Tax Strategy: Financial year ending 31 March 2018

The following sets out the UK Tax Strategy for Hinduja Automotive Limited, Optare Plc and Hinduja Tech Limited and their UK subsidiaries, collectively referred to as the “Hinduja UK Group”.

Hinduja Automotive Limited is a holding company and the majority shareholder of Ashok Leyland Limited which manufactures commercial vehicles, engines and related components.

Optare designs, manufactures and sells a range of low-carbon single deck and double deck buses for a global market place.

Hinduja Tech is a premier global provider of integrated product engineering & digital technology solutions, working with leading automobile OEMs in India, Europe, USA and Japan sharing its expertise in automobile and industrial designs, product engineering, tooling, and cost reduction programs.

The Hinduja UK Group regards the publication of this tax strategy as satisfying the obligation under paragraph 16(2) of Schedule 19 of the Finance Act 2016, in respect of the financial year ended 31 March 2018.

1. Commitment to compliance
Hinduja UK Group has a low appetite for UK tax risk and are dedicated to being compliant with tax law and practice in the UK. This means paying the right amount of tax in the right place and at the right time. It involves disclosing all relevant facts and circumstances to the tax authorities and claiming reliefs and incentives where available.

External advisors are engaged to provide corporate tax compliance services including preparation of UK tax returns.

2. Responsible attitude to arranging tax affairs
The Hinduja UK Group does not engage in aggressive or artificial tax planning schemes or arrangements that serve no commercial purpose and does not tolerate
any activities or behaviours that encourage tax evasion, or incorrectly withholding of revenues from government and regulatory authorities. The Hinduja UK Group adheres to relevant tax law and seeks to minimize the risk of uncertainty or disputes through communication with the relevant tax authorities.

3. Effective risk management
Hinduja UK Group’s approach to tax risk management is to ensure that tax risks are proactively identified, measured, managed and reported. Where a significant uncertainty or complexity in relation to a tax risk is identified, external advice is sought and relied upon. Where appropriate, risks will be escalated to the CFO and Board for their consideration.

4. Constructive approach to engaging with HMRC
The Hinduja UK Group engages with HMRC openly and transparently to build a relationship based on mutual respect and integrity. It responds clearly and promptly to queries raised by HMRC and provides appropriate disclosure of corporate information where applicable. As a Group it aims to ensure it adheres to all relevant compliance obligations and in a spirit of co-operative compliance.

5. Governance
Overall accountability for the management of risk resides with the Boards of the respective sub groups. These Boards delegate the responsibility for the day to day operations for the management of tax to their respective CFOs and Finance Functions. Although the Finance Function is responsible for UK tax compliance, it engages external tax advisors as appropriate and relies on such expert tax advice.