

NALWA SONS INVESTMENTS LIMITED

CIN:L65993DL1970PLC146414

Corporate Office: Jindal Centre, 12, Bhikaiji Cama Place, New Delhi – 110066

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TAX POLICY

(Approved by the Board of Directors on May 30, 2023)

1. Objective

Nalwa Sons Investments Limited (hereinafter referred to as “NSIL” or “Company”) understands the value of accurate and transparent tax management. This involves using tax policy and strategy in a way that is consistent with the prevailing regulations, Company’s guiding principles and ethical standards.

2. Scope & Applicability

This policy is applicable to all jurisdictions in which the Company operates.

3. Key Responsibilities

Audit Committee of the Board of Directors of the Company governs this policy and receives periodic update on taxation matters.

- The Chief Financial Officer (CFO) and Head of Taxation of the Company are responsible for:
 - a) Company-wide implementation of the policy;
 - b) ensure that the tax team has the required skills and experience;
 - c) apprising the Audit Committee/Board of Directors on material taxation matters and provide information sought by the Audit Committee.
- Local management of each entity shall be responsible for compliance with all applicable tax regulations as well as internal policies, guidelines and governance procedures relating to taxation.

4. Tax Governance Principles

- **Compliance:** The Company is committed to act, all times, in compliance with prevailing tax laws and regulation, in letter and spirit. Tax filing, tax reporting and tax payment obligations are undertaken in accordance with the rules and regulations across applicable tax jurisdictions.
- **Transfer Pricing:** Inter-company / related party transactions are undertaken on arm’s-length principle, in compliance with internationally accepted transfer pricing guidelines and Indian Transfer Pricing Regulations.
- **Tax Structure:** Adopt business structures that are driven by commercial considerations, which are aligned with business activity and have commercial substance.
- **Tax Haven:** The Company does not use tax havens or secrecy jurisdictions to manage taxes. NSIL is committed to avoid the transfer of value to low tax jurisdictions unless it is deemed necessary for business operations.
- **Transparency:** Tax related information is transparently disclosed in financial reports and annual reports for each jurisdiction (i.e., Country-by-country reporting).

5. Risk Management

Risks related to tax matters should be avoided to maintain strong relationship with tax authorities. Key principles to manage risks are listed below:

- **Planning Risk:** Tax planning measures are within the parameters of extant tax rules and regulations. Diligent care is taken to optimise and utilize available tax incentives, reliefs and exemptions which are in line with the intent of the law.
- **Operational risk:** For proposed new business initiatives, tax considerations are taken into account and advice from the tax department is obtained prior to submitting request for approval.
- **Compliance risk:** Controls are in place to meet the compliance requirements in a timely manner.
- **Reputation risk:** Open, fair, and transparent dealing with tax authorities in an ethical manner.
- **Tax reporting:** Taxes are reported accurately as per the accepted accounting & reporting principles.

6. Engagement with Tax Authorities

The Company seeks to maintain open and co-operative relationships with tax authorities by providing appropriate responses to requests received and communicating in a transparent manner. Tax computation and returns are submitted with full disclosure of relevant facts and information where potential risk of uncertain tax treatment is envisaged. In case of any evaluation from tax authorities, the Company shall provide requisite information to the authorities as relevant to the evaluation for determination of correct tax liability. The Company aims to obtain advance agreements or clearances, where foreseeable, to prevent litigation.

7. Policy Review

This Policy will be periodically reviewed and updated as required. Any amendments to the Policy would be undertaken with the approval from the Board of Directors.