Eicher Motors Limited

Global Tax Policy
OVERVIEW OF EICHER GROUP

Eicher Motors Limited (EML) together with its overseas subsidiaries is hereinafter referred to as Eicher Group.

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. Focused on bringing back simple, yet engaging and accessible motorcycling, Royal Enfield operates in India, and over 60 countries around the world. With modern development facilities in Leicestershire, UK and Chennai, India, Royal Enfield makes its motorcycles in Tamil Nadu, India for the world.

APPROACH TOWARDS TAX

Eicher Group global tax policy is based on the core values of the group such as being fair and ethical, ensuring excellence, respect for processes and systems, integrity, commitment, and seamlessness. Eicher believes in conducting its operation within the settled principles of applicable laws including tax laws in the respective jurisdiction. We are therefore committed to comply with the spirit as well as the letter of the tax laws in each jurisdiction where we operate. Business decisions are taken on commercial principles duly compliant with applicable tax laws.

TAX GOVERNANCE AND RISK MANAGEMENT

Eicher Group complies with applicable tax laws in respective jurisdiction and pays taxes on income computed as per relevant tax laws after claiming permitted relief/deductions, where the underlying value has been created. There is a compliance control system in place to ensure timely completion of all tax related compliances.

Eicher maintains a transparent relationship with tax authorities and is committed to cooperate with the tax authorities in tax enquiries/audits.

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

Eicher Group follows the highest standards of ethical business practices. Eicher’s tax practices are based on settled principles of law which is reflective of its low tax risk approach.

Eicher Group engages in efficient tax planning having regard to commercial and economic substance and no transactions are entered purely to seek undue tax advantage. No business decisions ever involve shifting of profits to lower tax jurisdictions such as tax heavens or misusing of tax structures for tax avoidance purposes.
TRANSFER PRICING COMPLIANCE

Eicher Group conducts transactions with the other group companies in accordance with the Arm's Length Principles (ALP) as per applicable transfer pricing rules and regulations and OECD guidelines.

This tax policy is approved by the senior management and is monitored by the group tax team within the overall control and governance framework of the group.