

*Eicher Motors Limited*

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**EICHER'S UK TAX STRATEGY STATEMENT**

Eicher Motors Limited (“EML”) regards this document as compliance with its obligation under para 22(2) of Schedule 19 of the (UK) Finance Act 2016 which applies from financial year 2017-18 onwards. This document shall be reviewed by the management periodically, and atleast once annually and any proposed amendments shall be put forth to the Board of Directors for approval.

This document has been approved by the Board of Directors of EML and applies to its UK Branch.

This document sets out EML’s approach to the management of its UK taxation matters and defines the principles governing the management of such taxes.

## **OVERVIEW OF EICHER MOTORS LIMITED**

EML is the listed parent of Royal Enfield, the global leader in middleweight motorcycles. The world’s oldest motorcycle brand in continuous production, Royal Enfield has made its distinctive motorcycles since 1901. Focussed on bringing back simple, yet engaging and accessible motorcycling, Royal Enfield operates in India, and over 40 countries around the world. With modern development facilities in Leicestershire, UK and Chennai, India, Royal Enfield makes its motorcycles in Tamil Nadu for the world.

EML’s technical centre in Leicester, UK housing some of the world’s best engineers and motorcycle enthusiasts having strong designing and product development expertise. Equipped with state-of-the-art testing and validation infrastructure, this centre focuses on leading the evolution of Royal Enfield motorcycles for the International markets. The area for office and testing is spread over 36,000 sq.ft which houses 100 engineers. The centre facilitates Royal Enfield’s expansion in the mature global markets.

## **APPROACH TOWARDS TAX**

EML’s tax strategy in respect of its UK branch (“EML UK”) is based on the corporate principles and strong emphasis laid on transparency, accountability, integrity and compliance. EML UK believes in conducting its operation within the settled principles of applicable laws including tax laws. Business decisions are taken on commercial principles duly compliant with applicable tax laws.

## **TAX GOVERNANCE AND RISK MANAGEMENT**

EML UK complies with applicable tax laws in UK and pays taxes computed as per relevant tax laws after claiming permitted relief/deductions. EML UK maintains transparent relationship with tax authorities and is committed to cooperate with the tax authorities in tax enquiries/audits.

The finance manager of EML UK is responsible for ensuring appropriate tax compliance and is supported by professional advisors engaged in this regard. The head of finance at EML UK has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. There is compliance control system in place to ensure timely completion of all tax related compliances under supervision of compliance officer.

Tax laws and related rules/regulations being complex in nature, often require interpretation and judgement in relation to certain transaction. Wherever there is possibility of different interpretation/judgment of related provisions, we engage tax professional tax advisors to ensure

that the decision taken must be in accordance with the rules of interpretation of the concerned law and should be complied with in its true spirit.

### **TAX PLANNING**

The EML UK follows highest standards of ethical business practices. Its tax practices are based on settled principles of law which is reflective of its low risk approach.

### **HMRC RELATIONSHIP**

EML UK maintains co-operative relationship with Her Majesty's Revenue and Customs HMRC at all times, which includes providing full and timely responses to queries and taking the necessary steps to demonstrate that we are a compliant business with effective tax management process and controls.

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