

	Group Tax Policy	Policy Number: CS / Policy Owner: Company Secretariat Authorized by : SVP– CS
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Purpose

Macrotech Developers Limited believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour, in consonance with the group's code of conduct for Board and senior management personnel.

Macrotech Developers Ltd along with its other group companies ('Lodha Group') is committed to managing its business responsibly with highest standards of integrity, accountability and transparency. This commitment is also incorporated in the principles and rules governing tax processes and management. Transparency is our core value as we firmly believe in long term value creation for our stakeholders including the government and society at large.

Overview

We believe real estate is more than just building the proverbial four walls, it's about "Building a Better Life". This is the ideology with which we at Lodha have delivered the world's finest developments that have become some of the most iconic addresses and the most desirable residences in India as well as in London. Our residential and commercial spaces are aimed at every segment, right from luxury to budget, thereby enabling every aspiring consumer to fulfil their dream.

At Lodha, our passion is to create landmarks that meet global standards, epitomise the values of our family, and are built on a legacy of trust spanning four decades. We are guided by our vision of 'Building a Better Life' and believe that homes transform lives.

We have the experience and skills to deliver both quality and scale, at a pace which is unmatched in the country. By forging the finest global partnerships, and deploying the best people and processes, we are able to create the best value for our customers across geographies, markets, price points and consumer segments. We have been able to create landmark developments across residential, retail & office spaces, winning the trust and appreciation of our patrons time and again.

Most importantly, as an organization which makes probably the longest-term impact to our environment and the lives of those who live and work in our development, we are committed to act in the larger interest of the environment and society. We are 'building a better life' in more ways than we imagined.

Group tax strategy:

The group tax strategy is aligned to the group's corporate governance practice, value system and its enterprise risk management framework. We endeavour to fully involve our tax team in all significant business developments so that we can fully assess any potential tax consequences of our actions in advance.

Integrity and transparency are key to the corporate governance practices to ensure that we gain and retain the trust of all the stakeholders at all times. We maintain an open, honest, transparent relationship in all our dealings with the tax authorities in the jurisdictions in which we operate.

Our primary objectives being to comply with the taxation laws of the countries in which the group has presence and to abide by the evolving global transfer pricing principles; not using tax structures with the intent of tax avoidance.

The tax strategy charter comprises the following:

1. Governance
2. Compliance
3. Planning
4. Risk management and certainty
5. Engagement with tax authorities
6. Tax team structure
7. Customer Compliances

1. Tax Governance

The Board's, Audit and Risk Committee has oversight of identification, evaluation and mitigation of strategic, operational, legal and compliance risks. This tax strategy is monitored by the CFO along with Group Tax Head within the overall control and governance framework of the Group. The Group's code of conduct also expresses our commitment to conducting business ethically. It explains what it means to act with integrity and transparency in everything we do and in accordance with our unique culture and values

2. Tax Compliance

As regulatory compliance is a key objective for the Group, tax compliance is a priority in each and every jurisdiction where the group operates. We seek to comply with tax filing, tax reporting and tax payment obligations globally for all taxes. External tax advisor support is sought on a need basis to comply with local country tax regulations.

3. Tax planning

The Government has introduced several incentives to promote the construction and development of affordable housing. A large portion of our affordable housing portfolio qualifies for tax benefits such as 100% deduction of tax on profit (but will be subjected to MAT) and lower GST on affordable housing under the Government's affordable housing initiative.

Lodha group recognizes that it is has a responsibility to pay appropriate tax in each of the jurisdictions in which it operates. Lodha group may avail tax incentives which are made available by the laws and regulations of a jurisdiction provided they are aligned with its business or operational objectives. The group endeavors to operate in an efficient and legally compliant manner and may seek external advice in relation to tax matters or areas of complexity or uncertainty to support Lodha group in complying with its tax strategy. As a policy, the group does not undertake aggressive tax planning, does not tolerate tax evasion, nor does it tolerate the facilitation of tax evasion by any person(s) acting on the behalf of the group.

4. Tax risk management and certainty

Lodha group is exposed to a variety of tax risks and has a low tolerance to tax risk. The group's enterprise risk management framework encompasses practices related to identification, analysis, evaluation, treatment, mitigation, monitoring of the strategic, operational, legal and compliance risks to achieve the key business objectives. The tax law may be subject to risk of interpretation especially where there is less clarity on taxation of new business models due to continuous evolving technology.

The Tax function takes the lead role in identifying, managing and monitoring tax risks within the business with regular review. Where there is significant uncertainty or complexity in relation to a risk, external advice is sought to get certainty. In order to achieve greater certainty, the group engages with tax authorities to disclose and resolve issues, risks and uncertain tax positions by obtaining tax rulings, advance pricing agreements etc.

5. Engagement with tax authorities

Lodha group engages with tax authorities, with honesty, integrity, respect and fairness and in a spirit of cooperative compliance.

Our Code of Business Conduct and Ethics, which applies to all employees, sets out our zero tolerance on corruption and bribery. We are committed to prompt disclosure and transparency in all tax matters with respective tax authorities.

From time to time, our views (or those of our advisors) on the appropriate tax treatment in any given case may differ from those of the tax authorities. Where such circumstances arise, we are prepared to litigate where we disagree with a ruling or decision of a tax authority but will first seek to resolve any disputed matters through pro-active and transparent discussion and negotiation. Any litigation necessary to resolve a difference of opinion are handled in a way that is consistent with our values.

6. Tax team structure

The group has dedicated tax team which looks after all advisory, compliances, litigation and reporting matters. The team applies professional diligence and care in managing risks associated with tax matters on the basis of appropriate research and well-reasoned conclusions. Wherever necessary opinion is taken from counsels and any litigation necessary to resolve a difference of opinion is handled in a way that is consistent with our values. The team maintains proper documentation and take steps to store the same electronically for easy retrieval and permanent preservation.

7. Customer Compliances

The group has dedicated tax team who helps the customer in their tax compliance wherever need arises to train, advise or educate the customer for their tax compliances (in respect of their transactions with the Group).