



## Larsen and Toubro Limited – UK Tax Strategy

### Introduction

In accordance with the requirement of Para 22 of Schedule 19 of the Finance Act 2016, we are publishing this document as the tax strategy with respect to Larsen and Toubro Limited's ('L&T') UK subsidiaries and branches for the period ended 31<sup>st</sup> March 2019 [fiscal year of parent]

All of L&T's subsidiaries and branches in UK are hereafter referred to as 'Group'.

Our tax policy comprises the following components:

- Management of UK Tax Risks

The day-to-day management of UK Tax matters are supervised by the respective Finance and Accounts Head of the branch/subsidiary. The Group sees compliance with tax legislation as key to managing tax risks. External advice from tax experts is sought, if thought necessary, in cases involving interpretation of statute or procedural requirement. Due consideration to tax impact is given while entering into any transaction.

- Attitude towards Tax Planning

The Group aims to operate in an efficient and legally compliant manner and seeks to minimize the risk of uncertainty and disputes. We do not engage in aggressive and contrived tax planning or tax structuring for the sole purpose of gaining tax advantage. We seek to conduct transactions between the entities of the L&T Group companies on an Arm's length price in accordance with the OECD Transfer Pricing Principles.

- Risk Review

The Group sees compliance with tax legislation as key to managing the tax risks. We operate an effective tax control framework to identify tax risks and to manage those risks through appropriate policies and processes.

- Approach to dealings with HMRC

The Group believes in a transparent and collaborative relationship with HMRC. Due care is taken to ensure that all details filed with HMRC are accurate and complete. When the Group is uncertain regarding the interpretation of law, in appropriate cases, it may choose to discuss with HMRC to determine possible differences in interpretation. We may opt to litigate where we disagree with a ruling of the tax authority through transparent discussions and negotiation.

The list of L&T UK subsidiaries/branches are as under:

1. Thalest Limited (Subsidiary of Larsen & Toubro International FZE. Stake acquired on 3<sup>rd</sup> April, 2012)
2. Servowatch Systems Limited (Subsidiary of Thalest Limited. Stake acquired on 16<sup>th</sup> May, 1988)
3. Syncordis Limited (Subsidiary of Syncordis SA. Stake of Syncordis SA acquired on 15<sup>th</sup> December, 2017)
4. Larsen & Toubro Infotech Limited - UK Branch (Branch formed on 5<sup>th</sup> January, 1997. Larsen & Toubro Infotech Limited is a subsidiary of L&T)
5. L&T Technology Services Limited - UK Branch (Branch formed on 2<sup>nd</sup> August, 2013. L&T Technology Services Limited is a subsidiary of L&T)
6. Larsen & Toubro Limited - UK Branch (IES) (Branch formed on 3<sup>rd</sup> November, 2007)
7. Ruletronics Limited (Subsidiary of Larsen & Toubro Infotech GmbH. Stake acquired on 15<sup>th</sup> March, 2019)