

PRISM JOHNSON LIMITED

CIN: L26942TG1992PLC014033

*Registered Office: 305, Laxmi Niwas Apartments, Ameerpet, Hyderabad – 500 016.
Corporate Office: “Rahejas”, Main Avenue, V. P. Road, Santacruz (West), Mumbai – 400 054.*

Dated: January 31, 2024

TAX POLICY

COMPANY OVERVIEW

Prism Johnson Limited, a Public Limited Company domiciled in India, incorporated under the Companies Act, 1956, principally operates in three business segments: Cement; Tile and Bath (HRJ) and Ready Mixed Concrete (RMC). The equity shares of the Company are listed on BSE Limited and the National Stock Exchange (India) Limited.

Prism Johnson Limited (“PJM” or “the Company”) is among India’s largest integrated building materials companies, offering a wide range of products from cement and ready-mixed concrete to tiles and bath products. Prism Johnson strives to provide high-quality and innovative building materials products and services, while meeting society’s needs in a sustainable manner. The Company believes that a superior customer experience makes the foundation for long-lasting partnerships. To this end, the Company continuously customises products and solutions to meet customers’ requirements and ensures higher satisfaction.

The Company sees tax as an important part of its contribution to national resources and recognizes the key role that tax plays in society with contribution to exchequer. Our tax risk management, governance, and controls include measures and tools to ensure that we can identify, assess, manage, and mitigate any compliance tax risks. Over the years, the Company has believed in conservative and cautious tax policy.

TAX POLICY PRINCIPLES

1. Purpose of the policy

One of the major pillars for the tax policy is strong governance and it follows the risk management framework of the company. PJL is committed for full compliance with its tax obligations in accordance with the applicable tax laws and ensuring utmost transparency with tax authorities. Our business is subject to substantial amounts and various types of taxes and we strive to ensure that all taxes are accounted accurately and paid in time. The policy applies to PJL.

2. Scope of the Policy

This Policy is applicable to all the divisions of the Company.

3. Policy Principles

The Chief Financial Officer (CFO) of the Company and Head of Direct & Indirect Tax department of the Company are responsible for the review and implementation of the Policy. Compliance with all applicable tax regulations as well as internal policies, external guidelines and governance procedures relating to taxation is the responsibility of the local management of each division. The CFO periodically briefs the Audit Committee / Board of Directors on significant and material taxation issues.

This tax policy comprises of the followings main principles and practices to which the Company is committed:

- a. Accountability and Governance
- b. Compliance
- c. Tax risk management and reporting
- d. Planning
- e. Relationship with Governments & Tax Authorities

a. ACCOUNTABILITY AND GOVERNANCE

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.

No business decisions are ever influenced or taken which entails shifting of profits to lower tax jurisdictions or tax-havens. All tax decisions are taken at appropriate level. It is the responsibility of the respective Head of Tax department to ensure that the tax team at Head Office and divisions have the required skill sets and experience to implement the approach.

We impart training to employees with responsibilities for tax matters so that they have expertise and knowledge to effectively fulfill their responsibilities.

b. COMPLIANCE

PJL is committed to adhere to all regulatory and tax compliances in each and every tax jurisdiction in which it operates, seeking to comply not only with letter but also with the spirit of the law. Tax return filing, reporting and payment obligations are undertaken in accordance with the rules and regulation of each tax jurisdiction.

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 any issue, support is sought from external tax experts to comply with the relevant tax regulations/obligations as well as to educate / train the team.

These compliances are monitored at regular intervals with appropriate documents maintained for easy referral and retrieval. There are internal checklist documents maintained to ensure tax compliances, monitoring the periodicity of payments of tax/filing of returns and timely submission of data w.r.t. year wise assessment as well as any enquiry to the various government agencies. We abide by the principle of transparency and adequate disclosures are made accordingly in the financial statements to communicate appropriate information regarding our tax matters clearly to all stakeholders.

c. TAX RISK MANAGEMENT AND REPORTING

PJL being a listed entity, reputation risk of non-compliance is supreme. It is ensured that tax compliance and reporting are done in a transparent and fair manner with adequate documentation support and taking into account the corporate reputation and overall 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. Guidance is provided to the business teams to take proper decisions and adopt procedural behaviors for various issues related to taxation. Advice is sought from external experts where appropriate or where there is uncertainty regarding applicability or interpretation of tax law.

d. 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 taken to opt and utilize any 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 or tax-havens.

PJL 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 Company.

e. RELATIONSHIP WITH GOVERNMENTS & TAX AUTHORITIES

PJL seeks to foster 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 as well as any other information sought 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.

f. POLICY REVISION AND ENDORSEMENT

This policy will be periodically reviewed in order to ensure its continued adequacy and relevance. It may be amended at any time with the approval of Management.

The Chief Financial Officer of the Company is responsible for reviewing and overseeing the implementation of the policy.