



ANDHRA CEMENTS LIMITED

Subsidiary of SAGAR CEMENTS LIMITED

Tax Management Policy

Andhra Cements Limited (ACL) is committed to total compliance with its tax obligations in accordance with the applicable tax laws and ensuring complete transparency with tax authorities. The tax policy and strategy is aimed at strong governance using its controls, procedure and risk management framework. Our business is subject to various types of taxes and we ensure that the undisputed liabilities pertaining to all types of taxes are paid in time as per the underlying due dates.

The policy applies to ACL and its subsidiaries. Reference to 'tax', 'taxes', 'taxation' are to Indian taxation and to all corresponding taxes worldwide in respect of which ACL has legal obligation.

This tax policy comprises of the followings:

- I Planning
- II Compliance
- III Governance
- IV Risk management
- V Engagement with tax authorities

I Planning

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

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

Experts' advice is sought in cases of uncertainty. Open and transparent tax strategies are adopted for tax optimization. No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions.

ACL ensures not to undertake any contrived or artificial tax arrangement which are not underpinned by commercial or economic substance. Due consideration is given to impact on reputation of the company and core values of the group such as integrity, commitment, and seamlessness

II Compliance

ACL is committed to adhere to all regulatory and tax compliances in each and every tax jurisdiction in which it operates. Tax filing, tax reporting and tax payment obligations are undertaken in accordance with the rules and regulation of each tax jurisdiction. All applicable transfer pricing rules and regulations for the transactions that are effected within the ACL Group across tax jurisdictions are complied with.

Regd. Office & Works: Durga Cement Works, Durgapuram, Srinagar Post, Dachepalli Mandal, Palnadu District, AP – 522 414
Phone: +91 8649-257441 / 42 | Fax: +91 8649-257428

Vizag Unit: Visakha Cement Works, Parlupalem Village, Durganagar Post. Visakhapatnam – 530 029, AP
Corporate Office: Plot No. 111, Road No.10, Jubilee Hills, Hyderabad – 500 033, Telangana, India

Website: www.andhracements.com | E-mail: investorcell@andhracements.com | CIN: L26942AP1936PLC002379 | GSTIN: 37AABCA9263D2ZQ



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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 being monitored at regular intervals and are supported with appropriate documents maintained for easy referral and retrieval.

III Governance

The responsibility for ACL's tax strategy and governance lies with the Chief Financial Officer (CFO). Implementation of all taxation matters is the responsibility of the Head of Tax Function who reports to the CFO.

In every business and strategic investment decision the taxation impact is one of the prime considerations. Significant issues relating to tax are discussed and considered by the Audit Committee on quarterly basis.

Business strategies & commercial considerations take precedence over tax optimization. Significant business decisions are made with due regard to tax consequences but predominantly aimed to maximize shareholder's value on a sustainable basis.

IV Risk Management

ACL being a listed entity, it is ensured that tax compliance and tax reporting are done in a transparent and fair manner with adequate documentation support and keeping into account high standard of governance, core ethical behavior and values.

Tax controls, strategies and processes are monitored regularly for identification of tax risks for business and legislative changes. 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 wherever it is felt appropriate or where there is uncertainty regarding applicability or interpretation of tax law.

V Engagement with Tax Authorities

ACL seeks to maintain professional, fair, constructive and transparent relationship 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 where potential risk of uncertain tax treatment is envisaged.

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

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

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