

Mindtree Limited

UK Tax Strategy

For the Year ended 31 March, 2020

Mindtree [NSE: MINDTREE] is a global technology consulting and services company, helping enterprises marry scale with agility to achieve competitive advantage. “Born digital,” in 1999 and now a Larsen & Toubro Group Company, Mindtree applies its deep domain knowledge to 350+ enterprise client engagements to break down silos, make sense of digital complexity and bring new initiatives to market faster. We enable IT to move at the speed of business, leveraging emerging technologies and the efficiencies of Continuous Delivery to spur business innovation. Operating in more than 15 countries across the world, we’re consistently regarded as one of the best places to work, embodied every day by our winning culture made up of 21,000 entrepreneurial, collaborative and dedicated “Mindtree Minds.”

- **Purpose of this Document**

Mindtree Ltd. Publishes this document in compliance with the duty under paragraph 22(2) of Schedule 19 of the UK Finance Act 2016 to publish the group tax strategy for the current financial year ending 31 March 2020. This document is publicly available on the website of the company. Visit us at www.mindtree.com

The document contains following sections:

- About Mindtree Ltd
- Tax Compliance
- Tax Governance
- Relationship with Tax Authorities
- Tax risk appetite and management
- Attitude to tax planning

- **About Mindtree Ltd**

Mindtree Limited ('Mindtree' or 'the Company') is an international Information Technology consulting and implementation company that delivers business solutions through global software development. The Company is structured into four industry verticals – Retail, CPG and Manufacturing (RCM), Banking, Financial Services and Insurance (BFSI), High Technology and Media (Hi-tech) (erstwhile Technology, Media and Services-TMS) and Travel and Hospitality (TH). The Company offers services in the areas of agile, analytics and information management, application development and maintenance, business process management, business technology consulting, cloud, digital business, independent testing, infrastructure management services, mobility, product engineering and SAP services. The Company is a public limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India and has offices in India, United States of America (USA), United Kingdom, Japan, Singapore, Malaysia, Australia, Germany, Switzerland, Sweden, UAE, Netherlands, Canada, Belgium, France, Ireland, Poland, Mexico and Republic of China.

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- **Tax compliance**

Mindtree undertakes its tax related matters in a manner, which ensures compliance with relevant legal and regulatory obligations. We have a compliance tool to help achieving this. We always try to comply with tax related obligations on time and have an efficient in house team of finance, legal and taxation Professionals. We take advice from the external tax advisors who are experts in the respective subject matter on need basis. We try to bring transparency by complying with the relevant reporting requirements and principles. We are committed to paying taxes on time, filing return before due dates and complying with all reporting requirements.

In addition to the above and as set out below, the Company also:

- Robustly plans its tax arrangements to ensure compliance with tax law and avoid unnecessary disputes with tax authorities;
- Develops well established relationships with the tax authorities through active co-operation and consultation;
- Considers the tax efficiency and viability of each route where alternative routes exist to achieve the same commercial results to ensure that operations are conducted in an efficient manner.

- **Tax governance**

At Mindtree, our business is driven on the bedrock of strong ethics and sound corporate governance that plays a crucial role in developing our policies and Tax strategies. They are entrenched in our organizational culture and are fundamental to the effective delivery of our business mandate. The Company's governance arrangements ensure that a structured and comprehensive review process is in place to manage tax risk. All matters, which are deemed to have a significant UK tax risk, are reviewed by the head of the taxation team, followed by a review by the Chief Financial Officer (CFO) who will conclude whether it is appropriate for the decision to be ratified by the Board of Directors.

To effectively dispense the obligations related to taxation matters and regulatory compliances, the Board has constituted an Audit committee, whose objectives includes overseeing financial reporting process, evaluating internal financial controls, internal audit functions and risk management systems at regular intervals. The committee has reviews with the management and legal compliance team on legal matters that could have a significant impact on the company's financial statements.

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- **Relationship with Tax Authorities**

How we work with HMRC:

One of the Company's main tax principles is to develop well-established relationships with Her Majesty's Revenue and Customs (HMRC) through active co-operation and consultation.

We are committed to working with integrity, transparency, honesty, fairness and in a collaborative spirit with Governments and Regulatory authorities across the world including HMRC. We seek to build and sustain relationships with HMRC through complying with applicable regulatory requirements related to tax obligations and disclosure requirements. The Company tries to be as impeccable as possible while submitting the Tax returns and making any disclosures before HMRC.

The directors consider that the Company has a productive and sustainable relationship with HMRC.

Dealing with tax events:

The Company considers a transaction to constitute a tax event if as a result of the transaction there is a potentially material impact on the Company's tax liabilities. Where such an event occurs, or is likely to occur, it is the Company's policy to internally monitor the tax position and obtain professional advice. Where considered appropriate, the Company will seek assurance over the tax treatment from HMRC or inform HMRC of the proposed transaction.

Interpreting the law:

UK tax legislation can be complex and therefore it is possible that differences of opinion and uncertainty over the interpretation of tax law may arise in certain scenarios. It is the Company's policy to, in the first instance, refer to both professional guidance and guidance from HMRC. Where uncertainty remains over the interpretation the Company would seek to enter into direct correspondence with HMRC to mitigate any gaps that may exist in the interpretation of a specific law to ensure that it has robustly considered the risk of misinterpretation of the law before entering into a transaction.

- **Tax risk appetite and management**

Overall approach to tax risk:

Managing tax compliance is increasingly complex and we strive to maintain strong internal controls to ensure tax governance and hence try to reduce tax risk to acceptable levels. We have a strong team of Tax professionals, which keeps an eye upon the swiftly changing Laws and regulations. We assess the impact it can have on the entity and plan to bring the Tax compliance related risks to minimal level. In addition, we seek advice from our consultants outside the entity who are experts in their areas to give us clarity upon the interpretation of different laws and regulations and their application as well.

Our appetite for risk related to tax matters is negligible. The Audit Committee of the Board of Directors considers tax related matters as a high priority agenda at the board meetings.

Key roles/responsibilities:

The Chief financial officer (CFO) oversees the overall financial operations of the Company.

Duty to stakeholders

The Company must also give due attention to the needs of other stakeholders, such as Shareholders / Customers / Employees to ensure that transactions are entered in such a way as to generate shareholder return / benefit customers and the companies position in the market / ensure employees are fairly rewarded. The Company will seek to identify tax efficient means where possible to achieve the requirements of all of its stakeholders.

- **Attitude to tax planning**

Mindtree does not indulge in any kind of contrived and deceiving tax planning. We are a committed and responsible organization, we abide by the laws and regulations, and therefore we always try to plan our tax related obligations well in advance to timely and accurately pay our taxes. We do not engage in falsifying the transactions to reduce the Tax Liability. We do not tolerate tax evasion nor do we tolerate facilitation of tax evasion by any person(s) acting on behalf of Mindtree. Where we are unsure about the applicability of any relevant tax laws, we try to assess its consequences and obtain expert advice to get certainty.

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Before setting up any tax plan, we always assess its impact upon the Corporate and Social Responsibility and the reputation of the entity.

We will only enter into transactions that would be fully justifiable should they become a matter of public record. If there is any question as to the tax treatment of a transaction then we will obtain relevant professional advice and/or confirmation from the relevant tax authorities before proceeding.

Mindtree's tax planning strategy is always to act within the letter and spirit of the law. Wherever possible, we seek to maximize efficiency through available reliefs, such capital allowances on capital expenditure/ research and development relief.

Mindtree does not consider itself to be involved in any aggressive tax planning and/or does not seek to enter into transactions where the primary motive is to obtain a tax advantage.

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