

Arvind Group Corporate Tax Policy

1. Group Overview

Arvind Group is India's most respected textile business house. The Group is a global leader in apparel manufacturing, a denim pioneer that is a trailblazer in advanced materials and also transforming water management. The Group is also recognized as wearable technology manufacturer that is also delivering state-of-the-art engineering solutions. The Group is USD 1.02 billion dollar conglomerate having significant business interest in following areas:

- Fabric & Apparel;
- Environment Solutions; and
- Advanced Materials (Technical textiles)

2. Purpose of Tax Policy

- The main purpose of the Group's tax policy is to ensure compliance with the applicable tax laws and regulations in the countries in which it operates. The Group pays taxes as per applicable tax laws in the country in which it operates as its contribution to sustaining public expenditure, contribution to the society and contribution to the achievement of goal of sustainable development.
- The Group sees tax as an important part of its contribution to national resources and recognizes the key role that tax plays in society and development of the countries.
- The Group believes that a responsible approach to tax is essential to the long term sustainability. Over the years, the Group has applied conservative and cautious tax policy.

3. Scope of the Policy & Policy Principles

This Policy is applicable to all the entities of the Group across the globe. Compliance with 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.

4. This tax policy comprises of the followings:

- a. Compliance
- b. Risk Management
- c. Tax-diligence in Planning
- d. Engagement with tax authorities
- e. Approval Process

a. Compliance

- The Group is committed to adhere to all tax compliances in each and every jurisdiction in which it operates;
- Tax filing, tax reporting and tax payment obligations are undertaken in accordance with the rules and regulation of each jurisdiction;
- 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;

b. Risk Management

- The complexity of tax laws gives rise to interpretational issues leading to conflicting tax positions being adopted by tax authorities. This sometimes leads to emergence of unplanned risks for the Company;
- The Company has a risk management framework in place that is periodically reviewed. Diligent and professional approach is adopted for identifying and mitigating such risks.

c. Tax-diligence in planning

- The Group endeavours to operate in an efficient and legally compliant manner;
- The Group takes due care to optimize available tax incentives, reliefs and exemptions which are in line with both, the letter and spirit of the law and be supported by requisite business substance;
- The Group ensures that it will use business structures that are driven by commercial considerations, aligned with business activity and which have commercial substance.
- No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions;
- All transfer pricing computations shall be based on "arm's length" principle.

- The group does not make use of any secrecy jurisdictions or tax havens in order to obtain tax advantages. The Group gives due consideration to the impact on its reputation and core values such as integrity, commitment, and seamlessness.

d. Engagement with Tax Authorities

- The Group seeks to foster professional, fair, constructive and transparent relationship with the tax authorities;
- Engagement with tax authorities is influenced by openness, honesty, integrity, respect, trust and cooperation.

e. Process for Approval and Revision of Existing Policy

- The Chief Financial Officer (CFO) is responsible for the tax strategy, the supporting governance framework and management of tax risk. CEO, Legal and Secretarial, who reports to the CFO is responsible for each of the operational areas of Tax.
- Request or need for policy updation should be identified by the Chief Financial Officer or the committee of directors.
- Updation and revision to the policy shall be done by the Chief Financial Officer or any member authorised by the CFO.
- After the updation and revision, the policy shall be approved by the committee of directors.