

# GROWTH WITH PURPOSE



**TAX TRANSPARENCY  
REPORT**  
2023



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## From ED & CFO's desk

Dear Stakeholders,

I am happy to present Tata Steel's consolidated Tax Transparency Report (TTR) for Financial Year 2023.

Tata Steel operates across India, Europe, and South-East Asia and follows a consistent tax strategy across regions in compliance to the relevant laws. With value creation for shareholders at its core, the tax strategy of the Company is guided by the principles of integrity, transparency, and compliance in tax payment and reporting. Beyond timely compliance, we also deeply recognise the criticality of fair and just tax contributions to the welfare and development of the regions and communities we serve.

The Financial Year 2023 was a challenging period for the steel industry. The macro environment remained volatile with the Russia-Ukraine conflict leading to supply chain tightness and high commodity price inflation. In addition, the interest rate increase, by central banks globally and softening of industrial demand, elevated energy costs, and restrictive covid policies in China further impacted the profitability of the steel industry. Tata Steel continued to focus on its performance improvement, cost take out program and operating

excellence throughout the year. Despite the several challenges, Tata Steel witnessed a 13% EBITDA margin and paid ₹41,024 Cr in taxes and other contributions globally: higher than the last six-year average and the second highest since we started reporting.

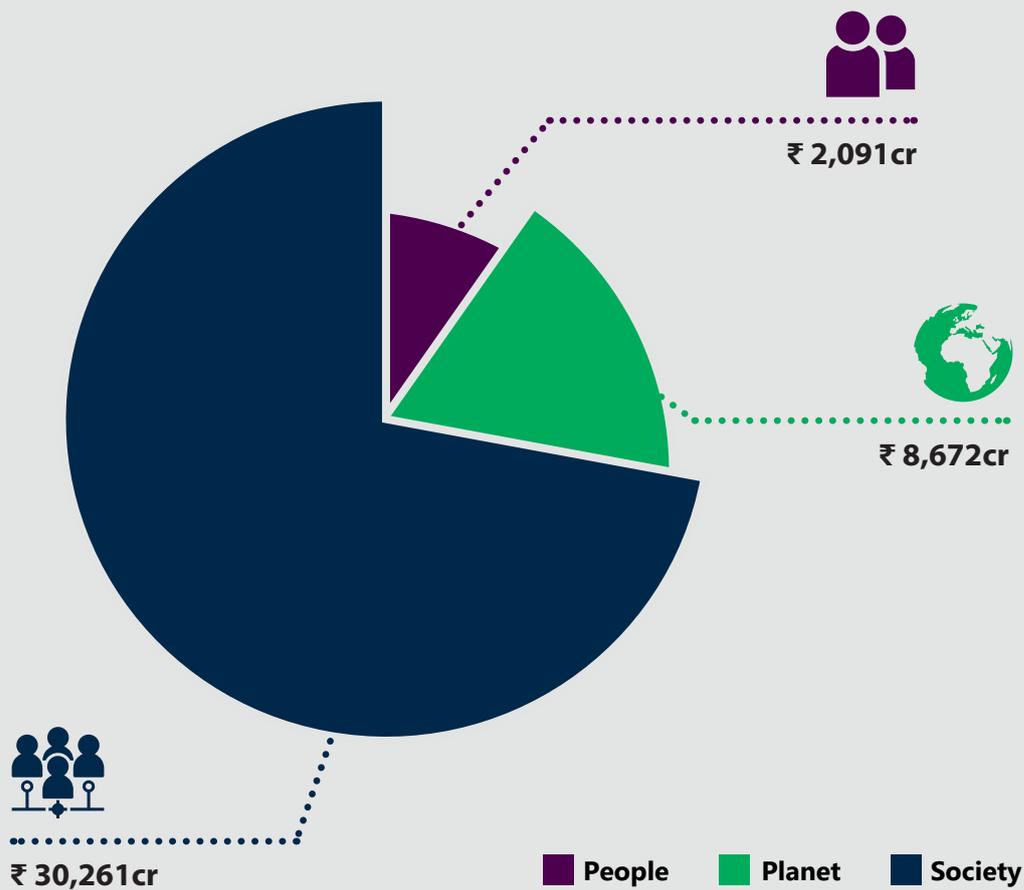
Tata Steel remains committed to investing in profitable growth in our target markets as well as improved productivity, cost rationalisation, cashflow optimisation, and simplification of our businesses. Tata Steel regularly participates in discussions on global and local taxation reforms and regulations. We are actively following developments in the Organisation for Economic Co-operation and Development (OECD) Pillar 1 and 2 discussions and the implementation of global minimum tax.

The Tax Transparency Report for Financial Year 2023 reflects our responsible tax conduct and our contribution to sustainable development in the geographies where we operate. In the third year of its voluntary publication, it also demonstrates Tata Steel's commitment to best-in-class corporate disclosures and transparency.

**Koushik Chatterjee**

Executive Director and Chief Financial Officer  
Tata Steel Limited

## Global Tax & Other Contributions (₹ Cr)



FY 2023

₹ 41,024<sub>cr</sub>



5 year total

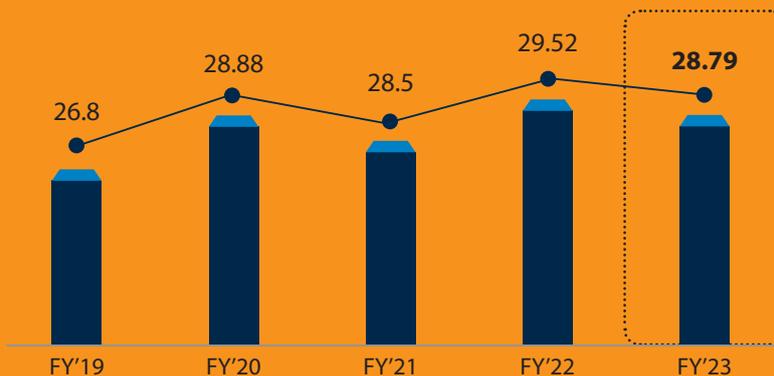
₹ 156,262<sub>cr</sub>

## Key statistics

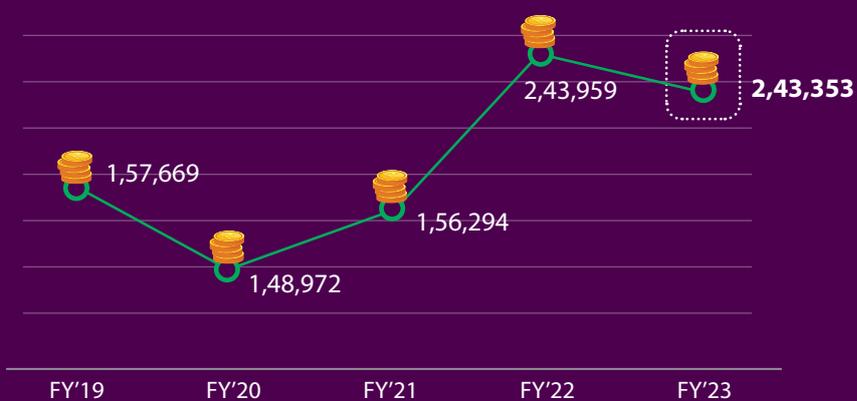
Tata Steel as a group (including its subsidiaries and joint ventures), dealing in the iron & steel products, is susceptible to the cyclicity of the sector, which in turn depends on the various market and economic dynamics. However, though a global conglomerate, the group's dependence is largely on the Indian market and usually stable and rising. But the realisation value and input cost are global dynamics driven, hence the group revenue and profit margins, experiences a cyclical outcome.

Our current performance and the near future is largely dependent on the European crisis and its impact on energy costs, which incidentally has a larger bearing on not only our customers but the entire industry. The other strong impact has been the battle between the central banks and inflation rates. We cannot be insulated from these things. But if our stronghold market, India, does well, and the infrastructure spend continues as planned, the impact is moderated.

### Deliveries of crude steel (MnT)



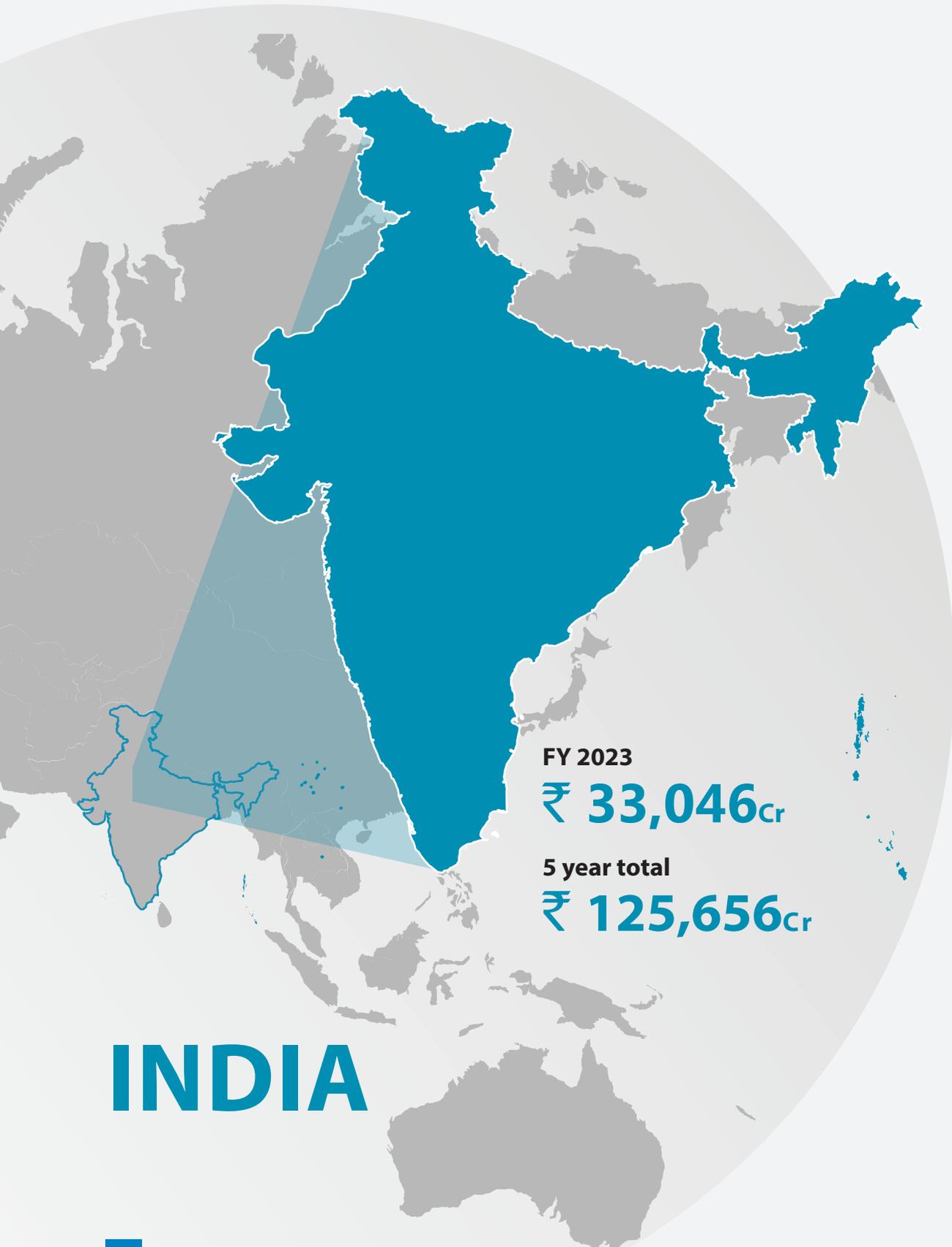
### Revenue (in ₹ Cr)



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



**Key metrics - Global Tax & Other Contributions over the years**



**INDIA**





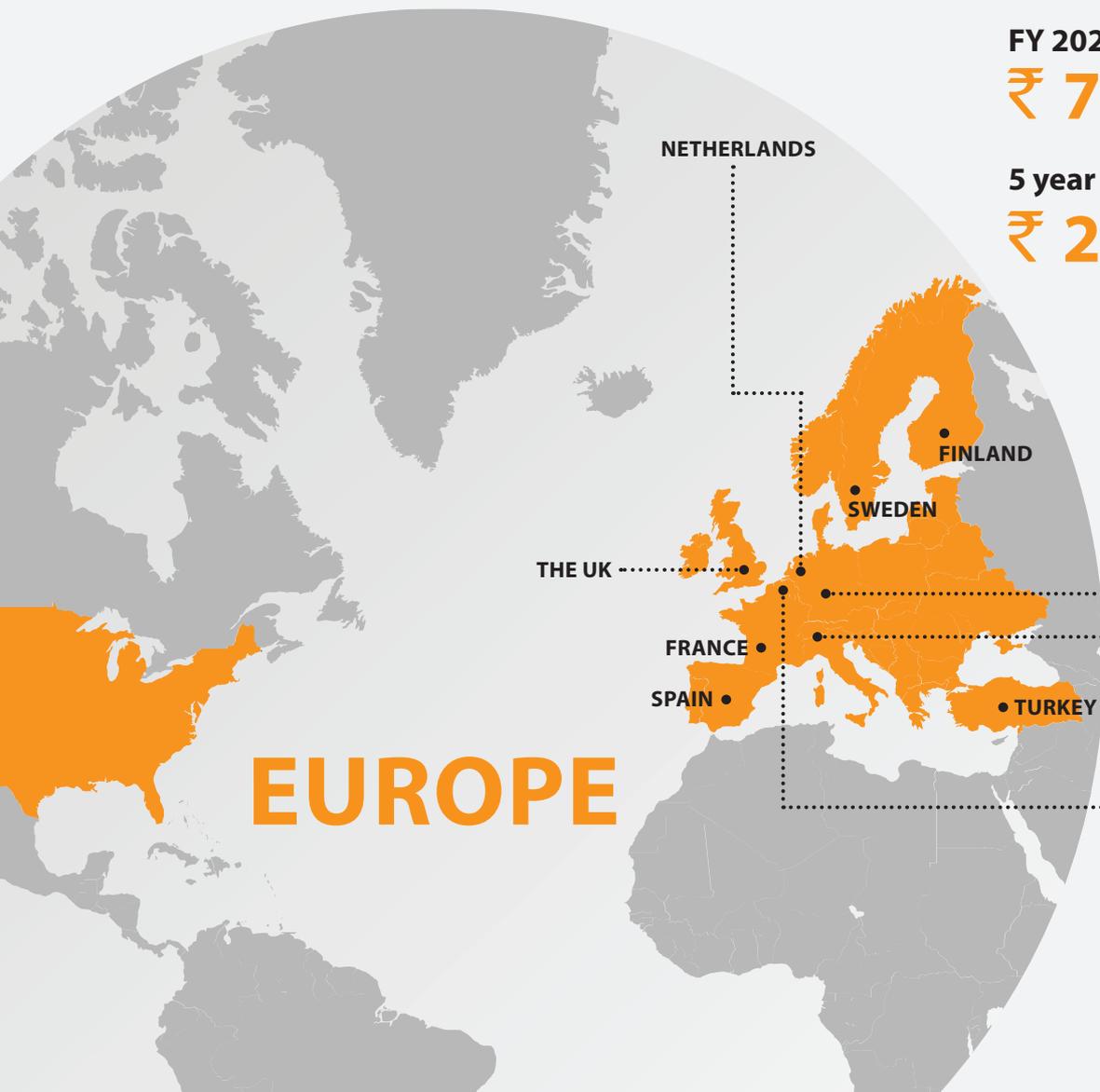
# SOUTH-EAST ASIA

FY 2023

₹ 199<sub>cr</sub>

5 year total

₹ 1,276<sub>cr</sub>



FY 2023

₹ 7,779<sub>cr</sub>

5 year total

₹ 29,330<sub>cr</sub>

# EUROPE

# About Tata Steel



Royalty, DMF, NMET,  
GST, Stamp Duty,  
Clean Energy Cess,  
TCS, Employee TDS,  
CMPF, Service tax, VAT



**Ores & Other  
Raw Materials**

Royalty, DMF, NMET,  
GST, Stamp Duty,  
clean energy cess,  
TCS, Employee TDS,  
CMPF, Service Tax,  
VAT

Tata Steel is the 10th largest steel producer in the world with an annual global crude steel production capacity of 35 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 70,000. Our steel

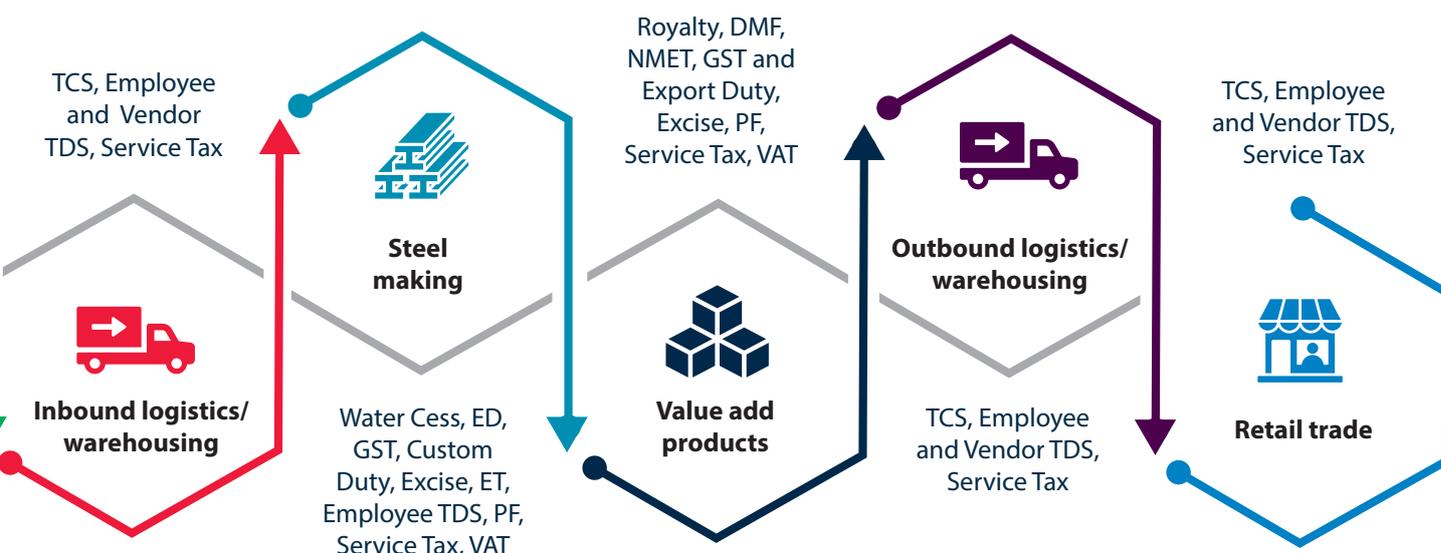
manufacturing and downstream facilities are in India, the UK, the Netherlands and Thailand, while our raw material mines are in India and Canada.

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 other charges.

Tata Steel's current structure is strategic integration of its value chain. The individual business entities are either upstream or downstream of Tata Steel manufacturing process. Today, on evaluation of the cost versus benefit of the structure, along with the drive towards consolidation, it makes more sense to have a simplified structure with new synergies. Thus, there is an ongoing effort to fold in some of the entities as divisions of Tata Steel India entity. Similar consolidation is also being carried out at both Asia and Europe level.



## 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, which is reflected in this Tax Transparency Report (TTR). 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 and tax decisions are properly evaluated and vetted for compliance with local tax laws. We are committed to pay taxes in the countries where the value is created. We do not make investments in or via countries considered to be tax havens or low-tax jurisdictions without any valid business or commercial substance.

### 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 (TCoE) 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





## Our commitment to transparency

This report demonstrates our continued commitment to the early adoption of responsible tax behaviours and focus on tax transparency. We recognise that an economy depends on fair and effective tax systems that help to 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.

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. It also aligns with the Statement of Principle drafted by the Extractive Industries Transparency Initiative (EITI). The sections of this report voluntarily address the proposed changes in the Business Responsibility and Sustainability Report (BRSR) governance disclosure mandate with reference to the related party transactions.

This report outlines our values and commitment to stakeholders and the business value chain. We trust that it would enable the stakeholders to arrive at an informed opinion about Tata Steel's approach towards tax, its tax principles and its tax contribution for the year in the changing global landscape of tax transparency. It also provides relevant financial and other information for the reader's benefit.

## Changing landscape of tax transparency

Over the years nations have initiated jurisdictional level disclosures with respect to various types of payments to the exchequer, tax strategy and policies. We at Tata Steel keep abreast of these updates and our voluntary disclosure in this report goes beyond that mandated by some countries.

The United States (US) Dodd-Frank Act in 2010 for extractive industries :publicly report governments payments

Australia implemented voluntary tax transparency code for certain companies

Most European Union nations have environmental taxes (for example carbon tax, plastic taxes, etc) being introduced to meet the SDG target

The United Kingdom (UK) Finance Act for large UK companies and groups requires them to publish their tax strategy

In the European Union the enhanced Corporate Sustainability Reporting Directive (CSRD) applicable from 2024 has tax transparency and strategy as a key theme

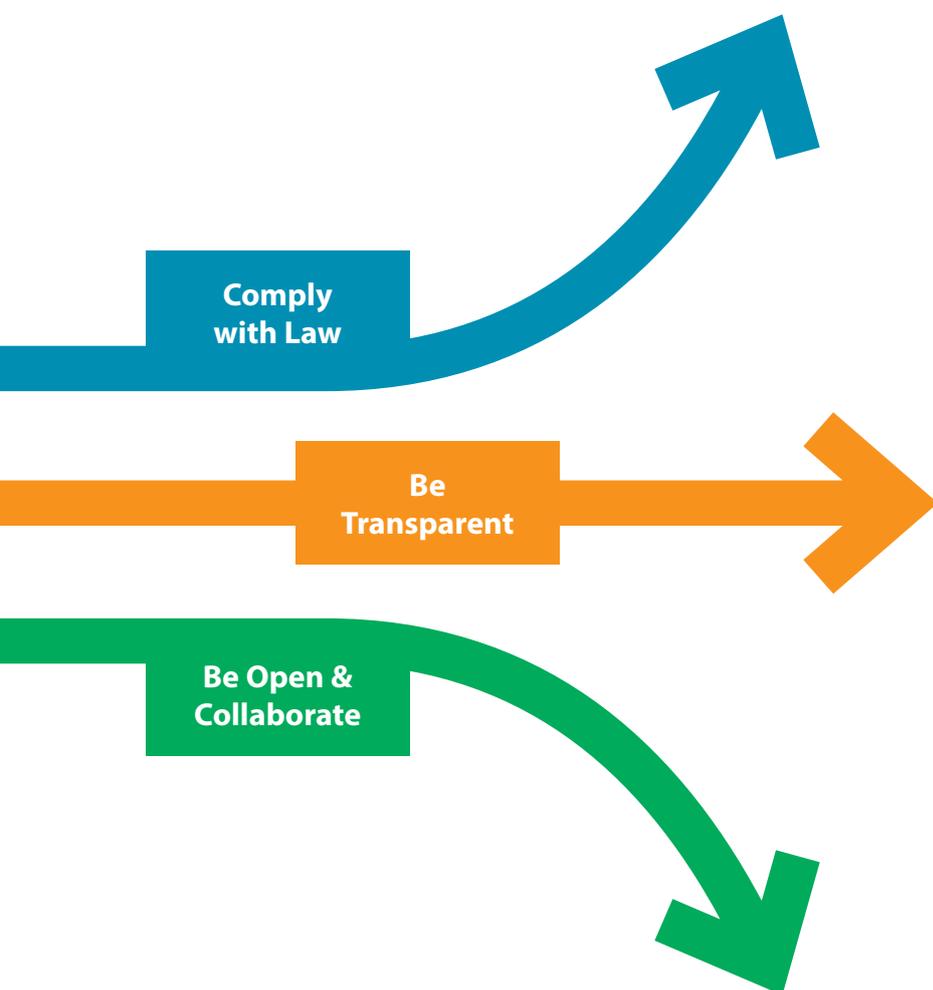
In India, the Securities and Exchange Board of India (SEBI) published a consultation paper on Disclosures, Rating and Investing, that has included related party transaction disclosures in the BRSR

# Approach to Tax



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.

### Embarked on the TTR journey on voluntary basis



### Seven years contribution published in three TTRs

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

### Our regional disclosures present our tax approach and payments wherever we operate

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

## Tax strategy

We are committed to act professionally, fairly and with integrity in all businesses and relationships with stakeholders. 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). Our tax strategy is strongly aligned to these commitments, and we aim to pay the right amount of tax at the right time, on the profits we make in the territories where the underlying value has been

created. Key business decisions are made with the aim of maximising value on a sustainable basis for our shareholders. Any tax decisions are undertaken within the context of a wider business purpose or commercial rationale and will have regard to the potential impact on our reputation, broader goals and Tata Steel core values of unity, integrity, responsibility, excellence and pioneering. We do not condone, encourage or support tax evasion.

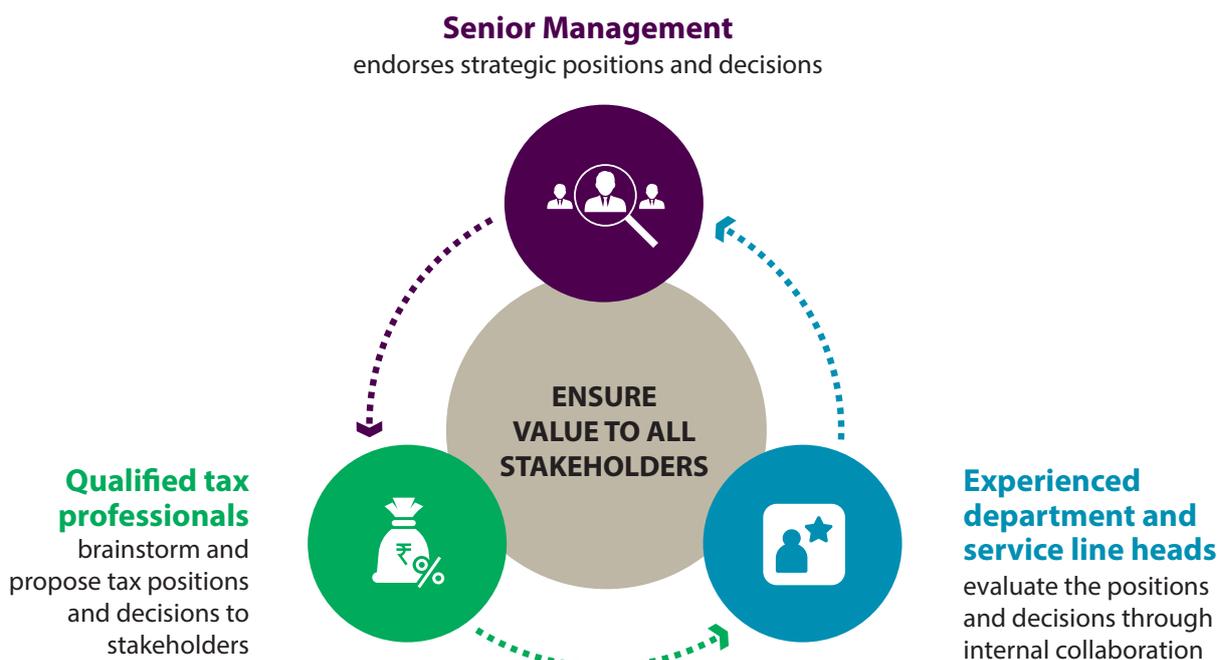
## Tax governance and approach

The group has a strong focus on corporate governance, which goes hand in hand with ethically driven tax processes. This robust governance structure at Tata Steel 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 also ensures that fair tax decisions are concluded with appropriate consultation.

As a process, our tax teams work closely with our businesses to understand the operating models of the transactions, their value drivers and risks. The tax decisions are initiated by qualified tax professionals of the concerned group entity, in collaboration

with their own experienced business colleagues and senior management for appropriate guidance and resolution. To ensure uniformity, we facilitate exchange of best practices among our group entities and ensure implementation of our Tax Principles.

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.



## Tax principles

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### 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 alongwith 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 credits, wherever applicable

## 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

Continuously monitor changes to tax legislation and government policy

#### Self-assessment

Institute effective controls and governance for preventing non-compliance

#### Resource management

Seek professional advice where the application of tax law is unclear or uncertain

#### Industry benchmark

Analyse approach and responses made by peers to tax risks

### Risk assessment

Given our global footprint, risks may arise from time to time due to the inherent dynamic nature of tax and regulatory framework, interpretation of tax law, the volume of tax compliances or incorrect data input and calculation. Tata Steel's appetite for risk is low and therefore we seek to minimise tax risk. Diligent professional care and judgement is employed to assess such tax risk implications and arrive at well-reasoned conclusions on controlling and monitoring them. To mitigate our tax risks, we focus on best interpretation of tax laws, effective legal structures, applying robust internal controls on data, while adopting enabling technology and development of our resources, obtaining necessary approvals from tax authorities wherever possible.

### 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. Based on recommendations of the tax function, appropriate tax policies and guidance is issued to influence organisational behaviour and minimise risks.

### 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 associated with us are encouraged to review, understand and confirm their awareness and understanding of our policy. For onboarding, third parties necessarily need to align and conform to such policies ensuring that the values and code of conduct are upheld through the value chain. 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 taken by our industry and peers in this respect. We make conscious attempts to align all our processes and policies with these evolving regulations. Since our principles, values and code of conduct is such, that aligning with the evolving requirements is usually an effortless transition.

## Related party transactions

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All transactions between related parties are undertaken at arm's length, aligning with the principles laid down in the OECD Transfer Pricing Guidelines 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 and ensures prospective transactions are also proactively reviewed. The transactions are evaluated at appropriate levels of management to monitor adherence to the above policies.

In India, SEBI expanded the definition of related parties and related party transactions requiring prior approval from Audit Committee. In compliance with this amendment, Tata Steel India has taken all necessary approvals and maintained documentation for all its global related party transactions.

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

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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 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.

Tata Steel India's regulatory affairs department in India along with its tax team, presents our views and concerns with respect to any tax policy changes that can impact the industry. We participate in various advocacy initiatives, both directly and through trade associations.

## Relationship with tax authorities – promoting transparency

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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 tax authorities are conducted in a collaborative and proactive manner to support positive and sustainable relationships. 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 across the group.

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 self-assessments on a periodic basis.

# Tata Steel – Indian Business

India with its large raw material reserves, a strong base of technically skilled workforce and one of the fastest growing markets globally, offers visible structural advantages for the steel industry to flourish. Tata Steel's India crude steel production capacity having grown in this background stands at 21.6 MnTPA with manufacturing facilities in Jamshedpur and Gamharia in Jharkhand and, Kalinganagar and Meramandali in Odisha. We recognise the impact of our industry on the environment and society, hence have programs to restore the same. In acknowledgement of our efforts and commitment towards principles of sustainability, the World Steel Association has once again recognised Tata Steel India and Tata Steel Europe as Sustainability Champions for the sixth consecutive year.

Despite a challenging business environment for the steel industry globally, Tata Steel India achieved high annual production and deliveries, surpassing the previous records set.

The Board of Directors of Tata Steel India approved schemes for the proposed amalgamation of six subsidiaries into Tata Steel India. The proposed amalgamations will enhance management efficiency, drive sharper strategic focus and improve agility across businesses based on the strong parental support from Tata Steel India's leadership. Tata Steel

India also completed the acquisition and steadily ramped up Neelachal Ispat Nigam Limited.

In pursuit of achieving its net zero ambition and attaining leadership in sustainability, in our India steel operations, we adopt a two-pronged approach to decarbonization, focusing on Carbon Direct Avoidance (CDA) and CO2 Capture and Use. The Company signed a Memorandum of Understanding (MoU), with the Government of Punjab, for setting up a 0.75 MnTPA long products steel plant with a scrap-based Electric Arc Furnace (EAF).

## Our focus on People, Planet and Society

At Tata Steel India, sustainability is an integral part of the business and is driven by the Company's leadership, with an organisation-wide governance structure around it. Our policies demonstrate our commitment towards sustainability leadership and guide us in formulating and implementing our long-term sustainability strategy.

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, to prevent and to combat adverse effects of climate change and to work towards a reduction in greenhouse gases throughout our value chain. Our comprehensive range of social 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

"Company of the year" Award in Large Enterprise Category by Indian Circular Economy Forum (ICEF) 2022

Ranked as the No. 1 brand in India in the Mining and Metals industry in 2022 by Brand Finance

Jamshedpur Steel Plant recognised as the Advanced 4th Industrial Revolution Lighthouse by World Economic Forum

Jamshedpur Steel Plant is India's first site to receive ResponsibleSteel Certification

Recognised as 2022 'Supplier Engagement Leader' by the Carbon Disclosure Project, for measuring and reducing environmental risks across its supply chain

Recognised as Global Diversity Equity & Inclusion (DEI) Lighthouse 2023 by World Economic Forum, for improving gender diversity at the workplace

Great Place to Work™ Certified organisation in India for 2023 for the sixth time

"GOLD" employer for the second consecutive year in 2022 for driving LGBTQIA+ inclusion by India Workplace Equality Index

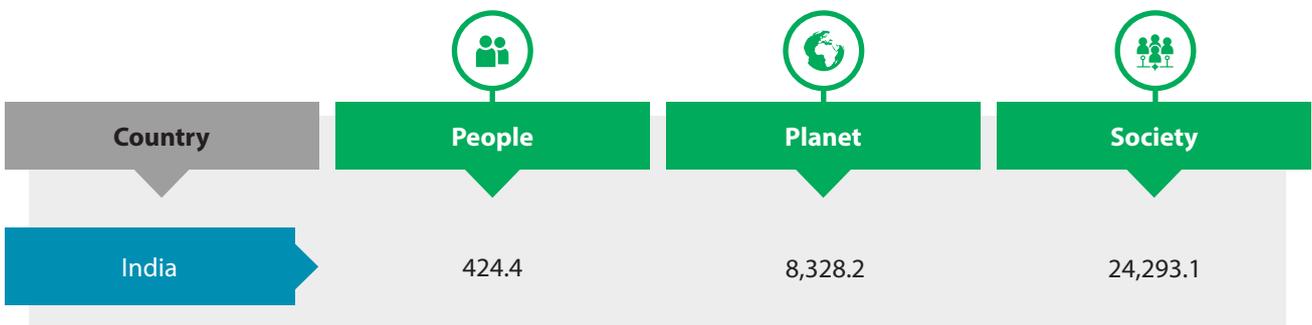
Recognised among India's top 10 most attractive employer brands in 2022 for its people first approach, initiatives on Diversity Equity & Inclusion and Agile Working Model by Randstad Employer Brand Research

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

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

## Indian business contributions

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



## Tax governance

Tata Steel 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 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 TCoE 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.

The Risk Management Committee aims to proactively manage risks and ensure the timely detection, correct measurement, mitigation 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.

## Tax profile

### Focus on Digitalisation & Data

The focus of the Indian government is to promote and implement digitalisation in all aspects of business. In the tax function, to impart greater efficacy as well as transparency and accountability in the assessment process, India has transcended to the faceless assessment and appeals scheme.

The controls, processes and frameworks implemented around tax compliance and assessment by Tata Steel ensure a digitalised way of working.

The Income Tax Department has been taking several progressive steps to encourage voluntary tax compliance and promote transparent tax administration. One such initiative is the e-Verification Scheme. The Department has been collecting financial transaction information from multiple sources, and now the entire information is displayed to the taxpayers through the Annual Information Statement (AIS). The e-Verification Scheme is a proactive step by the Department towards promoting voluntary compliance, improving data accuracy, and minimizing litigation. In order to further strengthen it, with the consent of the taxpayers, the Government will exchange information furnished by taxpayers, under The Central Goods and Services Tax Act, 2017, with other departments. In order to widen the tax base, it has also lowered the mandatory e-invoicing threshold.

Tata Steel India is cognizant of these changes and prepared for using data for its internal and external control processes as well.

### 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 help address tax challenges arising from the digitalisation of the global economy, ensure coherence of international tax rules, and, ultimately, a more transparent tax environment. Pillar One, which applies to large multinationals, will reallocate certain amounts of taxable income to market jurisdictions, resulting in a change in effective tax rate and cash tax obligations, as well as an impact on current transfer pricing arrangements. The timing for the introduction of Pillar One is unknown and depends on its acceptance by a critical mass of jurisdictions. Pillar Two aims to ensure that income is taxed at an appropriate rate and has several complicated mechanisms to ensure this tax is paid.

On 20 December 2022, the OECD released guidance documents which inter-alia includes the transitional Country-by-Country Reporting (CbCR) Safe Harbour rules to reduce the compliance burden associated with undertaking the full GloBE effective tax rate (ETR).

This is effectively empowering other countries as well to enact the legislation necessary to move forward with the implementation along with providing some interim relief to facilitate a smoother process. In December 2022 the EU Council announced that EU Member States had reached an agreement to implement Pillar II. The UK is also introducing new legislation in the near future around Pillar II for which the group is adequately preparing for.

As per the indicative legislation, the ultimate parent entity has the primary responsibility for these compliances (which can be delegated to other entities in some circumstances). Tata Steel India being the ultimate parent entity is proactively initiating discussions and analysis of their impact from India, Europe, and South East Asia perspective, if any while monitoring its implementation to ensure compliance to these global reforms whenever applicable.

### Measures for ease of doing business

The Indian government has laid out several schemes for boosting trade and economy in India:

- India's new foreign trade policy (the FTP) was announced on 31 March 2023 (effective from 1 April

2023) setting out blueprint for India as a global market. The FTP sets an aspirational target for achieving growth in export of goods and services to US \$ 2 trillion by 2030 and a boost to Ease of Doing Business by way of automation and flexibility

- Production-linked incentive (PLI) Scheme for specialty steel
- Introduction of the India Australia Free trade agreement, coal imported from Australia will be exempted from basic custom duty and cess
- Several states in India have also introduced Amnesty Schemes for settlement of disputes relating to arrear tax, interest, penalty, or late fee pending based on applications by taxpayers

In our commitment to enhance shareholder value, to promote better dialogue and relationship with the tax authorities, while keeping our corporate and fiscal responsibilities in mind, Tata Steel India would evaluate these schemes and apply wherever required.



# Tata Steel – European Business



The Tata Steel in Europe (TSE) group is one of the largest steel producers, with a crude steel production capacity of over 12 MnTPA. The manufacturing facilities in Europe comprise primary steelmaking facilities in the Netherlands and in the UK, along with key downstream operations in the Netherlands, the UK, Germany, France, Belgium, Sweden, Finland, Switzerland, Spain, Turkey and the US.

Tata Steel UK established a French Branch and also incorporated a Lisburn entity, hiving down the Lisburn branch business. The year witnessed various economic, geopolitical dynamics impacting the market and the business to some extent.

## 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 People & Society within a sound financial framework
- Focus on Decarbonisation & Sustainability by transforming to a carbon neutral steelmaker
- Improving local Environment & Community footprint by addressing immediate environmental concerns

The core concept of sustainability is also ingrained in our mission and vision. As presented in our Mission statement, we aim to continue to play a meaningful role for all our stakeholders as a clean, green, circular steel company that creates value. While our vision is to create a clean green circular steel company, sustainable in all aspects.

Tata Steel in Europe has been working towards a sustainable future and some of its achievements are:

- Recognised by 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 programme
- As a leader in global initiatives for decarbonisation of the sector, the company 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 (laying 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 company announced its plans to pursue a fully sustainable future for its steelworks in IJmuiden by adopting a hydrogen route involving the introduction of direct reduced iron technology
- Tax function is making good progress in automation/robotisation of the Dutch VAT return. This will make the monthly VAT declaration process an even more controlled process. The return will be prepared by a Power Query including prior automated checks
- Corporate Income Tax returns up to and including FY 2020 have been assessed in accordance with tax return filing position, i.e. no adjustments imposed by Dutch Tax Authorities

#### Tata Steel UK

- Long term road map is being developed evaluating the pros and cons of multiple technologies (for example, replacing blast furnaces with EAF's, reusing blast furnace gas, recycling scrap all of which require significant investment) along with long term discussions with Government
- In line with group objective, simplification of processes and procedures have been undertaken with an aim to simplify governance mechanism
- Increased focus on automation and standardisation to improve process control, minimise risk and increase transparency

## European business contributions

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

Country	 People	 Planet	 Society
Belgium	33.7	10.7	0.5
Finland	0.3	0.1	118.0
France	96.3	6.5	562.5
Germany	64.3	2.0	1,129.7
Netherlands	956.0	87.4	1,709.2
Spain	20.4	1.9	352.0
Sweden	27.0	5.5	38.0
Switzerland	15.9	0.6	20.1
Turkey	1.9	0.04	28.6
UK	408.0	189.2	1,408.0
US	14.7	2.5	151.8
Others*	8.7	0.3	306.7
<b>Total</b>	<b>1,647.2</b>	<b>306.7</b>	<b>5,825.1</b>

\* Refer page 42

## Tax governance

### 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 the CFO of Tata Steel Nederland BV and provides regular updates on tax positions and compliance. Furthermore the Director Taxation is a member of Tata Steel Europe's Finance Coordination Committee.

Tax updates are provided to the Tata Steel Netherlands Holdings BV Board which comprises the Vice President European Corporate Affairs and the ED & CFO of Tata Steel. Other than that, together with other senior finance professionals, the Director Taxation participates in regular Senior Finance Team meetings chaired by the CFO of Tata Steel Nederland BV.

### 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.

The group's appetite to risk is very low. 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. With the objective of prioritizing tax risk wherever possible we seek to resolve issues with the revenue authorities on a real time basis and in the event that disagreements arise, we would strive to work with the tax authorities to resolve any disputed matters through proactive and transparent discussion and negotiation.

In accordance with the UK's Senior Officer Accounting Rules, UK group Taxation Team maintain a log of tax process controls, which are reviewed 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

### Tax policy

After a long period, Tata Steel's Dutch tax group ended up in tax paying position for Corporate Income Tax purposes in FY 2023. Apart from being profitable, this results from the rule that limits future loss compensation (in short limiting loss compensation to 50% of taxable profit) which applies from FY 2023. This, in general, means Tata Steel's Dutch tax group will be paying corporate income tax from FY 2023 whenever the tax group is profitable.

### ESG related policies

Europe is in continuous discussions relating to public disclosure of certain information on jurisdictional basis for European multinationals. Besides the BEPS related discussions are most active in that region. Thus,

preparations are in process relating to introductions of:

- EU Public CbCR obligation in FY 2024
- Carbon Border Adjustment Mechanism (CBAM) regime which will apply from October 2023 which is a transition period with only reporting obligations. CBAM also has customs compliance characteristics that need attention

The UK businesses have also been affected during the past period by the introduction of a Plastic Packaging Tax (PPT). The legislation on this is very new and the details/ guidance is still emerging day by day. Though the financial impact has been minor, the administration is likely to require some system changes. Tata Steel UK has appropriately evaluated these changes and implementing it as required.

# 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.

Tata Steel's presence in Thailand began in 2006, when it acquired a majority stake in the Thailand-based long product manufacturer Millennium Steel and renamed

it as Tata Steel Thailand and 100% stake in Siam Wire Co. through its erstwhile subsidiary in Singapore, NatSteel. In the current year, Natsteel Asia Pte Ltd has been amalgamated into Tata Steel Holdings Pte Ltd.

Thailand has witnessed a significant economic slowdown which has also adversely impacted steel consumption. However, despite the decline, Tata Steel in Thailand continues to retain its market position in the geography.

## 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 processes that can provide best products and service 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 company 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.

The group works closely with local communities to improve quality of life through various projects as well as promotes and encourages the employees to volunteer in social development.

### Key achievements

- The Tata Steel Manufacturing (Thailand) SCSC Plant received the Prime Minister's Industry Award 2022 in Circular Economy Category from the Ministry of Industry
- The Tata Steel Manufacturing (Thailand) NTS Plant and the Tata Steel Manufacturing (Thailand) SCSC plant have received Eco Factory Award 2022 in Gold Plus Level from the Department of Industrial Works
- Tata Steel Manufacturing (Thailand) - SISCO Plant has received Certificate of Carbon Footprint for Organization 2022 from Thailand Greenhouse Gas Management Organization
- Tata Steel (Thailand) Plc has received Thai Chamber of Commerce Best Ethics Club Badge 2022 from Thai Chamber of Commerce
- The Siam Industrial Wire Co., Ltd (SIW) received certification of Low Emission Support Scheme by Thailand Greenhouse Gas Management Organization on reducing greenhouse gas emissions
- SIW received Green Industry Level 4 from the Ministry of Industry, Thailand
- SIW received Certificate of Environmental Product Declaration 2022 for certain products

## South-East Asian business contributions

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

Country	People 	Planet 	Society 
Mauritius	-	31.6	-
Singapore	1.7	-	69.3
Thailand	16.6	1.8	68.8
Others*	1.3	3.1	4.9
<b>Total</b>	<b>19.6</b>	<b>36.5</b>	<b>143.0</b>

## Tax governance

We are committed to our tax principles involving collaborative and timely 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 and press releases, among other financial and non-financial information. Our tax policy is centered around maintaining integrity in our tax compliance and reporting. We do not use tax structures with the intent of tax avoidance.

\* Refer page 42



## Tax profile

Our tax policy is centered 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.

We believe in 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. We also focus on maintaining proper documentation and taking steps accordingly to store these online for easy retrieval and permanent preservation.

The region also has been focusing on disclosures and environmental taxes in a limited manner. Some of the leading nations of the region have been proactive in this endeavour. The Singapore budget for FY 2023 increased the Carbon Tax substantially for the year 2024 and 2025

upwards from S\$5 per tonne to S\$25 per tonne and then to S\$45 per tonne the following two years. The aim is to raise the rate to a range from S\$50 to S\$85 thereafter.

The Budget for 2023-24 of Hong Kong introduced the global minimum effective tax rate on large multinational enterprise groups and plan to implement the domestic minimum top-up tax starting from 2025 onwards

Tata Steel in the region is cognisant of these changes and preparing itself to address the changing disclosure and reporting environment as applicable.



# Global Tax & Other Contributions

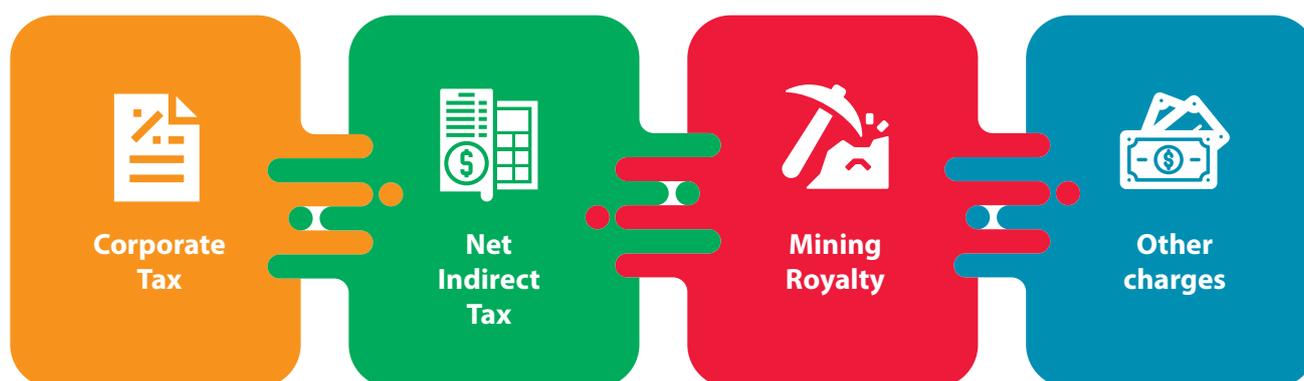


## Specific disclosures

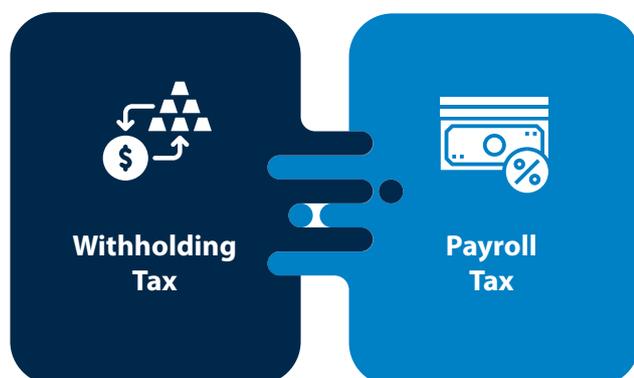
The earlier sections of this report have aimed to provide an overview of our businesses and operations along with our tax principles and governance mechanisms. In continuation to the above information, we have presented here a summary of the Global Tax & Other Contributions made directly or indirectly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



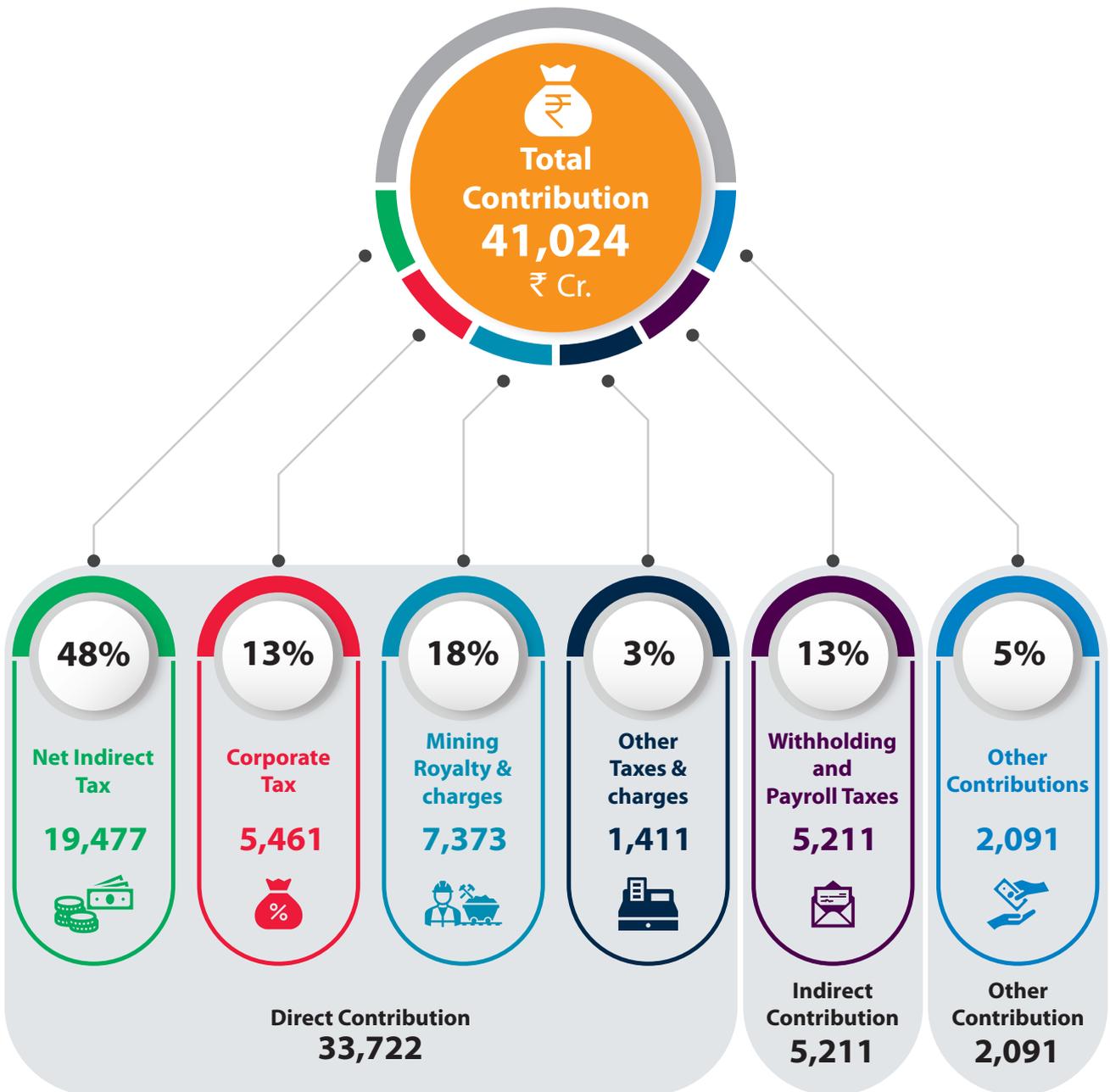
### Indirect Contribution



### Other Contribution

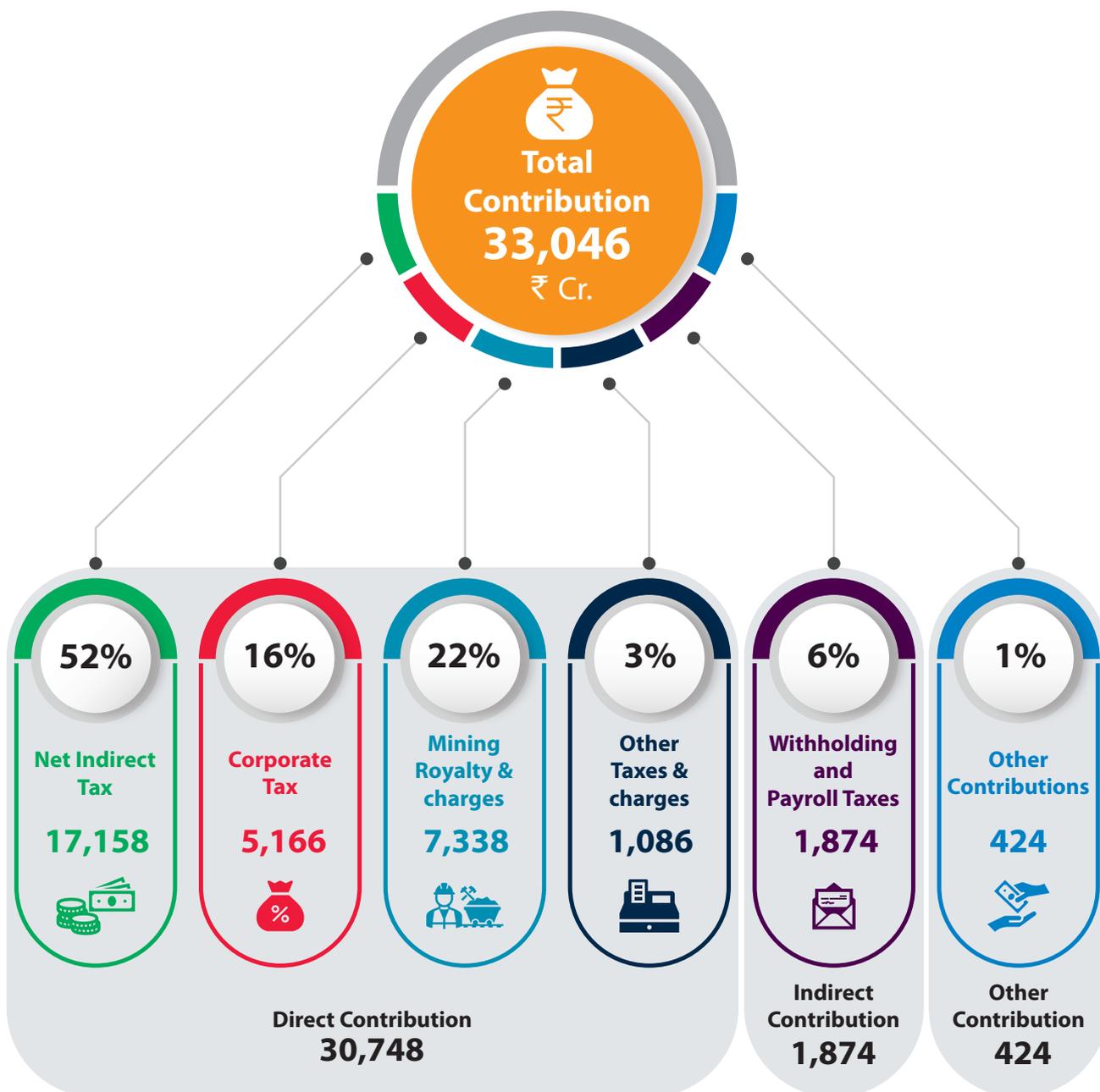


## Global Tax & Other Contributions - FY 2023

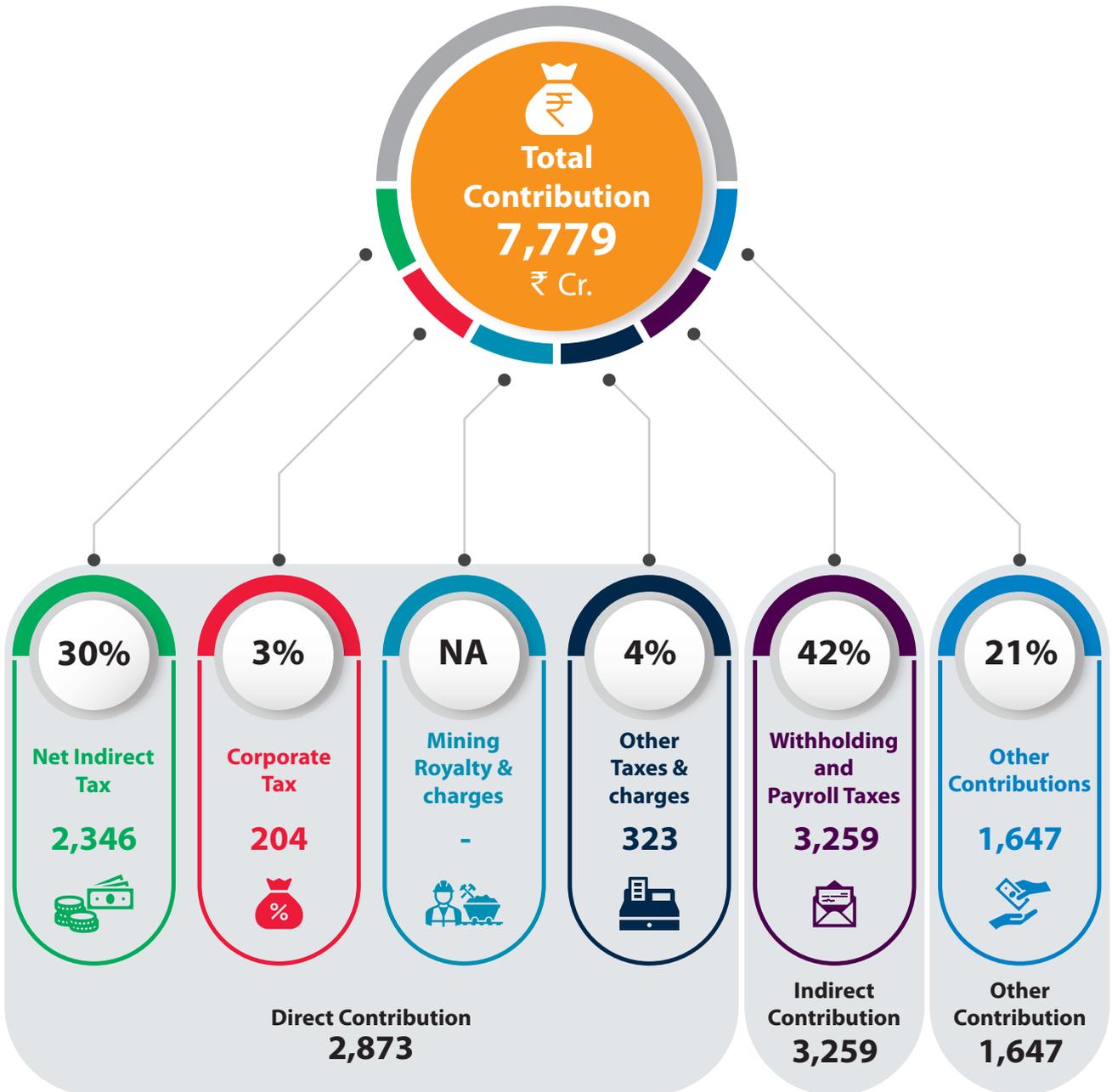


## Regional Snapshot FY 2023

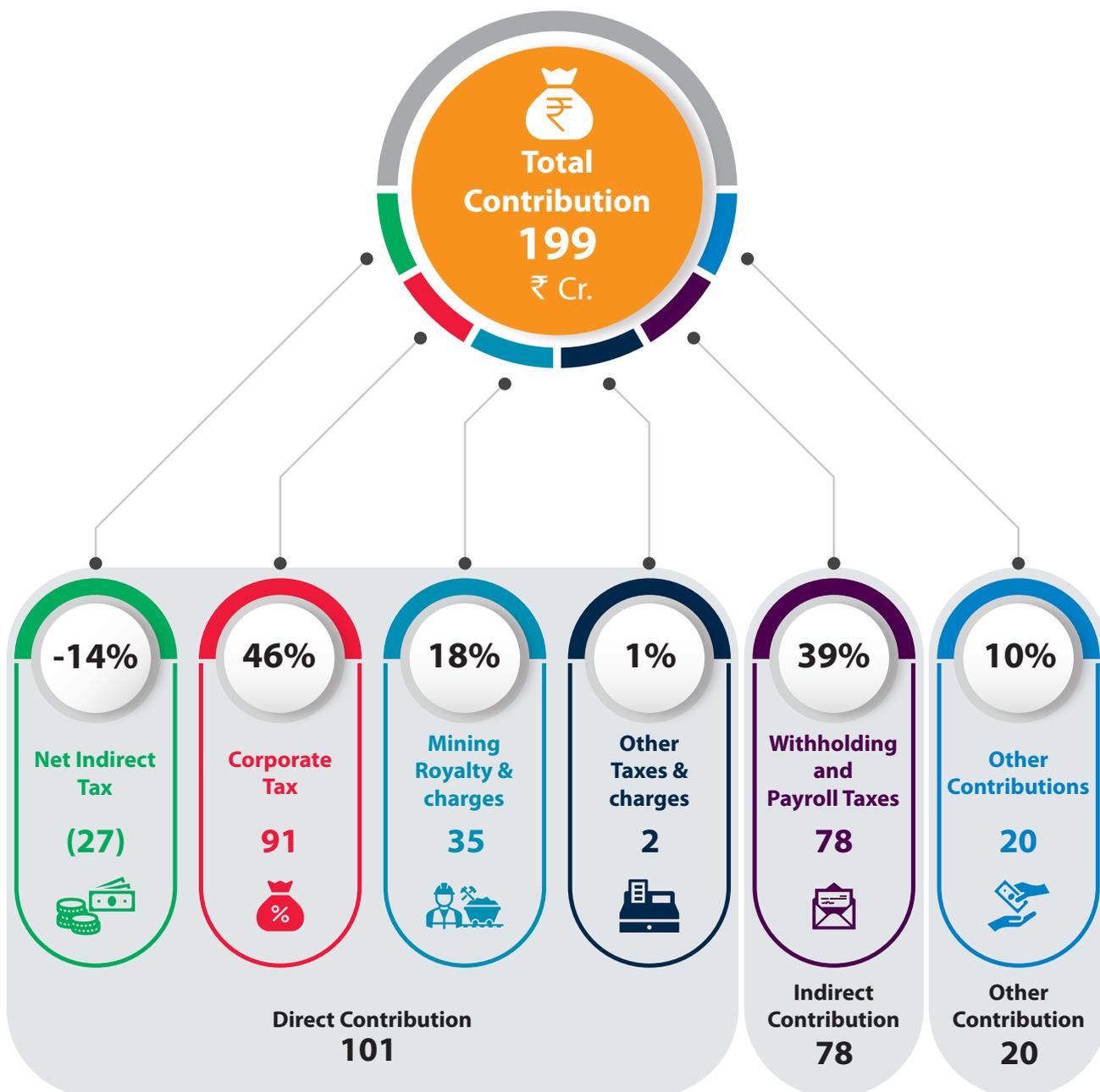
### Indian Business Contribution



**European Business Contribution**



### South-East Asian Business Contribution



**Note:** All amounts are aggregate of tax payments made and refunds received. Negative amounts arise where the tax credits (or refunds) exceed the tax payments made on an aggregate basis.

# Contribution by Entity



₹ in Cr

Entity	Relation	Country	Business Description	Revenue	Profit Before Tax	Direct Contribution	Indirect Contribution	Other Contribution
Adityapur Toll Bridge Company Limited	Subsidiary	India	Heavy Engineering & Construction	13.5	9.3	0.01	0.04	0.01
Angul Energy Limited	Subsidiary	India	Procurement, Manufacturing and Distribution	195.0	53.9	109.2	3.3	0.3
Bhubaneshwar Power Private Limited	Subsidiary	India	Manufacturing	597.1	58.9	54.6	3.5	0.3
Creative Port Development Private Limited	Subsidiary	India	Port Operation	-	(0.7)	(0.1)	0.5	0.01
Himalaya Steel Mills Services Private Limited	Joint Venture	India	Manufacturing	10.7	3.9	2.5	1.8	0.1
Industrial Energy Limited	Joint Venture	India	Power production	88.0	43.0	19.2	1.7	0.2
Jamipol Limited	Joint Venture	India	Manufacturing	149.9	17.0	12.5	4.4	0.3
Jamshedpur Continuous Annealing & Processing Company Private Limited	Joint Venture	India	Manufacturing	2,020.7	108.4	18.8	9.9	1.3
Jamshedpur Football and Sporting Private Limited	Subsidiary	India	Sporting & Recreational Activities	47.8	(28.6)	1.0	3.2	-
Kalimati Global Shared Services Limited	Subsidiary	India	Support Services	29.9	3.5	1.7	2.3	0.1
Medica TS Hospital Pvt. Ltd.	Subsidiary	India	Health Service	22.8	(3.4)	1.4	1.2	0.4
Mjunction Services Limited	Joint Venture	India	E-auction Service Provider	149.7	48.3	28.3	13.5	2.2
Naba Diganta Water Management Limited	Joint Venture	India	Water Management	10.0	5.5	2.3	0.7	0.03
Subamarekha Port Private Limited	Subsidiary	India	Port Construction	-	(8.4)	0.1	3.0	0.1
Tata Steel Mining Limited	Subsidiary	India	Manufacturing	4,999.9	(270.2)	2,824.4	43.8	1.2
Tata Bluescope Steel Private Limited	Joint Venture	India	Manufacturing	1,612.9	184.6	122.4	23.3	1.4
Tata Metaliks Ltd.	Subsidiary	India	Manufacturing	3,259.6	100.7	287.9	31.1	6.8
Tata Nyk Shipping (India) Pvt. Ltd.	Joint Venture	India	Shipping Service	7.0	0.7	0.1	1.2	0.2
The Tata Pigments Limited	Subsidiary	India	Procurement and Manufacturing	194.9	17.1	11.6	2.9	0.6
Tata Steel Downstream Products Limited	Subsidiary	India	Manufacturing	7,393.7	294.2	98.6	37.0	5.1
Tata Steel Foundation	Subsidiary	India	Other Services	458.4	7.5	0.04	5.3	0.9
Tata Steel International (India) Limited	Subsidiary	India	Distribution	-	0.6	-	0.1	0.04

₹ in Cr

Entity	Relation	Country	Business Description	Revenue	Profit Before Tax	Direct Contribution	Indirect Contribution	Other Contribution
Tata Steel Limited	Parent	India	Research and Development, Holding or Managing intellectual property, Procurement, Manufacturing, Distribution, Internal Group Finance, Holding company	129,006.6	21,021.9	25,603.0	1,484.2	329.9
Tata Steel Long Products Limited	Subsidiary	India	Manufacturing	7,464.1	(1,029.6)	1,125.4	43.2	5.1
Tata Steel Support Services Limited	Subsidiary	India	Other Services	59.9	(0.1)	11.9	0.7	4.1
Tata Steel Technical Services Limited	Subsidiary	India	Other Services	144.1	(1.0)	29.8	1.3	8.0
Tata Steel Utilities And Infrastructure Services Limited	Subsidiary	India	Support Services	1,426.8	109.4	89.5	30.3	13.2
Indian Steel & Wire Products Ltd	Subsidiary	India	Manufacturing and Distribution	342.0	2.1	12.5	5.5	2.7
The Timplate Company Of India Limited	Subsidiary	India	Manufacturing	3,982.8	192.9	29.9	29.9	6.9
TKM Global Logistics Limited	Joint Venture	India	Support Services	25.9	13.9	2.7	0.9	0.1
TM International Logistics Limited	Joint Venture	India	Support Services	374.6	31.8	21.1	17.7	0.7
Tata Steel Special Economic Zone Limited	Subsidiary	India	Industrial Park Developer	17.5	(5.2)	2.3	1.8	0.2
Rujuvalika Investments Limited	Subsidiary	India	Other Services	-	6.5	0.6	0.5	-
Tata Steel (Thailand) Public Company Limited	Subsidiary	Thailand	Support Services	147.8	68.7	8.1	19.0	3.3
Tata Steel Manufacturing (Thailand) Public Company Limited	Subsidiary	Thailand	Manufacturing	7,385.2	159.8	2.6	24.4	8.3
Tata Steel International (Shanghai) Ltd.	Subsidiary	China	Procurement, Distribution, Support Services	11.6	0.7	0.6	1.0	1.1
The Siam Industrial Wire Company Ltd.	Subsidiary	Thailand	Manufacturing	2,036.8	200.5	2.8	9.8	3.9
TSN Wires Co., Ltd.	Subsidiary	Thailand	Manufacturing	282.2	(14.7)	1.5	2.3	1.0
TS Asia (Hong Kong) Ltd.	Subsidiary	Hong Kong	Procurement and Distribution	-	(0.2)	(0.4)	-	0.02
Natsteel Asia Pte. Ltd.	Subsidiary	Singapore	Internal Group Finance	-	-	0.5	-	-
Abja Investment Co. Pte. Ltd.	Subsidiary	Singapore	Internal Group Finance	-	74.3	4.6	-	-
T S Global Holdings Pte Ltd.	Subsidiary	Singapore	Holding company	-	(2,465.0)	14.6	1.3	0.2

₹ in Cr

Entity	Relation	Country	Business Description	Revenue	Profit Before Tax	Direct Contribution	Indirect Contribution	Other Contribution
T Steel Holdings Pte. Ltd.	Subsidiary	Singapore	Holding company	-	16.7	-	5.6	-
T S Global Procurement Company Pte. Ltd.	Subsidiary	Singapore	Internal Group Finance	75,791.4	(111.0)	25.7	14.6	0.9
T S Global Procurement Company Pte. Ltd.	Subsidiary	UK	Internal Group Finance	-	-	-	-	-
T S Global Procurement Company Pte. Ltd.	Subsidiary	Netherlands	Internal Group Finance	-	-	458.2	-	-
Minas De Benga (Mauritius) Limited	Joint Venture	Mauritius	Holding Company	109.2	31.9	31.6	-	-
Tata NYK Shipping Pte Ltd.	Joint Venture	Singapore	Shipping Service	2,007.9	1.9	2.0	0.3	0.6
TKM Global China Ltd	Joint Venture	China	Support Services	22.9	0.7	0.03	-	-
TKM Global GmbH	Joint Venture	Germany	Support Services	37.1	4.4	0.6	-	-
Bluescope Lysaght Lanka (Pvt) Ltd	Joint Venture	Sri Lanka	Manufacturing	82.6	14.6	3.0	-	0.2
Catnic Limited			Holding company					
TS South Africa Sales Office Proprietary Limited			Sales Office					
Cogent Power Limited			Internal Group Finance, Holding company					
Corby (Northants) & District Water Company Limited			Manufacturing					
Corus Group Limited	Subsidiary		Internal Group Finance, Holding company					
Corus Holdings Limited			Other Services					
Corus International (Overseas Holdings) Limited			Internal Group Finance, Holding company	31,795.2	(2,588.5)	842.7	604.3	408.0
Corus International Limited			Internal Group Finance, Holding company					
Tata Steel UK Limited			Manufacturing					
Texturing Technology Limited	Joint Venture		Manufacturing					
UK Steel Enterprise Limited			Support Services					
Tata Steel Europe Limited	Subsidiary		Internal Group Finance, Holding company					
Tulip UK Holdings (No.2) Limited			Internal Group Finance, Holding company					

₹ in Cr

Entity	Relation	Country	Business Description	Revenue	Profit Before Tax	Direct Contribution	Indirect Contribution	Other Contribution	
Tulip UK Holdings (No.3) Limited	Subsidiary	Tata Steel UK	Internal Group Finance, Holding company						
Tata Steel UK Holdings Limited			Internal Group Finance, Holding company						
Orchid Netherlands (No.1) B.V.	Subsidiary	Tata Steel Netherlands	Holding company						
Tata Steel IJmuiden BV			Manufacturing						
S A B Profiel B.V.			Manufacturing						
Service Centre Maastricht B.V.			Manufacturing and Distribution						
Tata Steel Nederland Tubes BV			Manufacturing						
British Steel Nederland International B.V.			Internal Group Finance, Holding company						
Huizenbezit "Breesap" B.V.			Other Services		62,083.0	3,454.5	(172.9)	2,451.7	956.0
Staalverwerking en Handel B.V.			Holding company						
Tata Steel Nederland BV			Internal Group Finance, Holding company						
Tata Steel Nederland Services BV			Support Services						
Tata Steel Nederland Technology BV	Research and Development, Holding or Managing intellectual property								
Tata Steel Netherlands Holdings B.V.	Support Services, Internal Group Finance, Holding company								
Tata Steel Germany Gmbh	Subsidiary	Germany	Support Services, Holding company	-	106.1	96.2	9.0	1.4	
Tata Steel International (Germany) Gmbh	Subsidiary	Germany	Distribution	-	(0.3)	(0.8)	4.2	2.6	
Hille & Muller Gmbh	Subsidiary	Germany	Manufacturing	1,028.8	5.8	43.7	25.6	25.8	
Fischer Profil Gmbh	Subsidiary	Germany	Manufacturing and Distribution	1,309.0	21.0	136.2	12.2	13.4	
S A B Profil Gmbh	Subsidiary	Germany	Manufacturing	503.5	73.5	86.1	1.7	2.7	
Service Center Gelsenkirchen Gmbh	Subsidiary	Germany	Manufacturing and Distribution	1,624.6	30.8	202.9	12.2	12.1	
Degels Gmbh	Subsidiary	Germany	Dormant	-	(2.0)	(0.2)	0.1	-	

₹ in Cr

Entity	Relation	Country	Business Description	Revenue	Profit Before Tax	Direct Contribution	Indirect Contribution	Other Contribution
Catnic Gmbh	Subsidiary	Germany	Distribution	240.9	7.7	7.0	2.9	3.0
Inter Metal Distribution SAS	Subsidiary	France	Distribution	458.9	24.8	(20.3)	0.4	2.2
Tata Steel France Holdings SAS	Subsidiary	France	Support Services, Internal Group Finance, Holding company	-	19.4	20.6	-	-
Tata Steel International (France) SAS	Subsidiary	France	Distribution	-	10.4	0.3	0.6	3.5
Tata Steel Maubeuge SAS	Subsidiary	France	Manufacturing	4,427.8	(55.9)	149.5	6.6	71.7
Unitol SAS	Subsidiary	France	Manufacturing and Distribution	2,113.8	7.4	411.0	0.2	18.8
Societe Europeenne De Galvanisation (Segal) SA	Subsidiary	Belgium	Manufacturing	842.8	29.6	(25.6)	21.1	22.9
Tata Steel Belgium Packaging Steels N.V.	Subsidiary	Belgium	Manufacturing	120.8	10.3	(4.4)	4.4	8.1
Tata Steel Belgium Services N.V.	Subsidiary	Belgium	Internal Group Finance	-	4.8	0.9	4.0	2.6
Apollo Metals Limited	Subsidiary	USA	Manufacturing	341.9	33.1	0.4	5.0	1.6
Hille & Muller USA Inc.	Subsidiary	USA	Manufacturing and Distribution	33.0	4.9	1.0	-	-
Thomas Processing Company	Subsidiary	USA	Manufacturing	32.9	(15.8)	0.5	-	-
Thomas Steel Strip Corp.	Subsidiary	USA	Manufacturing	1,159.6	82.1	3.0	23.0	11.5
Tata Steel International (Americas) Inc	Subsidiary	USA	Distribution	829.2	148.0	7.9	7.7	1.6
Surahammar Bruks AB	Subsidiary	Sweden	Manufacturing	642.3	(15.6)	25.7	14.2	16.6
Tata Steel Norway Byggsystemer A/S	Subsidiary	Norway	Manufacturing	322.7	22.5	85.9	6.6	3.5
Tata Steel Norway Byggsystemer A/S	Subsidiary	Denmark	Manufacturing	-	-	0.01	0.3	-
Tata Steel International (South America) Representações LTDA	Subsidiary	Brazil	Distribution	-	0.3	-	-	0.4
Tata Steel Mexico Sa De CV	Subsidiary	Mexico	Distribution	-	0.3	-	-	0.3
Corus International Romania SRL.	Subsidiary	Romania	Distribution	-	1.9	0.03	0.1	0.1
Norsk Stal Tynnplater AS	Subsidiary	Norway	Manufacturing and Distribution	103.2	17.5	4.1	2.1	1.3
Tata Steel International (Poland) sp Zoo	Subsidiary	Poland	Distribution	-	8.7	1.1	0.5	0.4

₹ in Cr

Entity	Relation	Country	Business Description	Revenue	Profit Before Tax	Direct Contribution	Indirect Contribution	Other Contribution
Layde Steel S.L.	Subsidiary	Spain	Manufacturing and Distribution	2,024.0	(50.0)	324.3	13.9	18.7
Halmstad Steel Service Centre AB	Subsidiary	Sweden	Manufacturing and Distribution	1,226.3	5.5	2.1	6.6	7.9
Norsk Stal Tynnplater AB	Subsidiary	Sweden	Distribution	432.9	3.1	0.5	0.5	0.4
Tata Steel International (Sweden) AB	Subsidiary	Sweden	Distribution	-	43.2	(8.4)	2.4	2.1
Montana Bausysteme AG	Subsidiary	Switzerland	Manufacturing	723.6	53.8	20.4	0.3	15.9
Montana Bausysteme AG	Subsidiary	Germany	Distribution	-	-	(0.4)	-	-
Tata Steel International Iberica SA	Subsidiary	Spain	Distribution	-	45.6	13.4	2.2	1.7
Tata Steel International (Middle East) FZE	Subsidiary	UAE	Distribution	64.6	0.2	1.5	-	-
Tata Steel International (Italia) SRL	Subsidiary	Italy	Distribution	-	25.6	10.4	1.7	1.9
Tata Steel Istanbul Metal Sanayi ve Ticaret AS	Subsidiary	Turkey	Manufacturing	691.1	1.6	26.0	2.7	1.9
Naantali Steel Service Centre OY	Subsidiary	Finland	Distribution	598.2	(43.4)	113.9	4.3	0.3
Corus Ireland Limited	Subsidiary	Ireland	Distribution	-	4.4	0.7	0.3	0.05
Tata Steel International (Czech Republic) S.R.O	Subsidiary	Czech Republic	Distribution	-	13.1	2.6	0.4	0.8
Ceramat Private Limited	Subsidiary	India	Manufacture of non-metallic mineral products	0.2	(4.3)	-	0.5	0.1
Tata Steel Tabb Limited	Subsidiary	India	Manufacture of other fabricated metal products	-	(0.8)	1.4	0.8	-
Bhushan Steel (South) Ltd.	Subsidiary	India	Dormant	-	(0.02)	-	-	-
S & T Mining Company Limited	Subsidiary	India	Acquires, develops and operates coal blocks	-	1.0	-	0.01	-
Tata Steel Advanced Materials Limited	Subsidiary	India	New material development company	-	(0.5)	3.0	1.5	-
Neelachal Ispat Nigam Limited	Subsidiary	India	Integrated manufacturing plant for iron & steel	1,645.6	(1,508.4)	217.6	61.4	32.1
Tata Steel Minerals Canada Limited	Subsidiary	Canada	Manufacturing or Production	664.8	(1,112.7)	3.1	-	-

₹ in Cr

Entity	Relation	Country	Business Description	Revenue	Profit Before Tax	Direct Contribution	Indirect Contribution	Other Contribution
Fischer Profil Produktions -und-Vertriebs - GmbH	Subsidiary	Germany	Manufacturer of sustainable system solutions for lightweight metal construction	-	0.4	(0.1)	2.6	3.2
Hoogovens USA Inc.	Subsidiary	USA	Holding shares or other equity instruments	-	234.3	1.3	-	-
Tata Steel International (Americas) Holdings Inc	Subsidiary	USA	Internal Group Finance, Holding shares or other equity instruments	-	5.6	4.5	-	-

**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.

# Basis of Preparation



## 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, 2023 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 various statutory periodic forms/ returns and statements/ challans or any other documents being filed with the relevant government authorities, or audited cash flow statements.

### 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 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 AND ROYALTY CHARGES

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

#### OTHER CHARGES

1. Stamp duty
2. Property tax
3. Water cess
4. Water charges
5. Electricity duty (ED)
6. Land revenue
7. Landfill disposal tax
8. Motor vehicle tax
9. Road cess
10. Municipal Taxes
11. Clean Energy Taxes
12. Signboard taxes
13. Coal tax
14. Packaging tax
15. Companies' land contribution or Cotisation Foncière des Entreprises
16. Companies' added value contribution or Cotisation sur la valeur ajoutée des
17. Waste Disposal Tax
18. Climate Change levy
19. Forest Produce Cess
20. Covid-19 Cess

#### NET INDIRECT TAXES

1. Goods and Service Tax
2. Custom Duties (all types)
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 CONTRIBUTION

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. Turnover Tax

**Note 1:** For total contributions by respective reporting entities in the Indian and European businesses, the threshold limit has been set in absolute terms to more than ₹2,000,000. However, in some cases, entities below this threshold have also been included wherever required data and documents were available.

**Note 2:** For Tata Steel's European businesses in the UK and in the Netherlands, tax compliances are done at a group Level.

**Note 3:** 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 4:** For Tata Steel's European businesses certain local taxes follow calendar year basis (January to

December), whereas our reporting period is April to March. Thus, considering the above, where April to March tax payout was not available, we have reported such taxes for calendar year

**Note 5:** Where date of actual cash inflow/ outflow was not available, the tax payments shown as due in the relevant tax period has been considered for reporting.

**Note 6:** For Tata Steel's European businesses in the UK, refunds under VAT / Corporate tax due to the group is allowed to be offset against other statutory liabilities (i.e., VAT refund against Corporate tax liability and vice versa). While such adjustment was carried out in the statutory compliances being reported to tax authorities, we have considered for this report, the respective gross figures (payments or refunds as applicable) under respective heads.

## Excluded amounts

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

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

## Currency

The currency considered for this report or the reporting currency is the Indian 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 that has been considered in preparation of 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.	Montana Bausysteme AG	Tata Steel International (South America) Representações LTDA
Adityapur Toll Bridge Company Limited	Naantali Steel Service Centre OY	Tata Steel International (Sweden) AB
Angul Energy Limited	Naba Diganta Water Management Limited	Tata Steel International Iberica SA
Apollo Metals Limited	Natsteel Asia Pte. Ltd.	Tata Steel Istanbul Metal Sanayi ve Ticaret AS
Bhubaneshwar Power Private Limited	Neelachal Ispat Nigam Limited	Tata Steel Limited
Bhushan Steel (South) Ltd.	Norsk Stal Tynnplater AB	Tata Steel Long Products Limited
Bluescope Lysaght Lanka (Pvt) Ltd	Norsk Stal Tynnplater AS	Tata Steel Manufacturing (Thailand) Public Company Limited (formerly N.T.S Steel Group Public Limited Company)
British Steel Nederland International B.V.	Orchid Netherlands (No.1) B.V.	Tata Steel Maubeuge SAS
Catnic Gmbh	Rujuvalika Investments Limited	Tata Steel Mexico Sa De CV
Catnic Limited	S & T Mining Company Limited	Tata Steel Minerals Canada Limited
Ceramit Private Limited	S A B Profil B.V.	Tata Steel Mining Limited (Formerly known as T S Alloys Limited)
Cogent Power Limited	S A B Profil Gmbh	Tata Steel Nederland BV
Corby (Northants) & District Water Company Limited	Service Center Gelsenkirchen Gmbh	Tata Steel Nederland Services BV
Corus Group Limited	Service Centre Maastricht B.V.	Tata Steel Nederland Technology BV
Corus Holdings Limited	Societe Europeenne De Galvanisation (Segal) SA	Tata Steel Nederland Tubes BV
Corus International (Overseas Holdings) Limited	Staalverwerking en Handel B.V.	Tata Steel Netherlands Holdings B.V.
Corus International Limited	Subarnarekha Port Private Limited	Tata Steel Norway Byggsystemer A/S
Corus International Romania SRL.	Surahammar Bruks AB	Tata Steel Special Economic Zone Limited
Corus Ireland Limited	T S Global Holdings Pte Ltd.	Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Ltd.)
Creative Port Development Private Limited	T S Global Procurement Company Pte. Ltd.	Tata Steel Tabb Limited
Degels Gmbh	T Steel Holdings Pte. Ltd.	Tata Steel Technical Services Limited (formerly Bhushan Steel (Madhya Bharat) Ltd.)

Entity Names		
Fischer Profil GmbH	Fischer Profil Produktions -und- Vertriebs - GmbH	Tata Bluescope Steel Private Limited
Halmstad Steel Service Centre AB	Tata Nyk Shipping (India) Pvt. Ltd.	Tata Metaliks Ltd.
Hille & Muller GmbH	Tata NYK Shipping Pte Ltd.	Tata Steel UK Holdings Limited
Hille & Muller USA Inc.	Tata Steel (Thailand) Public Company Limited	Tata Steel UK Limited
Himalaya Steel Mills Services Private Limited	Tata Steel Advanced Materials Limited	Tata Steel Utilities And Infrastructure Services Limited
Hoogovens USA Inc.	Tata Steel Belgium Packaging Steels N.V.	Texturing Technology Limited
Huizenbezit "Breesaap" B.V.	Tata Steel Belgium Services N.V.	Tata Steel International (Shanghai) Ltd.
Indian Steel & Wire Products Ltd	Tata Steel Downstream Products Limited	The Siam Industrial Wire Company Ltd.
Industrial Energy Limited	Tata Steel Europe Limited	The Tata Pigments Limited
Inter Metal Distribution SAS	Tata Steel Foundation	The Tinsplate Company Of India Limited
Jamipol Limited	Tata Steel France Holdings SAS	Thomas Processing Company
Jamshedpur Continuous Annealing & Processing Company Private Limited	Tata Steel Germany GmbH	Thomas Steel Strip Corp.
Jamshedpur Football and Sporting Private Limited	Tata Steel IJmuiden BV	TKM Global China Ltd
Kalimati Global Shared Services Limited	Tata Steel International (Americas) Holdings Inc	TKM Global GmbH
Layde Steel S.L.	Tata Steel International (Americas) Inc	TKM Global Logistics Limited
Medica TS Hospital Pvt. Ltd.	Tata Steel International (Czech Republic) S.R.O	TM International Logistics Limited
Minas De Benga (Mauritius) Limited	Tata Steel International (France) SAS	TS Asia (Hong Kong) Ltd.
Mjunction Services Limited	Tata Steel International (Germany) GmbH	TS South Africa Sales Office Proprietary Limited
Tata Steel International (Middle East) FZE	Tata Steel International (India) Limited	TSN Wires Co., Ltd.
Tata Steel International (Poland) sp Zoo	Tata Steel International (Italia) SRL	Tulip UK Holdings (No.2) Limited
Unitol SAS	UK Steel Enterprise Limited	Tulip UK Holdings (No.3) Limited

# 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 2022-23 [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 2023 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 Limited for any purpose or in any context. Any party other than Tata Steel Limited 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: Gurgaon**

**Date: 8th June, 2023**

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

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- 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.



# 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 2021-22. In some cases, the business description is sourced from the website of the entity or its audited financial statements corroborated by discussion with management.

### **Business Responsibility and Sustainability Report**

The BRSR is intended towards having quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time. Such disclosures will be helpful for investors to make better investment decisions. SEBI through a notification dated 5 May 2021, made the BRSR compulsory for top 1000 listed companies by market capitalisation from FY 2023.

### **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.

### **Corporate Sustainability Reporting Directive**

The CSRD disclosures introduce substantial sustainability-related reporting requirements wherein all disclosures will now extend to the reporter's value chain, including products and services, business relationships and supply chain. CSRD enables businesses to increase transparency and accountability of their reporting, with stakeholders gaining insight about sustainability (performance) through analysis, benchmarking and auditing.

### **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.

### **Extractive Industries Transparency Initiative**

The EITI is a multi-stakeholder organisation comprised of governments of implementing and supporting countries, companies and civil society organisations. Their mission is to promote understanding of natural resource management, strengthen public and corporate governance and accountability, and provide the data to inform policymaking and multi-stakeholder dialogue in the extractive sector.

### **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.

**Goods and Services Tax**

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

**Organisation for Economic Co-operation and Development**

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**

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 or management disclosures.

**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.

**Securities and Exchange Board of India**

The SEBI was constituted in 1988. The basic functions of the SEBI is to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto.

**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**

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**

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.

### **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



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