

TAX POLICY

Purpose

ASL Industries Limited is committed to managing its business responsibly through a strong commitment to the highest standards of integrity, accountability and transparency. This commitment is also incorporated in the principles and rules governing tax processes and management.

The Company 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 Company believes that a responsible approach to tax is essential to the long term sustainability. Over the years, the Company has applied conservative and cautious tax policy.

Scope of the Policy

This Policy is applicable to all the Business Units of the Company and entities controlled by the Company across the globe.

Tax Compliance

- Adhering to all tax filing and tax payment deadlines, disclosing all relevant tax details according to tax provisions and rules across the globe.
- Taking decisions on tax related issues by relying upon reasonable interpretation of the tax sections and rules.
- Following the rules of tax accounting and reporting.

Policy Principles

The Chief Financial Officer (CFO) of the Company is responsible for the implementation of the Policy. The CFO briefs the Audit Committee of the Board on significant and material taxation issues and the Chairman of the Audit Committee updates the Board of Directors.

Transfer Pricing

- All transfer pricing computations shall be based on “arm’s length” principle.
- Transactions with related parties shall conform with the ‘Policy on Related Party Transactions’ approved by the Board.

Accountability and Governance

- We will use business structures that are driven by commercial considerations, aligned with business activity and which have genuine substance.

- No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions.
- All tax decisions are taken at appropriate level.
- We impart training to employees with responsibilities for tax matters so that they have expertise and knowledge to effectively fulfill their responsibilities.

Relationship with Government Authorities

- We seek to engage with tax authorities, based on mutual respect, professionalism, transparency and trust.
- Co-operating and working positively, pro-actively and transparently with tax authorities.
- Endeavoring 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.

Transparency

- We shall provide relevant information required by the appropriate tax authority on time in order to accurately establish tax liability of the Company.
- We shall cooperate with tax authorities in tax proceedings to the extent reasonably possible.
- Through Whistle Blower mechanism, the Company provides opportunities for employees and external parties to raise any issue of concern in person or anonymously.

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.

Risk Management

- Risks may arise from time to time on account of interpretation of law. Generally, such cases are handled in-house by the Corporate Tax Team or Business Finance Team, with help of external tax experts as may be needed.
- Risk is best managed by prevention of unnecessary dispute, which we strive to achieve through strong technical positions, clear explanations of those positions and thorough documentation.
- Tax risk management of the Company is carried out by Corporate Tax Team (reporting to CFO) and Business Finance Team (reporting to Divisional CFO) to identify and mitigate tax risks.
- The Tax Team gets involved at an early stage in important business initiatives and decisions for tax optimization and reducing tax risks.
