



TATA STEEL
WeAlsoMakeTomorrow

Tax Transparency Report

2021



Contents

- 1** From the CFO's Desk
- 2** About Tata Steel
- 3** Approach to tax
- 4** Tata Steel - Indian Business
- 5** Tata Steel - European Business
- 6** Tata Steel - South-East Asian Business
- 7** Global Tax & Other Contributions
- 8** Additional Information
- 9** Annexure 1- Assurance Procedures-
Global Tax & Other Contributions
- 10** Annexure 2- List of entities



1

From the CFO's Desk

Tata Steel is committed to all its stakeholders and focused on delivering value to each of them. Our values define us, and we pride ourselves on them. This is evident in our actions since inception and our legacy stands witness to it. Our value statement endorses the concept of 'transparency'. We strive to be fair, honest, accountable and ethical in our conduct. These are reflected even in our tax principles. Our operations that are spread across a value chain, which embraces various sectors catering to the steel industry globally, diligently practice the same principles.

So far, we have presented a glimpse of our contribution to our stakeholders through our integrated annual report. It is my privilege to present Tata Steel's first Tax Transparency Report.

As one of the leading and pioneering steel makers, we have consistently worked towards maximising the returns to our stakeholders and the upliftment of the community in all our geographies. We continue to adhere to our value of integrity in our business practices and contributions to the Government in various tax jurisdictions.

In keeping with our ethos of transparency and in our endeavor to elaborate on our contribution to the global economy and the nations where we operate, we present this maiden Tax Transparency Report covering

the contribution in taxes, duties, and charges from financial year ('FY') 2016-17 to FY 2020-21. The world of taxes is changing rapidly and becoming more complex, and the need of the hour is transparency. This report demonstrates that we diligently discharge our statutory responsibilities thereby benefitting the global community as a whole. This has been our endeavour even in the last challenging year. In these times, we believe it is essential to disclose to all our stakeholders, insights into our tax-related governance structure, and Global Tax & Other Contributions.

A summary of the global contributions made by us to the various exchequers in the form of taxes, royalties and other charges is presented below, with further details in the following sections of this report.

This report establishes the commitment that effective disclosures can be made by businesses on a voluntary basis. At Tata Steel, we relentlessly focus on maintaining transparency, and this Tax Transparency Report is a milestone, which further endorses the same. I would like to thank all our stakeholders for their continued support and confidence.

Koushik Chatterjee
Executive Director and
Chief Financial Officer
Tata Steel Limited

Contribution Summary FY 2020-21



28.54 Million Tonnes
(MnT) Of crude Steel produced



₹18,820.94 cr
In Contribution



9 per cent of
Our Turnover



7 per cent (avg)
Growth in contribution over 5 years from 2016-17 to 2020-21



OUR COMMITMENT TO TRANSPARENCY

This report endorses our focus on transparency to the tax realm; it aims to elaborate on the effective and responsibly designed tax principles of Tata Steel, along with its focus on governance and accountability towards the local government where we operate and our stakeholders.

Tax disclosures in the sphere of a Tax Transparency Report has been an initiative adopted proactively by multinationals to demonstrate their commitment to responsible tax behaviour. This report is an attestation

of our commitment to the early adoption of not only responsible tax behaviour but also good practices. The report structure and content are aligned with global trends on tax transparency reports and, to an extent, to the GRI (Global Reporting Initiative) 207 – Management Approach Disclosures section, a guidance issued by Global Sustainability Standards Board. While the report provides a perspective on the numbers relating to the direct, indirect and other contributions (referred to as 'Global

Tax & Other Contributions') made by us across the value chain of our operation in various countries, we believe that transparency is more than just numbers – it is our way of conducting business.

This report includes relevant financial and other information as well to supplement the understanding of the reader. It outlines our values, commitment to stakeholders and the business value chain for the reader's benefit.



Key metrics - a glimpse of our global presence as of March 2021

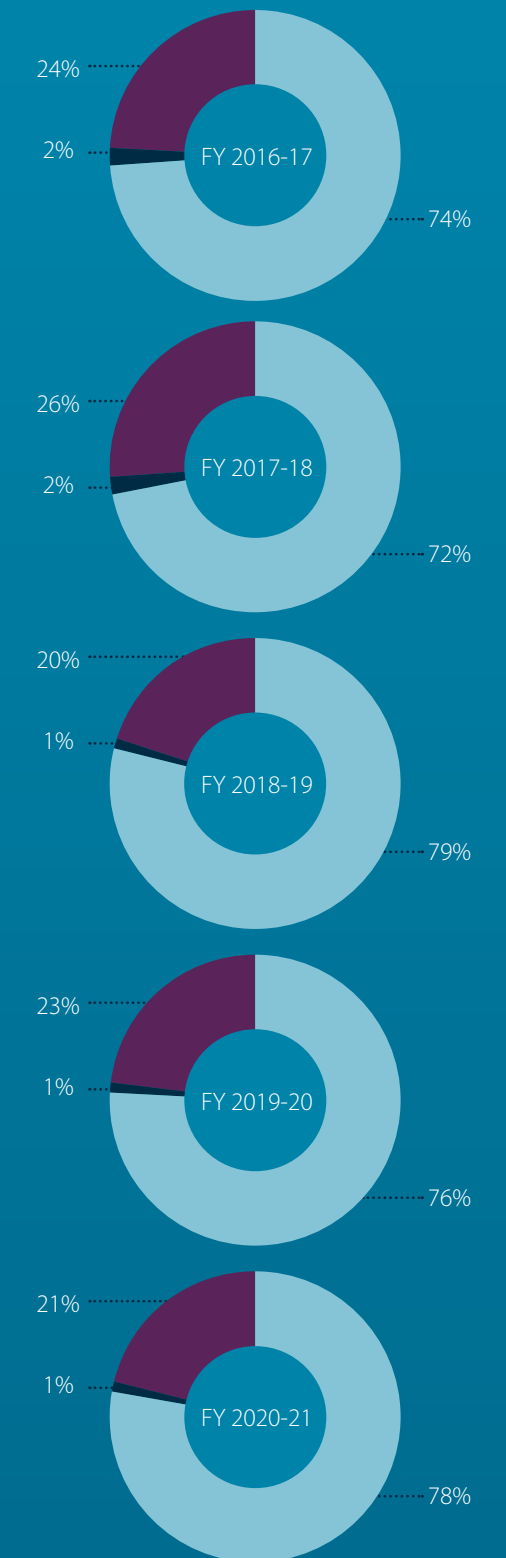


INDIA	
Revenue	INR 104,183 Cr
Employees as on March 2020	144,155
Global Tax and Other Contributions	INR 14,485 Cr

EUROPE & US	
Revenue	INR 64,449 Cr
Employees as on March 2020	19,061
Global Tax and Other Contributions	INR 3,988 Cr

SOUTH-EAST ASIA	
Revenue	INR 44,806 Cr
Employees as on March 2020	2,901
Global Tax and Other Contributions	INR 235 Cr

Distribution of contribution over five years across the regions



Production, people and contribution

Key Statistics as of March 2021



Crude steel produced
28.54 MnT



Employees as on March 2020
166,117



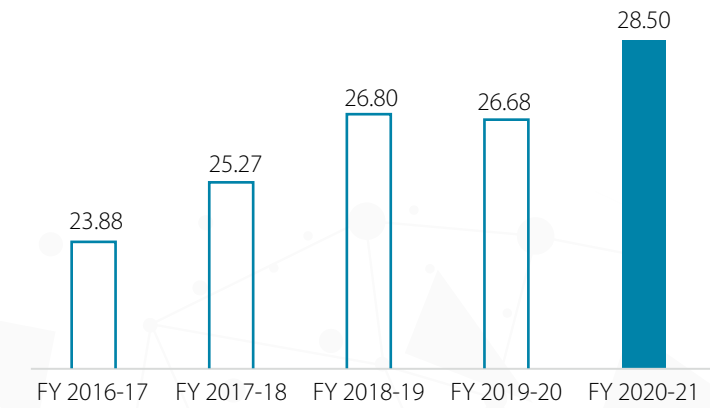
Revenues
₹ 213,439 Cr



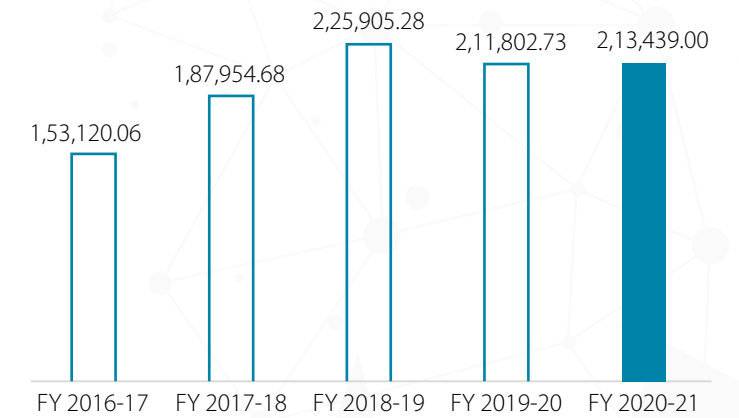
Global Tax & Other Contribution
₹ 18,821 Cr



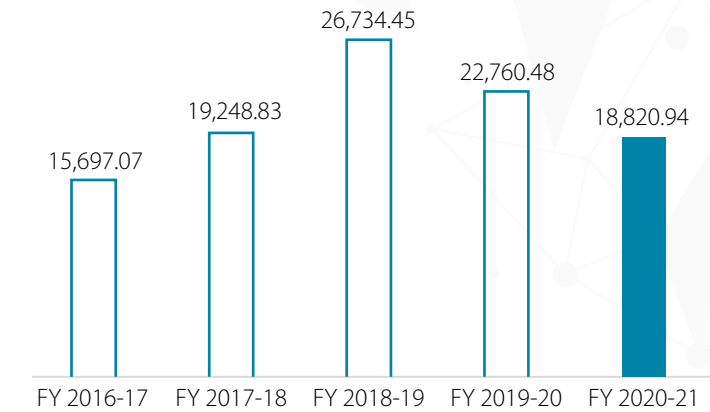
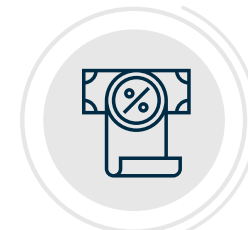
Deliveries of crude steel ('MnT')



Revenue (in ₹ Cr)



Global Tax & Other Contributions (in ₹ Cr)



2

About Tata Steel

Tata Steel is one of the world's most geographically diversified steel producer that is fully integrated and involved across mining, iron-making, steel-making, casting, rolling and finishing as well as marketing and sales.

Established in India as Asia's first integrated private steel company in 1907, our raw material operations are spread across India and Canada, which help us to be self-sufficient in steel production. We possess and operate captive mines that help us maintain cost-competitiveness and production efficiencies through an uninterrupted supply of raw material.

Key manufacturing functions are performed by the raw materials, iron-making and product manufacturing groups, while shared services provide maintenance support for a smooth production. In India, our downstream business activities are structured into strategic business units.

Tata Steel's operations in South-East Asia began in 2004 with the Company's flagship facility at Singapore, one of the largest single downstream rebar fabrication operations in the world. Our presence in South-East Asia was strengthened in 2015, with our expansion in Thailand, where we are the largest and most diverse long steel manufacturer using recyclable steel scrap as a raw material.

We further extended our global presence through establishing our European business in 2007. The manufacturing facilities in Europe comprise primary steel-making facilities in the Netherlands and the United Kingdom, with downstream operations in the Netherlands, the United Kingdom, Germany, France, Belgium, Finland, Spain, Switzerland, Sweden, Turkey, United States, etc.

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

operate as a conglomerate, and this Tax Transparency Report is a reflection of this information. Here, we aim to elaborate the linkage between our stakeholders (people, society, planet) and the contribution to governments in the form of various taxes, levies/ cess and charges.

OUR VALUES

Our core values encourage us to show respect and compassion to all stakeholders, attain cohesiveness with governments through mutual co-operation and, above all, drive us to act as a responsible corporate. We acknowledge our duty to contribute our fair share by payment of various taxes, levies/ cess and charges. Tata Steel imbibes this commitment wherever we

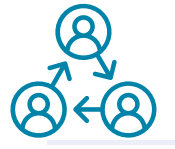
Tata Steel Core Values



Integrity



Excellence



Unity



Responsibility



Pioneering



STAKEHOLDER'S PERSPECTIVE

“No success or achievement in material terms is worthwhile unless it serves the needs or interests of the country and its people and is achieved by fair and honest means.”



JRD Tata

Tata Steel Chairman
(1938 - 1984)

The ethos of transparency, ethical business and focused stakeholder engagement is etched in Tata Code of Conduct (TCoC), which governs the manner in which Tata group of companies operate globally.



We shall strive to balance the interests of our stakeholders, treating each of them fairly and avoiding unfair discrimination of any kind. The statements that we make to our stakeholders shall be truthful and made in good faith.

Our Core Principles listed in the TCoC



Management of Business Ethics Framework:
Four pillars of the framework

The framework in essence is adopted by all businesses within Tata Steel globally. In India the oversight involves evaluation at all levels with reporting at the highest authority.



Leadership Engagement

- The ethical way of governance has been furthered by an amalgamation of oversight of the Board, management (through various committees) and the Central Ethics team with an appointment of a full time Chief Ethics Counsellor who reports to the CEO and MD of Tata Steel
- The Central Ethics team include Departmental Ethics Coordinators (DECs) and Ethics Champions



Communication & Training

- Tata Steel develops various campaign, theme-based communication plans for various stakeholders.
- Snippet stories known as Neeti Katha on various topics of ethical conduct are regularly published.
- Mass communication is conducted by the CEO and MD through online mode and mass meetings at shopfloor.
- Other methods of communication adopted are polls, surveys, centrally organised events and competitions.
- Trainings are extended to all stakeholders through classroom based, online/ web-based training modules.



Compliance Structure

- We, at Tata Steel, are compliance-driven and are guided by our policies such as Whistle-blower, Anti-Bribery Anti-Corruption, Conflict of Interest, Prevention of Sexual Harassment, Anti- Money Laundering and Gifts and Hospitality
- We have in place a strong implementation framework along with an 'Ethics Compliance Register – DARPAN'
- A new online portal -"Kashmakash" has been launched to resolve ethical dilemma.

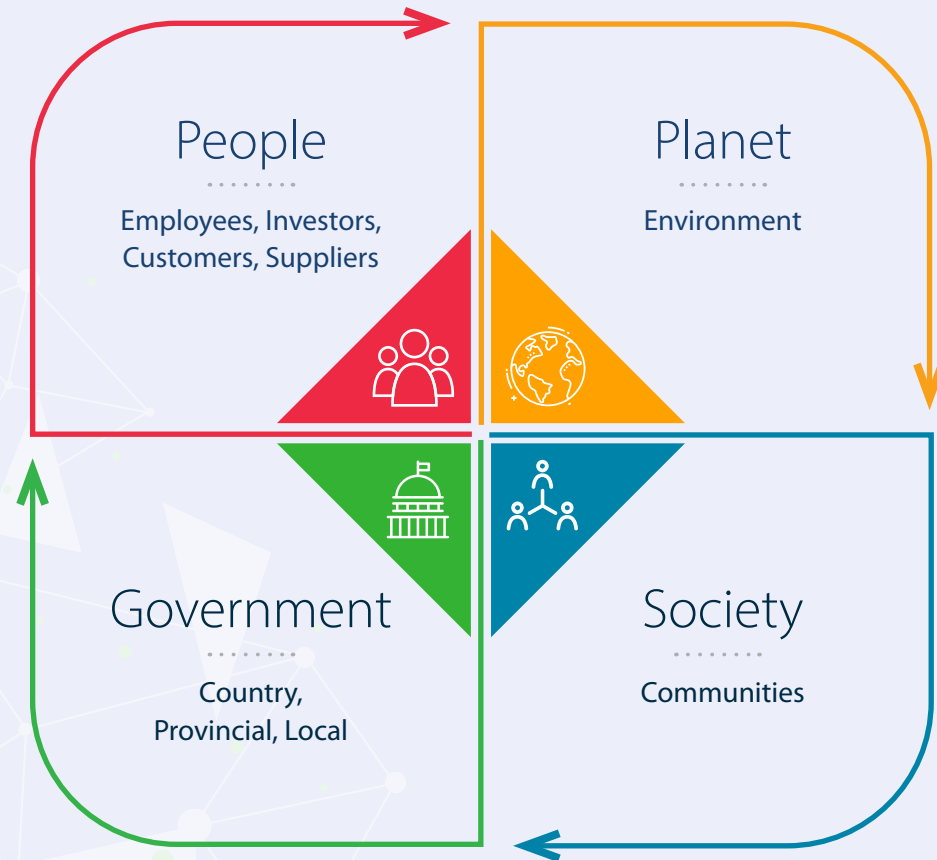


Measurement of Effectiveness

- The effectiveness of the ethics programme is measured by a number of concerns reported, poll surveys, Management of Business Ethics ('MBE') survey, benchmarking exercises and internal MBE assessments.

In keeping with the spirit of the TCoC, we treat all our stakeholders as partners in long-term value creation. Tata Steel has also established the standards of ethical conduct required of its stakeholders through TCoC procedures and other applicable guidelines and policies. The four pillars detail the various modes adopted to implement these policies.

Our stakeholders, encompassing people, planet, society and the government and the consequent initiatives, engagements and actions undertaken for them are elaborated in this report.





KEY ACHIEVEMENTS EMPLOYEES

Recognised as India's Best Workplace in manufacturing in 2020-21 by the Great Place to Work®, for the fourth time in a row

Recognised as one of the world's most ethical companies for 2021 by the Ethisphere Institute. This was the tenth time Tata Steel was conferred this recognition.

Recognised by Business Today as the 'Best Company to Work For' in 2020. Tata Steel is the only manufacturing company in the 2020 list

Tata Steel Thailand was awarded the Thailand Labour Management Excellence Award of 2020

People

Our employees, investors, customers and suppliers together form the essential 'people' ecosystem of our operation. We believe that the Global Tax & Other Contributions made by Tata Steel depends on the mutually trusting and nurturing relationship developed with our people ecosystem over the years.

Our people form the core of our operations. We invest in our employees and their welfare. This, we believe, drives performance excellence. Tata Steel's rich heritage of industrial harmony of over 90 years and a century-old co-operative labour relations is a testament to our cohesiveness. Tata Steel was one of the pioneering companies to set up policies such as an eight-hour workday, incentives for higher education, a five-day workweek, strong social security schemes as well as paternity and extended maternity leaves, all of which have now been adopted as industry benchmarks.

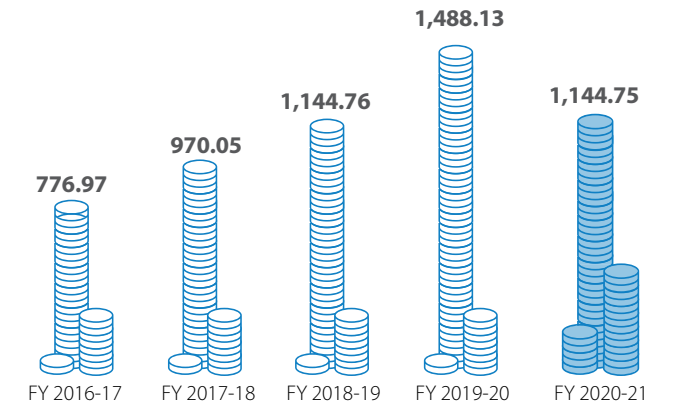


Employee initiatives are our priority, but the contribution of our investors is equally valued. They provide us the quintessential financial capital, the basic fuel for any business growth plan. Our obligation towards these investors is to facilitate informed investment decisions. The Tax Transparency Report can be considered one such enabling tool.

Our commitment towards people also includes our customers and suppliers, who are critical to our social license to operate. We believe in building long-term, transparent and trust-based relationships with them through continuous stakeholder engagement and innovation.

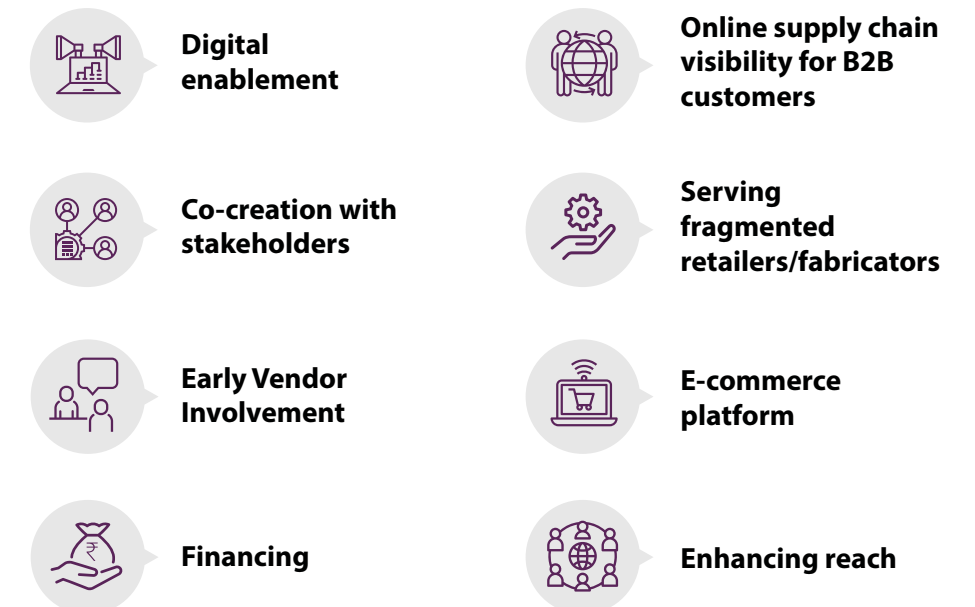
The Tata Steel motto, 'Reshaping our Business for Tomorrow', is primarily built on our customer groups – B2B (Business Accounts), B2C (Individual Consumers) and B2ECA (Emerging Corporate Accounts) – by offering differentiated products, services and solutions. Over the years, Tata Steel has traversed the customer relationship journey from a preferred supplier to a differentiated and innovative partner. This has helped us create unique value propositions and a dividend that has a direct linkage to our Global Tax & Other Contributions.

Dividend Payout (in ₹ Cr)



Our Stakeholder Relationship Committee facilitates our commitment towards investors to address all categories of shareholder grievances.

FOCUS AREAS CUSTOMERS



Tata Steel focusses on maintaining and enhancing the performance of suppliers through various initiatives and programmes to meet the growing and varying needs of the organisation. The relationship is built on an environment of good governance that is compliance-driven.

Our motto of 'Reshaping our Business for Tomorrow' serves the growing needs of customer segments by offering differentiated products, services and solutions.





**FOCUS AREAS
SUPPLIERS**



Innovative and structured financing solutions



Vendor Capacity Advancement Programme



Vendor Development



Engagement with raw material suppliers



Supplier Relationship Management (SRM) programme



KEY ACHIEVEMENTS

- ▶ Became a member of ResponsibleSteel™
- ▶ Ranked amongst the top five steel companies in the Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment 2020
- ▶ Recognised as a Steel Sustainability Champion for four consecutive years by the World Steel Association
- ▶ Tata Steel Thailand received the Green Mining Award in 2020 from the Ministry of Industry, Thailand
- ▶ Tata Steel Ijmuiden (in 2018) Tata Steel Kalinganagar, (in 2019, being India's first manufacturing plant) and Tata Steel Jamshedpur (in 2020-21), have been recognised as Industry 4.0 Lighthouses by World Economic Forum

Planet

Our unique advantage is our access rights to natural resources such as iron ore, coal and other minerals – our key raw materials. The two other key resources of the planet that are important for our operations are land and water. This implies our operational excellence is contingent on the efficient use of resources to mitigate our ecological footprint, thereby promoting a sustainable ecosystem. The sustainability approach of the Company is articulated in Sustainability Policy which is supported by other policies such as Corporate Social Responsibility, Environment, Energy, Climate Change, Biodiversity Management, Affirmative Action, Social Accountability, Responsible Supply Chain, Human Resource.

We are 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.

Signatory to Task Force on Climate-related Financial Disclosures (TCFD). Tata Steel is actively working to understand the broader impacts of climate risks across its value chain.

Safety, Health and Environment Committee oversees related policies and their implementation across Tata Steel

FOCUS AREAS
PLANET

- Minimise environmental footprint
- Association with global organisations
- Water & solid waste management
- Lifecycle assessment
- Greenhouse gas management
- Circular economy

Steel recycling

No effluent discharge by 2025

Ensure no net loss of biodiversity at our mining locations

Waste-heat recovery

Reducing carbon footprint

Sustain LD slag utilisation at 100%



KEY ACHIEVEMENTS

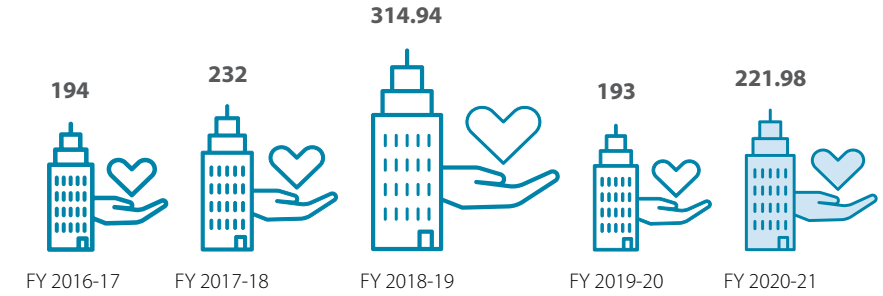
- ▶ The prestigious Dun & Bradstreet Corporate Award won consistently
- ▶ Tata Steel India's health programme Maternal and Newborn Survival Initiative (MANSI) recognised with an 'Honorable Mention' at the National CSR Awards ceremony
- ▶ Best Organisation Contributing in Sports through CSR – FICCI India Sports Awards 2020
- ▶ Tata Steel's European businesses' programme of 'Future Generations' has sub-themes of education, environment and health works across the UK, assisting in job and wealth creation
- ▶ Tata Steel Thailand is one of the first 30 companies that joined UNICEF in "The Children Sustainability Forum" to make a commitment to protect children's rights
- ▶ Tata Steel in Thailand received the Corporate Social Responsibility- Department of Primary Industries and Mines (CSR-DPIM Continuous) Award 2020 from the Ministry of Industry, Thailand

Society

We believe that the community is not just a stakeholder but the very purpose of our existence. This has been the philosophy of the Founders of Tata Steel and holds true even today.

Our comprehensive range of themes with multiple initiatives aligned to globally-accepted guidelines go well beyond the local CSR mandate. Our overarching vision of 'an equitable and enlightened society where every individual realises her or his potential with dignity' guides our partnerships with, and services to communities. Our Proximate Community Development (PCD) programmes enable sustainable and significant betterment in the well-being of communities proximate to our operating locations.

CSR Payout (in ₹ Cr)



FOCUS INITIATIVES BEYOND INDIA



REACH is the European Union regulation concerning the Registration, Evaluation, Authorisation and restriction of Chemicals.

Tata Steel has recognised commitment to REACH and has been working with other European steel companies to create one industry position to comply with the regulation.



HISARNA: GAME CHANGER IN THE STEEL INDUSTRY

The group continues to work on developing Hisarna, a new smelting reduction technology which will facilitate steelmaking without the need for coke making or agglomeration processes, thereby improving efficiency, reducing energy consumption and lowering CO₂ emissions. The pilot plant is located at the Tata Steel's Ijmuiden site in the Netherlands.

Our social mandate extends beyond community services to the management of municipal services. Jamshedpur is the only million-plus city in India without a municipal corporation, with Tata Steel providing all amenities such as power, water, sewage line and sanitation facilities, resulting in high quality of life (QoL) for its citizens. Tata Steel has progressively met the challenges posed by the surge in urban growth and increasing aspirations of a world-class city. With 37.5 per cent green cover, Jamshedpur scores 101 on the QoL index, which is at par with the best cities in India.



**#COMBATCOVID-19 -
A Tata Steel Initiative**

- Provision of food and dry rations
- Provision of hygiene kits to vulnerable communities
- Co-ordinating volunteer assistance
- Supporting migrant labourers
- Creating market linkages for farmers
- Creating additional public healthcare capacities

Our accountability to our stakeholders also extends to the government and industry bodies, which are an integral part of our community. To fulfill our duties towards them, we have established and implemented responsibly designed tax principles focused on strong governance practices. We work in close coordination with the government bodies relevant to our sector, tax authorities and industry bodies to co-develop all businesses across our value chain.

It is important to note that we are one of the few steel operations that are fully integrated and involved across mining, iron-making, steel-making, casting, rolling and finishing, marketing and sales. Hence, we

have innumerable backward and forward linkages that lead to value creation and consequently, generation of Global Tax & Other Contributions across sectors for the exchequer.

In India, we have our presence across sectors and industry segments encompassing the entire value chain from iron-ore and coal (the key input for steel making) mining to distribution and retailing of steel base as well as value added products. Globally, our footprint is in certain segments of the value chain. Contribution within the value chain has an impact not only on the economy as a whole, but more importantly on multiple sectors within the economy.

**FOCUS AREAS
SOCIETY**

**Livelihood
Development
Corridor**

Education

Tribal Identity

**Youth
empowerment**

**Quality of life for
communities**

**Health, drinking
water and
sanitation**

10.5 LAKHS
People reached out to in the first wave

Rapidly augmented COVID-19 testing capability to 1,000 tests per day; undertaking RT-PCR and RAT tests across operating locations

55,000 TONNE
Liquid O₂ supplied till May 21

24x7 COVID-19 helpline for employees across locations to disseminate accurate and quick information, including those related to HR and medical.



3

Approach to tax

At Tata Steel, we are committed to comply with existing laws and regulations and have a policy of zero tolerance to non-compliance, which is an integral part of our culture and operating philosophy. This section elaborates the various tax themes that are central to the robust operation of any organisation, like the tax principles, tax governance, tax risk mitigation strategy, related party transaction, etc.

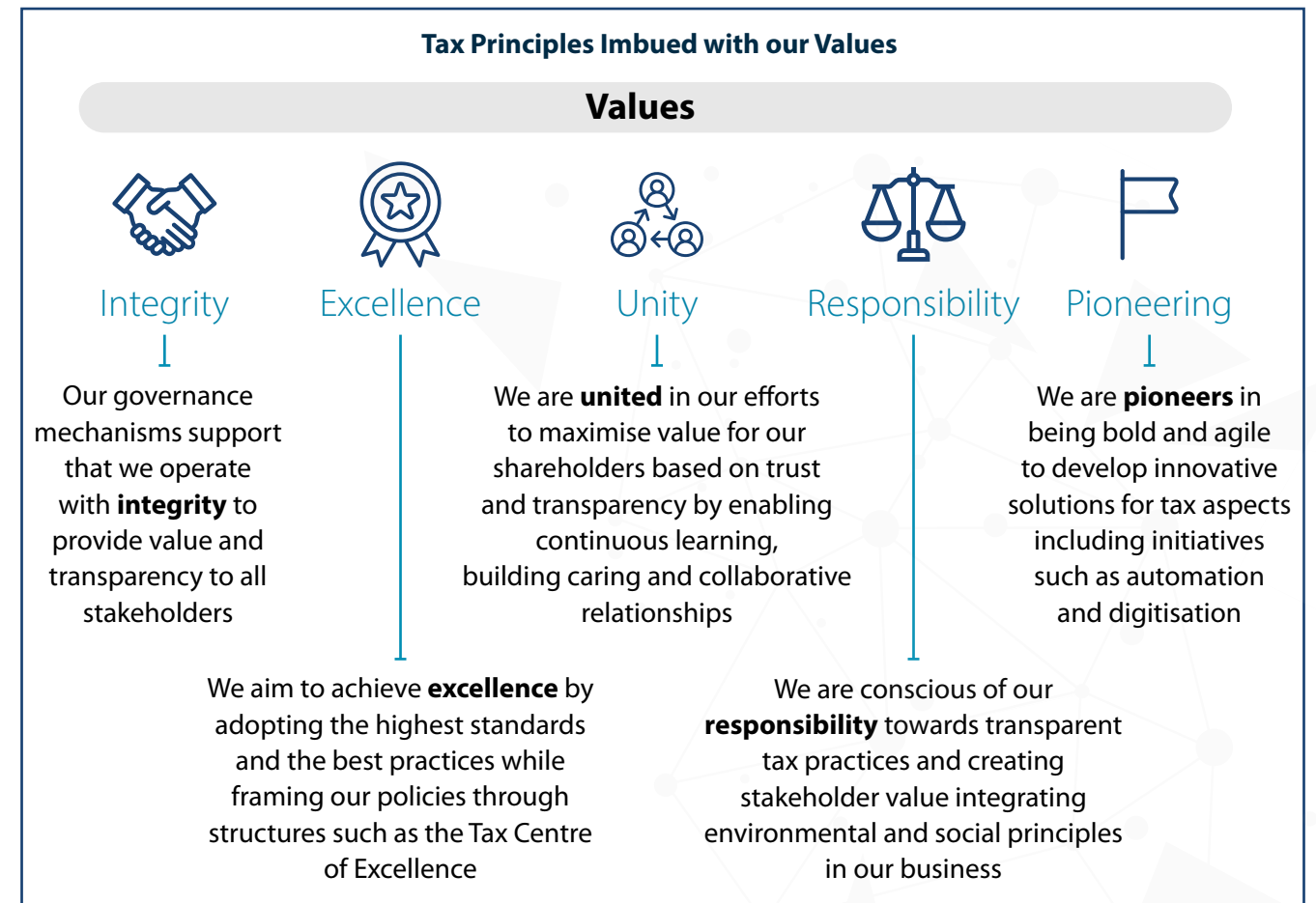
Tax focus begins with employees who are regularly sensitised on the need to comply and educated

about the compliance requirements of their roles. Department heads ensure regular updates are provided on recent tax related developments through trainings and focused sessions. Where possible, we have invested in systems and processes to drive compliance across the organisation. Technology has been deployed to track the compliance within the required timeframe, with suitable escalations and reviews. Further, redressal mechanisms are established to address any tax concern arising out of dynamic tax environment or stakeholder trepidation.

TAX PRINCIPLES

At Tata Steel, key business decisions are made with the aim of maximising value on a sustainable basis for our stakeholders. Tax decisions are also driven by our core values of integrity, excellence, unity,

responsibility and pioneering. We do not undertake tax planning that is contrived or artificial; it is, in fact, driven by a commercial rationale.



With the scale of our business, the spread of our footprint across sectors and the volume of our tax compliance and reporting, we need a well-aligned tax discipline. We are susceptible to risks that may arise from time to time in relation to the interpretation of tax laws. We are conscious of this exposure and consistently monitor our decisions

and actions to mitigate risks. Our core policies and principles since inception have been aligned to substance and value creation wherever we operate. We believe this endeavour has contributed to the trust and recognition garnered by our group from all stakeholders.



Tax Principles

Tata Steel tax principles are built on our base concepts of trust, transparency and integrity.

Maintain integrity while complying with tax laws of various sectors and geographies where we operate. Pay the right amount of tax at the right time in adherence to the principles set out in the Tata Code of Conduct.



Partner with businesses to provide appropriate tax advice on implications of business decisions. Develop a risk-based framework on tax within the ambit of all applicable laws and overall business strategy.



Risk-based framework includes steps to support adherence to policies, internal reviews, periodic refreshment of policies and seeking of appropriate external advice where there is uncertainty as to the application or interpretation of tax laws.

Foster constructive, professional and transparent relationships with tax authorities and government bodies, industry associations in jurisdictions where we operate, based on the concept of integrity, collaboration and mutual trust. We engage in full, open and early dialogue with tax authorities to discuss tax aspects as far as permitted by laws and practices to help shape tax legislation.



Strive to claim all applicable reliefs and incentives in accordance with the relevant tax legislation.

Strive to abide by evolving global transfer pricing principles and alignment of tax structures with value creation.



Develop and enhance our people professionally and personally as part of a world-class tax team and maximise operating efficiencies through the suitable use of automation and technology-based solutions.

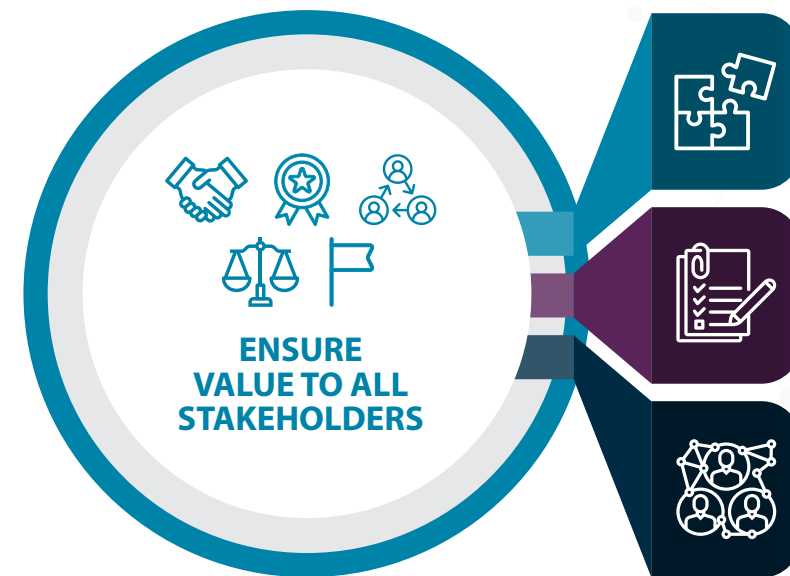


TAX GOVERNANCE APPROACH

Our focus on tax governance, an outcome of the ethically driven tax processes, has at its core the objective of sustaining the value that has been created. At Tata Steel, it is imperative that our tax affairs are managed in a fair and transparent manner, which will provide the necessary certainty to all our stakeholders. Our multi-step process ensures that tax decisions are made at appropriate levels.

As a process, the tax decision is initiated by the tax professionals of the concerned group company, in collaboration with the respective department and wherever required, for appropriate guidance and resolution. Relevant discussions are conducted to facilitate tax information exchange and coordination among our group entities to ensure uniformity.

Tata Steel India Tax Governance Structure



Senior Management consulted on critical positions and decisions

Experienced department and service line heads evaluate the positions and decisions principally

Qualified tax professionals brainstorm and propose tax positions and decisions



TAX RISK MANAGEMENT AND MITIGATION

In line with our governance model, we maintain adequate internal controls to manage the tax risks associated with running a large conglomerate. It is our policy to conduct our business in an honest and ethical manner.

Risk Management Strategies



Continuously **monitor** changes to tax legislation and government policy



Institute effective **controls and governance** for preventing non-compliance



Seeks professional advice where the application of tax law to a material transaction or a given situation is reasonably unclear or uncertain



Analysing industry approach and trends as well as their impact

Diligent professional care and judgement are employed to assess tax risks in order to arrive at well-reasoned conclusions on how the risks should be managed. Appropriate advice may be sought from third parties to support the decision-making process wherever there is uncertainty regarding the application or interpretation of tax law. Further, in dealings with tax authorities, open and transparent dialogue to resolve matters is always a preferred option. Tata Steel aims to obtain advance agreements or clearances, where possible, and litigation would only be considered as a last resort. We seek to minimise risk in relation to tax matters through processes and controls such as tax risk assessments and health-check exercises on a periodic basis.

The day-to-day implementation of tax principles in India is delegated to the Tax Centre of Excellence (“TCoE”) team which identifies, evaluates, monitors and implements tax laws, manages tax risks. They work towards ensuring uniformity in tax processes and compliance with our legal obligations. It is entrusted with responsibility of integration and automation while exploring opportunities for legitimate value creation. The driving factor remains good tax governance with a view to creating a core tax team capable of effective implementation as the business grows.

At Tata Steel India, a Risk Management Committee has also been formed, which helps in developing risk management policies and a risk management framework. 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.

Additionally, Tata Steel’s internal audit team monitors and evaluates the efficacy and adequacy of internal control systems, compliance with operating systems, accounting procedures and policies. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

Given the scale of our business, the global footprint and the volume of tax obligations, risk may arise from time to time in relation to the interpretation of tax law and the nature of Tata Steel’s European businesses’ compliance arrangements. For the European business specifically significant areas of tax risks are communicated by the Tax Function to the relevant Board at the country (the United Kingdom, the Netherlands, etc.) or group level depending on scope and impact. Appropriate tax policies and guidance are issued to influence organisational behaviour to minimise risks based on recommendation of Tata Steel’s European businesses’ tax function.



It is our policy to conduct our business in an honest and ethical manner. We do not condone, encourage, or support tax evasion; we have a zero-tolerance approach to the facilitation of tax evasion, under the laws of any country.

We are committed to acting professionally, fairly, and with integrity in all businesses and relationships. To enforce our commitment to an ethical and professional standard of conducting our business, we are guided by the Tata Code of Conduct.

In effect, our policy applies to all persons and associated persons working for or on behalf of us. Tata Steel employees and other relevant third parties are encouraged to review, understand and confirm their awareness and understanding of our policy.

Under the policy, a responsibility is cast upon all persons working for or providing services to Tata Steel for the prevention, detection and reporting of tax evasion and foreign tax evasion. Any activity suggesting a breach of the policy is to be avoided, and any conflicts with the policy require notification.

RELATED PARTY TRANSACTIONS

Our principles on Related Party Transactions (RPT) form an integral part of our tax principles. These are critical to protect the best interests of the concerned group company and its stakeholders from any potential conflict of interest.

Transparency and integrity remain the core of our RPT principles as well. At the same time, we ensure conformity to the ever-changing regulatory environment, specifically pertaining to RPTs. Our principles pertaining to sectors and typical transactions, for most of our related party transactions, abide by the basic principles of arm's length and value creation.

While the creation of these principles was the first step, we have also developed and implemented strong governance practices to ensure that these principles are followed in letter and spirit.

In India as well as in Europe and Asia-Pacific ('APAC'), Tata Steel has a detailed transfer pricing policy guideline set for each and every transaction undertaken by a group entity with its related party. These policy notes provide details of the transactions along with the arm's length pricing method to be adopted. The policies are evaluated at all levels of management to ensure its adherence to required guidelines. Specifically, in case of India, these policy notes are regularly presented to the Audit Committee that has representation from independent directors also. Further, the operational team is informed and apprised of these policy guidelines to ensure appropriate implementation. A system is also in place to annually evaluate the adherence to these policies in real-time during the occurrence of these transactions. In Europe, however, the detailed information on related party transactions is addressed specifically in the Local Files prepared and filed as per OECD requirement by the group companies wherever they operate.

ADVOCACY

Tata Steel has built and deployed a robust advocacy process. Our regulatory affairs department along with the tax team presents our views and concerns with respect to any tax policy changes on generic tax matters which concern the industry as a whole. The standard process is to proactively engage in dialogue with governments, either directly or through appropriate industry forums.

Tata Steel has been a frontrunner in many industry initiatives since its inception. The dynamic nature of the business, regulatory as well as tax-policy

environment in which all industries, including Tata Steel, operate requires industry bodies to be in constant dialogue with regulatory bodies and various policy makers. Tata Steel being a major player in its industry segment recognises its role in proactively analysing the impact of the changing environment on its industry. The regulatory team, corporate secretarial team and the functional teams are usually in constant touch with industry bodies and Chambers of Commerce to ensure continuous dialogue. Tata Steel actively participates in initiatives taken by these forums.



RELATIONSHIP WITH TAX AUTHORITIES – PROMOTING TRANSPARENCY

We focus to develop cooperative and constructive relationship with the tax authorities in the jurisdiction we operate, based on mutual respect, transparency and trust and adhere to the principles set out in the Tata Code of Conduct. All dealings with the tax authorities are conducted in a collaborative and proactive manner to support positive and sustainable relationships.

All our group entities ensure compliance with the relevant tax laws. We exercise diligent and professional judgement in ensuring that the flow of information to the concerned tax authorities is timely and adequate.

In case of any disagreement with the tax authorities, we seek to have a constructive dialogue with the concerned authorities to resolve the disagreement in a timely manner.

The in-house tax team handles all assessments and hence are in constant dialogue with the tax authorities and departments. We have a standard protocol and policy in place to deal with the tax department. Our interactions are open and honest and we endeavour to provide substantial evidence in our communication with the tax authority for an informed closure of queries. The basic premise of our dealings is a collaborative and conclusive approach.

In our European context, the Dutch Tax Authorities until 2020 applied Horizontal Tax Monitoring under which through dialogues and discussions, an open transparent relationship with taxpayers was established. The system also promoted proactive relations, where the tax treatment is agreed upfront with taxpayers. Horizontal Tax Monitoring is regarded as an efficient way for taxpayers to organise tax

compliance and to gain more clarity in-advance on tax issues. It helps to proactively identify and manage tax risks and provides clarity on the tax position whereby, tax returns are processed quicker by the tax department. This also reduces the burden of litigation.

The approach in 2020 shifted to a stricter one for larger enterprises. In the Netherlands, however, our open communication with the tax department has assisted us in gaining clarity on a wide spectrum of issues and establishing standardised procedures as well as a rationale for common tax issues. This has ensured that not much has changed for Tata Steel in the Netherlands in terms of communication and tax payments.

In the UK, Tata Steel Europe Limited, with the oversight and ownership of its Board, has the objective of minimising tax risk wherever possible. We thereby seek to resolve issues with the tax authority on a real time basis. Disagreements are resolved through a proactive and transparent discussion and negotiation.

We aim to obtain advance agreements or clearances where possible.

We have a Customer Compliance Manager in the UK (CCM), allocated to large businesses by the tax authorities. In line with our tax strategy, we always endeavor to have an open and transparent relationship with them. We always keep them informed on key business decisions and try to minimise risk by trying to obtain advance clearances and agreements around positions of uncertainty.

There is also a continuous communication and dialogue with the UK and Welsh governments and these conversations take place at company level. The UK Tax Team of Tata Steel regularly feeds in any information and requests concerning the future of the UK to these discussions. From time to time, the business also participates directly in government consultations both inside and outside the tax department.



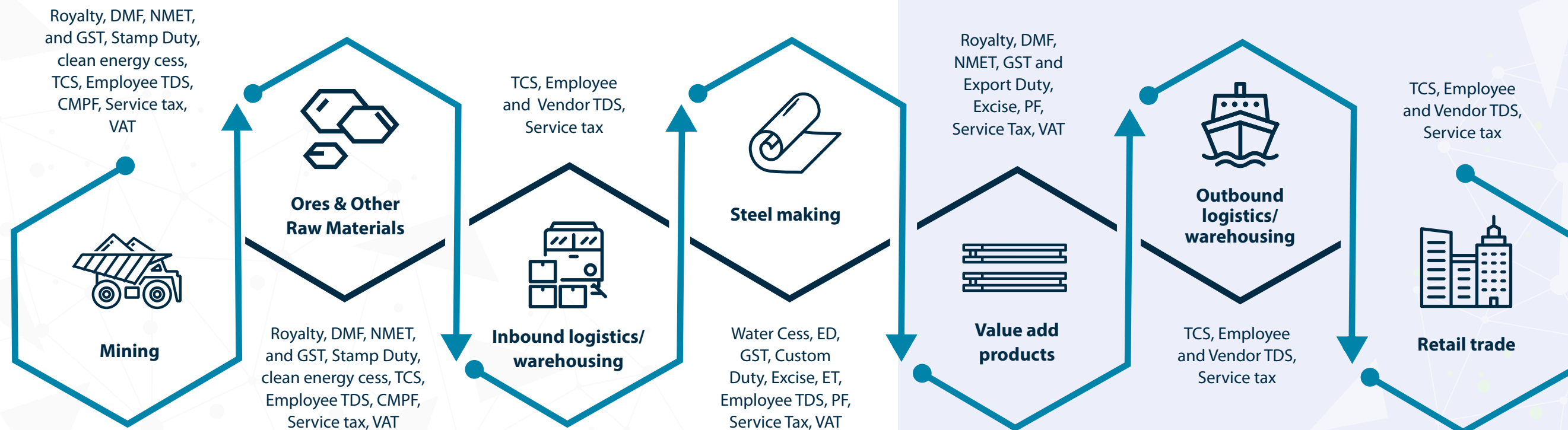
4

Tata Steel- Indian Business

Tata Steel in India operates with a completely integrated value chain that extends from mining to finished/ value-added steel products. In the country, our presence encompasses the entire value chain, including support services.

VALUE CHAIN

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



India - Commitment to championing change

In 2016, India passed the bill for the Insolvency and Bankruptcy Code (IBC). The code seeks to consolidate the existing framework of bankruptcy laws by creating a single law for insolvency and bankruptcy. The procedure under the code requires a time-bound resolution of insolvency, thus removing the hurdles faced by the companies and their creditors in overdrawn insolvency proceedings.

As a part of its commitment to its stakeholders and being a pioneer of change in the Indian corporate system, Tata Steel India presented an insolvency resolution plan, involving the acquisition of Bhushan Steel Limited.

Tata Steel completed the acquisition of Bhushan Steel Limited in FY 2018-19 and renamed it as Tata Steel BSL Limited. It has a steel-making capacity of 5.6 million tonnes per annum. Further, the merger between Tata Steel BSL Limited and Tata Steel Limited was completed in the third quarter of FY 2021-22.

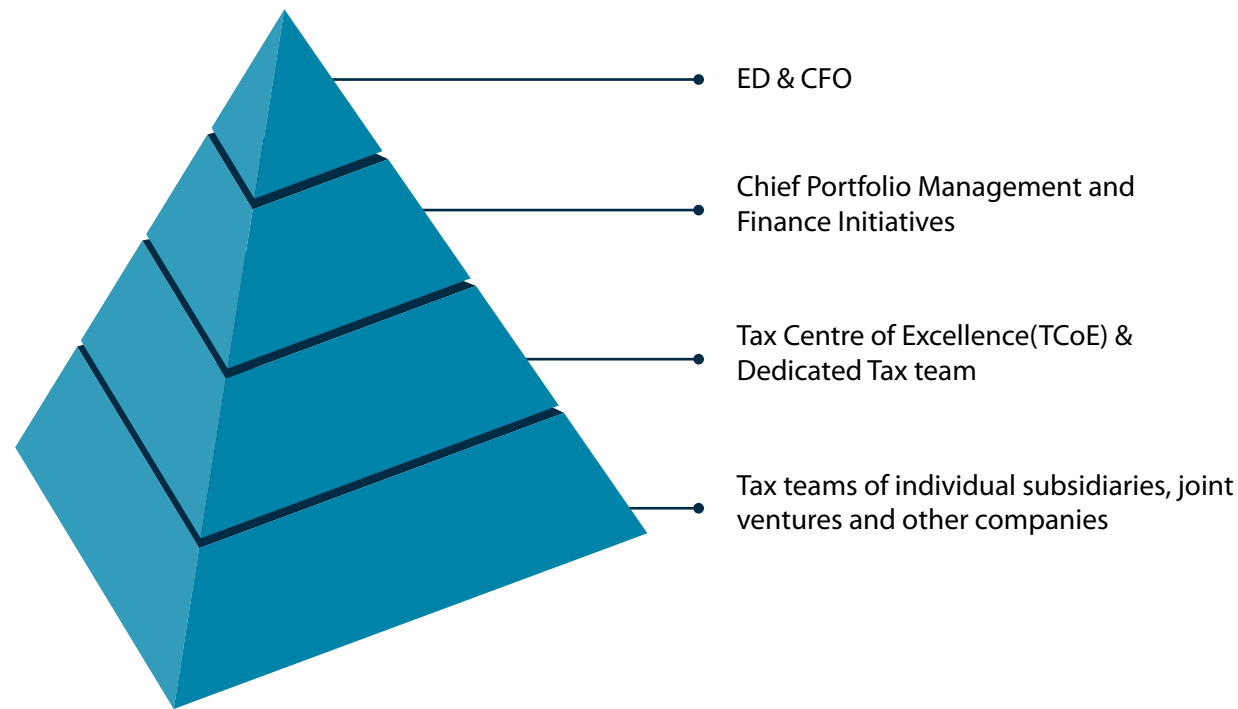
12 companies recommended by the RBI which accounted for **25%** of the gross NPAs, including **Bhushan Steel Limited**

- Operational debts of **1,200 cr** settled over **12 months**
- Immediate settlement of bank dues of **35,200 cr**
- First IBC from dozen completed within **293 days**

TAX GOVERNANCE IN INDIA

Tata Steel in India has been a pioneer in the steel industry including its operational integrity, which pervades its attitude towards tax-related behaviour. The well-designed governance structure of Tata Steel India ensures that any tax decision taken by Tata Steel is carefully thought-out, discussed and in consonance with the applicable laws, evaluated at all levels of authority within the company.

Tata Steel India governance structure

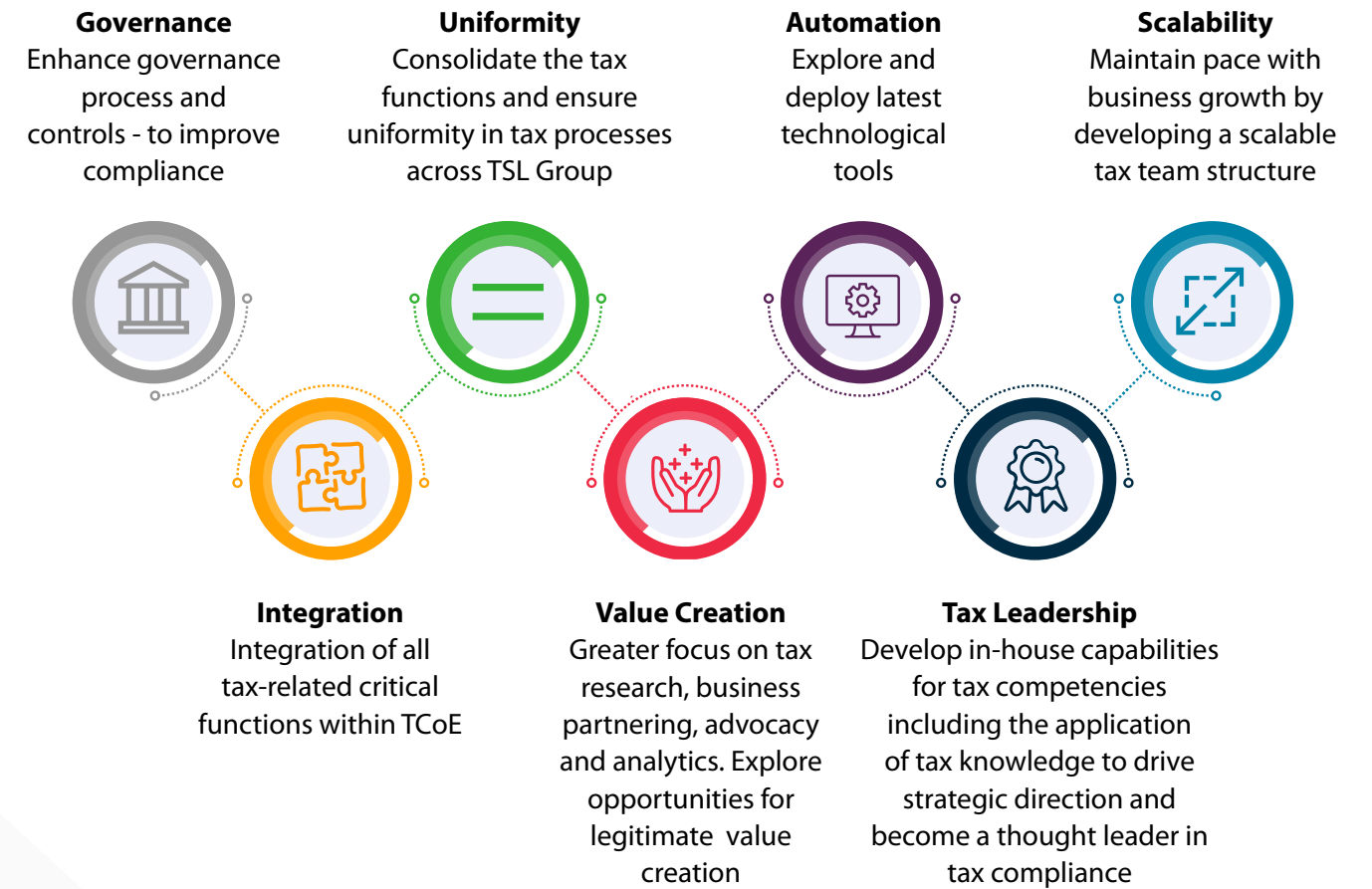


At Tata Steel, the tax function of Indian operations, is managed by TCoE, which is a part of our finance department. Tax teams of the respective subsidiaries are responsible for the day-to-day management of tax affairs. The team comprises of an appropriate blend of tax professionals with the necessary qualifications, training, skills and experience required to effectively undertake their roles.

It is ensured that the controls and process are in place and used consistently by the teams to implement our tax policy. The team owns and implements the tax policy and provides advice to the concerned department.

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

TcoE Objectives



TAX PROFILE IN INDIA

Introduction of faceless assessments and appeals

In order to impart greater efficiency, transparency and accountability to the assessment process, India transcended to the new faceless assessment and appeals scheme. Initially in 2019, the e-assessment scheme was introduced by the Central Board of Direct Taxes (CBDT). This was further amended in 2020 by implementation of the Faceless Assessment and Appeals Scheme. This initiated the 'Transparent Taxation' platform transcending most of the functions

of the tax department from filing of returns, processing of returns, issuance of refunds and assessments to the electronic mode, eliminating human interface.

Tata Steel India and all its Indian subsidiaries and joint ventures have been subject to the faceless assessment. The inherent controls, processes and frameworks in place around tax compliance and assessment by Tata Steel ensured a smooth transition to the new way.

Tax amnesty

Tax amnesty is usually granted by the government as a limited-time opportunity for taxpayers to settle uncertain past litigation on payment of a defined amount. A tax amnesty is generally beneficial to both the exchequer and the taxpayer. The taxpayer is able to bring its long drawn past litigations to closure without much implication. The exchequer is able to collect tax dues otherwise tied up in litigation and apply the same for public interest.

In our commitment to promote better dialogue and relationship with the tax authorities, while keeping our corporate and fiscal responsibilities in mind, Tata Steel and its group companies in India have selectively opted for the amnesty schemes based on in-depth analysis of each relevant case, namely where there were long standing interpretational issues and the cost of litigation far outweighed the actual payment to be made.



Sabka Vishwas Legal Dispute Resolution Scheme- Indirect Tax

Announced in the Union Budget 2019-20, the Scheme (introduced as Legacy Dispute Resolution Scheme) was made effective from 1st September 2019. The scheme was for dispute resolution with respect to the legacy taxes of Central Excise and Service Tax which were subsumed under GST. Dispute resolution aims at liquidating legacy cases locked up in litigation at various forums and the amnesty scheme provides an opportunity for amicably closing the issues by discharging the required tax liabilities. The dispute resolution scheme offers complete waiver of interest, penalty and prosecution in addition to substantial waiver of disputed tax in the range of 40 to 70 per cent of the tax dues.



Vivad se Vishwas- Direct Tax

In February 2020, the Government of India introduced the 'Direct Tax Vivad se Vishwas Scheme.

Under the scheme, in case of pending appeals, the taxpayer was given the option of resolving the dispute by only paying the amount of the dispute tax (if payment was made within prescribed timeline). The taxpayer was entitled to full waiver of interest and penalty in such cases and was also granted immunity from prosecution under the Act. If payments were made after prescribed timelines, the taxpayer had to pay 110 percent of the disputed tax.

New tax regime

The Taxation Laws (Amendment) Bill, 2019 introduced a new section with effect from FY 2019-20 to provide an option for a concessional tax rate in the case of domestic company, subject to fulfillment of certain conditions. This initiative came post the publication of the Corporate Tax Statistics database by the Organisation for Economic Cooperation and Development's ('OECD') in January 2019 that indicated a downward trend in statutory corporate tax rates. Thus, with a reduction in corporate tax rates, India has endeavoured to be in sync with the global economies and the OECD analysis.

Under the new section, the total income is to be computed in the manner prescribed- where specified deductions are not claimed under other schemes or other sections. Once the option is exercised, it shall apply to all subsequent assessment years.

Tata Steel and its group companies, after doing a threadbare analysis, have opted for the new tax regime wherever applicable.

Abolition of Dividend Distribution Tax (DDT)

The Finance Act, 2020 has brought about a significant amendment in the taxation of dividend by abolishing the imposition of DDT. The classical system of taxation of dividend in the hands of shareholders has now been reintroduced. Companies declaring

dividend are required to withhold taxes thereon. We have effectively introduced guidelines, process and technology to ensure the right amount of tax is withheld based on the applicable rates.



Tata Steel- European Business

Tata Steel is one of Europe's leading steel producers, with steelmaking in the Netherlands and the UK, and manufacturing plants across the continent. While our operations across Europe and US, the UK and the Netherlands are key jurisdictions which drive our presence in the continent. Moreover, our operations in all other countries being very small, UK and Netherlands oversee the tax requirements in most of these other locations. Further, for this report additionally only four other jurisdictions (Belgium, France, Germany and the United States) that constitute majority of our contribution among Tata Steel's European businesses have been considered. Our corporate strategy for European business is founded on creating long-term and sustainable value for the society, and building collaborative relationships with all our stakeholders. Further among the European businesses of Tata Steel, only UK and the Netherlands employ tax professionals.

TAX PROFILE IN EUROPE

Originating from Action 4 of the OECD's Base Erosion and Profit Shifting ('BEPS') project, which is concerned with multinational groups eroding their tax base with interest expense deductions, the UK Corporate Interest Restriction "CIR" rules have been introduced from 1 April 2017. This limits interest deductions to 30 per cent of earnings before income tax, depreciation and amortization (EBITDA). The Netherlands also has the

same rules applicable. Our operations in both these countries have taken into cognizance the implication of these de-minimums rules while filing their returns.

The French corporate income tax rate is being progressively reduced while the German income tax rates have been consistent.

The Netherlands - environment and energy investment allowances

The Netherlands in a bid to stimulate environment-friendly investments of companies in the country has created a strong package of tax measures by introducing the MIA (Environmental Investment Allowance) and the EIA (Environment Investment and Energy Investment Allowances). Investments in environment-friendly or energy efficient assets in specific areas of the economy can enable the taxpayer

to claim tax deductions of a specified percentage of the investment made. Additionally, enhanced depreciation expenses are also deductible.

In the Netherlands, Tata Steel claims these tax deductions year on year. We are committed to an environmentally sustainable business and contribute to a society that is more energy efficient.

The Netherlands- Research and Development Work Promotion Act ('WBSO') and innovation box

The Dutch government as part of the tax plan, offers incentives under two types of project categories, namely, development projects and technical and scientific research. The tax credits and the benefits extended depend on the legal form of the business as well the type of projects undertaken.

It is our resolve to create better tomorrows, and to rely on innovation to guide on a mutually beneficial and cooperative path. Innovation is at the core of excellence in Tata Steel, which enables us to claim these benefits year on year.

R&D tax credit in the United Kingdom

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

tax credits, businesses must be registered to the UK and liable to pay corporation tax. The scheme is also extended to subcontracted small enterprises.

We have, in the UK, been actively focusing on innovation, an inherent Tata Steel initiative, thereby claiming R&D tax credits as applicable.

Enhanced capital allowances and land remediation relief

In the UK, companies that acquire contaminated or derelict land for the purpose of their trade can claim an enhanced deduction for clean-up costs. By election, the relief can be claimed by a company for capital expenditure incurred on remediation of land acquired for use in its trade.

To a lesser extent, we also claim the enhanced capital allowances and land remediation relief for our qualifying expenses.

The key underlying principle for the European Business of Tata Steel's tax function is aligned to the group and adheres to corporate responsibility and paying a fair share of tax.

Tata Steel in Netherlands has additionally adopted the Committee of Sponsoring Organizations of the Treadway Commission ('COSO') framework wherein the internal controls are divided into three categories; operations, reporting and compliance.



Tata Steel- South-East Asian Business

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

TAX PROFILE IN SOUTH-EAST ASIA

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. To fulfill the primary objectives of our Tax Policy, and to be more reflective of the areas of importance in the taxation regime, our tax principles additionally include:



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



Maintaining proper documentation and to take steps to store them online for easy retrieval and permanent preservation

Royal Decree Number 604- double deduction on specified capital expenditure

To promote investments in new assets in Thailand, the Kingdom of Thailand notified a Royal Decree in 2016, allowing a deduction of 200 per cent of specified capital expenditure. Prior to the Decree, the capital expenditure incurred for an asset was capitalised as a part of the cost of the asset and was allowed as depreciation year on year.

For claiming the deduction, the capital expenditure incurred must be towards investment in, renovation of, alteration of, or betterment of an asset relating to machinery, equipment, tools, decoration, furniture,

software, computer, permanent buildings or specified vehicles. Further, the expenses needed to be incurred and the asset being ready to use within stipulated timeline in 2016. Additionally, no other benefits or incentives would apply to the asset where such deduction is claimed. The deduction must be claimed over five consecutive years, equally.

Our manufacturing plants have benefitted from the stimulus provided by the authorities in Thailand, and we have claimed the deduction in the past five years.

Our Policy on Disclosure and Transparency

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

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

Tax litigation

In Thailand, we have to submit our mid-year assessment on estimated annual profits, which shall not be at variance with the actual annual profits by more than 25.00 per cent. Currently there is a case pending with the Supreme Court, which is expected to announce its verdict on the matter by December 2021 pertaining to a variance that occurred in 2008

due to an unanticipated price rise because of the Olympics being held in China. We have disclosed the amounts as provisions in our financial statements in an attempt to reconcile our tax position with the operational results in a manner which is fair and is representative of our non-contentious relationship with the tax authorities.

7

Global Tax & Other Contributions

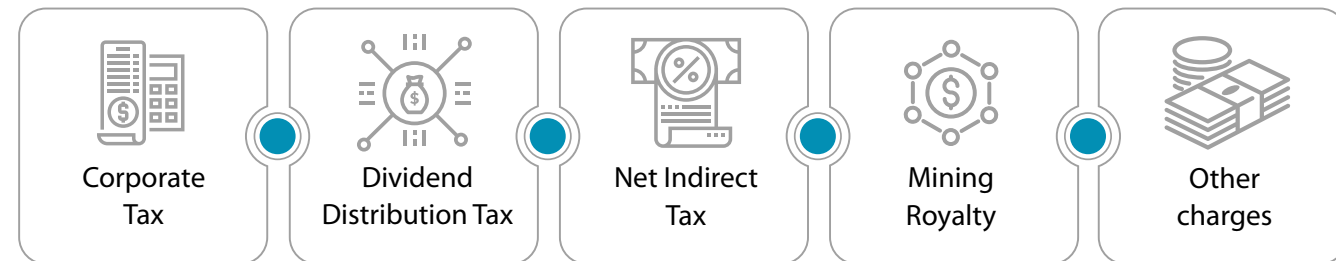
SPECIFIC DISCLOSURES

Global Tax & Other Contributions

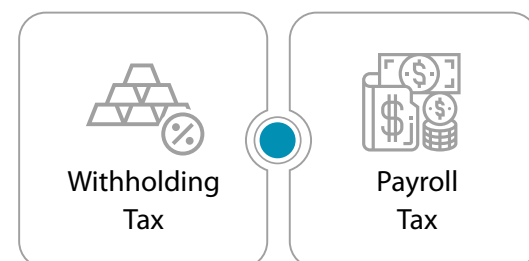
The earlier sections of this report have aimed to provide an overview of our businesses and operations along with our tax principles and governance mechanisms. In continuation to the above information, we have presented here a summary of the Global Tax & Other Contributions made directly or indirectly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

services that includes disclosures in relation to Net Indirect Taxes, corporate and dividend tax, mining royalty and charges and other taxes and charges. The indirect contributions are payments made by these companies on behalf of other stakeholders and includes withholding and payroll taxes. The other contributions are non-tax payments made by the companies, such as employer's provident fund.

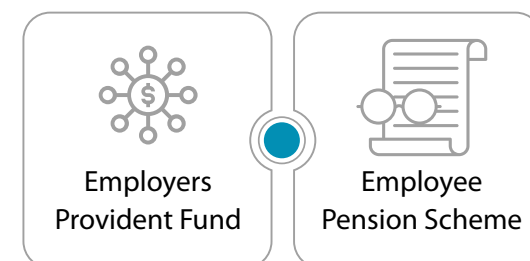
Direct contribution



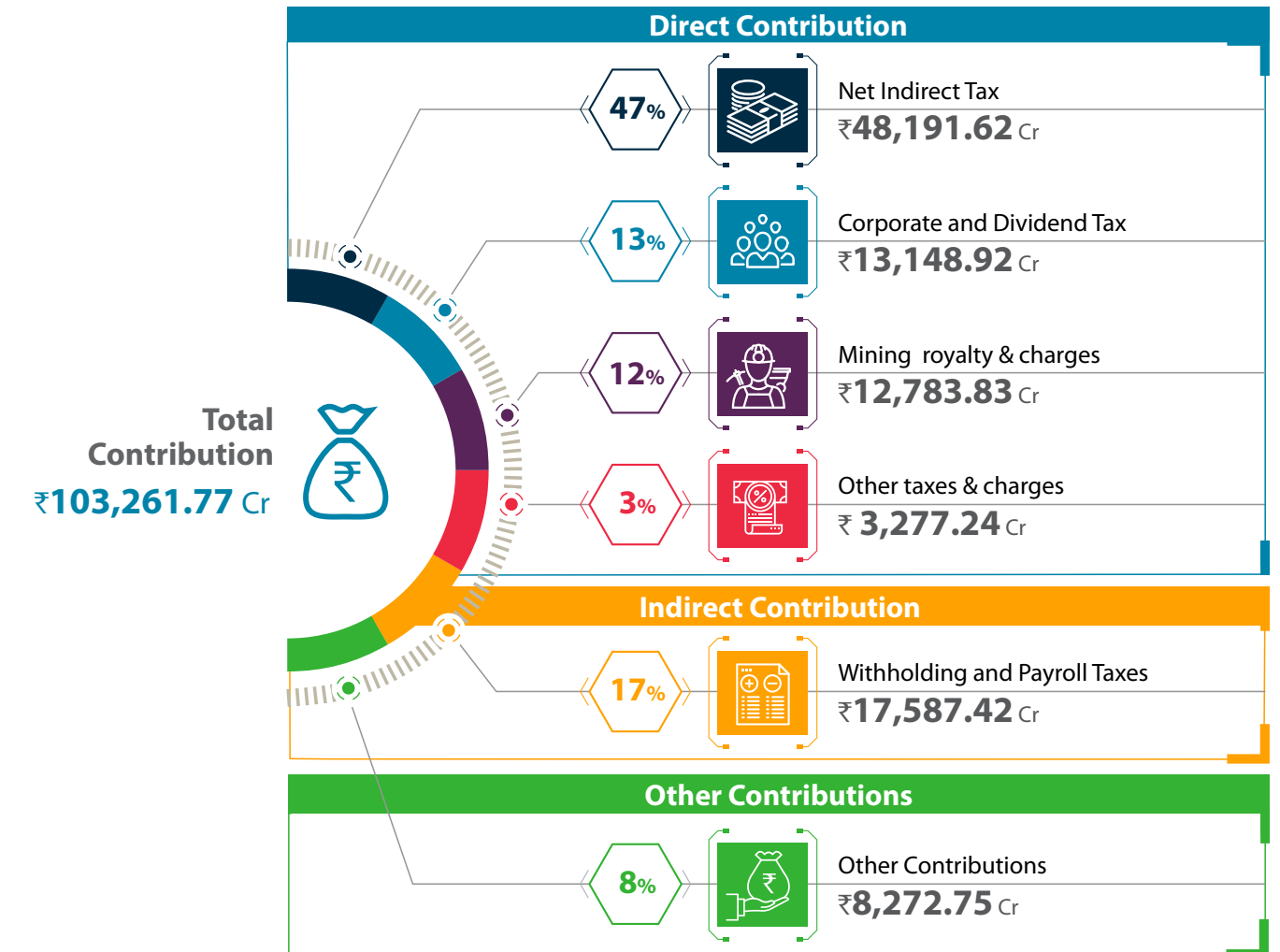
Indirect Contribution



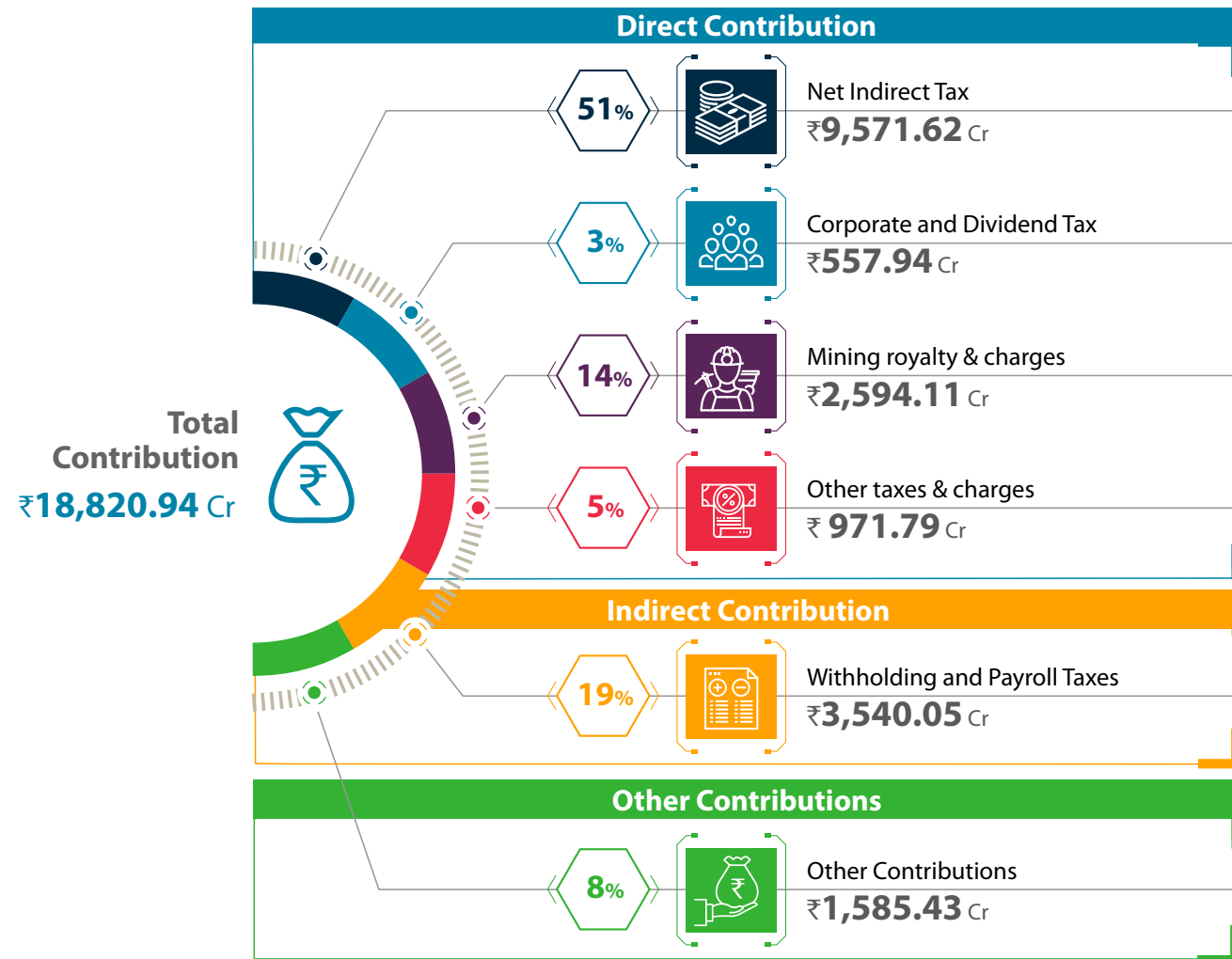
Other Contribution



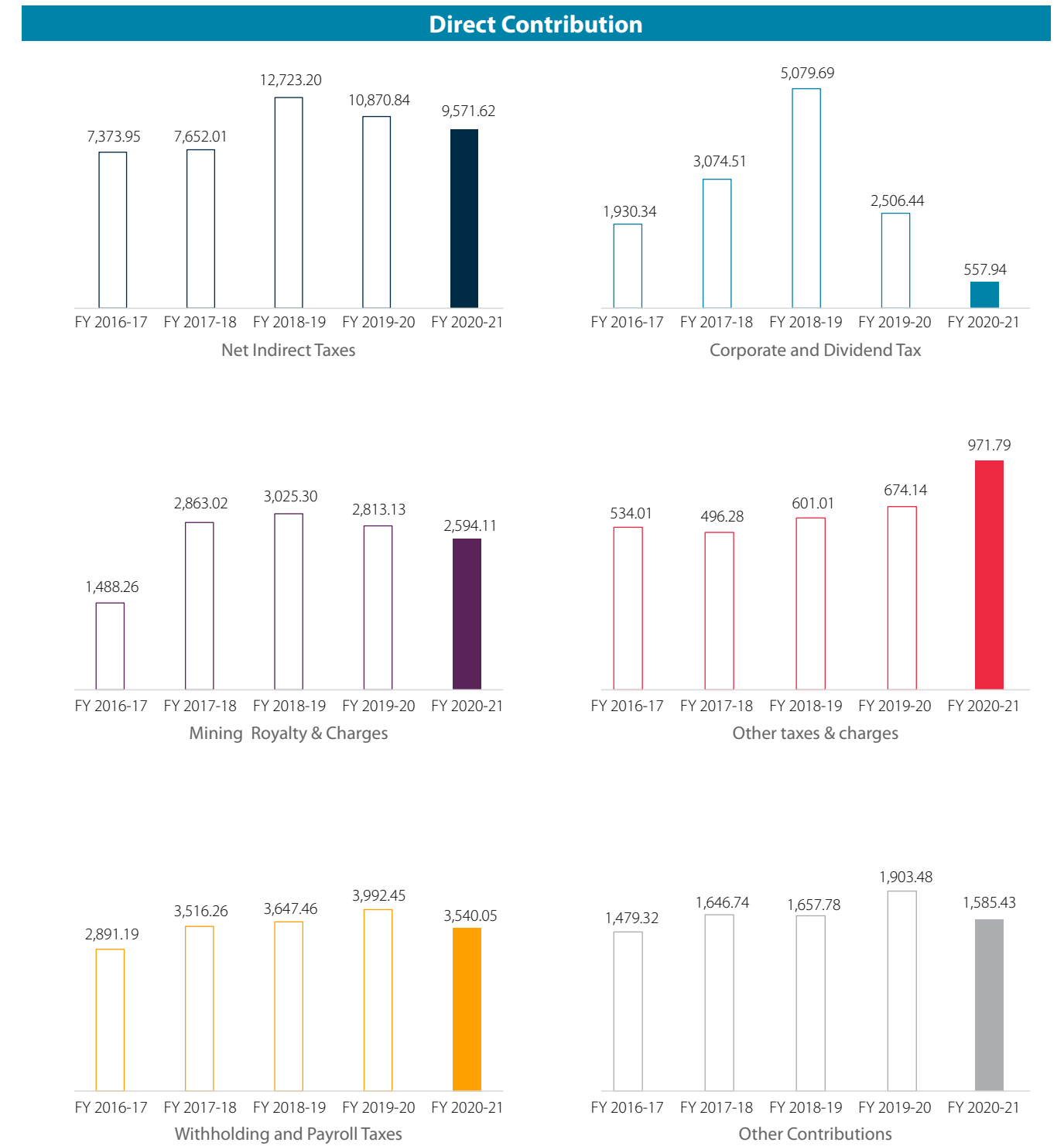
Group Contribution Total (for FY 2016-17 to 2020-21)



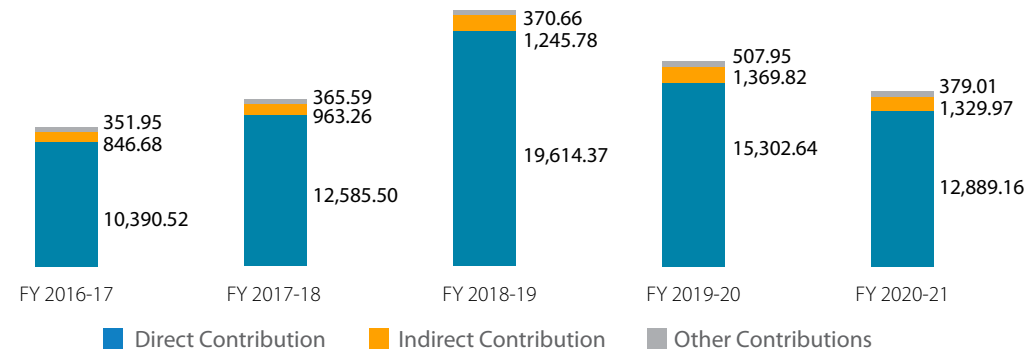
Group Contribution for FY 2020-21



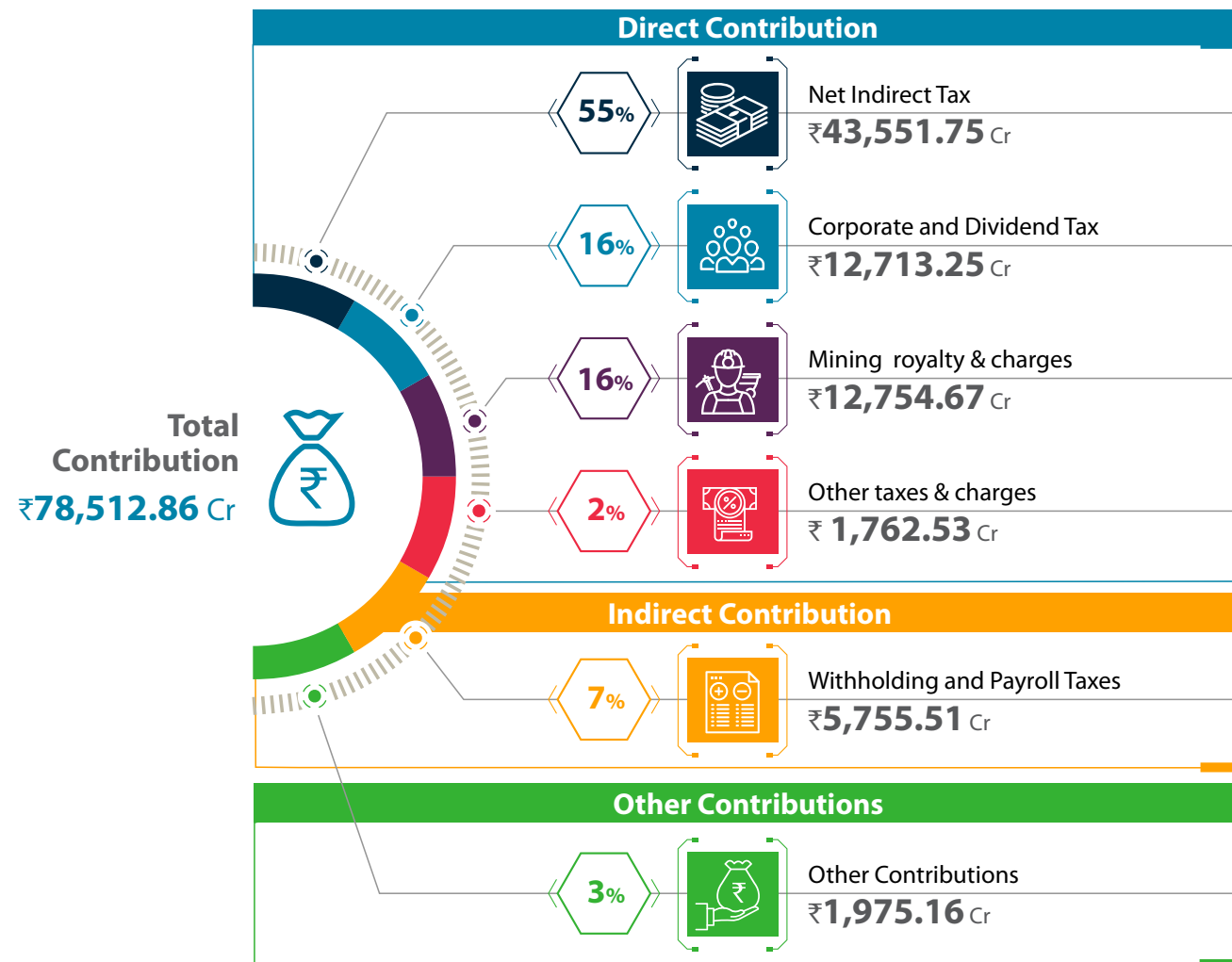
Annual Trend (in ₹ Cr)



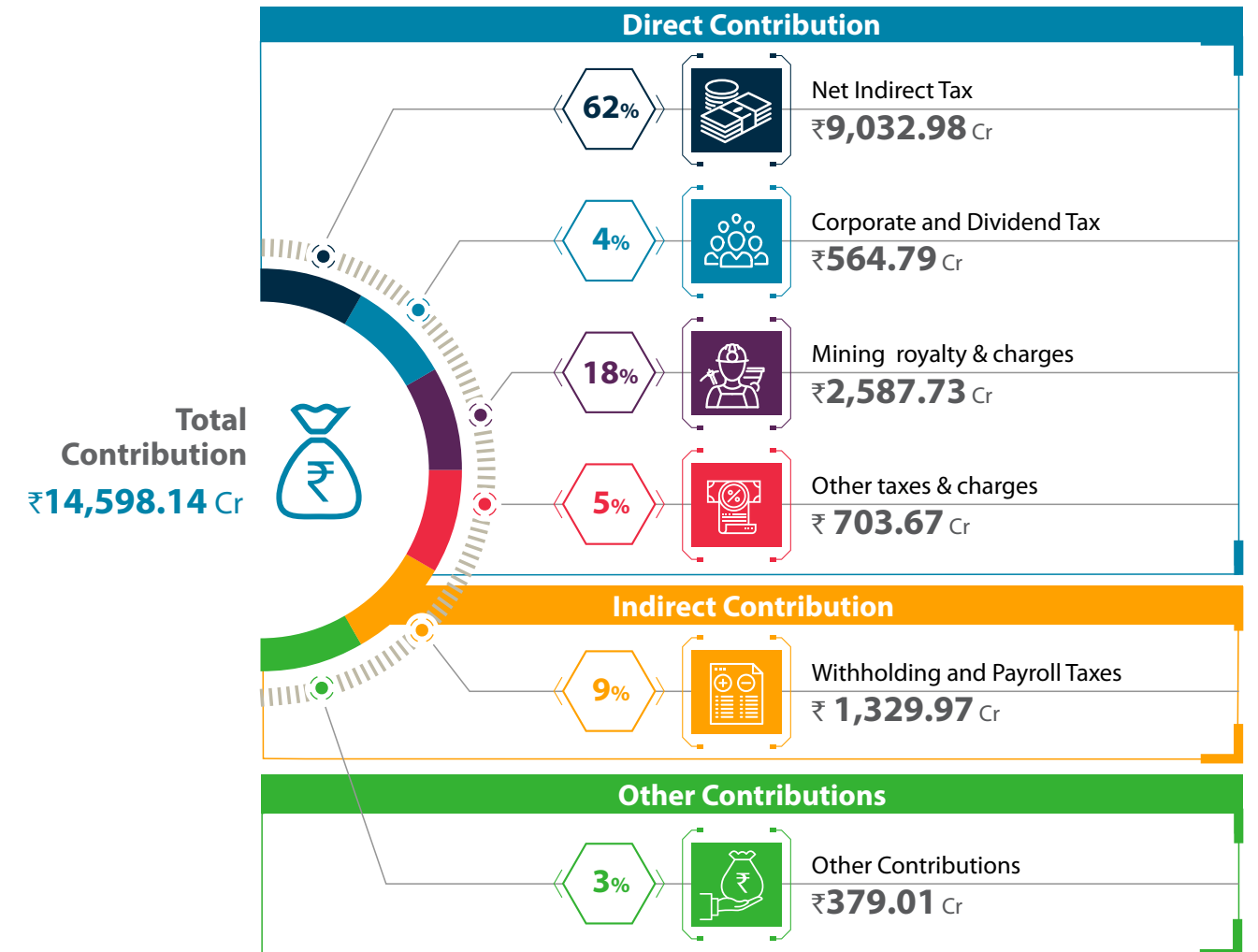
Region specific: India
Annual Split
(in ₹ Cr)



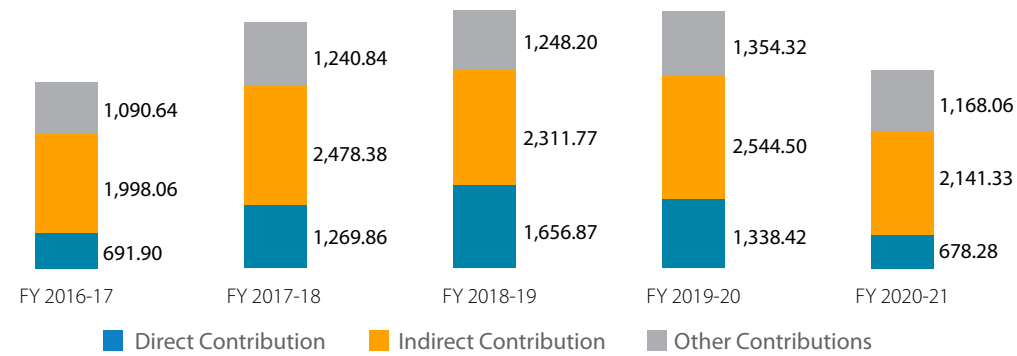
Indian Business Contribution for Five Years (FY 2016-17 to 2020-21)



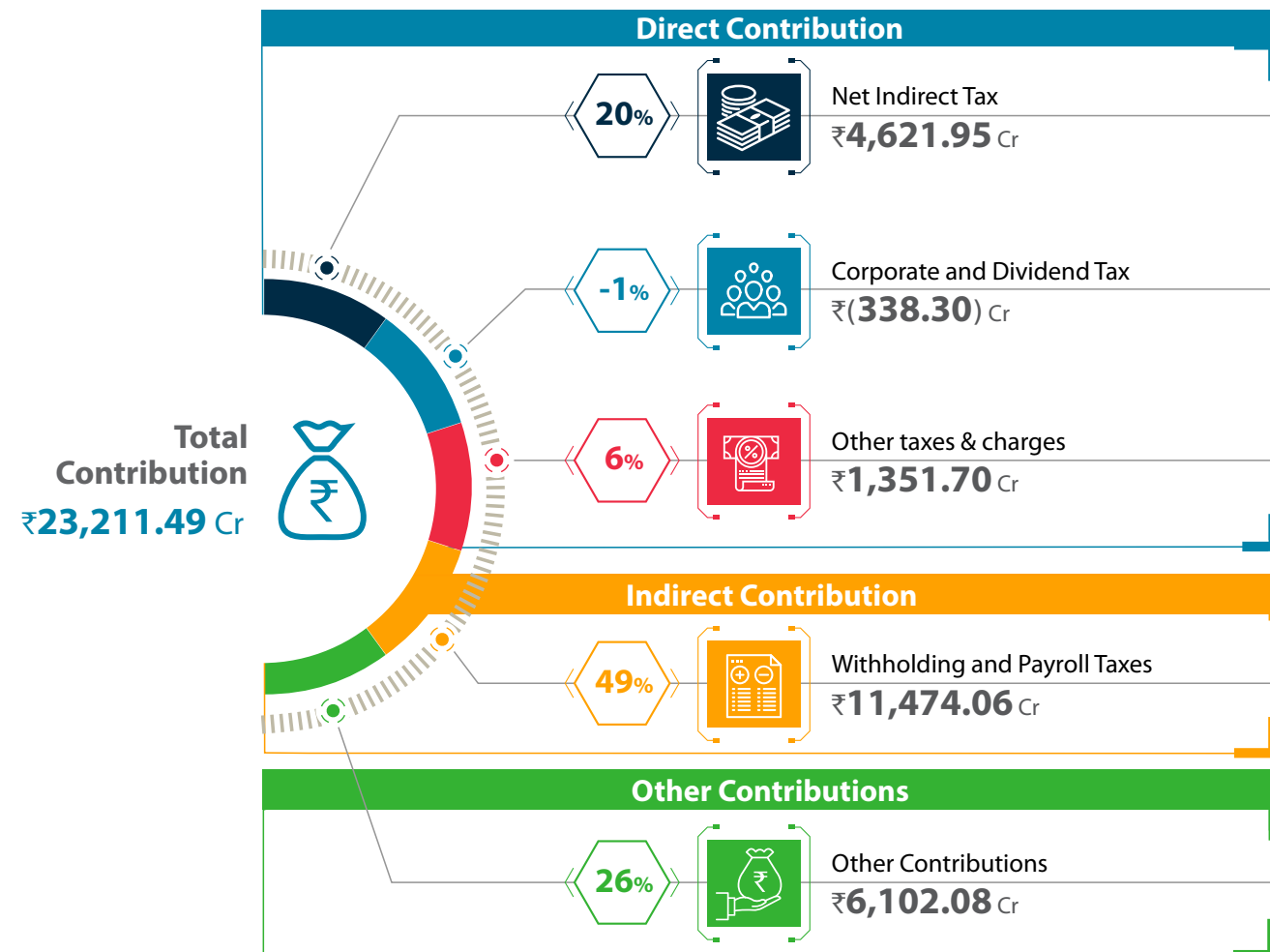
Indian Business Contribution for FY 2020-21



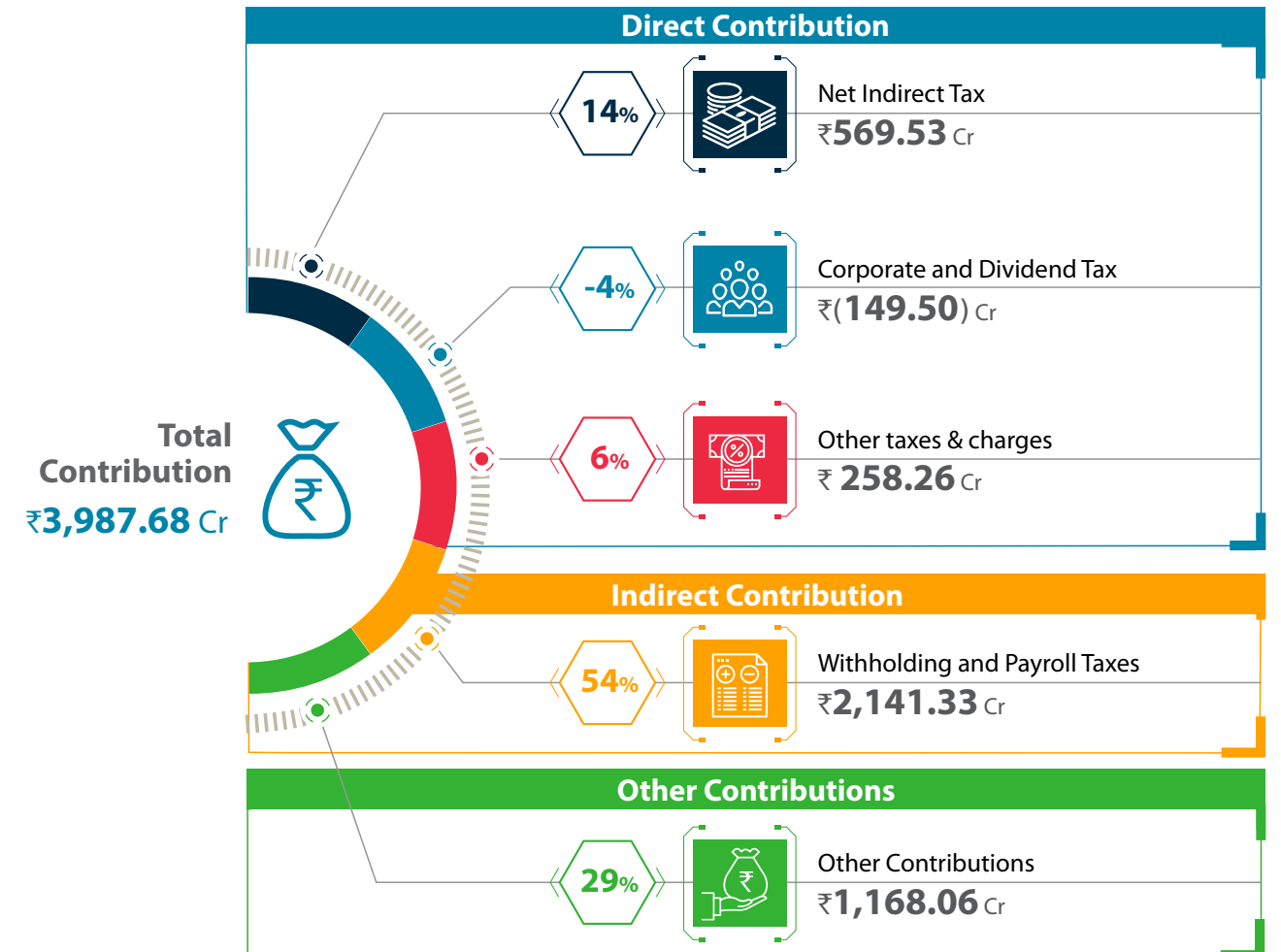
Region specific: Europe
Annual Split
(in ₹ Cr)



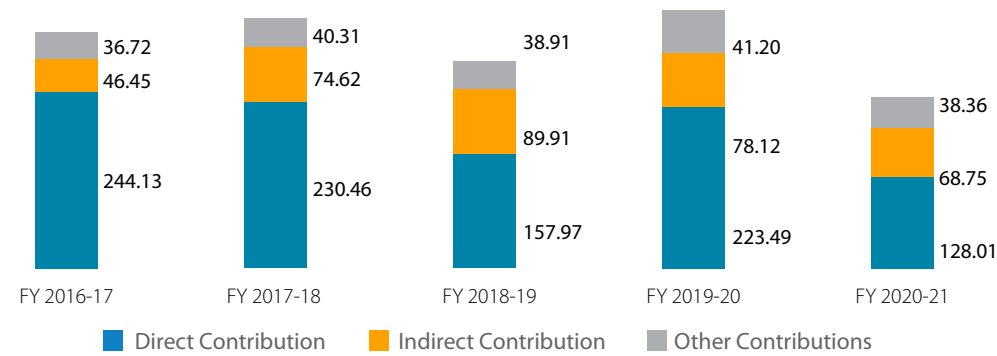
European Business Contribution for Five Years (FY 2016-17 to 2020-21)



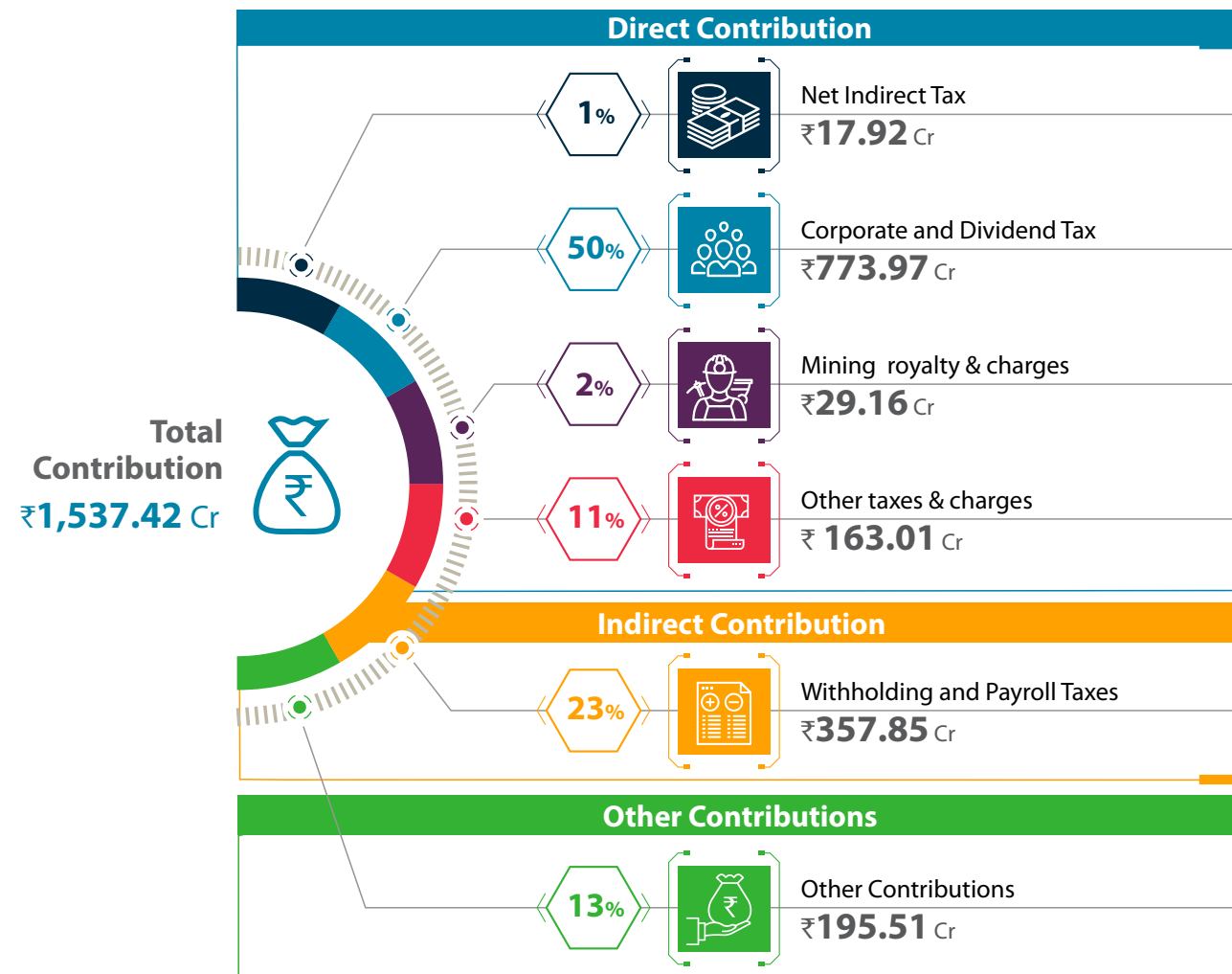
European Business Contribution for FY 2020-21



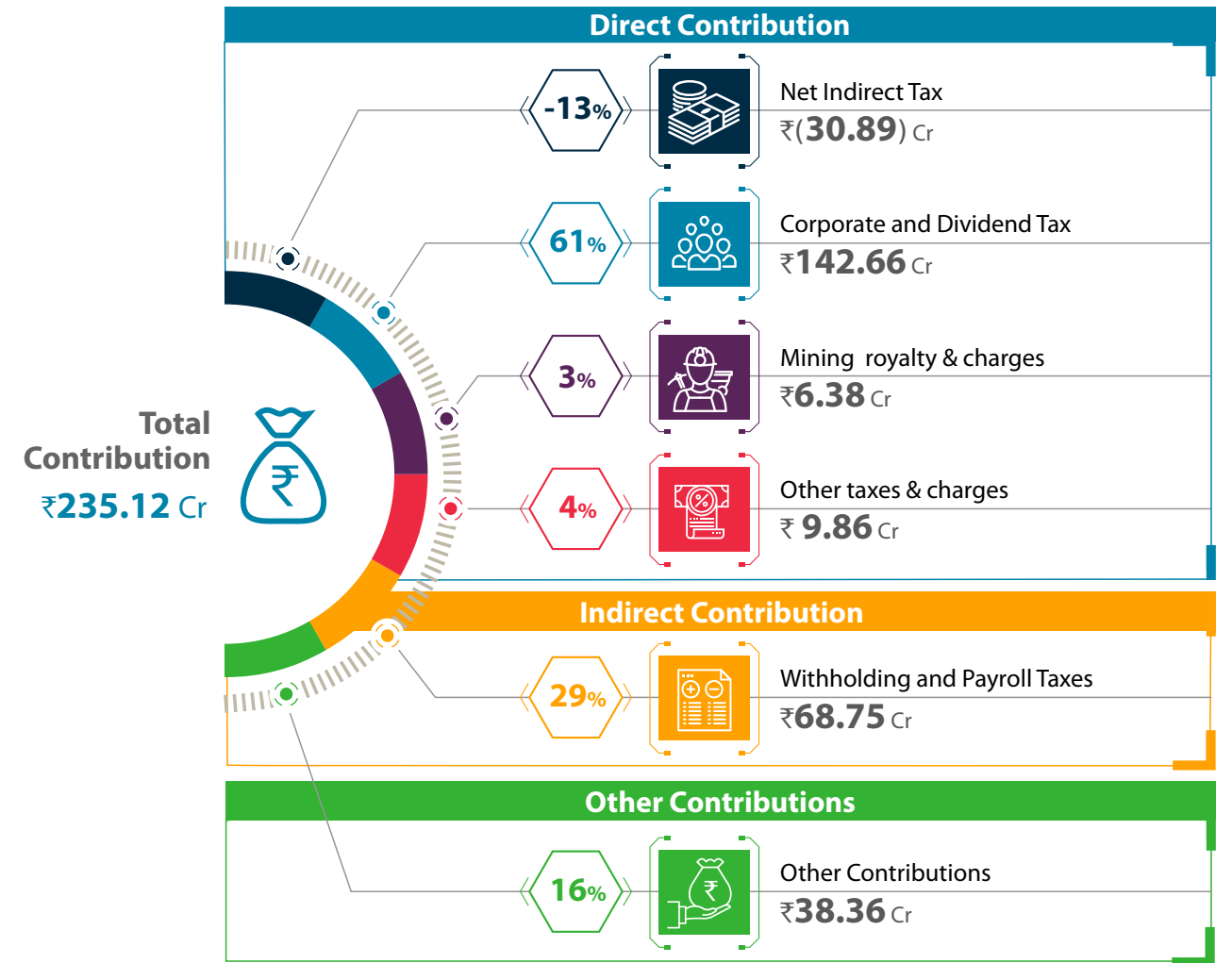
**Region specific: South-East Asia
Annual Split
(in ₹ Cr)**



South-East Asian Business Contribution for Five Years (FY 2016-17 to 2020-21)



South-East Asian Business Contribution for FY 2020-21



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.



Additional information

BASIS OF PREPARATION

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

The data that has been used to prepare financial statements with appropriate processes/ procedures is relied upon to present the Global Tax & Other Contributions for five financial years starting from April 1, 2016 to March 31, 2021, in our Tax Transparency Report.

Reporting Entities

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

However, the entities which were liquidated in any of the last five years or are under process of liquidation or yet to commence operations or have insignificant operations as on March 31, 2021 have been excluded from reporting. In addition to this, in case of Tata Steel's European businesses, we have considered the major tax contributing jurisdictions. The entire list of entities considered in this report has been included as Annexure 2.

Methodology

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

Direct Contribution

Corporate and Dividend tax

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

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

Mining Royalty and charges

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

Other taxes and charges

This comprises taxes/ cess/ charges paid on consumption of water, generation of electricity, stamp duty that arises on the transfer of assets or capital or registering a document, property tax, municipal

taxes, motor vehicle tax, road cess, land revenue and other taxes borne.

Net Indirect Taxes

Amounts reported represent indirect tax payments remitted to the government treasuries 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 royalty and charges, other taxes and charges and Net Indirect Taxes 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 tax that is withheld from employee remuneration and paid to the government by the respective companies in the capacity of an employer.

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

Other Contributions

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





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

Coverage


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

Tax and other contributions


Direct contributions

Corporate and Dividend tax	<ol style="list-style-type: none"> 1. Corporate Income Tax 2. Surcharge and cess 3. Tax collected at source on Royalty 4. Corporate Dividend tax 5. Corporate tax credit and incentives 	
Mining Royalty and charges	<ol style="list-style-type: none"> 1. Mining Royalties 2. District Mineral Fund 3. National Mineral Exploration Trust 	
Other taxes and charges	<ol style="list-style-type: none"> 1. Stamp duty 2. Property tax 3. Water cess 4. Water charges/ tax 5. Electricity duty 6. Land revenue / Landfill disposal tax 7. Motor vehicle tax 8. Road cess / Tax 9. Municipal taxes 10. National building tax 11. Foreign worker levy/work permit levy/expatriate tax 12. Carbon/ Clean energy taxes 13. Signboard taxes 14. Coal tax 15. Packaging tax 16. Companies' land contribution or Cotisation Foncière des Entreprises or CFE 17. Companies' added value contribution or Cotisation sur la valeur ajoutée des entreprises or CVAE 	
Net Indirect Taxes	<ol style="list-style-type: none"> 1. Goods and Services Tax 2. Custom duties (all types such as BCD, CVD, SAD, Cess, etc.) 3. Excise duty (including cess, if any) 4. Value Added Tax (VAT) 5. Service tax (including cess, if any) 6. Central Sales Tax 7. Clean Energy Cess 8. Entry tax 9. Export duty 10. VAT on work contracts 11. Stowing excise duty 12. Clean Environment Cess 13. Purchase tax 14. Compensation cess 15. Provincial tax 16. Sales and Use Tax 	

Indirect contributions

Withholding & Payroll Taxes	<ol style="list-style-type: none"> 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 	
--	---	---

Other Contributions

Other Contributions	<ol style="list-style-type: none"> 1. Provident Fund, Employee Pension Scheme and Employee State Insurance / National Insurance - Employer's contribution 2. Coal Mines Provident Fund and Pension Scheme – Employer's contribution 3. C3S Turnover Tax 	
----------------------------	--	---

Note 1: For each nature of tax or any other contributions by respective reporting entities, the threshold has been set at ₹100,000 paid annually, i.e. any contribution not more than the threshold amount has been excluded from this report.

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

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

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

Note 5: For Tata Steel's European businesses in the UK and in the Netherlands, tax compliances are done at a Group Level due to which Annexure 2 will not be exhaustive in nature as the same comprises of the active list of entities as on March 31, 2021.

Excluded amounts

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

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

Currency

The currency considered for this report or the reporting currency is the Indian National Rupee (₹). The data for Global Tax & Other Contributions to government provided by any subsidiary in their local reporting currency, has been converted to INR based on the exchange rate reported in Form AOC - 01. In case of Joint Ventures 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.

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 2016-17 to 2020-21 [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 1.

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 2016-17 to 2020-21 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: Kolkata, India

Date: 21st February 2022

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

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 Indian Companies Act 2013, 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 twenty per cent of total share capital, or of business decisions under an agreement.

Coal Mines Provident Fund, payment made to

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 relating to companies, enacted by the Parliament of India.

Conflict of interest

Conflict of interest occurs when an individual or a corporation (either private or governmental) is in a position to exploit his or their own professional or official capacity in some way for personal or corporate benefit.

Corporate Income Tax

This is a direct tax imposed on companies' profits

DMF and NMET

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

Exchequer

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

Employee

Employee count reported in this document is sourced from the Country-by-Country report, prepared pursuant to Section 286 of Indian Income Tax Act 1961 and has been filed for the financial year 2019-20. As per the OECD Guidelines which serve as a basis for the country-by-country report, employees are reported on a full-time equivalent basis as on year end, or on any other basis consistently applied across tax jurisdictions and from year to year. Independent contractors participating in the ordinary operating activities of the entity may be reported as employees.

Further, due to the nature of information furnished in the country-by-country report, employee numbers have been aggregated jurisdiction-wise rather than in reference to the entities noted in Annexure 2.

GST

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

Integrated Report

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

Related Party Transactions

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

Royalties

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

Stakeholders

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

Subsidiary

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

- i. controls the composition of the Board of Directors; or
- ii. 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;

Tax

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

Tax Deducted at Source ('TDS')

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

Tax Collected at Source ('TCS')

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

Transfer pricing

Transfer prices are the prices at which an enterprise transfers physical goods and intangible property or provides services to associated enterprises. Transfer pricing should be based on the arm's-length principle. It is used to ensure that profits are allocated to the countries where the relevant economic activity takes place.

Turnover/ revenue

The turnover reported in this document for subsidiaries is sourced from Form No. AOC-01 which is prepared pursuant to Section 129(3) of the Indian Companies Act 2013 [Read with Rule 5 of the Companies (Accounts) Rules, 2014] and for Tata Steel Limited and its joint ventures from the audited financial statements.

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

Whistle-blower

A whistleblower is someone who reports waste, fraud, abuse, corruption, or dangers to public health and safety to someone who is in the position to rectify the wrongdoing

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

Annexure 1: Assurance procedures – Global Tax & Other Contributions

- Understand and examine the processes and controls at Tata Steel level in managing, collating and reviewing the data for the Global Tax & Other Contributions
- Review the guidance provided / instructions issued to locations/ units/ group entities by central team for collation of various Tax and other specified items.
- Review the country wise break-up of the Tax and other specified items reported in the Global Tax & Other Contributions
- Understand and examine the processes and controls at country level for collation of Tax and other specified items included in Global Tax & Other Contributions. This will include review of:
 - reporting to central team to ensure adherence of the guidance provided by the central team
 - processes for ensuring that all local country taxes are included within the reporting to central team.
- Review the basis on which the country level tax and other specified data reported has been captured, reviewed and consolidated to assess whether the data has been collected, consolidated and reported fairly
- For the countries selected, perform trend analysis on the tax and other specified data for 5 years 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 for the respective years.



Annexure 2: List of entities

Name of the Company	Relation	Country
Tata Steel Limited	Parent	India
Tata Steel Special Economic Zone Limited	Subsidiary	India
Bhubaneshwar Power Plant Limited	Subsidiary	India
Adityapur Toll Bridge Company Limited	Subsidiary	India
Tata Steel BSL Limited (merged with Tata Steel Limited with effect from 1 st April 2019)*	Subsidiary	India
Tata Steel Foundation	Subsidiary	India
Tata Steel Long Products Limited	Subsidiary	India
Indian Steel & Wire Products Ltd	Subsidiary	India
T S Alloys Limited / Tata Steel Mining Limited	Subsidiary	India
Tata Steel Utilities and Infrastructure Services Limited	Subsidiary	India
Haldia Water Management Limited	Subsidiary	India
Kalimati Global Shared Services Limited	Subsidiary	India
Rujuvalika Investments Limited	Subsidiary	India
Tata Pigments Limited	Subsidiary	India
The Tinsplate Company of India Limited	Subsidiary	India
Tata Metaliks Ltd	Subsidiary	India
Tata Steel Odisha Limited	Subsidiary	India
Creative Port Development Private Limited	Subsidiary	India
Subarnarekha Port Private Limited	Subsidiary	India
Tata Steel Downstream Products Limited	Subsidiary	India
Jamshedpur Football & Sporting Pvt Ltd	Subsidiary	India
Angul Energy Limited	Subsidiary	India
Nabadiganta Water Management Limited	JV	India
Sez Adityapur Limited	JV	India
Jamshedpur Continuous Annealing & Processing Company Private Limited	JV	India
TM International Logistics Limited	JV	India
Mjunction services limited	JV	India
S & T Mining Company Private Limited	JV	India
Tata BlueScope Steel Private Limited	JV	India
Jamipol Ltd.	JV	India

Name of the Company	Relation	Country
Himalaya Steel Mills Services Private Limited	JV	India
Industrial Energy Limited	JV	India
Medica TS Hospital Pvt. Ltd.	JV	India
Tata NYK Shipping (India) Pvt. Ltd.	JV	India
TKM Global Logistics Limited	JV	India
Tata Steel (Thailand) Public Company Ltd	Subsidiary	Thailand
The Siam Iron And Steel (2001) Co. Ltd.	Subsidiary	Thailand
The Siam Construction Steel Co. Ltd.	Subsidiary	Thailand
N.T.S Steel Group Plc.	Subsidiary	Thailand
Tata Steel International (Singapore) Holdings Pte. Ltd. (Subsidiary merged in FY 20-21)	Subsidiary	Singapore
Tata Steel International (Shanghai) Ltd	Subsidiary	China
Tata Steel International (Asia) Limited	Subsidiary	Hong Kong
NatSteel Holdings Pte Ltd	Subsidiary	Singapore
NatSteel Recycling Pte Ltd	Subsidiary	Singapore
NatSteel Trade International Pte Ltd. (Become dormant in FY 20-21)	Subsidiary	Singapore
Easteel Services (M) Sdn Bhd	Subsidiary	Malaysia
The Siam Industrial Wire Company Ltd.	Subsidiary	Thailand
TSN Wires Co Ltd	Subsidiary	Thailand
Eastern Steel Fabricators Philippines, Inc. (Become dormant in FY 20-21)	Subsidiary	Philippines
TS Asia (Hong Kong) Limited	Subsidiary	Hong Kong
NatSteel Asia Pte. Ltd.	Subsidiary	Singapore
ABJA Investment Co. Pte Ltd.	Subsidiary	Singapore
TS Global Minerals Holdings Pte. Ltd. (Subsidiary merged in FY 20-21)	Subsidiary	Singapore
TS Global Holdings Pte. Ltd.	Subsidiary	Singapore
T Steel Holdings Pte. Ltd.	Subsidiary	Singapore
TS Global Procurement Company Pte. Ltd.	Subsidiary	Singapore
Proco Issuer Pte. Ltd. (Subsidiary merged in FY 20-21)	Subsidiary	Singapore
Al Rimal Mining LLC	Subsidiary	Oman
T S Canada Capital Ltd	Subsidiary	Canada
Tata Steel Minerals Canada Limited	Subsidiary	Canada
Tata Steel Minerals UK Limited	Subsidiary	UK
Minas De Benga (Mauritius) Limited	JV	Mauritius
Tata NYK Shipping Pte. Ltd. - Tax Jurisdiction - India	JV	Singapore
Tata NYK Shipping Pte. Ltd. - Tax Jurisdiction - Singapore	JV	Singapore
TKM Global China Ltd	JV	China

Name of the Company	Relation	Country
TKM Global GmbH	JV	Germany
International Shipping and Logistics FZE	JV	UAE
BlueScope Lysaght Lanka Private Limited	JV	Sri Lanka
Cogent Power Limited	Subsidiary	UK
Corby (Northants) & District Water Company Limited	Subsidiary	UK
Corus Group Limited	Subsidiary	UK
Corus International (Overseas Holdings Limited)	Subsidiary	UK
Corus International Limited	Subsidiary	UK
Corus Liaison Services (India) Limited	Subsidiary	UK
Swinden Housing Association Limited	Subsidiary	UK
Tata Steel Europe Limited	Subsidiary	UK
Tata Steel UK Consulting Limited	Subsidiary	UK
Tata Steel UK Holdings Limited	Subsidiary	UK
Tata Steel UK Limited	Subsidiary	UK
Tulip UK Holdings (No.2) Limited	Subsidiary	UK
Tulip UK Holdings (No.3) Limited	Subsidiary	UK
UK Steel Enterprise Limited	Subsidiary	UK
Tata Steel Netherlands Holdings BV	Subsidiary	Netherlands
British Steel Nederland International BV	Subsidiary	Netherlands
Service Centre Maastricht BV	Subsidiary	Netherlands
Tata Steel International (Benelux) BV	Subsidiary	Netherlands
Tata Steel Nederland BV	Subsidiary	Netherlands
Tata Steel IJmuiden BV	Subsidiary	Netherlands
Huizenbezit Breesaap BV	Subsidiary	Netherlands
Esmil BV	Subsidiary	Netherlands
Tata Steel Nederland Technology BV	Subsidiary	Netherlands
Tata Steel Europe Distribution BV	Subsidiary	Netherlands
Tata Steel Nederland Services BV	Subsidiary	Netherlands
Hoogovens Finance BV	Subsidiary	Netherlands
TSN Consulting & Technical Services BV	Subsidiary	Netherlands
Staalverwerking en Handel BV	Subsidiary	Netherlands
Tata Steel Nederland Tubes BV	Subsidiary	Netherlands
SAB Profiel BV	Subsidiary	Netherlands
Tata Steel Nederland Star-Frame BV	Subsidiary	Netherlands
Corus Primary Aluminium BV	Subsidiary	Netherlands

Name of the Company	Relation	Country
Tata Steel Europe Metals Trading BV	Subsidiary	Netherlands
Beheermij Industriële Producten BV	Subsidiary	Netherlands
Demka BV	Subsidiary	Netherlands
Tata Steel Germany GmbH	Subsidiary	Germany
Tata Steel International (Germany) GmbH	Subsidiary	Germany
Hille und Müller GmbH	Subsidiary	Germany
Fischer Profil GmbH	Subsidiary	Germany
S.A.B. Profil GmbH	Subsidiary	Germany
Service Center Gelsenkirchen GmbH	Subsidiary	Germany
Degels GmbH	Subsidiary	Germany
Catnic GmbH	Subsidiary	Germany
Cbs Investissements SAS	Subsidiary	France
Inter Metal Distribution SAS	Subsidiary	France
Tata Steel France Bâtiment et Systèmes SAS	Subsidiary	France
Tata Steel France Holdings SAS	Subsidiary	France
Tata Steel International (France) SAS	Subsidiary	France
Tata Steel Maubeuge SAS	Subsidiary	France
Tata Steel France Rail SAS	Subsidiary	France
Unitol SAS	Subsidiary	France
Societe Europeenne De Galvanisation (Segal) SA	Subsidiary	Belgium
Tata Steel Belgium Packaging Steels NV	Subsidiary	Belgium
Tata Steel Belgium Services NV	Subsidiary	Belgium
Apollo Metals Limited	Subsidiary	USA
Hille Müller USA Inc.	Subsidiary	USA
Hoogovens USA Inc.	Subsidiary	USA
Thomas Processing Company	Subsidiary	USA
Thomas Steel Strip Corp.	Subsidiary	USA
Tata Steel International (Americas) Holdings Inc.	Subsidiary	USA
Tata Steel International (Americas) Inc.	Subsidiary	USA
Tata Steel USA Inc.	Subsidiary	USA
Oremco Inc.	Subsidiary	USA
Tata Steel USA Inc.	Subsidiary	USA
Oremco Inc.	Subsidiary	USA

* The Composite Scheme of Amalgamation of Tata Steel BSL Limited into and with Tata Steel Limited was approved and sanctioned by the Hon'ble National Company Law Tribunal, Mumbai Bench vide Order dated October 29, 2021 ('NCLT Order')

TATA STEEL

Tata Steel Limited

Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001
www.tatasteel.com

 /TataSteelLtd

 /Tatasteeltd

 /tatasteeltd/

 /user/Thetatasteel/

 /company/tatasteeltd/

Disclaimer

This voluntary report has been prepared by Tata Steel Limited (the "Company") considering best practices and to the best of our knowledge. These materials are for information purposes only. All content published is copyright of Tata Steel Limited and may not be reproduced without the written permission of the Company.