

PIRAMAL GROUP

UK COMPANIES' TAX STRATEGY

Introduction and overview

This document relates to the following UK resident members of the Piramal Enterprises Limited group of companies ("the Piramal group"):

- Piramal Healthcare UK Limited
- Piramal Critical Care Limited
- Piramal Imaging Limited*
- DRG UK Holdco Limited
- Decision Resources Group UK Limited
- Sigmatic Limited
- Decision Resources International, Inc.
- Sharp Insight Limited
- Piramal Healthcare Pension Trustees Limited

*Piramal Imaging Limited ceased to be a member of the Piramal group on June 25, 2018.

The document has been produced to meet our obligations under Schedule 19 Finance Act 2016 to publish our UK tax strategy on the internet. We believe its content satisfies the requirements of that Schedule.

We are committed to a tax strategy that is both open and compliant. As members of a large international group, we recognise the importance of being transparent regarding the taxes we pay. Our business has a strong focus on corporate responsibility, and we see diligent administration and payment of taxation as a responsibility of our business.

The overall tax strategy of each of the companies listed above is owned by its Board of Directors, with responsibility for its implementation delegated to senior finance personnel. Accordingly the Board of each company is responsible for determining the tax objectives and guiding principles, which are to:

- Meet all applicable legal requirements and make all appropriate tax returns and tax payments.
- Consider the tax impact in major or complex business decisions, for example acquisitions.
- Seek to utilise available tax reliefs and incentives where available in a manner which is consistent with the government's policy objectives.
- Operate in an environment where we consider tax in the context of our reputation and brand.
- Comply with appropriate tax risk processes, and ensure there is Board oversight into this compliance.
- Adopt the principles of collaborative compliance in our engagement with HMRC.

The Piramal group is subject to country-by-country reporting regulations and our country-by-country report will be filed in India by Piramal Enterprises Limited within the prescribed due date.

Risk management and governance arrangements

Our approach to governance is to ensure that our tax objectives and principles are met by having an efficient and effective tax control environment consistent with the organisation's size and complexity. We want our tax affairs to be transparent and compliant with tax legislation, and recognise that managing tax compliance is increasingly complex. Our internal structure is set up to ensure:

- The Board of each company understands the importance of tax compliance, and how it is achieved.
- There is a constant dialogue between the Board of each company and those individuals tasked with the operation of our finance functions, regarding the way our business manages its tax risk.
- The business portrays a positive view towards tax compliance and the importance of meeting our obligations.

Tax planning

We undertake tax planning as part of our overall business strategy. Our approach is only to undertake tax planning that is aligned with economic activity and commercial substance and is in accordance with the intention of parliament. We do not implement artificial structures solely for the purpose of seeking a tax advantage. Furthermore, intra-group transactions are entered into on an arm's length basis that reflect the business and commercial realities of the transaction.

Professional advice is sought on a transactional basis, with the depth of such advice being driven by our assessment of the risk presented by each opportunity.

We take advantage of available tax reliefs, incentives and exemptions where we reasonably believe we meet the conditions for which the relief was legitimately intended.

We have a responsibility to minimise our tax risk and our exposure to negative publicity through non-compliance. Accordingly, if we find that the tax legislation in respect of any material matter is unclear, or there are doubts as to whether we meet a particular test, we would disclose to HMRC the issue and the rationale behind our conclusion, or seek advance HMRC clearance where such a facility is available.

Attitude towards risk

Compliance with tax legislation is key to managing our tax risk. We understand the importance of tax in the wider context of business decisions and have processes in place to ensure tax is considered as part of our decision-making process.

Through a combination of appropriately qualified personnel (supplemented by external advisers where necessary), policies, procedures and systems the tax risk associated with each company's transactions and activity is managed and controlled in order to meet our primary tax objective of compliance with all tax laws.

Ongoing checks are made of processes and procedures to ensure staff responsible for processing tax related matters perform their functions correctly.

We engage with professional advisers to seek expert advice on specialist areas of tax and to assist us with compliance. Our approach is to ensure we are compliant and understand our responsibilities with regards to tax.

We are conscious of the hugely negative publicity attracted by a bad attitude towards tax, and see strong internal processes and timely and prudent tax compliance as the best way to manage this reputational risk.

Relationship with HM Revenue & Customs

We seek to adopt an open, co-operative and professional working relationship with HMRC. Should disagreements over tax arise, we endeavour to work proactively with HMRC to seek to resolve all issues by agreement where possible.

We employ the services of professional tax advisers to act as our agents, and in a number of cases they liaise with HMRC on our behalf. We see this as a way to ensure we get the most out of our relationship with HMRC, thus reducing our tax risk.