authorities

Atul seeks to foster professional, fair, constructive and transparent relationships 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.

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

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