



24 March 2018

Tata Capital Plc

UK Tax Strategy

Background

Tata Capital Plc ("TCPlc") was incorporated in England in 2010 and provides advice on cross-border mergers and acquisitions and fund-raising advice. It is the sole UK subsidiary of Tata Capital Pte Ltd (incorporated in Singapore) which is held by Tata Capital Limited (incorporated in India) and its ultimate parent is Tata Sons Limited (incorporated in India).

TCPlc is regulated by the Financial Conduct Authority and its regulatory status imposes the highest standards of financial management and control. Effective management of risk is paramount and TCPlc is totally committed to treating customers fairly: "We only do what's right for you" is our motto. This culture is in line with the Tata Group's values as set out in the Tata Code of Conduct.

We aim to pay the right amount of tax at the right time, on the profits we make in the territories where the underlying value has been created. We aim to comply with the spirit as well as the letter of the law. TCPlc always aligns its tax affairs with the genuine business activities being undertaken by the organisation. We do not engage in (nor encourage our clients to engage in) any form of artificial tax avoidance, tax structuring or use of offshore tax havens. We do not enter into transactions that have a main purpose of gaining a tax advantage rather than commercial rationale.

Our Tax Strategy has been developed in the context of high standards and ethical business practice. The publication of this UK Tax Strategy statement is regarded as satisfying the statutory obligation under Para 19(2), Schedule 19, Finance Act 2016.

Tax profile

Our tax contributions include:

- Corporate taxes paid on our net profits
- PAYE and National Insurance
- VAT charged on our services to customers where relevant

Tax governance and risk management

This Tax Strategy is [approved by the Board] and is embedded in the business. Compliance with the Tax Strategy is monitored within the overall risk framework and governance structure of TCPlc.

TCPlc is within scope of the UK's Senior Accounting Officer ("SAO") legislation and Mr Dinesh Mistry, the Senior Manager, International Business, has been identified as the Senior Accounting Officer responsible for ensuring that the company establishes and maintains appropriate tax compliance arrangements.

Tax risk is embedded within a corporate risk register and is managed in line with TCPlc's Risk Policy. The corporate risk register has been developed to ensure that risks are appropriately managed and is reviewed at quarterly intervals and whenever predefined business activities trigger a review.



TCPlc operates a three-line defence approach to managing all risks. The management of tax risk falls within this scope, as described below:

1. First line of defence

Operational management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks.

2. Second line of defence

Risk management is undertaken by the SAO covering enterprise risk, anti-financial crime and regulatory compliance. He monitors and facilitates the implementation of effective risk management practices and assists risk owners in reporting adequate risk related information throughout TCPlc.

3. Third line of defence

Internal audit forms the third line of defence and provides an independent assurance to the Board on how effectively the organisation assesses and manages its risks and controls and includes assurance on the effectiveness of the first and second lines of defence.

Tax risk appetite

TCPlc has no risk appetite in respect of legal, regulatory and tax compliance. This approach is set by the Board and is in line with the expectations of our customers, our regulators and our parent company.

Tax planning

The Tata Code of Conduct demands the highest standards of ethical business practice. It sets out a vision that places the greater good of society at par with business growth. Consequently, we do not pursue aggressive or contrived tax planning that could undermine our social contribution.

In line with our strategy for managing risk, we seek external advice if necessary on tax matters in order to ensure we are and remain compliant.

HMRC relationship

TCPlc's SAO oversees the relationship with HMRC and in line with our values we are open, honest and trustworthy in all of our interactions with HMRC.

We seek to maintain a relationship of co-operative compliance with 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 processes and controls.