



TAX POLICY

**HPCL-Mittal Energy Limited
& its' Subsidiaries**

PURPOSE

HPCL-Mittal Energy Limited ('HMEL') continuously strive for excellence through the adoption of good governance and disclosure practices. Good Corporate Governance has always been intrinsic to the management of business and affairs of HMEL. We believe that good governance practices stem from the inherent culture as well as general outlook of the organization. Corporate Governance at HMEL is nothing but a reflection of principles entrenched in our values & policies. At HMEL ensuring fairness, transparency and accountability across all processes is critical to each of our work processes. This strong commitment to the highest standard of fairness, integrity, accountability and transparency is also incorporated in the principles and rules governing tax processes and policy.

HMEL Tax Policy involves commitment to following:

1. Tax Compliance

- Adhering to meet all statutory obligations related to tax filing, tax payment and disclosure under various tax legislations.
- Complying with all governing principles and standard related to tax accounting and reporting.
- A commitment to compliance with the spirit as well as the letter of the tax laws and regulations in the countries in which the company operates.

2. Transfer Pricing

- Ensuring that transactions between affiliate entities are based on well accepted arm's length principles and compliance to transfer pricing regulations.

3. Relationship with Government Authorities

- We aim to maintain an open and engaging relationship with Tax authorities to assess tax risks and review tax returns & filings.
- Endeavouring to maintain professional and transparent relationships with the tax authorities.
- Providing comments and recommendations to various draft legislations and thereby enabling the Government to formulate Law.
- Making representations along with professional bodies on the various issues arising in the tax collection and administration processes and thereby enabling the Government for effective implementation of the tax Laws.

4. Systems and controls

- Setting procedures for management of tax claims and tax litigations.
- Conducting periodic tax risk assessment and updating the management.
- Creating adequate tax provision based on risk analysis.

5. Tax planning and strategy

- Evaluating tax planning opportunities in pursuance of business strategies and within the compliance framework.
- Taking decisions on tax related issues by relying upon reasonable interpretation of the tax legislations.

- Seek to utilise available tax incentives, concession and reliefs in line with the word and spirit of the legislation and not to implement or utilised tax avoidance strategies, or to exploit ambiguity.
- A commitment not to use secrecy jurisdictions or so-called "tax havens" for tax avoidance.
- A commitment not to transfer value created to low tax jurisdictions.
- A commitment not to use tax structures without commercial substance.