



CENTURY ENKA LIMITED

TAX POLICY

DOCUMENT CONTROL

Document version

This Policy named as 'Tax Policy' is version 1.1.

Preparation/Revision history

Sr. No.	Date of preparation / modification	Version No.	Modified by	Reviewed and approved by
1	18.05.2023	1.0	Taxation Department	Board of Directors

Issuing Authority

The Tax Policy ('this Policy') is approved by the Board of Directors ('the Board') of the Century Enka Limited ('the Company').

Author and Responsible Official

This Policy is to be maintained and updated by way of additions, deletions, and modifications, only by the Taxation Department in consultation with Legal and Secretarial Department. In case of any additions, deletions and modifications, this Policy shall be reviewed by the Chief Financial Officer and subsequently approved by the Board.

Whenever this Policy is amended, the version increases by one unit and the version is to be mentioned in the Document Control section.

Applicability and Usage

This Policy is applicable to all units of the Company.

PURPOSE OF THE POLICY

The main purpose of the Company's tax policy is to ensure compliance with the applicable tax laws and regulations prevailing in India where Company operates exist. This purpose is appropriately combined with the fulfilment of the corporate interest, supporting a long term business strategy, avoiding tax risks and inefficiencies in the implementation of business decisions and generation of sustainable value for the stakeholder. The Company Pays taxes as per applicable tax laws in India in which it operates as its contribution to sustaining public expenditure, thus its contribution to the society and to the achievement of goal of sustainable development.

POLICY PRINCIPLES

The Chief Financial Officer (CFO) of the company and Head of taxation department of the company are responsible for the implementation of the policy. The CFO / Tax head briefs about issues before the Audit committee / Board of directors on significant and material taxation matters.

The following are the main principles and practices to which the company is committed:

a) Compliance-

- We have a clear responsibility to comply with all the applicable taxation prevailing rules and regulation of India
- We are committed to pay right amount of tax in a timely manner
- We prepare and submit on time all tax filings providing complete, accurate and required disclosures to all relevant tax authorities to ensure transparency of all relevant information
- Decisions on tax matters are taken by adequately qualified professionals, based on a reasonable interpretation of applicable law, and aligning with the substance of the economic and commercial activity of the business
- Diligent care is taken to opt and utilise available tax incentives, reliefs and exemptions which are in line with the intent of law
- All employees of the company must comply with the code of conduct
- These compliance clauses are monitored regularly

b) Transfer pricing-

- We shall abide by the transfer pricing law of India.
- All transfer pricing computations shall be based on "arm's length" principle.
- Transactions with related parties shall conform with the 'Policy on related party transaction' approved by Board.

c) Governance and Accountability-

- 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 profit to lower tax jurisdictions
- We will not operate in so called 'tax havens' for the tax avoidance
- All tax decisions are taken at appropriate level.
- We impart training to employees with responsibilities for tax matter so that they have expertise and knowledge to effectively fulfil their responsibilities

d) Engagement with Tax authorities-

- We seek to engage with tax authorities, based on mutual respect, professionalism, transparency and trust

e) 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 authority in tax proceeding to the extent reasonable possible
- Through whistle blower mechanism, the company provides opportunities for employees and external parties to raise any issue of concern in person or anonymously
- Tax computation and returns are submitted with full disclosure of relevant facts and information

f) Risk management-

- Risk may arise from time to time on account of interpretation of law. Generally, such cases are handled in house by the Tax team or Business Finance team, with the help of external tax expert as may be needed
- Risk is best managed by prevention of unnecessary dispute, which we strive to achieve through strong technical position, clear explanations of those position and through documentation

- Tax risk management of the company is carried out by Tax Team and Business Finance Team (reporting to CFO) identify and mitigate tax risks
- The Tax Team gets involved at an earlier stage in important business initiatives and decisions for tax optimization and reducing tax risks.

DISSEMINATION

This Policy shall be hosted on the website of the Company for accessibility to stakeholders of the Company and reference or web-link of this Policy, may be disclosed in the Annual Report & other reports of the Company.

INTERPRETATION OR MODIFICATION

The Board of the Company shall have authority to amend or modify this Policy to align with any amendments made to the Indian Tax laws or such other circulars, guidelines, standards or regulations issued by any statutory or regulatory authority or as and when deemed fit.

In the event of inconsistency of this Policy with any statutory provisions, then the relevant provisions of such applicable law shall prevail upon the provisions of this Policy.