



# Tax Transparency Report

2022



# Table of Contents

<b>From the CFO's desk</b>	<b>4</b>
About Tata Steel	12
<b>Approach to Tax</b>	<b>16</b>
Tata Steel - Indian Business	22
<b>Tata Steel - European Business</b>	<b>26</b>
Tata Steel - South-East Asian Business	30
<b>Basis of Preparation</b>	<b>38</b>
Independent Reasonable Assurance Report	44
<b>Glossary</b>	<b>48</b>
Contribution by Entity	52



## From the CFO's desk

The year gone by for Tata Steel was a remarkable year with exemplary financial performance. We continued to invest in technologies to reduce emissions, drive resource efficiency, aid the global transition to a low-carbon future, and build a safer workplace. Our commitment to our purpose of building a better future through world-class steel products, in a responsible and sustainable way means that we remain competitive delivering results to all our stakeholders.

We believe that our stakeholders not only value our differentiated products and services but equally appreciate our commitment to the well-being of the world in general and particularly to communities where we operate. To honour this commitment, Tata Steel recognises the role of local governments, and hence the importance of the taxes paid by corporates like us. Tata Steel believes that accountability with deep commitment to compliance, transparency and collaboration goes a long way to nation building. The second edition of our Tax Transparency Report is an endorsement of that conviction.

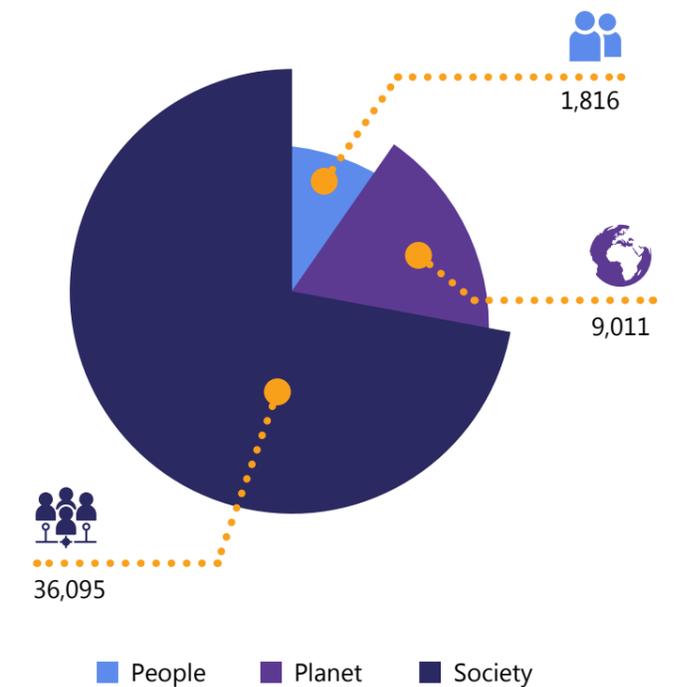
Our reportings have been aligned to Tata Steel's own belief in transparency, accountability and ethics, showcasing our commitment to environment and social sustainability besides maximising value creation for shareholders. These reports are as per the GRI (Global Reporting Initiative) disclosure standards and hence with the introduction of GRI 207-Tax, we embarked on this ESG Tax journey. We, at Tata Steel Limited, have always been a strong advocate of sustainability in all aspects of our operations.

We also continue to show the same commitment towards improved performance reporting, including tax-related disclosures. For us tax payouts are beyond compliance and confirmation of legal obligations. It is the reflection of the principle and code of conduct by which all our businesses operate. The Tax Transparency Report and Tata Steel's Annual Integrated Report provide a holistic understanding of our global footprint and our contribution to stakeholders in geographies where we operate.

The revenue for FY 2021-22 at ₹3,43,754 crore has been remarkably high, while taxes paid have been the highest ever in India. The Global Tax & Other Contributions (GTOC) at ₹46,922 crore have also seen a substantial rise over the past few years. We hope to continue our stellar performance while at the same time giving back to the government our fair share to address the various needs of the people, planet and society.

**Koushik Chatterjee**  
Executive Director and Chief Financial Officer  
Tata Steel Limited

### Global Tax & Other Contributions (₹ Cr)



### Revenues

₹3,43,754<sub>Cr</sub>



### Global Tax & Other Contributions

₹46,922<sub>Cr</sub>

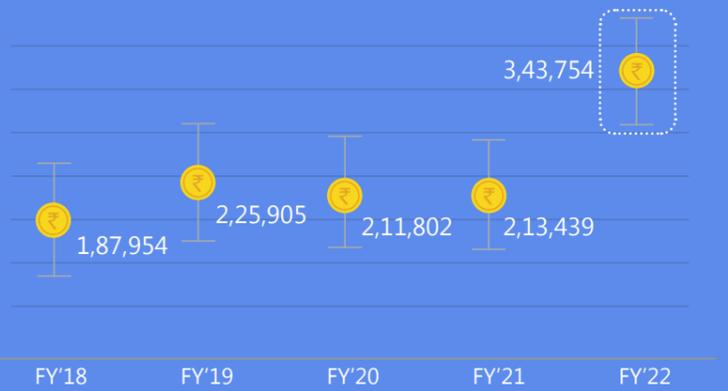


## Key statistics

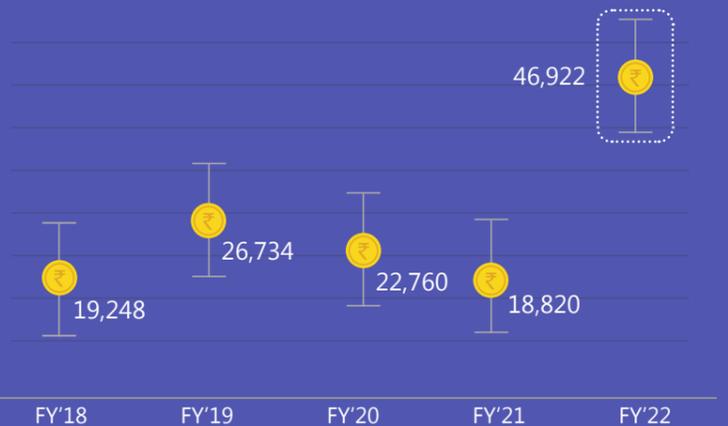
**Deliveries of crude steel**  
(MnT)



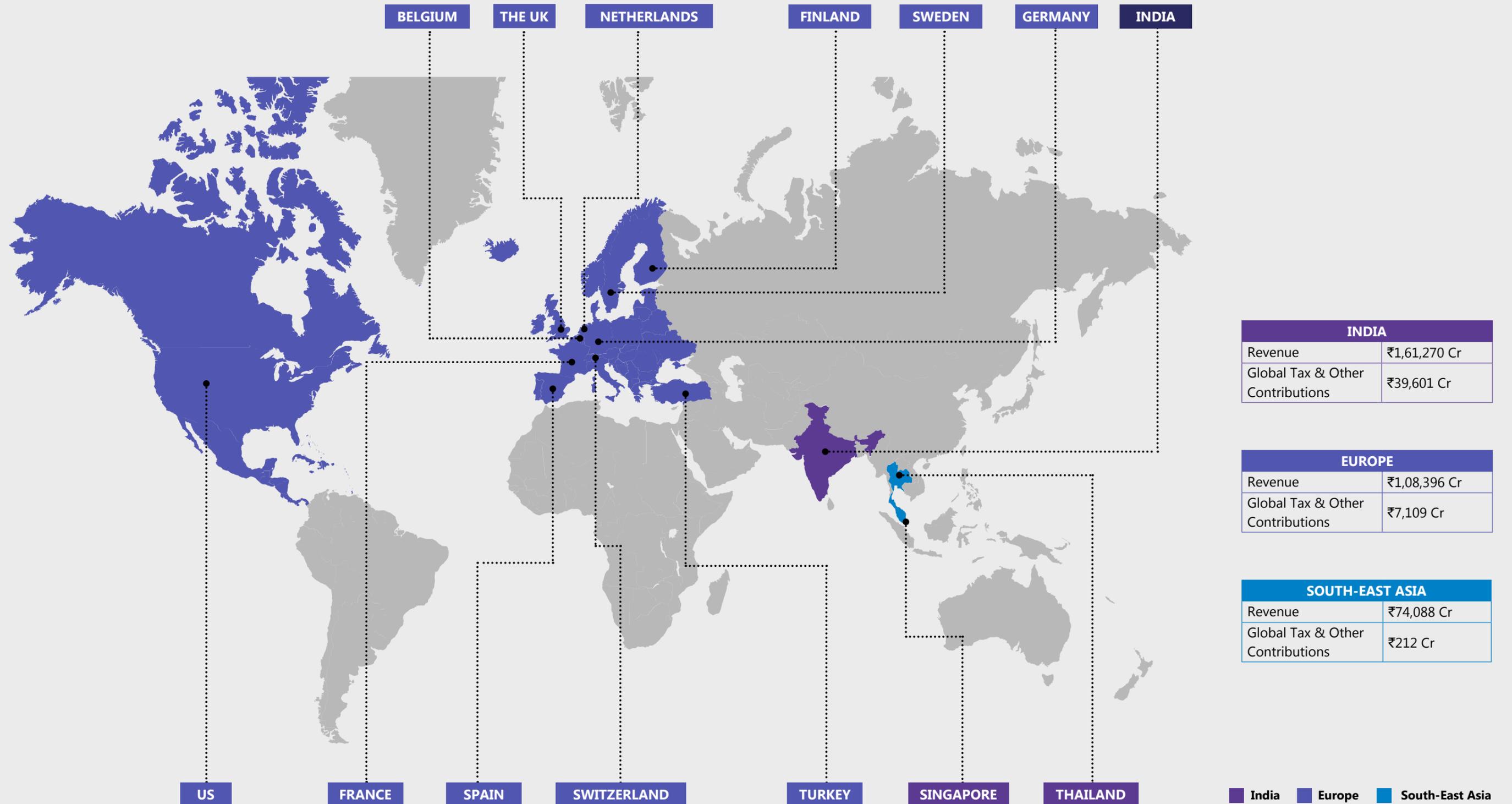
**Revenue**  
(in ₹ Cr)



**Global Tax & Other Contributions**  
(in ₹ Cr)



**Key metrics - a glimpse of our global presence as of March 2022**



## Our commitment to transparency

This report is a testimonial to our continued commitment to the early adoption of responsible tax behaviours and focus on tax transparency. The structure and content of this report are aligned with the Global Reporting Initiative (GRI) 207: Tax 2019 – Management Disclosures section, a guidance issued by Global Sustainability Standards Board. The report also manifests the 'B Team' initiative driven by some of the pioneering business leaders endorsing tax accountability and transparency.

We recognise that an economy depends on fair and effective tax systems that help create the conditions necessary for responsible investment and sustainable

growth, critical for meeting the United Nation's Sustainable Development Goals (SDGs). As global leaders, we want to lead a drive towards fairer, more transparent tax systems.

This report includes relevant financial and other information as well to supplement the understanding of the reader. It outlines our values and commitment to stakeholders and the business value chain for the reader's benefit. We trust that it would enable the stakeholders to form informed opinion about Tata Steel's approach towards tax contribution.



# 1

## About Tata Steel



**Tata Steel is the 10th largest steel producer in the world with an annual global crude steel production capacity of 34 MnTPA. We are one of the world's most geographically diversified steel producers. Together with our subsidiaries, associates and joint ventures, our operations are spread across five continents with an employee base of over 65,000. Our steel manufacturing and downstream facilities are in India, the UK, the Netherlands and Thailand, while our raw material mines are in India and Canada.**

**Our comprehensive portfolio of products and brands caters to multiple industries and segments, making the steel we produce an integral part of everyday life.**

### Value chain

The various tax obligations across the value chain are closely linked to the depth of the footprint and extent of business performance. We acknowledge our duty to contribute our fair share by payment of various taxes at different points of our value chain.

Our presence through the entire value chain impacts various sectors by not only generating revenue but also by contributing taxes, including corporate tax, royalties, levies, cess and charges.



## Our values

Our core values encourage us to show respect and compassion to all stakeholders, attain cohesiveness with governments through mutual co-operation and, above all, drive us to act as a responsible corporate. Tata Steel imbibes this commitment wherever we operate as a business, which is reflected in this Tax

Transparency Report. The tax decisions are driven by our core values of integrity, excellence, unity, responsibility and pioneering. We do not undertake tax planning that is contrived or artificial - it is driven by fact and commercial rationale.

### Tax Principles imbued with our Values



**Integrity:** Our governance mechanisms help to promote integrity to provide transparency to all stakeholders



**Excellence:** Our Tax Centre of Excellence aims to achieve distinction by adopting best practices in their operations, guided by our Tax Principles



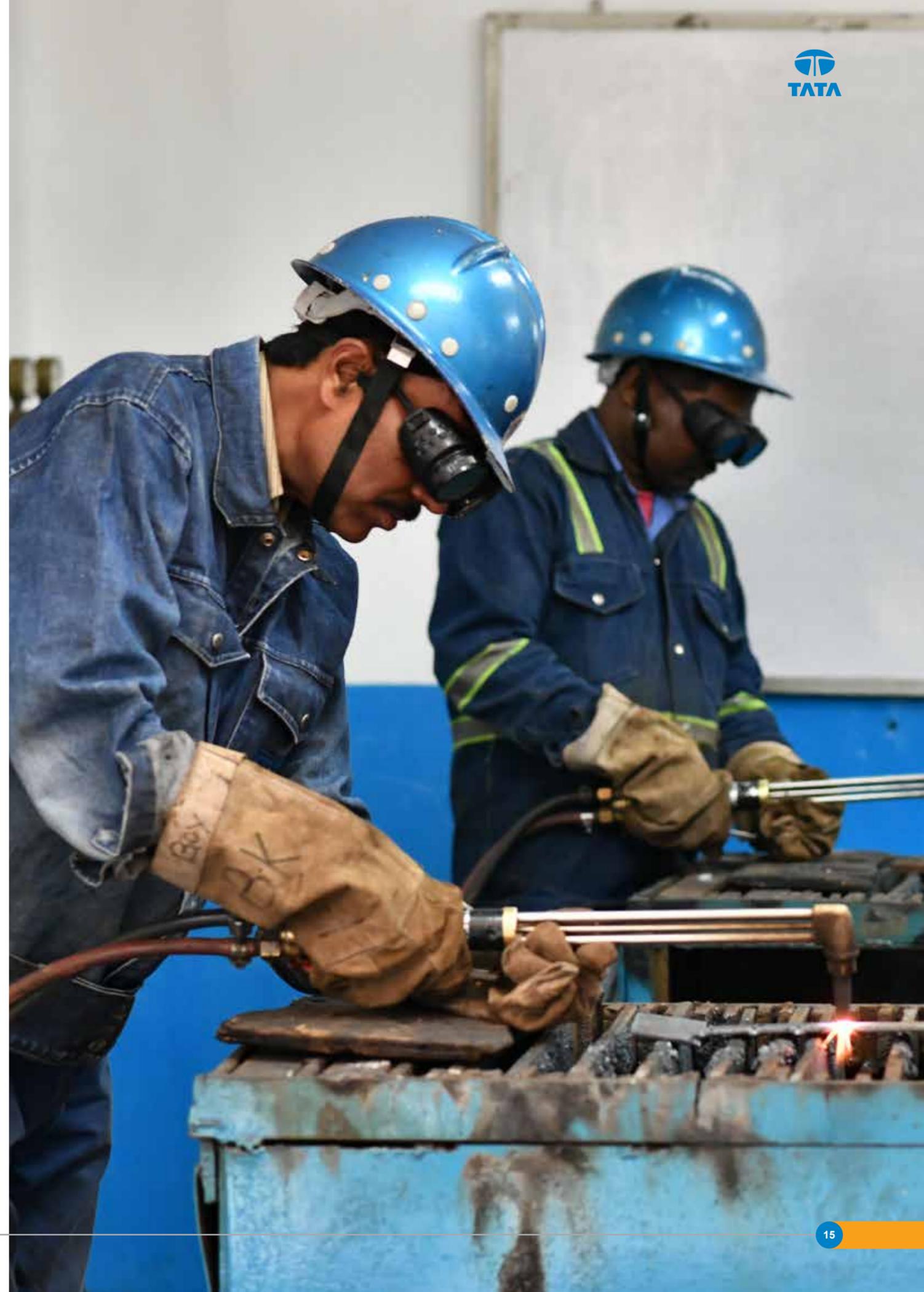
**Unity:** We are united in our efforts to maximise value for our stakeholders based on trust, transparency and collaborative relationships



**Responsibility:** We are conscious of our responsibility towards accountable tax practices and reporting that facilitate contribution to people, the planet and society



**Pioneering:** We focus on building effective tax systems and administration, leveraging technology and digital innovation



# 2

## Approach to Tax



### Comply with Law

We are committed to be compliant with the laws of the countries where we operate. To achieve this, considering the scale of our business, we emphasise on strong tax discipline at all levels. We are committed to pay appropriate taxes on time and comply with the tax laws in a responsible manner.

### Be Transparent

As global leaders, we want to lead a drive towards transparent tax systems. We ensure greater accountability and transparency in tax reporting to all our stakeholders by proactively disclosing all critical aspects of our tax policies and strategies.

### Be Open & Collaborate

We maintain open and collaborative relationships with all: tax authorities, industry associations, shareholders, vendors and employees. We believe this helps to build better understanding about our commitment to people, the planet and society. It fosters the trust that our approach to taxes is closely connected to our belief that tax is an essential contribution to the government.

## Tax principles



### Compliance

- To maintain integrity in compliance and reporting, and to pay the right amount of tax at the right time in all countries where we operate



### Business Substance

- To align our business structure with the substance of the economic and commercial activity based on reasonable interpretations of applicable laws



### Transparency

- To provide detailed information and disclosures to our stakeholders in order to foster deeper understanding of our approach to tax and our tax contributions alongside our value creation



### Accountability and Governance

- To maintain a robust risk-based framework that identifies, assesses and manages tax risks using available resources, technology and tax governance structure



### Enhancing Capabilities

- To enable capabilities of our people, professionally and personally, promoting excellence and maximising operational efficiencies



### Effective Tax Systems

- To support industry, governments and tax authorities by fostering proactive, transparent and professional relationships, based on the concept of integrity, collaboration and mutual trust



### Enhancing Shareholder's Value

- To operate on a growth paradigm having a primary interest of shareholder's value creation while complying with all jurisdictional regulations and availing tax incentives and credit, wherever applicable

## Tax governance approach

Tata Group has a strong focus on corporate governance, which goes hand in hand with ethically driven tax processes. This robust governance structure has at its core the objective of ensuring that our tax affairs are managed in a fair and transparent manner and providing the necessary certainty to all our stakeholders. This structure is also responsible for framing and monitoring the implementation of the Tax Principles. Our process ensures that right tax decisions are made at appropriate levels.

As a process, our tax teams work closely with our businesses to understand the operating models of the transactions, value drivers and the risks. The tax decisions are initiated by qualified tax professionals of the concerned group entity, in collaboration with their own experienced departments and senior management for appropriate guidance and resolution. To ensure uniformity, we facilitate exchange of tax information and best practices

among our group entities. The structure also enables monitoring of compliances and implementation of our Tax Principles.

We are committed to act professionally, fairly and with integrity in all businesses and relationships. To enforce our commitment to an ethical, honest and professional standard of conducting our business, we are guided by the Tata Code of Conduct (TCoC). We do not condone, encourage or support tax evasion.

Tata Steel has laid down standard operating procedures and policies to guide the operations of the business. Business heads are responsible to ensure compliance with these policies and procedures. Internal Financial Controls have been documented and embedded in the business processes and these controls have been assessed during the year under review and no material weaknesses were observed.

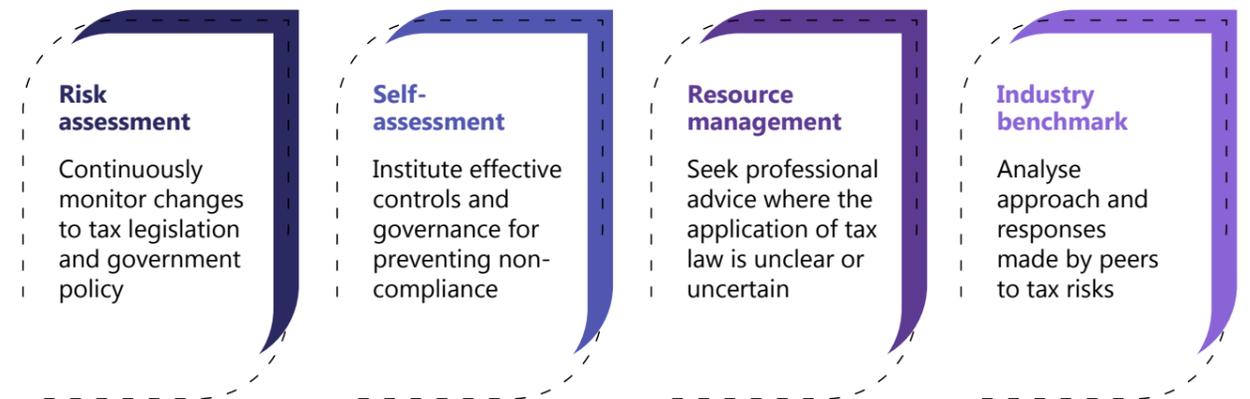
### Tata Steel tax governance structure



## Tax risk management and mitigation

In line with our governance model, we maintain substantial internal controls to manage the tax risks associated with a large business.

### Tax risk management strategies



### Risk assessment

Given our global footprint, risks may arise from time to time in relation to the interpretation of tax law and the volume of tax compliances. These risks are also due to the dynamic tax and regulatory framework impacting our current and proposed business plans. Diligent professional care and judgement are employed to assess such tax risks to arrive at well-reasoned conclusions on how the risks should be controlled and monitored. To mitigate our tax risks, we focus on effective legal structures, obtaining necessary approvals from tax authorities wherever possible, implementing tax governance and transparency, applying controls on data and enabling development of our resources.

### Self-assessment

Significant areas of tax risks are communicated by the respective tax functions to the relevant Board at the country or group level depending on scope and impact. Appropriate tax policies and guidance are issued to influence organisational behaviour to minimise risks based on recommendation of the tax function.

### Resource management

In effect, our policy applies to all persons and associated persons working for or on behalf of us. Tata Steel employees and other relevant third parties are encouraged to review, understand and confirm their awareness and understanding of our policy. We reach out to appropriate professionals for advice on any debatable interpretations of applicable tax laws.

### Industry benchmark

The tax environment has been driven by several new rules and regulations and there is a global push towards compliance and transparent reporting. We are aware of these changes and, hence, we monitor the initiatives made by our industry and peers in this respect. We make conscious attempts to align all our processes and policies with these evolving regulations.

## Related party transactions

All transactions between related parties are undertaken at an arm's length basis in accordance with The Organisation for Economic Co-operation and Development (OECD) principles and in compliance with local laws. The group has put in place detailed transfer pricing policies for each and every transaction undertaken within the group. The transactions are evaluated at appropriate levels of

management to monitor adherence to the above policies.

Our endeavour is to focus and coordinate transfer pricing affairs to ensure that outcomes are better aligned with the arm's length principle pursuant to OECD Transfer Pricing Guidelines and value creation.

## Advocacy

Tata Steel has built and deployed a robust advocacy process. We engage in constructive dialogue with governments to support the development of effective tax systems, administration and legislation.

The dynamic nature of the business and regulatory environment requires industry bodies to be in constant discussion with regulatory bodies and various policy-makers. Tata Steel as a major player in its industry, recognises its role in proactively

analysing the impact of the changing environment on its industry.

Our regulatory affairs department, along with the tax team, presents our views and concerns with respect to any tax policy changes on tax matters that can impact the industry. We participate in various advocacy initiatives, both directly and through trade associations.

## Relationship with tax authorities – promoting transparency

We focus to develop cooperative and constructive relationships with tax authorities in the jurisdictions we operate, based on mutual respect, transparency and trust. All dealings with the tax authorities are conducted in a collaborative and proactive manner to support positive and sustainable relationships.

Our interactions are open and honest with the tax authorities. This has assisted us in gaining clarity on a wide spectrum of issues and establishing

standardised procedures as well as a rationale for common tax matters.

Tata Steel aims to achieve full compliance with regulatory guidelines and obtain advance agreements or clearances, where possible. Litigation is considered as a last resort. We seek to minimise risk in relation to tax matters through processes and controls, such as tax risk assessments and health check exercises, on a periodic basis.



# 3

## Tata Steel - Indian Business



With large raw material reserves, a strong base of technically skilled workforce and one of the fastest growing markets globally, India offers visible structural advantages for the steel industry to flourish. Tata Steel's India crude steel production capacity stands at 19.6 MnTPA with manufacturing facilities in Jamshedpur and Gamharia in Jharkhand and, Kalinganagar and Meramandali in Odisha.

In acknowledgement of our efforts and commitment towards principles of sustainability, the World Steel Association has once again recognised Tata Steel and Tata Steel Europe as Sustainability Champions for the fifth consecutive year.

### Our focus on People, Planet and Society

Our employees, investors, customers and suppliers together form the essential 'people' ecosystem of our operation. Our people form the core of our operations. We invest in our employees and their welfare. We are also deeply committed to being environmentally sustainable. Our comprehensive range of initiatives, aligned with globally accepted

guidelines, go well beyond the local Corporate Social Responsibility (CSR) mandate. Our overarching vision of 'an equitable and enlightened society where every individual realises her or his potential with dignity' guides our partnerships, and services towards communities.

### Key achievements

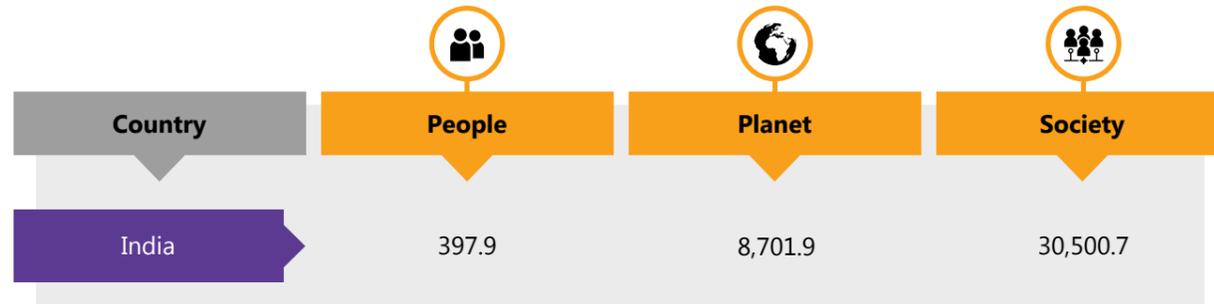
- Featured amongst the Top 100 organisations as a 'Best Company to Work for'
- Featured amongst India's 'Best Workplaces in Manufacturing' for the fifth time in 2022
- Dow Jones Sustainability Indices Assessment 2021 - Retained its position in Emerging Markets Index for 10 consecutive years
- Commissioned India's first plant for CO<sub>2</sub> capture from blast furnace gas at Jamshedpur and conducted a first-of-its-kind trial for continuous injection of Coal Bed Methane (CBM) in blast furnace to reduce emissions
- India Workplace Equality Index - 'Gold' employer in India Workplace Equality Index (IWEI) 2021 for leading the way in inclusion
- BRICS Solutions for SDGs Awards 2021 - For Tata Steel Foundation's coveted programme 'MANSI'
- Confederation of Indian Industry (CII) 3R Awards 2021 - Excellence in Waste Management
- Certified as a Great Place to Work for the fifth time

Our business actions and practices are underpinned by good governance, ethical practices and effective control and accountability. Tata Steel considers compliance as the foundation of corporate

management. This is integral to our value system, and Tata Steel takes such obligations with utmost seriousness as part of its efforts to establish even stronger relationships of trust with all stakeholders.

## Indian business contribution

### Global Tax & Other Contributions (₹ Cr)

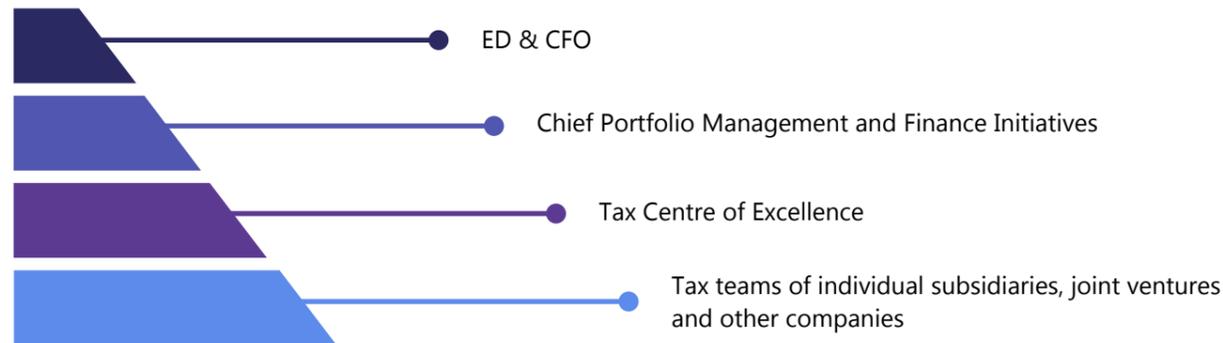


## Tax governance in India

Tata Steel in India has been a pioneer in the steel industry, and its operational integrity pervades its attitude towards tax-related behaviour. The well-designed governance structure of Tata Steel India

ensures that any tax decision taken by Tata Steel is carefully thought-out, discussed and in consonance with the applicable laws, evaluated as per the tax governance structure.

### Tata Steel India governance structure



At Tata Steel India, the day-to-day implementation of the tax principles and management are delegated to the Tax Centre of Excellence team. It identifies sources of tax risks and sets processes for the purposes of managing and controlling them in the organisation. It consistently assesses, monitors and manages the relevant tax risk in accordance with the principles and guidelines set out by Tata Steel.

The Risk Management Committee aims to proactively manage risks and ensure the timely detection, correct measurement and control. In addition, the committee also assists the Board of Tata Steel India in framing, implementing and monitoring the risk management plan and reviewing and guiding the Risk Policy. Tata

Steel India also has a Vigil Mechanism that provides a formal channel to make protective disclosures about unethical behaviour, actual or suspected fraud or violation of the TCoC.

Tax teams of respective subsidiaries are responsible for the day-to-day management of tax affairs. The team comprises an appropriate blend of tax professionals with the necessary qualifications, training, skills and experience required to effectively execute their roles.

All strategic matters are discussed in the Financial Risk and Assurance Committee, chaired by the ED & CFO, and the Audit Committee.

## Tax profile in India

### Focus on Digitalisation

The focus of the Indian government is to promote and implement digitalisation in all aspects of business. In the tax function, to impart greater efficiency, transparency and accountability in the assessment process, India has transcended to the new faceless assessment and appeals scheme. There are discussions in advanced stages for the implementation of appellate proceedings in a digitalised manner. Maximum regulatory tax filings in India are now done seamlessly in an electronic mode. The controls, processes and frameworks implemented around tax compliance and assessment by Tata Steel ensured a smooth transition to the new way.

### BEPS Pillar I and Pillar II

The OECD Inclusive Framework on Base Erosion and Profit Shifting (BEPS) had agreed on a two-pillar solution to address tax challenges arising from the digitalisation of the global economy. The foundation stone for the Two Pillar Solution was laid in October 2021 with the landmark deal on Global Minimum Tax (GMT). GMT aims at ensuring that companies pay their fair share of tax wherever they operate and generate profits. OECD proposed rules for Pillar One and Two computation mechanisms and aims to achieve this within an ambitious timeline of 2023. Tata Steel as a group has proactively initiated discussions and analysis of their impact analysis from India, Europe, and South East Asia perspective, if any while monitoring its implementation to ensure compliance to these global reforms whenever applicable.



# 4

## Tata Steel - European Business



**Tata Steel is one of Europe's leading steel producers, with steelmaking in the Netherlands and the UK, and manufacturing plants across the continent.**

**In Europe, the Tata Steel Europe (TSE) group is one of the largest steel producers, with a crude steel production capacity of over 12.4 MnTPA. The manufacturing facilities in Europe comprise primary steelmaking facilities in the Netherlands and in the UK, along with downstream operations in the Netherlands, the UK, Germany, France, Belgium, Sweden, Finland, Switzerland, Spain, Turkey and the US.**

**The process to separate the Netherlands and the UK businesses concluded in FY2021-22 once the detail of the separation had been agreed upon with various subsidiary boards and employee representatives.**

### Our focus on People, Planet and Society

In Europe, and in the Netherlands in particular, the strategic focus of the group is to be the leading European steel business that is sustainable in every sense through:

- Creating long-term value for its stakeholders within a sound financial framework
- Transforming towards becoming a carbon neutral steelmaker
- Improving local environmental footprint by addressing concerns on odour, noise and dust emissions

The UK business has been working towards a sustainable future and some of its achievements are:

- Recognised by worldsteel (the World Steel Association) as one of the Sustainability Champions
- A founder participant and an accredited member in worldsteel's Climate Action programme
- First steel company globally to operate its own Environmental Product Declaration (EPD) programme
- As a leader in global initiatives for decarbonisation of the sector, it is at the forefront of two worldwide collaborations: The Mission Possible Partnership's Net Zero Steel Initiative (focusing on innovation, investment and policies for an accelerated transition to net zero for the steel sector) and The Net Zero Steel Pathway Methodology Project (laid out the foundations for the development of robust guidelines for steelmakers committed to net zero target setting)

In Europe, the TSE group has a strong focus on its employees from not only their health and safety perspective but also their general well-being and current and future earnings.

#### Key achievements

##### Tata Steel Netherlands



The Generation Pact offers the opportunity to work less to reduce the workload in the last years before retirement



Tata Steel Ijmuiden BV (through its parent company) became a member of ResponsibleSteel™ in 2020, which is the first globally-present sustainability standard and certification scheme for the steel industry

##### Tata Steel UK



The World Steel Association has recognised our sector leading expertise in life cycle assessment by awarding us two of its 'Steelie' awards in three years



The Zero Harm Logistics programme received Safety and Health Excellence recognition from the World Steel Association

## European business contribution

### Global Tax & Other Contributions (₹ Cr)

Country	People	Planet	Society
Belgium	29.6	11.1	(9.4)*
Finland	0.2	0.1	91.8
France	111.3	7.2	524.5
Germany	60.4	2.6	819.4
Netherlands	783.7	77.3	1,365.2
Spain	16.3	1.7	303.9
Sweden	10.9	5.6	11.7
Switzerland	14.1	0.6	5.3
Turkey	0.2	0.03	9.0
UK	352.3	180.8	1,603.0
US	11.7	2.3	477.8
Others	9.3	0.6	217.3
<b>Total</b>	<b>1,400.0</b>	<b>289.9</b>	<b>5,419.5</b>

\* Refer page 59

## Tax governance in Europe

### Tata Steel Netherlands

Tata Steel Netherlands' tax function is part of the finance function and employs a team of qualified and trained tax, customs and transfer pricing professionals with the right level of expertise who work closely with the business to provide advice and guidance to ensure compliance with tax laws.

The tax function headed by the Director - Taxation reports to Tata Steel Netherlands' CFO and provides regular updates on tax positions and compliance. On a regular basis they provide tax updates to the Tata Steel Netherlands Holdings BV Board which comprises the Vice President European Corporate Affairs and the ED & CFO of Tata Steel Ltd. Other than that, from October 2021, together with other senior finance professionals, the Director Taxation participates in regular Senior Finance Team Meetings chaired by the CFO.

### Tata Steel UK

Tata Steel's UK Group Taxation Team proactively manage the UK group's tax affairs, working closely

with key stakeholders across the organisation and fosters cooperative working relationships with other group tax teams, including India and the Netherlands.

Tax risks arising within the group are identified, assessed and managed by UK Taxation Team on an ongoing basis. Any significant areas of uncertainty are communicated to the relevant Board, e.g. at the level of the UK, Europe or Group depending on the scope of impact, with recommendations for obtaining clarity or mitigating risk and communication to the external auditors on a quarterly basis.

In accordance with the UK's Senior Officer Accounting Rules, UK Group Taxation Team maintain a log of tax process controls, which are reviewed, prioritised and updated annually in collaboration with the internal compliance team who perform testing on an annual or biannual basis, depending on the priority. This includes a number of controls designed specifically to prevent the facilitation of tax evasion by relevant Tata Steel personnel, which are also embedded into the annual review and testing processes.

## Tax profile in Europe

### Climate tax aspects

In the Netherlands, parliamentary parties presented the coalition agreement with numerous changes for climate and environmental taxes. This included tightening of the current carbon dioxide tax on industrial emissions via changes to the number of dispensation rights and the rate and introduction of a minimum price for the industry.

The European Union (EU) is at the forefront of international efforts to fight climate change. This is expected to encourage member states to reduce packaging waste and stimulate Europe's transition towards a circular economy by implementing the European Plastics Strategy.

The Research and Development Tax Relief Scheme is a UK government initiative that was initiated to reward and encourage UK companies to invest in innovation. The options available for companies are to claim a corporation tax reduction or refund. Tata Steel in the UK currently avails R&D credits. Further, tax losses have the option to be converted into a cash tax rebate based on some pre-defined parameters.

Tata Steel, in all the above geographies, is committed to an environmentally sustainable business and contribute to a society that is more energy efficient.

### Transfer pricing updates

The UK government proposed the introduction of more prescriptive documentation requirements for transfer pricing including the preparation of a Master file and Local file when a group has a country-by-country reporting obligation and has UK operations.

The EU requires both EU-based multinational enterprises (MNEs) and non-EU based MNEs with total consolidated revenue of more than €750 million in each of the last two consecutive financial years to disclose publicly the income taxes paid and other tax-related information such as a breakdown of profits, revenues and employees per country. The directive for this was published in December 2021 and is to be transposed in local laws by EU member states by June 2023.

Tata Steel in the UK is updated on requirements and compliant with them.

# 5

## Tata Steel - South - East Asian Business



**Tata Steel in South-East Asia has a strong presence in Thailand and Singapore. It is a manufacturer and a distributor of long steel products and value-added products in state-of-the-art manufacturing facilities. Our corporate strategy is driven by value-creation and building long-term relationships with all stakeholders.**

**In South-East Asia, Tata Steel operations began in 2004 with the acquisition of NatSteel, Singapore. In 2005, we acquired a majority stake in the Thailand-based long product manufacturer Millennium Steel and renamed it as Tata Steel Thailand (TSTH). In FY 2021-22, we divested our stake in NatSteel, Singapore while we continue to run the TSTH operations.**

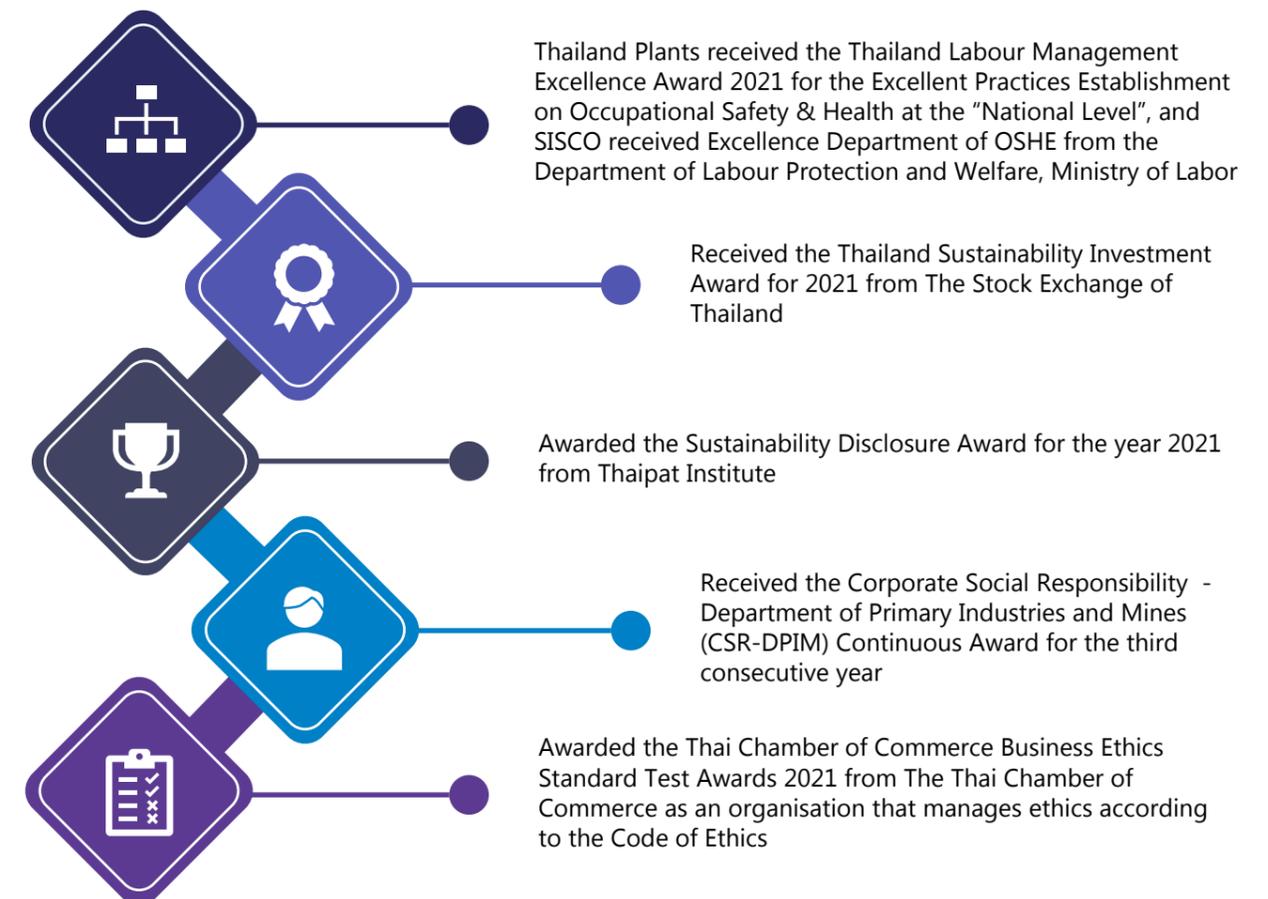
### Our focus on People, Planet and Society

In the South-East Asian business, the group promotes self-development of employees by creating career growth opportunities. It also promotes creative thinking to enhance innovations for new product and smart work process that can provide the best products and services to customers. It has well established committees which focus on employee welfare, labour relations management, occupational health and safety, developing capability of people, employee retention and community engagement. Councils established in the companies formulate, track and review the effective deployment of the policies on a monthly basis.

With the vision of the group focusing on the operational excellence with highest standards of good corporate citizenship, a Sustainability Policy, Climate Change Policy and Environmental Policy has been set out.

In the fiscal year 2021, the group worked closely with local communities to improve the quality of life through various projects as well as promoted and encouraged the employees to volunteer in social development.

### Key achievements



## South-East Asian business contribution

### Global Tax & Other Contributions (₹ Cr)

Country	People 	Planet 	Society 
Hong Kong	0.4	-	(1.6)
Singapore	1.5	-	135.8
Thailand	15.2	0.2	34.8
Others	1.1	18.8	5.6
<b>Total</b>	<b>18.2</b>	<b>19.0</b>	<b>174.6</b>

## Tax governance in South-East Asia

We are committed to our tax principle involving collaborative, timely and courteous dealings with the tax authorities. As part of our Corporate Governance Policy, it is the duty of our Board to disclose financial information, operating performance, and other relevant information accurately, completely, thoroughly, and in a timely manner to all our

stakeholders, including the tax authorities. Tata Steel in the region makes various disclosures to the public, including the financial statements and the management discussion and analysis, the annual report in some cases, and press releases, among other financial and non-financial information.

## Tax profile in Asia

Our tax policy is centred around maintaining integrity in our tax compliance and reporting. We do not use tax structures with the intent of tax avoidance, and our tax strategy and planning are integrated with the business strategy and enterprise decisions.

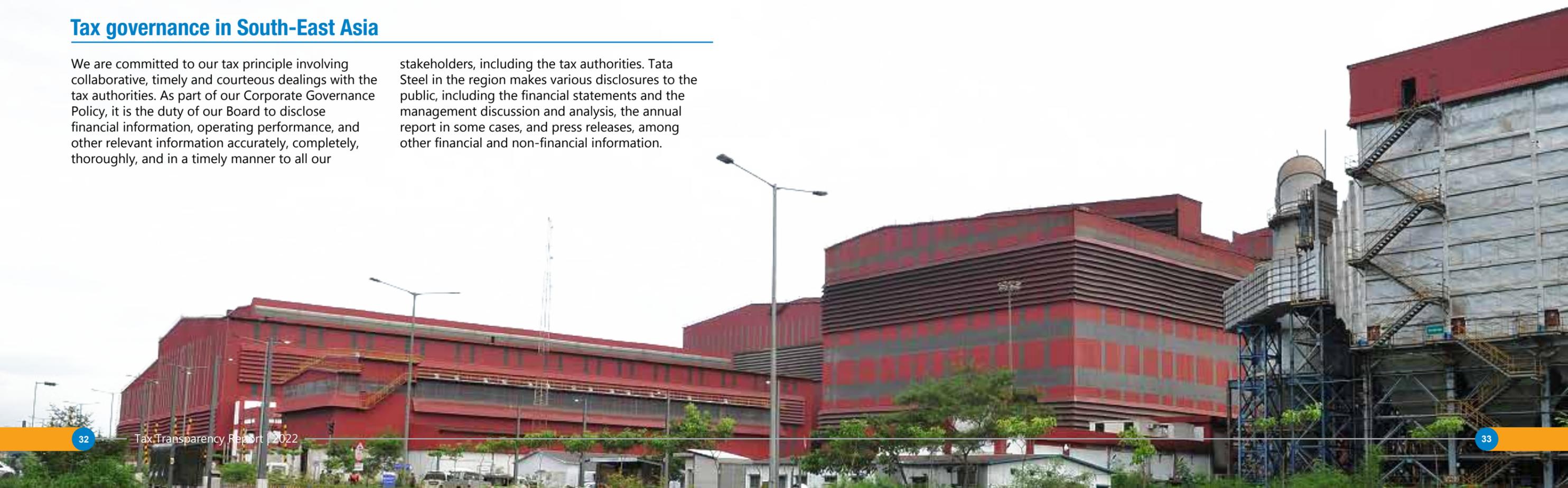
Our tax policy and principles are in line with the unified principles which govern Tata Steel, and are based on trust, transparency, and integrity. To fulfill the primary objectives of our Tax Policy, and to be more reflective of the areas of importance in the taxation regime, our tax principles additionally include:



Periodic review of the tax positions taken, particularly in light of evolving jurisprudence and the impact of adverse case decisions or changes in law on financial statements



Maintaining proper documentation and taking steps accordingly to store these online for easy retrieval and permanent preservation



## Specific disclosures

### Global Tax & Other Contributions

The earlier sections of this report have aimed to provide an overview of our businesses and operations along with our tax principles and governance mechanisms. In continuation to the above information, we have presented here a summary of the Global Tax & Other Contributions made directly or indirectly to the government. The direct contribution aims to capture the various payments

made by Tata Steel and its group companies across the globe for their services that includes disclosures in relation to corporate tax, net indirect taxes, mining royalty and other charges. The indirect contributions are payments made by these companies on behalf of other stakeholders, including withholding and payroll taxes. The other contributions are non-tax payments made by the companies, such as employer's provident fund and employee pension scheme.

#### Direct contribution



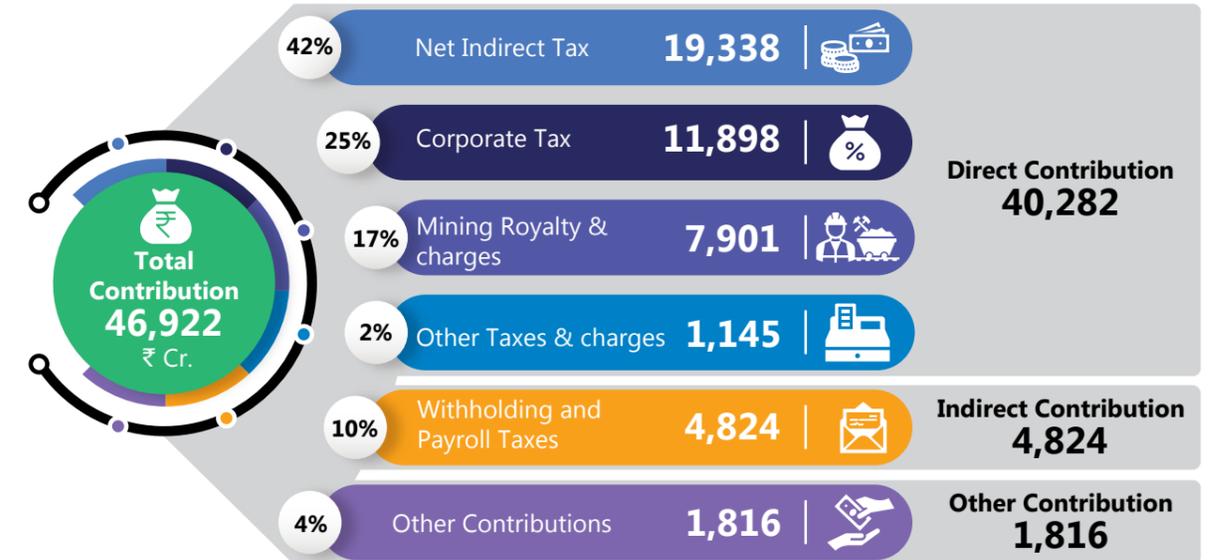
#### Indirect contribution



#### Other contribution

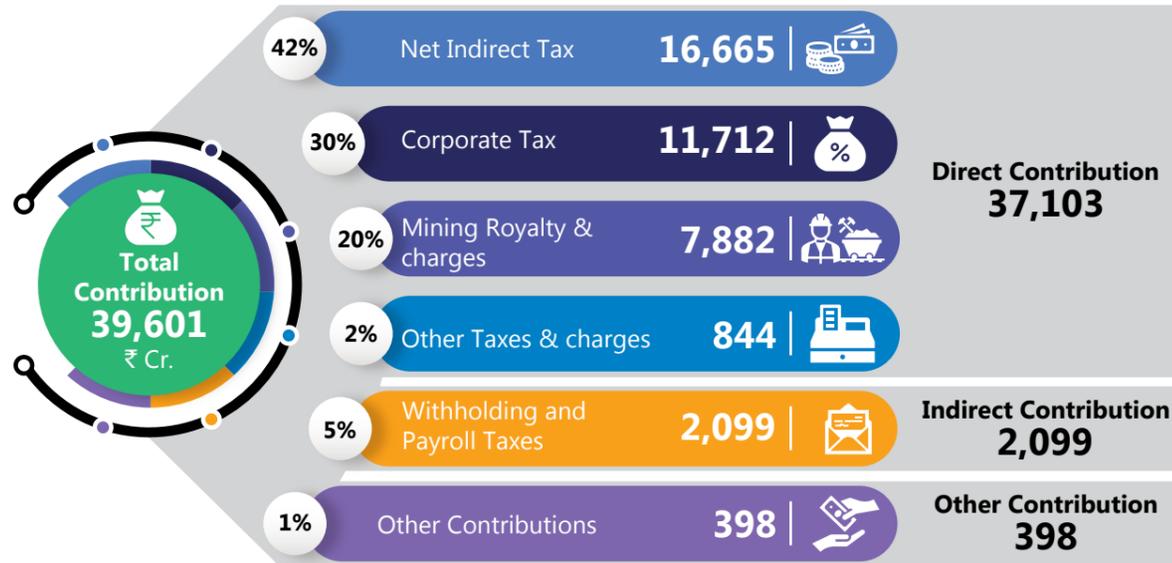


## Global Tax & Other Contributions - FY 2021-22

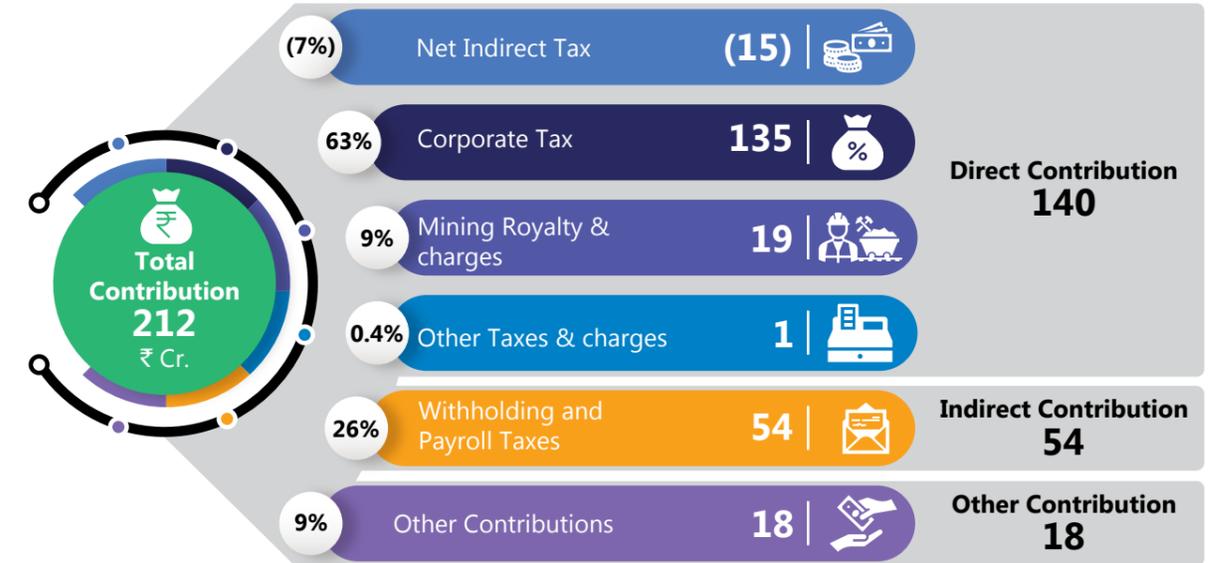


## Regional Snapshot FY 2021-22

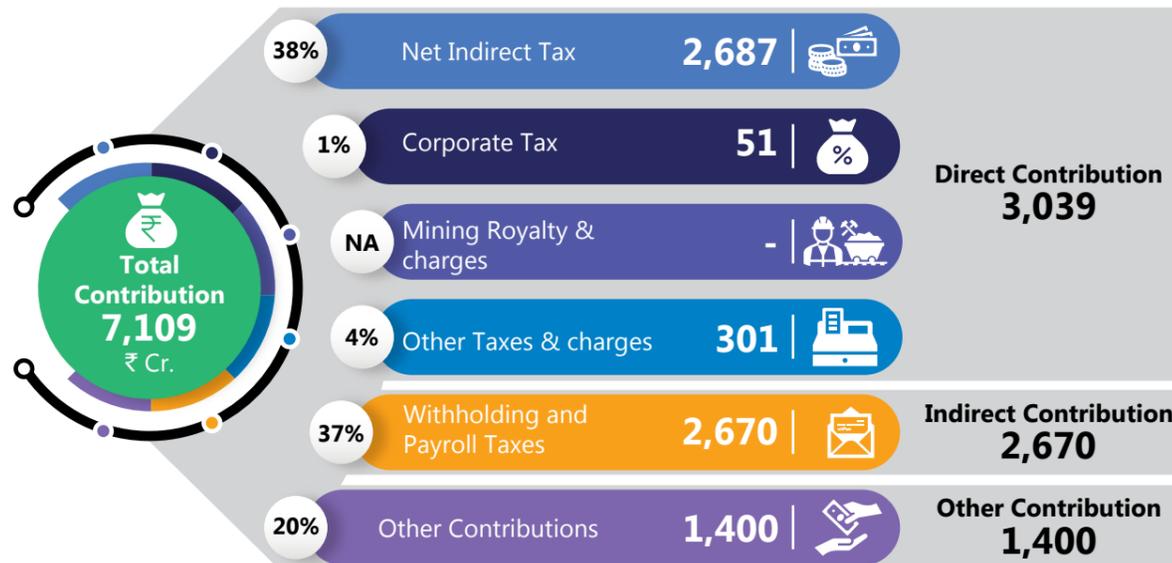
### Indian Business Contribution



### South-East Asian Business Contribution



### European Business Contribution



# 6

## Basis of Preparation



**This Basis of Preparation presents the scope and methodology for the collection and reporting of data on the Global Tax & Other Contributions made directly or indirectly to the government.**

**The data that has been used to prepare financial statements is relied upon (with appropriate processes/ procedures) to present the Global Tax & Other Contributions for the financial year starting from April 1, 2021 to March 31, 2022, in our Tax Transparency Report.**

### Reporting entities

We have reported the Global Tax & Other Contributions to the government by Tata Steel Limited, our subsidiaries and joint ventures (excluding associates). The contribution made by Tata Steel Limited and its subsidiaries are reported at full amounts and that for joint ventures is reported in the proportion of shareholding.

However, the entities which were liquidated in the said financial year or are under process of liquidation or yet to commence operations or have insignificant operations as on March 31, 2022 have been excluded from reporting. The entire list of entities considered in this report has been included as Annexure - List of entities.

### Methodology

We have reported Global Tax & Other Contributions under cash basis unless otherwise mentioned below. The reporting methodology followed for each type of Global Tax & Other Contributions has been detailed below.

### Direct contribution

#### Corporate tax

This comprises Corporate Income Tax but does not include Deferred Tax. These taxes are the actual payments made net of refunds received during the financial year with respect to corporate income tax liability of the same year and/ or of previous years.

Typically, these taxes would be reflected in the audited cash flow statement of the financial year of each company.

#### Mining royalty and charges

This comprises contributions made to the government in the form of royalties for mining-related operations, and other mining-related payments for the extraction of minerals and metals.

#### Other taxes and charges

This comprises taxes/ cess/ charges paid on consumption of water, generation of electricity, stamp duty that arises on the transfer of assets or capital or registering a document, property tax, municipal taxes, motor vehicle tax, road cess, land revenue and other taxes borne.

### Net indirect taxes

Amounts reported represent indirect tax payments remitted to the government treasury on cash basis. Indirect tax payments made for reverse charge liability and on imports paid in cash also form part of the amount reported. However, it may be noted that the payment of taxes on procurements paid to vendors have not been considered here.

Typically, the amounts reported under net indirect taxes, mining royalty and other charges have been obtained from various statutory periodic forms/ returns and statements/ challans or any other documents being filed and maintained with the relevant government authorities.

### Indirect contribution

Indirect contributions include withholding taxes collected from vendors and employees, taxes collected from customers and other payroll taxes.

A withholding tax is an income tax to be paid to the government by the payer of the income rather than by the recipient of the income. The tax is thus withheld or deducted from the income due to the recipient. Withholding taxes usually apply to payments made to employees, vendors, service providers, etc., of the company. This also includes taxes collected on various payments received from customers for prescribed goods or services.

In addition, payroll taxes include professional and work permit levies that are withheld from employee remuneration and paid to the government by the respective companies in the capacity of an employer.

Typically, these taxes are reflected in various forms, returns, tax audit reports and challans prescribed by the government for this purpose.

### Other contributions

Other contributions include contributions made by the employer to social security programmes for the benefit of employees as mandated by regulatory bodies. This includes the employer's share in provident fund, employee pension scheme and employee state insurance.

Typically, these contributions are reflected in the returns and challans prescribed by the concerned statutory bodies for this purpose.

## Coverage

The various heads of contribution are summarised in this report. The grouping of taxes under the heads of 'direct contribution' and 'indirect contribution' is based on our understanding of the nature of taxes and its payment mechanism.

## Tax and other contributions

### Direct contribution

#### CORPORATE TAX

1. Corporate Income Tax
2. Surcharge and cess
3. Corporate tax credit and incentives

#### MINING ROYALTY AND CHARGES

1. Mining Royalties
2. District Mineral Fund
3. National Mineral Exploration Trust

#### OTHER TAXES AND CHARGES

1. Stamp duty
2. Property tax
3. Water cess
4. Water charges
5. Water Tax
6. Electricity duty (ED)
7. Land revenue
8. Landfill disposal tax
9. Motor vehicle tax
10. Road cess
11. Road Tax
12. Municipal taxes
13. Carbon Tax
14. Clean Energy Taxes
15. Signboard taxes
16. Coal tax

17. Packaging tax
18. Companies' land contribution or Cotisation Foncière des Entreprises or CFE
19. Companies' added value contribution or Cotisation sur la valeur ajoutée des entreprises or CVAE
20. Waste Disposal Tax
21. Climate Change Levy
22. Tap Water Tax

#### NET INDIRECT TAXES

1. Goods and Services Tax
2. Custom duties (all types such as BCD, CVD, SAD, Cess, etc.)
3. Value Added Tax (VAT)
4. Sales and Use Tax

### Indirect contribution

#### WITHHOLDING AND PAYROLL TAXES

1. Tax collected at source for sale to customers
2. Withholding taxes collected from employee / Payroll taxes
3. Withholding taxes collected from vendor
4. Professional taxes
5. Apprenticeship Levy
6. Foreign Worker Levy
7. Work Permit Levy
8. Expatriate Tax (ET)

### Other contribution

#### OTHER CONTRIBUTIONS

1. Provident Fund (PF)
2. Employee Pension Scheme
3. Employee State Insurance
4. National Insurance

5. Coal Mines Provident Fund and Pension Scheme (CMPF)
6. Social Security Fund
7. Compensation Funds
8. Disable Person Funds
9. C3S Turnover Tax

Note 1: For each nature of tax or any other contributions by respective reporting entities in the Indian and European businesses, the threshold has been set at ₹100,000 or Euro 20,000 paid annually, i.e., any contribution not more than the threshold amount has been excluded from this report. In addition to the above threshold, if the total contribution in absolute terms of entities forming part of Tata Steel's European business is less than Euro 300,000, the same has been excluded from this report.

Note 2: An effort has been made to report all types of taxes, duties, levies for all entities (as referred to in Annexure - List of entities). Any omission or exclusion is unintentional and not expected to have any material impact.

Note 3: For Tata Steel's European businesses certain local taxes follow calendar year basis in multiple tax compliances, whereas our reporting period is April to March. In cases where April to March tax payout details were not available, we have reported the calendar year data under respective tax heads. Further, where date of actual cash inflow/ outflow was not available, the tax payments have been shown in the tax periods where the obligation/ right arises.

Note 4: For Tata Steel's European businesses in the UK, it was observed that refunds under VAT / Corporate tax due to the group were offset against other statutory liabilities. While such adjustment was carried out, we have considered gross figures under respective heads.

Note 5: For Tata Steel's European businesses in the UK and in the Netherlands, tax compliances are done at a Group Level.

### Excluded amounts

The following are not included in the Global Tax & Other Contributions statement:

- Payment of indirect taxes on procurements paid to vendors
- Any remittance to the government and its authorities in the nature of fees paid for various kinds of compliance, filings, etc.

### Currency

The currency considered for this report or the reporting currency is the Indian National Rupee (₹). The data for Global Tax & Other Contributions to government provided by any subsidiary in their local reporting currency, has been converted to ₹ based on the exchange rate reported in Form AOC - 01. In case of Joint Ventures (JV) entities, where similar data is not reported in the said form, reference is made to exchange rate used by any subsidiary reporting in the same currency as the JV entity.



## Annexure - List of entities

Entity Names		
Abja Investment Co. Pte. Ltd.	Mjunction Services Limited	Tata Steel International (Shanghai) Ltd
Adityapur Toll Bridge Company Limited	Montana Bausystem AG	Tata Steel International (South America) Representações LTDA
Angul Energy Limited	Naantali Steel Service Centre OY	Tata Steel International (Sweden) AB
Apollo Metals Limited	Naba Diganta Water Management Limited	Tata Steel International Iberica SA
Bhubaneshwar Power Private Limited	Natsteel Asia Pte. Ltd.	Tata Steel Istanbul Metal Sanayi ve Ticaret AS
Bluescope Lysaght Lanka (Pvt) Ltd	Norsk Stal Tynnplater AB	Tata Steel Limited
British Steel Corp Ltd	Norsk Stal Tynnplater AS	Tata Steel Long Products Limited
British Steel Nederland International BV	ORB Electricals Steel Ltd	Tata Steel Manufacturing (Thailand) Public Company Limited (formerly N.T.S Steel Group Public Limited Company)
Catnic Gmbh	Orchid Netherlands (no. 1) BV	Tata Steel Maubeuge SAS
Catnic Limited	Rujuvalika Investments Limited	Tata Steel Mexico Sa De CV
Cogent Power Limited	S A B Profiel BV	Tata Steel Mining Limited (formerly known as T S Alloys Limited)
Corby Northants & District Water Co	S A B Profiel Gmbh	Tata Steel Nederland BV
Corus CNBV Investments Limited	Service Center Gelsenkirchen Gmbh	Tata Steel Nederland Consulting & Technical Services BV
Corus Group Limited	Service Centre Maastricht BV	Tata Steel Nederland Services BV
Corus Holdings Ltd	Societe Europeenne De Galvanisation (Segal) SA	Tata Steel Nederland Technology BV
Corus INT Overseas Holdings Ltd	Staalverwerking en Handel BV	Tata Steel Nederland Tubes BV
Corus International Ltd	Subarnarekha Port Private Limited	Tata Steel Netherlands Holdings BV
Corus International Romania SRL	Surahammar Bruks AB	Tata Steel Norway Byggsystemer A/S
Corus Ireland Limited	Swinden Housing Assoc Ltd	Tata Steel Special Economic Zone Limited
Corus Liason Services India Ltd	T S Global Holdings Pte. Ltd.	Tata Steel Support Services Limited (formerly Bhushan Steel Orissa Limited)
Corus Management Ltd	T S Global Procurement Company Pte. Ltd.	Tata Steel Technical Services Limited (formerly Bhushan Steel (Madhya Bharat) Ltd)
Corus Property Ltd	T Steel Holdings Pte. Ltd.	Tata Steel UK Consulting Ltd
Creative Port Development Private Limited	Tata Bluescope Steel Private Limited	Tata Steel UK Holdings Limited
Degels Gmbh	Tata Metaliks Ltd	Tata Steel UK Limited
Demka BV	Tata Nyk Shipping (India) Pvt. Ltd.	Tata Steel Utilities And Infrastructure Services Limited

Entity Names		
Firsteel Group Limited	Tata Nyk Shipping Pte. Ltd.	Tata Steel International (Italia) SRL
Fischer Profil Gmbh	Tata Steel (Thailand) Public Company Limited	Texturing Technology Ltd
Gamble Simms Metals Ltd	Tata Steel Belgium Packaging Steels N.V.	The Indian Steel & Wire Products Ltd
H E Samson Ltd	Tata Steel Belgium Services N.V.	The Newport & South Wales Tubes Company Ltd
Hadfields Holdings Ltd	Tata Steel BSL Limited	The Siam Industrial Wire Company Ltd.
Halmstad Steel Service Centre AB	Tata Steel Downstream Products Limited	The Tata Pigments Limited
Hille Müller Usa Inc.	Tata Steel Europe Ltd	The Tinplate Company Of India Limited
Hille & Müller Gmbh	Tata Steel Foundation	Thomas Processing Company
Himalaya Steel Mills Services Private Limited	Tata Steel France Bâtiment Et Systèmes SAS	Thomas Steel Strip Corp.
Huizenbezit "Breesaap" BV	Tata Steel France Holdings SAS	TKM Global China Ltd
Industrial Energy Limited	Tata Steel Germany Gmbh	TKM Global GmbH
Inter Metal Distribution SAS	Tata Steel IJmuiden BV	TKM Global Logistics Limited
International Shipping And Logistics FZE	Tata Steel International (Americas) Inc.	TM International Logistics Limited
Jamipol Limited	Tata Steel International (Asia) Limited	TS Asia (Hong Kong) Ltd
Jamshedpur Continuous Annealing & Processing Company Private Limited	Tata Steel International (Czech Republic) S.R.O	TSN Wires Co. Ltd.
Jamshedpur Football & Sporting Pvt Ltd	Tata Steel International (France) SAS	Tulip UK Holdings No 2
Kalimati Global Shared Services Limited	Tata Steel International (Germany) Gmbh	Tulip UK Holdings No 3
Layde Steel S.L.	Tata Steel International (India) Limited	UK Steel Enterprises Ltd
Medica TS Hospital Pvt. Ltd.	Tata Steel International (Middle East) FZE	Unitol SAS
Minas De Benga (Mauritius) Limited	Tata Steel International (Poland) Sp. Z O.O.	

# Independent Reasonable Assurance Report

## Independent Reasonable Assurance Report to Tata Steel Limited on Global Tax & Other Contributions

We were engaged by the management of Tata Steel Limited [hereinafter referred to as 'Tata Steel' or 'the Company'] to report on 'Global Tax & Other Contributions' section contained in Tata Steel Limited's Tax Transparency Report for the financial year 2021-22 [the said section hereinafter referred to as 'Global Tax & Other Contributions'], in the form of an independent reasonable assurance conclusion about whether Tata Steel's statement that the Global Tax & Other Contributions is properly prepared, in all material respects, based on 'Basis of Preparation' attached to the Tax Transparency Report is fairly stated.

### Tata Steel's responsibilities

The management of Tata Steel are responsible for preparing the Global Tax & Other Contributions that is free from material misstatement in accordance with the Basis of Preparation and for the information contained therein. The management of Tata Steel is also responsible for preparing the Basis of Preparation.

This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of Global Tax & Other Contributions that is free from material misstatement, whether due to fraud or error. It also includes developing the Basis of Preparation. The Company is also responsible for preventing and detecting fraud and for identifying and ensuring that it complies with laws and regulations applicable to its activities.

### Our responsibilities

Our responsibility is to examine the Global Tax & Other Contributions prepared by the Company and to report thereon in the form of an independent reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the Global Tax & Other Contributions is properly prepared, in all material respects.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for professional accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of Global Tax & Other Contributions whether due to fraud or error.

In making those risk assessments, we have considered internal control relevant to the preparation and presentation of Global Tax & Other Contributions in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the Company's internal control over the preparation and presentation of Global Tax & Other Contributions. Our engagement also included assessing the appropriateness of Global Tax & Other Contributions, the suitability of the Basis of Preparation used by the Company in preparing the Global Tax & Other Contributions in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of Global Tax & Other Contributions and the reasonableness of estimates made by the Company and evaluating the overall presentation of the Global Tax & Other Contributions. Reasonable assurance is less than absolute assurance.

The procedures performed by us have been included herein as Annexure - Assurance procedures - Global Tax & Other Contributions.

### Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the Global Tax & Other Contributions is properly prepared in all material respects, based on the Basis of Preparation.

### Restriction of use of our report

In accordance with the terms of our engagement, this independent reasonable assurance report on Global Tax & Other Contributions has been prepared for Tata Steel solely for inclusion in its Tax Transparency Report for FY 2021-22 and for no other purpose or in any other context.

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Tata Steel for any purpose or in any context. Any party other than Tata Steel who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than Tata Steel Limited for our work, for this independent reasonable assurance report, or for the conclusions we have reached.

Our report is released to Tata Steel on the basis that it shall not be copied, referred to or disclosed, in whole (save for inclusion in Tata Steel's Tax Transparency Report) or in part, without our prior written consent.

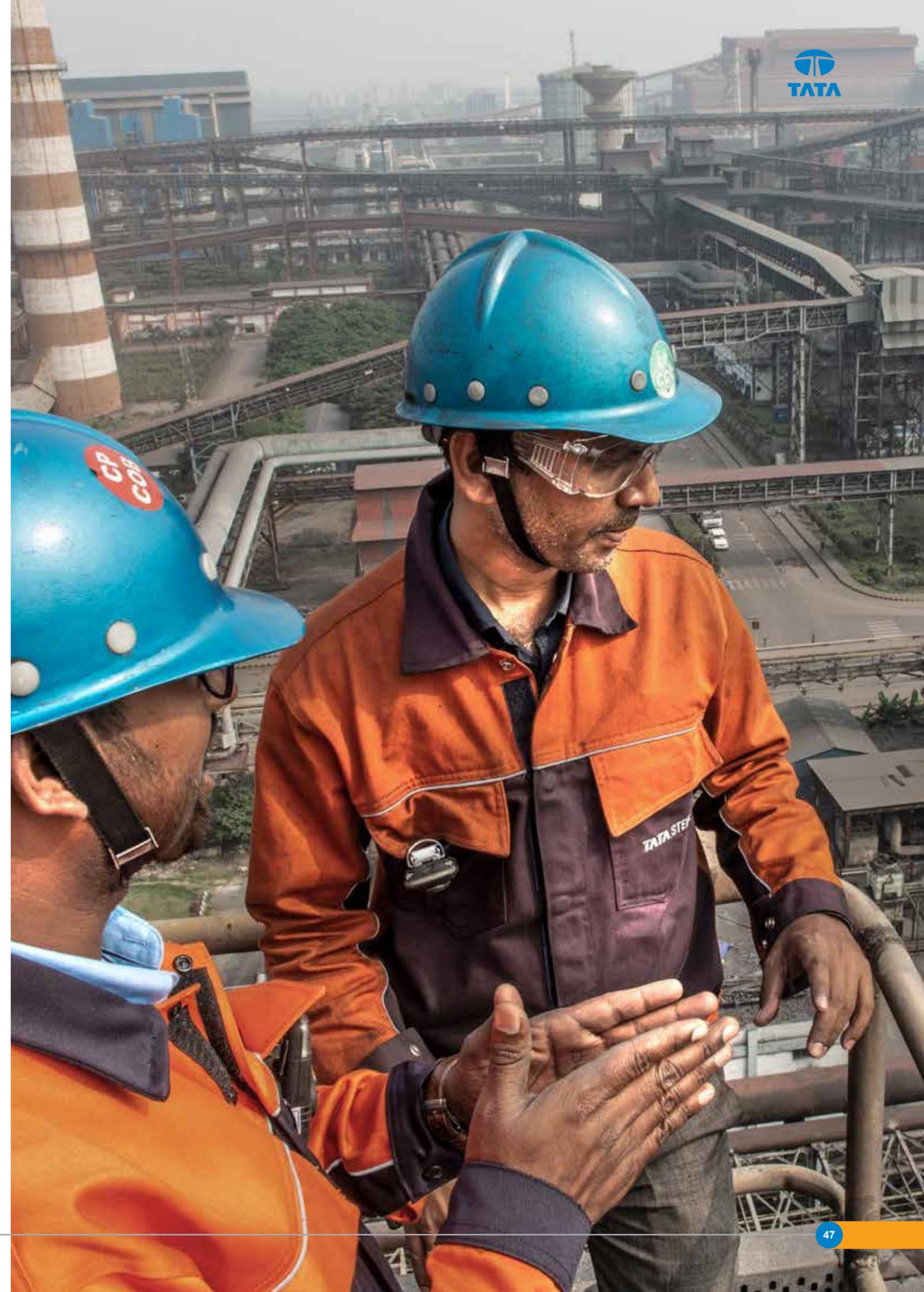
### For KPMG Assurance and Consulting Services LLP

Place: Kolkata, India

Date: 05 January 2023

## Annexure - Assurance procedures - Global Tax & Other Contributions

- Understand and examine the processes and controls at Tata Steel level in managing, collating and reviewing the data for the Global Tax & Other Contributions
- Review the guidance provided / instructions issued to locations/ units/ group entities by central team for collation of various tax and other specified items
- Review the country wise break-up of the tax and other specified items reported in the Global Tax & Other Contributions
- Understand and examine the processes and controls at country level for collation of tax and other specified items included in Global Tax & Other Contributions. This will include review of:
  - reporting to central team to ensure adherence of the guidance provided by the central team
  - processes for ensuring that all local country taxes are included within the reporting to central team
- Review the basis on which the country level tax and other specified data reported has been captured, reviewed and consolidated to assess whether the data has been collected, consolidated and reported fairly
- For the countries selected, perform trend analysis on the tax and other specified data to understand any material variances. Seek explanations for variances, if any
- For the countries selected, verify the tax paid (on a sample basis) to the underlying documents
- Compare the tax and other specified data in the report to the relevant disclosures in the consolidated financial statements



# 8

## Glossary



### AOC-01

Form AOC-01 is prepared by the company pursuant to Section 129(3) of the Companies Act, 2013 [Read with Rule 5 of the Companies (Accounts) Rules, 2014]. It is a statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures. The form is published in the Tata Steel Integrated Report & Annual Accounts.

### Arm's-Length Basis/Principle

Transactions between associated/related enterprises should not be distorted by the special relationship that exists between the parties.

### Associates

As per Section 2(6) of the Indian Companies Act 2013, an associate company, in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

For the purposes of this clause, significant influence means control of at least 20 per cent of total share capital, or of business decisions under an agreement.

### B Team

The B Team is a global collective of business and civil society leaders driving a better way of doing business for people and the planet.

### Business description

Business description reported in this document is sourced from the Country-by-Country report, prepared pursuant to Section 286 of the Indian Income Tax Act 1961, for the FY 2020-21. For joint ventures of Tata Steel Limited, the business description is sourced from the website of the entity and its audited financial statements corroborated by discussion with management.

### Coal Mines Provident Fund

Payments made to the Coal Mines Provident Fund Organisation, an agency of the Indian Government acting as the official pension fund for coal miners.

### Companies Act

An Act to consolidate and amend the law related to companies, enacted by the Parliament of India.

### Corporate Income Tax

This is a direct tax imposed on companies' profits

### DMF and NMET

Contributions made to the District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) pursuant to the provision of Mines and Minerals (Development and Regulation) Act, 1957 (MMDR) read with National Mineral Exploration Trust Rules, 2015 (NMETR) to the Central and State Governments in India.

### Exchequer

The government department that is responsible for the country's finances, including tax levels.

### Global Sustainability Standards Board

The Global Sustainability Standards Board is established as an independent operating entity under the auspices of GRI and has the sole responsibility for setting the world's first globally accepted standards for sustainability reporting – the GRI Standards.

### GRI 207: Tax 2019

The Global Reporting Initiative or GRI is an independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language required to communicate those impacts. They publish standards for sustainability reporting known as the GRI Standards.

GRI 207: Tax 2019 sets out reporting requirements on the topic of tax. This Standard can be used by an organisation of any size, type, sector or geographic location that wants to report on its impacts related to this topic.

### GST

A Goods and Services Tax (GST) is a value-added tax levied on most goods and services sold for domestic consumption. GST is paid by consumers, but it is remitted to the Government by the businesses selling the goods and services

### Integrated Report

An Integrated Report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term

### OECD

The Organisation for Economic Co-operation and Development (OECD) is an international organisation

that works to build better policies for better lives. It works in collaboration with governments, policy makers and citizens, on establishing evidence-based international standards and finding solutions to a range of social, economic and environmental challenges.

**People, Planet, Society**

The Global Tax & Other Contributions comprise of taxes and charges that contribute towards the various needs of people, planet and society interchangeably. The taxes and charges have been bifurcated as per general understanding into these heads for representation.

**Profit Before Tax ('PBT')**

The PBT reported in this document for subsidiaries is sourced from Form No. AOC-01 and for Tata Steel Limited and its joint ventures from the audited financial statements of the respective companies.

**Related Party Transactions**

As per OECD, it is defined as a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

**Royalties**

These are payments for the rights to metals and minerals, typically at set percentage of revenue less any deductions that may be taken

**Stakeholders**

Any group or individual who can affect, or is, affected by, the achievement of an organisation's objective

**Subsidiary**

As per Section 2(87) of Indian Companies Act 2013, subsidiary company or —subsidiary, in relation to any other company (that is to say the holding company), means a company in which the holding company—

- controls the composition of the Board of Directors; or
- exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies: Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation.—For the purposes of this clause,—

- a. company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;
- b. the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- c. the expression company includes anybody corporate;
- d. layer in relation to a holding company means its subsidiary or subsidiaries.

**Sustainable Development Goals**

The Sustainable Development Goals are a collection of 17 interlinked global goals designed to be a shared blueprint for peace and prosperity for people and the planet, now and into the future. The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by 2030.

**Tax**

Any amount of money required to be paid to, or repaid by, a Government, whether by law or by agreement, including without limitation corporate income tax, Government royalties, license fees, permitting fees, property taxes, employment taxes, sales taxes, stamp duties and any other required payments

**Tax Deducted at Source (TDS)**

A person (deductor) who is liable to make payment of specified nature to any other person (deductee) shall deduct tax at source and remit the same into the account of the Central Government. The concept of TDS enables the collection of tax at the source of the income itself.

**Tax Collected at Source (TCS)**

Governed by section 206C of the Income Tax Act, 1961 in India, TCS refers to the tax payable by a seller which they collect from the buyer at the time of sale.

**Transfer pricing**

Transfer prices are the prices at which an enterprise transfers physical goods and intangible property

or provides services to associated enterprises. Transfer pricing should be based on the arm's-length principle. It is used to ensure that profits are allocated to the countries where the relevant economic activity takes place.

**Turnover/ revenue**

The turnover reported in this document for subsidiaries is sourced from Form No. AOC-01 and for Tata Steel Limited and its joint ventures from the audited financial statements of the respective companies.

**Value-added tax**

A value-added tax is a tax levied on the price of a product or service at each stage of production, distribution or sale to the end-customer.

**Value chain**

A set of activities that a company carries out to create value for its customers

**Withholding tax**

A withholding tax is an income tax to be paid to the Government by the payer of the income rather than by the recipient of the income. The tax is thus withheld or deducted from the income due to the recipient. Withholding taxes usually apply to royalties, interest or dividends



# 9

## Contribution by Entity



Entity	Relation	Country	Business Description	Turnover ₹ Cr	Profit Before Tax ₹ Cr	Direct Contribution ₹ Cr	Indirect Contribution ₹ Cr	Other Contribution ₹ Cr
Adityapur Toll Bridge Company Limited	Subsidiary	India	Heavy Engineering & Construction	6.4	2.3	0.01	0.04	0.01
Angul Energy Limited	Subsidiary	India	Procurement, Manufacturing and Distribution	185.1	53.1	117.9	3.6	0.5
Bhubaneshwar Power Private Limited	Subsidiary	India	Manufacturing	516.0	51.9	59.7	3.0	0.2
Creative Port Development Private Limited	Subsidiary	India	Port Operation	-	(3.5)	0.2	-	-
Himalaya Steel Mills Services Private Limited	Joint Venture	India	Manufacturing	9.5	3.1	2.0	0.0	0.03
Industrial Energy Limited	Joint Venture	India	Power production	79.0	39.9	21.1	4.1	0.5
Jamipol Limited	Joint Venture	India	Manufacturing	142.3	1,752.2	15.7	1.5	0.2
Jamshedpur Continuous Annealing & Processing Company Private Limited	Joint Venture	India	Manufacturing	1,864.5	188.0	77.6	10.6	0.02
Jamshedpur Football & Sporting Pvt Ltd	Subsidiary	India	Sporting & Recreational Activities	54.6	7.7	2.1	3.6	-
Kalimati Global Shared Services Limited	Subsidiary	India	Support Services	25.1	3.1	0.3	2.4	0.1
Medica TS Hospital Pvt. Ltd.	Subsidiary	India	Health Service	6.5	0.2	0.2	1.1	0.6
Mjunction Services Limited	Joint Venture	India	E-auction Service Provider	150.7	48.0	28.7	190.0	1.9
Naba Diganta Water Management Limited	Joint Venture	India	Water Management	8.5	4.4	1.9	0.5	0.03
Subarnarekha Port Private Limited	Subsidiary	India	Port Construction	-	(0.0)	0.3	0.0	0.02
Tata Steel Mining Limited (formerly known as T S Alloys Limited)	Subsidiary	India	Manufacturing	4,605.4	(1,131.0)	3,101.9	38.8	1.0
Tata Bluescope Steel Private Limited	Joint Venture	India	Manufacturing	1,340.1	191.2	58.5	9.6	3.0
Tata Metaliks Ltd	Subsidiary	India	Manufacturing	2,745.5	338.7	321.2	26.3	5.6
Tata Nyk Shipping (India) Pvt. Ltd.	Joint Venture	India	Shipping Service	6.5	0.5	(0.01)	1.0	0.2
The Tata Pigments Limited	Subsidiary	India	Procurement and Manufacturing	151.0	7.3	7.6	5.2	0.6
Tata Steel BSL Limited	Subsidiary	India	Manufacturing	-	-	1,894.4	-	-
Tata Steel Downstream Products Limited	Subsidiary	India	Manufacturing	6,805.4	193.8	70.1	20.0	4.3
Tata Steel Foundation	Subsidiary	India	Other Services	318.8	0.5	-	3.8	0.7
Tata Steel International (India) Limited	Subsidiary	India	Distribution	-	0.3	0.1	0.3	0.04



Entity	Relation	Country	Business Description	Turnover ₹ Cr	Profit Before Tax ₹ Cr	Direct Contribution ₹ Cr	Indirect Contribution ₹ Cr	Other Contribution ₹ Cr
Texturing Technology Ltd	Subsidiary	Tata Steel UK Tax Group	Manufacturing	56,487.3	6,055.9	431.7	1,941.6	783.6
UK Steel Enterprises Ltd			Support Services					
Swinden Housing Assoc Ltd			Dormant					
Tata Steel Europe Ltd			Internal Group Finance, Holding company					
Tulip UK Holdings No 2			Internal Group Finance, Holding company					
Tulip UK Holdings No 3			Internal Group Finance, Holding company					
Tata Steel UK Holdings Limited			Internal Group Finance, Holding company					
The Newport & South Wales Tubes Company Ltd			Dormant					
H E Samson Ltd			Dormant					
Hadfields Holdings Ltd			Dormant					
British Steel Corp Ltd			Dormant					
Orchid Netherlands (no. 1) BV			Holding company					
Tata Steel IJmuiden BV			Manufacturing					
S A B Profiel BV			Manufacturing					
Service Centre Maastricht BV	Manufacturing and Distribution							
Tata Steel Nederland Tubes BV	Manufacturing							
British Steel Nederland International BV	Internal Group Finance, Holding company							
Huizenbezit "Breesaap" BV	Other Services							
Demka BV	Dormant							
Staalverwerking en Handel BV	Holding company							
Tata Steel Nederland BV	Internal Group Finance, Holding company							
Tata Steel Nederland Consulting & Technical Services BV	Dormant							
Tata Steel Nederland Services BV	Support Services							

Entity	Relation	Country	Business Description	Turnover ₹ Cr	Profit Before Tax ₹ Cr	Direct Contribution ₹ Cr	Indirect Contribution ₹ Cr	Other Contribution ₹ Cr
Tata Steel Nederland Technology BV	Subsidiary	Tata Steel Netherlands Group	Research and Development, Holding or Managing intellectual property	-	-	-	-	-
Tata Steel Netherlands Holdings BV			Support Services, Internal Group Finance, Holding company					
Tata Steel Germany Gmbh	Subsidiary	Germany	Support Services, Holding company	-	322.7	0.9	7.1	1.4
Tata Steel International (Germany) Gmbh	Subsidiary	Germany	Distribution	-	(2.0)	(0.6)	3.4	2.4
Hille & Müller Gmbh	Subsidiary	Germany	Manufacturing	872.6	22.4	34.6	24.0	23.5
Fischer Profil Gmbh	Subsidiary	Germany	Manufacturing and Distribution	1,242.9	18.3	148.2	13.8	14.3
S A B Profiel Gmbh	Subsidiary	Germany	Manufacturing	450.9	2.5	75.3	1.5	2.5
Service Center Gelsenkirchen Gmbh	Subsidiary	Germany	Manufacturing and Distribution	1,503.2	3.0	229.1	12.0	11.3
Degels Gmbh	Subsidiary	Germany	Dormant	-	(0.4)	0.1	1.8	-
Catnic Gmbh	Subsidiary	Germany	Distribution	218.7	6.2	7.0	2.7	5.0
Inter Metal Distribution SAS	Subsidiary	France	Distribution	725.8	13.8	(21.7)	1.3	5.7
Tata Steel France Bâtiment Et Systèmes SAS	Subsidiary	France	Manufacturing	639.7	(36.2)	45.3	2.4	22.4
Tata Steel France Holdings SAS	Subsidiary	France	Support Services, Internal Group Finance, Holding company	-	(585.1)	59.6	-	-
Tata Steel International (France) SAS	Subsidiary	France	Distribution	-	7.7	0.5	0.5	2.4
Tata Steel Maubeuge SAS	Subsidiary	France	Manufacturing	4,730.4	310.7	144.4	6.3	65.4
Unitol SAS	Subsidiary	France	Manufacturing and Distribution	1,796.8	149.3	292.0	0.8	15.4
Societe Europeenne De Galvanisation (Segal) SA	Subsidiary	Belgium	Manufacturing	626.4	19.0	(23.6)	18.5	20.2
Tata Steel Belgium Packaging Steels N.V.	Subsidiary	Belgium	Manufacturing	118.6	9.5	(3.7)	3.6	7.8
Tata Steel Belgium Services N.V.	Subsidiary	Belgium	Internal Group Finance	-	0.9	0.4	2.5	1.6
Apollo Metals Limited	Subsidiary	USA	Manufacturing	254.3	40.6	0.5	3.2	1.1

Entity	Relation	Country	Business Description	Turnover ₹ Cr	Profit Before Tax ₹ Cr	Direct Contribution ₹ Cr	Indirect Contribution ₹ Cr	Other Contribution ₹ Cr
Hille Müller Usa Inc.	Subsidiary	USA	Manufacturing and Distribution	24.5	5.1	0.4	-	-
Thomas Processing Company	Subsidiary	USA	Manufacturing	32.5	(4.7)	0.4	-	-
Thomas Steel Strip Corp.	Subsidiary	USA	Manufacturing	932.0	50.0	2.8	18.5	9.7
Tata Steel International (Americas) Inc.	Subsidiary	USA	Distribution	694.7	131.2	19.6	2.1	0.9
Surahmmar Bruks AB	Subsidiary	Sweden	Manufacturing	487.2	0.5	(10.0)	12.8	1.8
Tata Steel Norway Byggsystemer A/S	Subsidiary	Norway	Manufacturing	333.5	48.2	11.1	6.8	3.5
Tata Steel Norway Byggsystemer A/S	Subsidiary	Denmark	Manufacturing	-	-	-	0.3	0.0
Tata Steel International (South America) Representações LTDA	Subsidiary	Brazil	Distribution	-	0.3	-	-	0.3
Tata Steel Mexico Sa De Cv	Subsidiary	Mexico	Distribution	-	0.3	-	-	0.3
Corus International Romania SRL	Subsidiary	Romania	Distribution	-	2.5	0.04	0.05	0.1
Norsk Stal Tynnplater AS	Subsidiary	Norway	Manufacturing and Distribution	375.3	1.9	12.4	5.1	2.4
Tata Steel International (Poland) Sp. Z O.O.	Subsidiary	Poland	Distribution	-	12.9	1.0	0.4	0.4
Layde Steel S.L.	Subsidiary	Spain	Manufacturing and Distribution	1,606.3	49.9	278.0	13.0	14.8
Halmstad Steel Service Centre AB	Subsidiary	Sweden	Manufacturing and Distribution	828.1	90.4	15.4	6.1	6.8
Norsk Stal Tynnplater AB	Subsidiary	Sweden	Distribution	317.0	3.5	0.7	0.5	0.5
Tata Steel International (Sweden) AB	Subsidiary	Sweden	Distribution	-	52.6	(10.4)	2.1	1.8
Montana Bausystem AG	Subsidiary	Switzerland	Manufacturing	606.3	61.6	5.7	0.2	14.1
Montana Bausystem AG	Subsidiary	Germany	Distribution	-	-	(0.3)	-	-
Tata Steel International Iberica SA	Subsidiary	Spain	Distribution	-	52.6	12.9	1.8	1.5
Tata Steel International (Middle East) FZE	Subsidiary	UAE	Distribution	45.6	16.3	2.5	-	-
Tata Steel International (Italia) SRL	Subsidiary	Italy	Distribution	-	20.0	(1.6)	1.4	1.6

Entity	Relation	Country	Business Description	Turnover ₹ Cr	Profit Before Tax ₹ Cr	Direct Contribution ₹ Cr	Indirect Contribution ₹ Cr	Other Contribution ₹ Cr
Tata Steel Istanbul Metal Sanayi ve Ticaret AS	Subsidiary	Turkey	Manufacturing	734.4	2.4	8.0	1.0	0.2
Naantali Steel Service Centre OY	Subsidiary	Finland	Distribution	563.5	53.1	88.3	3.7	0.2
Corus Ireland Limited	Subsidiary	Ireland	Distribution	-	6.6	0.3	0.2	0.04
Tata Steel International (Czech Republic) S.R.O	Subsidiary	Czech Republic	Distribution	-	18.1	3.3	0.3	0.6
<b>Total</b>				<b>3,43,754.4</b>	<b>55,968.2</b>	<b>40,282.55</b>	<b>4,823.21</b>	<b>1,815.89</b>

**Notes:**

For Tata Steel UK Tax Group and Tata Steel Netherlands Group, VAT and Customs duties are not only paid in UK or Netherlands but also in other countries Any negative value is on account of availing credit / incentives as extended by local jurisdictional tax laws.

**TATA STEEL**

#WeAlsoMakeTomorrow

**Tata Steel Limited**

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