

BOARD'S REPORT

To the Members,

The Board of Directors ('Board') of Tata Steel Limited ('Tata Steel' or 'Company') expresses profound grief on the demise of Padma Vibhushan Ratan N. Tata. The Board places on record its deep respect and enduring gratitude to Mr. Tata for his unparalleled contributions that have profoundly shaped the Company. The visionary leadership of Mr. Tata and his unwavering commitment have been pivotal in transforming Tata Steel into a global steel company. Mr. Tata's legacy of innovation, philanthropy, and commitment to excellence will continue to inspire us in times to come.

The Directors take pleasure in presenting the 10th Integrated Report prepared as per Integrated Reporting <IR> framework of the IFRS Foundation and the 118th Annual Accounts on the business and operations of Tata Steel, along with the summary of standalone and consolidated financial statements for the financial year ended March 31, 2025.

A. Financial Results

(₹ crore)

Particulars	Tata Steel Standalone		Tata Steel Group	
	2024-25	2023-24	2024-25	2023-24
Revenue from operations	1,32,516.66	1,40,932.65	2,18,542.51	2,29,170.78
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	1,04,651.17	1,10,943.94	1,93,244.06	2,06,864.88
Operating Profit	27,865.49	29,988.71	25,298.45	22,305.90
Add: Other income	2,246.90	3,113.49	1,540.53	1,808.85
Profit before finance cost, depreciation, exceptional items and tax	30,112.39	33,102.20	26,838.98	24,114.75
Less: Finance costs	4,238.35	4,100.52	7,340.95	7,507.57
Profit before depreciation, exceptional items and tax	25,874.04	29,001.68	19,498.03	16,607.18
Less: Depreciation and amortisation expenses	6,253.16	6,008.95	10,421.33	9,882.16
Profit/(Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax	19,620.88	22,992.73	9,076.70	6,725.02
Share of profit/(loss) of Joint Ventures & Associates	-	-	190.81	(57.98)
Profit/(Loss) before exceptional items & tax	19,620.88	22,992.73	9,267.51	6,667.04
Add/(Less): Exceptional Items	(902.04)	(3,488.02)	(854.64)	(7,814.08)
Profit before tax	18,718.84	19,504.71	8,412.87	(1,147.04)
Less: Tax Expense	4,749.14	3,842.86	5,239.09	3,762.57
(A) Profit/(Loss) after tax	13,969.70	15,661.85	3,173.78	(4,909.61)
Total Profit/(Loss) for the period attributable to:				
Owners of the Company	-	-	3,420.51	(4,437.44)
Non controlling interests	-	-	(246.73)	(472.17)
(B) Total other comprehensive income	(23,973.16)	(9,028.37)	273.30	(3,227.90)
(C) Total comprehensive income for the period [A + B]	(10,003.46)	6,633.48	3,447.08	(8,137.51)
Retained Earnings: Balance brought forward from the previous year	1,00,380.17	89,292.09	34,815.73	48,166.32
Add: Profit for the period	13,969.70	15,661.85	3,420.51	(4,437.44)
Add: Other Comprehensive Income recognised in Retained Earnings	(126.41)	(159.77)	(50.49)	(4,671.57)
Add: Other movements within equity	-	-	2.65	168.21
Balance	1,14,223.46	1,04,794.17	38,188.40	39,225.52
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares	4,494.07	4,414.00	4,489.87	4,409.79
Total Appropriations	4,494.07	4,414.00	4,489.87	4,409.79
Retained Earnings: Balance to be carried forward	1,09,729.39	1,00,380.17	33,698.53	34,815.73

Notes:

- i. Scheme of amalgamation of The Indian Steel & Wire Products Limited ('ISWP') with the Company was approved and sanctioned by the Hon'ble National Company Law Tribunal ('Hon'ble NCLT'), Kolkata bench on May 24, 2024 and the Hon'ble NCLT, Mumbai bench on August 6, 2024.
- ii. Scheme of amalgamation of Angul Energy Limited ('AEL') with the Company was approved and sanctioned by the Hon'ble NCLT, Delhi bench on April 18, 2024 and the Hon'ble NCLT, Mumbai bench on July 3, 2024.
- iii. Scheme of amalgamation of Bhubaneswar Power Private Limited ('BPPL') with the Company was approved and sanctioned by the Hon'ble NCLT, Hyderabad bench on June 6, 2024.
- iv. The Company has voluntarily changed its accounting policy in keeping with the provisions of Ind AS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to measure its equity investments in subsidiaries in the Standalone financial results/statements from cost less impairment as per Ind AS 27 'Separate Financial Statements' to fair value through other comprehensive income as per Ind AS 109 'Financial instruments' with retrospective effect. The Company's Management believes that this change in accounting policy provides reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position and financial performance to the users of financial results/statements.
- v. During the year under review, exceptional items (Consolidated Accounts) primarily represent:
 - a) Provision for impairment of non-current assets ₹119 crore, which primarily includes impairment of Property, plant and equipment, intangibles (including capital work-in-progress) at Tata Steel Europe ('TSE').
 - b) Net Provision for Employee Separation Scheme ('ESS') amounting to ₹692 crore under Sunehere Bhavishya Ki Yojana ('SBKY') and other scheme at Tata Steel Limited (Standalone), Tata Steel Downstream Products Limited and at Neelachal Ispat Nigam Limited ('NINL').

- c) Contribution to electoral trusts ₹173 crore Tata Steel Limited (Standalone).
- d) Loss on sale of subsidiaries and non-current investments (net) ₹7 crore at TSE.

Partly offset by,

- e) Gain on sale of non-current assets at Tata Steel (Thailand) Public Company Limited ('TSTH') amounting to ₹62 crore on sale of land.
- f) Fair valuation gain on non-current investments amounting to ₹17 crore at Tata Steel Limited (Standalone).
- g) Credit of ₹58 crore under restructuring and other provisions mainly at TSE due to reversal of provision in respect of heavy-end restructuring.

The exceptional items (Consolidated Accounts) in Financial Year 2023-24 primarily include:

- a) Provision for impairment of non-current assets ₹3,516 crore, which primarily includes impairment of property, plant and equipment, intangibles (including capital work-in-progress) at TSE due to heavy end restructuring along with impairment for Sukinda mines and impairment of port project in India.
- b) Net Provision for ESS amounting to ₹130 crore under SBKY and other scheme at Tata Steel Limited (Standalone) and at NINL.
- c) Charge of ₹4,263 crore under restructuring and other provisions mainly at TSE and at Tata Steel Limited (Standalone) for Sukinda mines.

Partly offset by,

- d) Gain on sale of non-current investments in an associate at TSE amounting to ₹5 crore.
- e) Gain on sale of non-current assets at TSTH amounting to ₹52 crore on disposal of Mini Blast Furnace asset.
- f) Impairment reversal ₹20 crore at TSE on deferred consideration of Speciality Business.
- g) Fair valuation gain on non-current investments amounting to ₹18 crore at Tata Steel Limited (Standalone).

1. Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), the Board of Directors of the Company (the 'Board') formulated and adopted the Dividend Distribution Policy (the 'Policy').

The Policy is available on the website of the Company at <https://www.tatasteel.com/media/6086/dividend-policy-final.pdf>

2. Dividend

For the Financial Year 2024-25, the Board has recommended a dividend of ₹3.60 per Ordinary (equity) Share of face value of ₹1/- each (previous year: ₹3.60 per fully paid-up Ordinary (equity) Share of face value of ₹1/- each).

The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy. The dividend will be paid out of the profits for the year.

The dividend on Ordinary (equity) Shares is subject to the approval of the Shareholders at the Annual General Meeting ('AGM') scheduled to be held on Wednesday, July 2, 2025 and will be paid on and from Friday, July 4, 2025.

The Record Date fixed for determining entitlement of Members to final dividend for the financial year ended March 31, 2025, if approved at the AGM, is Friday, June 6, 2025.

Based on the number of Ordinary (equity) Shares as on the date of this Report, the dividend, if approved would result in a cash outflow of ~₹4,494.07 crore. The dividend on Ordinary (equity) Shares is 360% of the paid-up value of each share. The total dividend pay-out works out to 32% of the net profits of ₹13,970 crore (on standalone basis).

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

3. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for the Financial Year 2024-25 in the statement of profit and loss.

4. Capex and Liquidity

During the year under review, the Company, on a consolidated basis spent ₹15,671 crore on capital projects primarily across India and Europe largely towards ongoing growth projects in India, essential sustenance and replacement schemes.

The Company's liquidity position, on a consolidated basis, is ₹38,791 crore as on March 31, 2025, comprising ₹12,222 crore in cash and cash equivalent and balance in undrawn credit lines.

5. Management Discussion and Analysis

The Management Discussion and Analysis as required in terms of the SEBI Listing Regulations forms part of this Report and is enclosed as **Annexure 1**.

B. Integrated Report and Business Responsibility and Sustainability Report

In keeping with the Company's valued tradition of 'thinking about society and not just the business', in 2016, Tata Steel Limited transitioned from compliance based reporting to governance based reporting by adopting the <IR> framework of the IFRS Foundation. The 10th Integrated Report highlights the measures taken by the Company that contributes to long-term sustainability and value creation, while embracing different skills, continuous innovation, sustainable growth and a better quality of life.

In accordance with Regulation 34(2)(f) of the SEBI Listing Regulations, the Company is glad to present to you its 3rd Business Responsibility and Sustainability Report for FY2024-25.

C. Operations and Performance

1. Tata Steel Group

During the year under review, the consolidated crude steel production for Tata Steel Group ('TSG') was 30.92 MT which was higher by 3% (FY2023-24: 29.94 MT). The production increased at Tata Steel (Standalone) to 20.72 MT, higher by 3% over the previous year (FY2023-24: 20.12 MT), primarily due to commissioning of 5 MTPA BF#2 at Kalinganagar and debottlenecking and ramp-up of production at Neelachal Ispat Nigam Limited ('NINL'). NINL produced 0.95 MT, higher by 44% over the previous year (FY2023-24: 0.66 MT). Tata Steel UK's liquid steel production was ~1.07 MT with the closure of both the blast furnaces in September 2024

while Tata Steel Netherlands operated at rated capacity leading to liquid steel production of 6.75 MT, higher by 40% Y-o-Y. Production at South-East Asia ('SEA') at 1.43 MT (FY2023-24: 1.36 MT) was higher by 5% due to higher exports sales.

The consolidated steel deliveries of TSG was at 30.96 MT in FY2024-25 showing an increase of 5% over the previous year (FY2023-24: 29.39 MT). This increase was primarily at Tata Steel (Standalone) by 1.03 MT on account of commissioning of BF#2 at Tata Steel Kalinganagar. Deliveries increased at the European operations by 0.29 MT, as the previous year's deliveries were impacted by the reline of Blast Furnace 6 in the Netherlands.

The turnover of TSG in FY2024-25 was lower than that of FY2023-24 by ₹10,628 crore (5%) on account of decline in steel realisations across geographies due to prevalent market dynamics partly offset by increase in deliveries at the Indian and the European operations, attributable to increase in production.

The EBITDA of TSG in FY2024-25 was ₹25,802 crore, higher over FY2023-24 by ₹2,400 crore (10%), primarily due to significant reduction in EBITDA loss at the Netherlands which was adversely impacted in the previous year due to Blast Furnace 6 reline. The improved operational performance at NINL is due to significant reduction in costs owing to ramp up of production. Operating profit in the Indian operations decreased due to decline in steel prices, partly offset by higher sales volume (1.03 MT) and lower raw material costs due to decrease in prices mainly of coking coal along with improvement initiatives.

2. India

During the year under review, the crude steel production at Tata Steel Limited increased by 3% to 20.72 MT (previous year 20.12 MT) on account of commissioning of BF#2 at Tata Steel Kalinganagar. Total deliveries at Tata Steel Limited stood at 20.94 MT (previous year: 19.91 MT), higher by 1.03 MT post commissioning of BF#2 at Tata Steel Kalinganagar. Turnover (Standalone) was ₹1,32,517 crore (previous year: ₹1,40,933 crore), which was lower against the previous year by 6% mainly due to decline in steel prices due to cheap imports in the market, partly offset by higher deliveries. EBITDA was at ₹28,217 crore (previous year: ₹31,167 crore), lower by 9% than that of the previous year, primarily on account of decrease in steel prices, partly offset by increase in deliveries and lower raw material cost, mainly coking coal prices.

NINL achieved crude steel production of 0.95 MT, while deliveries stood at 0.90 MT, both higher than previous year by 0.29 MT and 0.25 MT respectively.

The turnover at ₹5,701 crore was higher on account of higher deliveries partly offset by decline in steel prices. EBITDA at ₹1,067 crore was significantly higher against ₹53 crore in the previous year primarily on account of decrease in raw material prices, operational efficiencies and debottlenecking.

Total deliveries of Tata Steel - India operations, stood at 20.94 MT which is higher than the previous year by 5% due to higher production. The turnover at ₹1,33,444 crore was lower by ~7% against the previous year's turnover primarily due to falling steel prices, partly offset by higher volumes. EBITDA (excluding intercompany eliminations and adjustments) was ₹29,285 crore, lower by 6% over the previous year, due to decline in steel realisations, partly offset by decrease in raw material cost in imported coking coal prices and other cost saving initiatives along with higher deliveries.

3. Europe

During the year under review, liquid steel production from European operations was 7.82 MT (previous year: 7.80 MT), which was at par against the previous year. Deliveries from European operations increased by around 4% to 7.97 MT. The turnover at ₹76,416 crore (previous year: ₹78,144 crore) was marginally lower than FY2023-24 owing to reduction in average revenue per tonne partly offset by increase in deliveries.

EBITDA from European operations stood at negative ₹3,327 crore (previous year: negative ₹7,612 crore) which was lower over the previous year's operating loss. This significant improvement in EBITDA was seen primarily in the Netherlands as the previous year was impacted by Blast Furnace 6 reline till the later part of the year and other restructuring measures.

D. Key Developments

1. Business Developments

Tata Steel India

On September 20, 2024, the Company successfully commissioned India's largest blast furnace at Kalinganagar, Odisha with a total investment of ₹27,000 crore, expanding Company's crude steel capacity at Kalinganagar from 3 MTPA to 8 MTPA. Kalinganagar expansion is an important milestone in the Company's journey to scale up the high margin India business. The new blast furnace along with the cold rolling mill complex will significantly boost the plant's overall production capabilities, allowing Tata Steel to meet the growing demands of various industries, including

automotive, infrastructure, power and shipbuilding and to strengthen position as a market leader in the value-added steel segments.

Tata Steel UK ('TSUK')

The Company is undergoing a significant transformation in its UK operations and is in the process of setting up a state-of-the-art Electric Arc Furnace ('EAF') in Port Talbot, targeted to be commissioned in FY2027-28. This transformation will reduce approximately 5 MT of direct CO₂ emissions per annum or 50 MT of emissions over a decade, recycle scrap and benefit green steel production in the future.

The transition plan involves setting up of EAF as well as closure of ageing heavy end assets of TSUK such as its blast furnaces and coke oven plants which are reaching the end of their operational life. The Company commenced closure of heavy end assets with shutdown of Blast Furnace#5 during early July 2024 followed by closure of operations at Blast Furnace#4 during September 2024 along with closure of other associated iron and steelmaking assets and energy systems at Port Talbot, bringing an end to ironmaking at the site by September 2024.

The transition plan involves an investment of £1.25 billion. The Company was in active discussions with the UK Government seeking grant funding support for its EAF project. On September 11, 2024, Tata Steel signed a £500 million Grant Funding Agreement with the UK Government to install the EAF at the Port Talbot steelworks in Wales. During the project phase, TSUK will work intensively to ensure uninterrupted and reliable supply of products to fulfil customer and market commitments including through import of additional steel substrate from stable and responsible supply chains to feed its downstream units.

Tata Steel Nederland ('TSN')

As part of the Company's decarbonisation journey, TSN has announced major transformation programme to enhance competitiveness for a sustainable future. The decarbonisation plan will be implemented in two phases. In the first phase, TSN has outlined a plan to transition to green steel production by replacing one of its two blast furnaces with a Direct Reduced Iron (DRI) plant and an Electric Arc Furnace by 2030 and the second one thereafter. The Company has been in active discussions with the Dutch Government for a financial and policy-level support. On April 9, 2025, TSN announced that it has submitted a Request for Advice to the Central Works Council, initiating the consultation phase for a

wide-ranging transformation programme. The plan focuses on increasing production efficiency, reducing fixed costs and aligning the product portfolio with market demand to enhance profitability and resilience.

2. Amalgamation

a) Amalgamation of Bhubaneswar Power Private Limited into and with Tata Steel Limited

The Board of Directors of the Company ('Board'), at its meeting held on November 1, 2023, approved the scheme of amalgamation of Bhubaneswar Power Private Limited ('BPPL'), a wholly-owned subsidiary of Tata Steel, into and with the Company ('BPPL Scheme'). The Hon'ble National Company Law Tribunal ('Hon'ble NCLT'), Hyderabad Bench vide its order dated June 6, 2024 sanctioned the BPPL Scheme. The effective date of the BPPL Scheme is July 1, 2024. As per the terms of the BPPL Scheme, the entire shareholding of the Company in BPPL stands cancelled.

b) Amalgamation of Angul Energy Limited into and with Tata Steel Limited

The Board, at its meeting held on February 6, 2023, approved the scheme of amalgamation of Angul Energy Limited ('AEL'), a subsidiary of Tata Steel, into and with the Company ('AEL Scheme'). Subsequently, the Hon'ble NCLT, New Delhi Bench and the Hon'ble NCLT, Mumbai Bench, vide their respective orders dated April 18, 2024 and July 3, 2024, sanctioned the AEL Scheme. The effective date of the AEL Scheme is August 1, 2024.

As per the terms of the AEL Scheme, the Board, on July 31, 2024 approved the payment of cash consideration of ₹1,045/- for every 1 equity share of AEL of face value ₹10/- each, to the public shareholders of AEL (excluding the Company), as on the Record Date i.e., August 9, 2024. Further, the equity shares held by the Company in AEL stands cancelled.

c) Amalgamation of The Indian Steel & Wire Products Limited into and with Tata Steel Limited

The Board, at its meeting held on September 22, 2022, approved the scheme of amalgamation of The Indian Steel & Wire Products Limited ('ISWP') into and with the Company ('ISWP Scheme'). The ISWP Scheme was approved by the shareholders of the Company and the shareholders of ISWP with requisite majority, at their respective meetings held on January 25, 2024 and March 11, 2024. The Hon'ble NCLT, Kolkata Bench, and the Hon'ble NCLT, Mumbai Bench vide their respective orders dated May 24, 2024 and August 6, 2024, sanctioned the

ISWP Scheme. The effective date of the ISWP Scheme is September 1, 2024.

As per the terms of the ISWP Scheme, the Board, on August 24, 2024 approved the payment of cash consideration of ₹426/- for every 1 equity share of ISWP having face value ₹10/- each, to the public shareholders of ISWP (excluding the Company) as on the Record Date of i.e., September 6, 2024. Further, the equity shares held by the Company in ISWP stand cancelled.

d) Amalgamation of Rujuvalika Investments Limited into and with Tata Steel Limited

The Board, at its meeting held on July 31, 2024, approved the scheme of amalgamation of Rujuvalika Investments Limited, a wholly-owned subsidiary of Tata Steel, into and with the Company. The process of amalgamation is currently underway and the same is subject to approval from judicial/regulatory authorities.

3. Acquisitions and Investments

a) Acquisition of stake in T Steel Holdings Pte. Ltd.

On June 28, 2024, the debt instruments aggregating to USD 564,750,000 (~₹4,713.03 crore), held by the Company in T Steel Holdings Pte. Ltd. ('TSH'), wholly-owned foreign subsidiary of Tata Steel, were converted into 359,71,33,758 equity shares of face value USD 0.157 each aggregating to USD 564,750,000 (~₹4,713.03 crore).

Further, during the year, the Company also acquired 1831,21,01,910 equity shares of TSH of face value USD 0.157 each for an aggregate consideration of USD 2,875 million (approximately ₹24,530 crore, calculated as per the foreign exchange conversion rates applicable during the reporting period), in multiple tranches.

b) Acquisition of stake in TP Parivart Limited

On July 31, 2024, the Company executed a Share Purchase and Shareholders' Agreement ('SPSHA') with Tata Power Renewable Energy Limited and its wholly-owned subsidiary, TP Parivart Limited ('TPPL') and acquired 13,000 equity shares of TPPL, of face value of ₹10/- each, at par, for an aggregate consideration of ₹1.30 lakh constituting 26% of the equity shareholding of TPPL. The purpose of the acquisition is to optimise Tata Steel's power cost and carbon footprint by replacing grid power with cost effective renewable power. Consequent to this acquisition, TPPL has become an associate of the Company.

c) Acquisition of stake in Indian Foundation for Quality Management

During the year, the Company acquired 1,25,00,000 equity shares aggregating to 14.28% in Indian Foundation for Quality Management ('IFQM'), a company registered under Section 8 of the Companies Act, 2013, that aims to empower and encourage the Indian organisations in diverse sectors to embrace and integrate quality values, principles and practices in all aspects of management. On April 1, 2025, the Company further acquired 1,24,90,000 equity shares in IFQM. Post the acquisition, the Company's aggregate shareholding in IFQM increased to 16.66%.

4. Financing and Debt Redemption

a) Issue of Non-Convertible Debentures

During FY2024-25, the Company issued and allotted 3,00,000 – 7.65% Fixed Rate, Unsecured, Redeemable, Rated, Listed, Non-Convertible Debentures ('NCDs') of face value ₹1,00,000 each aggregating to ₹3,000 crore to identified investors on a private placement basis.

The NCDs are listed on the wholesale debt market segment of BSE Limited.

There has been no deviation or variation in utilisation of proceeds of non-convertible debt securities issued during the year.

b) Redemption of Non-Convertible Debentures

On March 13, 2025, the Company redeemed 7.70% Fixed Rate, Unsecured, Redeemable, Rated, Listed NCDs (ISIN: INE081A08231) aggregating to ₹670 crore.

5. Credit Rating

During the year under review, international credit rating agencies, S&P Global Ratings placed the issuer credit rating of Tata Steel Limited from 'BBB-' with 'Positive' Outlook to 'BBB-' with 'Credit Watch Positive'. Subsequently, S&P Global upgraded the issuer credit rating of Tata Steel Limited to 'BBB' with 'Stable' Outlook. Further, Moody's reaffirmed Tata Steel's issuer credit rating at 'Baa3' with 'Stable' Outlook.

With respect to the domestic credit rating agency, India Ratings upgraded the debt instrument rating of Tata Steel Limited to 'AAA' with 'Stable' outlook from 'AA+' with 'Positive' outlook. The upgrade has been primarily driven by strengthening of the business and credit profile on account of increased share of domestic operations along with the expectation that European operations will achieve break even by H2FY2025-26. CARE Ratings reaffirmed Tata Steel's debt instrument rating at 'AA+' with 'Stable' outlook.

6. Material Litigation

- a) The State of Odisha had enacted the Orissa Rural Infrastructure and Socio-Economic Development Act, 2004 (**'ORISED Act'**) with effect from February 1, 2005, levying tax on mineral bearing land. The Company during FY2006 had received various demands amounting to ₹129 crore pertaining to the period FY2005 and FY2006 in respect of its mines in the State of Odisha. The Company had filed writ petition in the Hon'ble High Court of Orissa challenging the constitutional validity of the ORISED Act. The Hon'ble High Court of Orissa in December 2005 held that the State does not have the legislative authority to levy tax on minerals. This was challenged before the Hon'ble Supreme Court. Subsequently, the matter relating to legislative authority of the States to tax minerals, was referred to the Constitutional Bench of the Hon'ble Supreme Court.

The Hon'ble Supreme Court of India vide its judgement dated July 25, 2024, ruled that the Mines and Minerals (Development & Regulation) Act, 1957, will not denude the States of the power to levy tax on mineral rights. Further, the Constitutional Bench vide its order dated August 14, 2024, clarified certain matters in respect of its judgement dated July 25, 2024. Thereafter, the Supreme Court dismissed a batch of review petitions in the above matter vide its order dated September 24, 2024.

On January 17, 2025, the Company filed Curative Petitions before the Hon'ble Supreme Court invoking extraordinary jurisdiction of the Hon'ble Supreme Court in respect of the order dated September 24, 2024 passed by the Constitutional Bench of the Supreme Court, dismissing review petition against the judgement dated July 25, 2024 and August 14, 2024.

- b) In May 2018, the Company, through its wholly-owned subsidiary – Bamnipal Steel Limited, had acquired erstwhile Bhushan Steel Limited (renamed as Tata Steel BSL Limited) under the resolution process of The Insolvency and Bankruptcy Code, 2016. Consequent to this acquisition, a debt of ₹25,185.51 crore was waived off in favour of Tata Steel BSL Limited (**'TSBSL'**). TSBSL and Bamnipal Steel Limited amalgamated into and with Tata Steel Limited effective November 11, 2021 and the appointed date for the amalgamation was April 1, 2019.

On March 13, 2025, the Company had received a show cause notice for reassessment of taxable income for AY 2019-20 by the Assessing Officer, Office of the Deputy Commissioner of Income Tax, Mumbai (**'Assessing Officer'**). Subsequently, the Company has received an Assessment Order from the Assessing Officer, increasing the taxable income for AY 2019-20 by ₹25,185.51 crore.

The Company has filed a writ petition before the Hon'ble High Court of Bombay in this matter and is also seeking appropriate legal remedies before the relevant judicial/quasi-judicial forums.

- c) On April 2, 2024, the Company had filed a writ petition before the Hon'ble High Court of Calcutta in the matter of rejection of a representation made by the Company in respect of waiver of loans availed by the Company from the Steel Development Fund (**'SDF'**). After multiple hearings, on May 24, 2024 the High Court at Calcutta dismissed the writ petition filed by the Company, with a liberty to the Company to approach the Joint Plant Committee. Subsequently, the Company has engaged with the Joint Plant Committee to arrive at a conclusion for the matter. On April 25, 2025, the Company made a payment of ₹2,824.15 crore to the Joint Plant Committee towards discharge of its loan obligations. The closure of the matter including execution of final settlement agreement with the Ministry of Steel is in progress.

E. Sustainability

Tata Steel is committed to sustainability, aligning with the Tata Group's 2045 net-zero emissions goal through a multi-faceted strategy focussed on emissions reduction, resource efficiency and social responsibility.

A core initiative in Tata Steel's sustainability strategy is transitioning to cleaner steel production which includes constructing a 0.75 MTPA scrap-based Electric Arc Furnace (EAF) plant in Ludhiana and continuously augmenting existing steelmaking sites for higher scrap injection.

Tata Steel pioneered the use of alternative reductants by replacing 30 KT of fossil fuel with biochar in its Jamshedpur blast furnace and initiating biochar use in the Athgarh ferrochrome plant, a first in India.

Additionally, through its 965.8 MW RE Hybrid captive Project (to deliver 379 MW @68.6% PLF) with Tata Power Renewable Energy Limited (TPREL), Tata Steel is set to receive over 2.8 lakh MWh and 4.2 lakh MWh at Jamshedpur and Kalinganagar respectively in FY2025-26. Further, partnering with The Tata Power Company Limited to establish a 70 MW solar plant in Maharashtra, the Company has increased its solar capacities in Jamshedpur and Kalinganagar to over 29 MW and 14 MW, respectively.

To promote eco-friendly transportation, the Company launched 20 electric buses for employee transit at Meramandali, utilised a mix of B24 biofuel and ultra-low-sulphur diesel for shipments from Australia, and

introduced LNG-powered trailers for transporting products from its Khopoli plant.

Tata Steel launched India's first Carbon Bank after receiving Det Norske Veritas verification certificate for achieving carbon savings of over 50 KT through energy recovery and renewable fuel projects at its Jamshedpur facility. This allows Tata Steel to allocate carbon credits to its customers based on their requirements and thereby enable them to procure lower emission steel products for their usage.

Tata Steel published India's first Environment Product Disclosure for ferrochrome products and collaborated with its customer, Tata Projects to conduct a life cycle assessment of a Photovoltaic facility in Tamil Nadu that identified steel as a primary contributor to environmental impacts, leading to plans for more sustainable alternatives.

Beyond environmental considerations, Tata Steel is committed to social responsibility. It conducted human rights audits across 20 sites, addressed identified gaps through dedicated Business and Human Rights (BHR) committees, and trained employees on BHR principles. These efforts earned global recognition, including ranking in the top 10 of Dow Jones Sustainability Indices and top 15 percentile in EcoVadis evaluation. The Company also received the 'Resilient' category award at CAP 2.0 and the Steele award for Life Cycle Assessment from World Steel Association.

Demonstrating its commitment to natural capital, Tata Steel launched a Biodiversity Strategy webpage and conducted Brahmani River basin study for ensuring water security at key steelmaking sites. Collaborating with Terracon, the Company assessed biodiversity at 13 locations to create site-specific Biodiversity Management Plans and developed Nature-Based Solutions assessment tool in accordance with the International Union for Conservation of Nature framework to validate existing projects and evaluate new proposals.

Furthermore, being actively involved in the Task Force on Nature-Related Disclosures (TNFD), Tata Steel registered for TNFD adoption, and is preparing to publish its inaugural TNFD report.

Across Europe, steelmakers need government support to decarbonise, and Tata Steel is engaging with the Dutch, UK, and Welsh Governments on these complex themes. As markets for low emission products have grown in FY2024-25, Tata Steel has played a leading role with worldsteel and steel companies across the globe and also strived to further develop robust guidelines

alongwith an understanding on effective capturing of CO₂ reductions through chain of custody approaches. This supports customers in reducing their Scope 3 emissions and ensures alignment with recognised and credible reporting practices.

TSN has defined a comprehensive 'green, clean, and circular' sustainability strategy, appointing a dedicated director to oversee implementation. The key focus is to transform the IJmuiden site to achieve carbon neutrality by 2045, marking one of the largest industrial transitions at TSN. Recent environmental initiatives include an 18-meter wind barrier, covered slag pits, and enhanced dust extraction systems. The circularity efforts aim to increase scrap steel usage from 17% to 30% by 2030, requiring 2 MT of scrap annually.

TSN's product innovations feature lightweighting through thinner steel, lifespan-extending coatings, and eco-friendly food container materials. TSN has also launched commercial offerings like Zeremis Carbon Lite® and Zeremis Recycled, allowing customers to contribute in decarbonisation efforts with verified emissions reductions.

Although TSN needs to be compliant with the EU Corporate Sustainability Reporting Directive by FY2027-28, TSN strives to be compliant by FY2025-26.

In FY2024-25, TSUK launched its CSR and Sustainability vision to support its ambition of becoming a sustainable business while transitioning to EAF steelmaking. The vision comprises 5 key pillars: planet, product sustainability, communities, responsible employer and responsible business, which is backed by a 5 year roadmap with each pillar sponsored by the senior management team and senior leaders responsible for implementing the plan across the organisation.

TSUK has developed commercial propositions based on carbon 'insetting', under the brand name Optemis Carbon Lite allowing customers to contribute in the Company's decarbonisation journey, whilst demonstrating their own contribution to societal CO₂ emission reductions.

1. Environment

Tata Steel strives for environmental excellence, aiming to set industry benchmarks in environmental performance. The Company pursues zero harm, resource efficiency, circular economy, minimal ecological footprint while caring for community and workforce. Tata Steel is committed to environmental protection and responsible use of natural resources and its corporate policies for climate change, environment, energy and

biodiversity which drives the Company's aspirations to be the benchmark for environmental stewardship in the steel industry.

The Company has a robust governance system. The Safety, Health and Environment Committee of the Board provides necessary guidance on the environmental matters globally. The Company integrates prioritised goals into its annual business plan thereby aligning with Sustainability Development Goals. The Company aims to become Net Zero by 2045, no harm to biodiversity, replenishing used water and 'zero waste to landfill' by 2030.

The Company continues to adopt eco-friendly processes, advanced technologies and global best practices for growth. At the CRM Bara complex, the Zero Effluent Discharge project has been commissioned while similar projects are underway at the steel plants in Jamshedpur and Meramandali. Tata Steel has commissioned India's largest blast furnace (5,800 m³) at Kalinganagar, Odisha, and expanded the site's capacity from 3 to 8 million tonnes per annum (MTPA) with eco-friendly features. Additionally, at Meramandali, a de-NOx facility has been installed at the Blast Furnace Power Plants to reduce NOx emissions.

TSN continues implementing its Roadmap+ programme to reduce environmental impact around the IJmuiden site. Major dust reduction initiatives include commissioning the largest ever environmental installation at the Pellet Plant, targeting a 70% reduction in lead emissions, completing 18-meter-high windbreaker screens around coal stockpiles, and adding a third dust extraction installation at the steel factory. As part of its transition to low emission steelmaking, and discussions with the Dutch government seeking support, TSN has also announced environmental measures focusing on reducing fine dust.

Odour reduction measures at TSN include completion of mechanical sealing of coke oven plants and installing a new dry stand at the Steel Plant, with preparations for reducing emissions at Pickle Line 22 starting 2025. Noise reduction efforts include designing new silencers for the primary extraction system.

Environmental enhancements at TSN will continue with nitrogen oxide reduction technology at the Pellet Plant till late 2025, and additional measures focused on fine dust reduction as part of the transition plan.

TSN has intensified community engagement through multiple channels, including phone, email, website

forms, and a public information desk in Wijk aan Zee. All complaints are investigated thoroughly to promptly identify and address potential sources of nuisance.

In the UK, Tata Steel re-certified its main sites to ISO 14001: 2015 and secured BES6001 sustainability certification for its products. The Company started transition to Electric Arc Furnace technology by decommissioning the Port Talbot coke ovens in March 2024, shutting down Blast Furnace 5 in July 2024, and Blast Furnace 4 in September 2024, resulting in significant reduction in environmental emissions and community complaints. The future plans include, improving air quality, reducing carbon emissions, water consumption, and enhancing circularity at Port Talbot alongwith biodiversity enhancements. TSUK continues to focus on maintaining strong environmental performance and positive relationships with its communities.

2. Climate Change

Tata Steel is committed to mitigating climate change with an aim to decarbonise its business by 2045 for supporting the climate goals of the countries, where it operates. The Company is also upgrading its future asset configurations to meet evolving adaptation needs with the greenfield steel plant at Kalinganagar and Ferro chrome plant at Gopalpur exemplifying designs that align with these requirements.

The Company is testing various ideas for sustainability such as usage of hydrogen gas, charcoal, colemanite, Direct Reduction Iron ('DRI') in blast furnaces, while collaborating with stakeholders to address transition risk. In India, the Company is focussing to reduce CO₂ intensity by improving process efficiency. While India rolls out its emission intensity targets and carbon credit trading scheme, Tata Steel completed eight years of shadow pricing emissions through Internal Carbon Pricing Policy while evaluating new capital investment proposals. This transition has created internal awareness and helped the Company to build assets for the future as Indian businesses faces the financial impact of emissions.

Tata Steel aims to maintain benchmark positions in CO₂ intensity globally at IJmuiden and at Jamshedpur among Blast Furnace-Basic Oxygen Furnace (BF-BOF) steelmaking operations. Key enablers include increased use of renewable electricity, using higher scrap charge in steelmaking, reduction in use of coal by utilising lower emission fuels such as biochar, enhancing energy-efficiency of production processes, and multiple improvement initiatives in logistics, suppliers and the Steel Recycling Business in India.

TSN has established ambitious targets to reduce the Scope 1 CO₂ emissions by 40% by 2030 (compared to 2019 levels) and achieve carbon neutrality by 2045. The transformation involves transitioning from blast furnace operations to direct reduced iron technology and electric smelting, with plans to incorporate green hydrogen as availability and economics improve.

This shift will enable low emission steel production, reduce environmental impact and increase circularity through greater use of recycled materials. TSN has engaged multiple technology and engineering partners to develop detailed specifications and implementation plans.

TSN operates within the EU Emissions Trading System, facing decreasing free allowances and potential carbon price volatility. TSN's transition relies on direct government support, having signed an Expression of Principles with the Dutch Government whereas the ongoing discussions is aimed at finalising a Joint Letter of Intent by end of the year.

Achieving carbon neutrality at four additional sites (Gelsenkirchen, Geldermalsen, Feijen, Multisteel) is a significant milestone, bringing the total to six carbon-neutral sites. The €8M investment in a new energy efficient furnace at Maubeuge, France, has yielded a 16.4% reduction in energy consumption and 24% reduction in carbon emissions compared to 2018.

The Company has begun implementation of its decarbonisation plans at Port Talbot in the UK. In 2023 plans were announced for a £1.25bn investment to transition from blast furnace to EAF technology. During the year under review, planning permission was approved and key contracts were awarded including Tenova, the main technology provider, to supply the 3.2 million tonne capacity EAF and two ladle metallurgy furnaces. This transition will reduce the overall carbon footprint by more than 50% and reduce TSUK domestic CO₂ emissions by ~90%. It will also ensure a significant increase in the recycled content in steel products and reduce the amount of scrap exported from the UK.

Energy and carbon reduction implementation is progressing and is complimented by the roll out of ISO 50001: 2018 with certification now achieved at four manufacturing sites. Improvement projects include installing new efficient compressed air equipment at Hartlepool site and optimising the steam network and hot mill reheat furnace at Port Talbot site.

TSUK supports regional decarbonisation clusters including engagement with the South Wales Industrial

Cluster, Net Zero Industry Wales and project Hyline, a 120km hydrogen pipeline project led, by Wales & West Utilities, to connect hydrogen users and producers across South Wales as well as linking-up with UK-wide hydrogen infrastructure.

3. Health and Safety

Tata Steel remains committed to fostering a strong health and safety culture, aiming for zero harm and setting industry benchmarks. Safety and Health Management are integrated into the Company's annual business plan, ensuring accountability at all levels. Governance is driven by the Safety, Health and Environment ('SHE') Committee of the Board, with oversight from the Apex Safety Council, chaired by the Chief Executive Officer & Managing Director.

To strengthen safety leadership capabilities, Tata Steel has integrated digital innovations, reinforced contractor safety management and strengthened risk sensitivity across operations. Initiatives such as hazard identification, process safety management, occupational health and industrial hygiene continue to elevate safety standards.

To strengthen risk perception and compliance, Tata Steel conducted audits on 'Risk Perception & Deployment of Safety Standards' at key locations and quarterly audits of Operation & Maintenance vendors. Safety leadership and workforce competency development programmes have been conducted at all levels, to ensure the workforce is equipped to uphold the highest standards of health and safety.

Tata Steel has been recognised by World Steel Association for Safety & Health Excellence in Process Safety Management particularly acknowledging its efforts to prevent explosions in gas cleaning plants. Tata Steel continues to enhance safety through project hazard studies and pre-startup safety reviews. Health and well-being initiatives such as periodic medical checkups, mental well-being programmes and ergonomic improvements have also been rolled out.

Further, a '5 Safe Steps Forward' campaign was launched to prevent fatalities and red-risk incidents, and a Consequence Management Policy is in place to enforce compliance with Life-Saving Rules. At Indian operations, Tata Steel has achieved a 17% reduction in Lost Time Injuries as against previous year, including a 65% reduction in a high-risk area such as mining. Despite our robust safety measures and dedicated efforts to ensure zero harm to our workforce, it is with deep regret that we report five fatal incidents that occurred during

the year at our operational sites. However, the Company remains dedicated to continuous safety improvements to protect its workforce and positively impact the community.

To promote positive safety culture, Tata Steel also recognises and rewards the efforts of employees, contractors and departments in the field of Safety, Health, Environment, and SS & Visual Workplace Management.

At TSN the 'True Safe' program has been developed to foster a proactive safety culture preventing unsafe behaviour and working conditions at workplace. It focuses on organisational safety aspects and developing staff competency for shop floor safety. TSN is transitioning to certified health and safety management systems, with 17 units achieving ISO 45001 certification. TSN recorded a total of 35 LTIs during FY2024-25 (30% higher than the previous year).

Progress has been made in contractor management through optimising work permit processes and conducting supervisor training. TSN is also developing a new incident reporting and follow-up system to improve data collection, analysis and sharing of lessons learned. In process safety, the Company is advancing Process Hazard Analysis studies for high-hazard facilities to implement effective barrier management.

TSN is implementing a health roadmap with the vision: 'We work in optimal conditions to be able to live and work in a healthy and vital way', to emphasise the importance of sustainable employability and preventive sickness absence, integrated with safety management in a continuous improvement model.

At TSUK, Health and Safety is given paramount importance particularly due to the decommissioning of heavy end and other major assets. TSUK witnessed zero fatality and achieved 32% reduction in LTI cases as compared to the previous year. Total accident performance across TSUK positively reduced by 20% in FY2024-25 as compared to the previous year, and Lost Workday Cases reduced by 30% in the same time period. A similar positive reduction of 25% has been observed in relation to Potential Serious Injury or Fatality events in last 12 months.

TSUK continues to operate an internal 15-Principle health and safety management system and plans to transition to ISO 45001:2018 with 3 business units already having obtained the certification. Both these follow the 'Plan, Do, Check, Act' management model to promote continuous improvement in health and safety standards.

During FY2024-25, TSUK deployed a health and safety annual plan focusing on occupational safety, process safety and occupational health & well-being. Key objectives included safe decommissioning across relevant business units, development and deployment of various health and safety standards, and improvements in managing significant hazards. These initiatives encompass isolation and immobilisation, cranes and lifting, functional testing, and continued planned migration to a single digital permit IT platform across TSUK business units.

In Process Safety, a hazard study has been undertaken to enable safe cessation and decommissioning of high hazard facilities across South Wales, whilst downstream businesses concentrate on undertaking various risk assessments across the units.

The Occupational Health focus at TSUK has been on strengthening alignment across the organisation, effectively managing organisational changes, and efficiently supporting absences. Over the past few years, physical and psychological health & well-being awareness has improved, with ongoing efforts to boost communication and education on key topics.

Safety leadership continues to be demonstrated across the business with leadership across each TSUK unit undertaking standardised health, safety and environment leadership audits and tours and continuing to migrate to a single IT platform for Health & Safety reporting, investigation and recording of inspections and safety tours.

4. Research and Development

The Research and Development ('R&D') division of Tata Steel plays a crucial role in supporting the Company's sustainability and commercial success through a culture of ongoing enhancement in products and processes. As a prolific collaborator within India's innovation landscape, we have taken notable strides this year to deepen our engagement with external partners. The Company has embarked on collaborative projects with prestigious institutions such as the Imperial College London, the Henry Royce Institute UK, and IIT-ISM Dhanbad.

A notable focus this year has been our commitment to sustainability, with Tata Steel's goal of Net Zero. Among several decarbonisation initiatives, our green hydrogen project explores the production of syngas and char from biomass and municipal solid waste through thermocatalytic gasification at temperatures of 400-450°C. A demonstration plant with a capacity of 10 tons per hour is being piloted in Kalinganagar, where the

produced syngas and char can potentially substitute coke in the iron-making process, showcasing a CO₂ abatement potential of 3 tons of CO₂ per ton of feed material.

In the efforts to reduce emissions associated with conventional ferro manganese production, the Company's Ferro Alloy Minerals Research Group has developed a two-step alternative technology that utilises sulphur as a reductant, cutting CO₂ emissions by approximately 40%. This innovative process not only converts manganese ore to high carbon ferro manganese but also produces sulfuric acid as a valuable by-product.

The Company has introduced a chromate-free coating solution for Tata Structura GP tubes, addressing concerns related to inadequate corrosion resistance and poor surface finishes associated with traditional chromate passivation.

The Company has developed a novel steel composition and processing parameters for manufacturing hydrogen-compliant API X65 grade steel. The API X65 Electric Resistance Welded ('ERW') pipes produced by the Company have met all critical performance standards for hydrogen transport, successfully undergoing rigorous qualification tests for transporting 100% pure gaseous hydrogen at pressures of 100 bar.

TSN's R&D program allocates resources precisely viz. 89% to Research Portfolio Committees overseeing process and product market sector advancements, 6% to Strategic Thrust programmes for long-term, fundamental research like Hlsarna Technology and 5% to Direct Support for short-term technical inquiries.

FY2024-25 process technology program focused on stability and cost reduction for operations that will remain active after decarbonisation. Key achievements include developing simulations for future DRI/scrap-EAF processes, conducting de-nitrogenation and desulphurisation plant trials, and creating a gas model for automating on-site energy flows, generating annual savings of up to €10 mn.

Product development continues across automotive, engineering, construction and packaging sectors. Notable innovations include Protact Trivalent Chromium-Coating Technology for draw and wall ironed cans and improved bend performance for abrasion-resistant hot-rolled Valast®, creating significant market expansion opportunities.

TSN is redesigning its new product development process to support greener steel production while continuing to collaborate with customers on innovative products. The

Company is building knowledge through both internal and external projects to prepare for its green future.

With the transition of the TSUK business into a 're-roller' in the interim before the EAF furnace are switched on in 2027, the Research and Development Team also aligned its efforts to support the business. Strategic Technology Roadmaps have been developed focussing on: (a) Scrap, Slag and Steelmaking Technologies, (b) EAF Recipes and Grade Simplification, (c) Coatings and (d) Product Applications in Mobility, Packaging and Renewables.

In FY2024-25, there was ~80% reduction in the R&D headcount at TSUK. This shift required the team to focus on the critical projects with medium to longer term impact. To leverage the best in research and innovation, Tata Steel has closely collaborated with universities and Research and Technology Organisations (RTOs) in the UK, prominent examples being:

- (a) Continuation & implementation of new packaging steel concepts & improved products with consideration of residuals.
- (b) Development of Annealing Digital Twins
- (c) New High Strength Packaging Steel (Patent filing pending) with potential benefits to revenue per ton and increase in market share
- (d) Investigations into adhesions of low tin coatings
- (e) Development of can lid tools that enable quick assessment of formability and polymer coating adhesion. This is a unique capability developed in the UK for the first time.
- (f) Research into the potential of multifunctional polymer barrier systems for the renewables sector (particularly the Hydrogen economy).
- (g) Facilitated the adoption/homologation of steels for the automotive sector.
- (h) Development of a predictive tool to study the laser-weldability of simulated EAF grades, metallic coating type/thickness, part-to-part gap & laser beam shape on weldability & mechanical performance.
- (i) Studies on the effects of trapped elements in EAF Steelmaking on weldability.

The Company continues to participate in the collaborative research programmes with strategic university partners viz. Swansea, Warwick, Imperial, Cambridge and Royce. One of the prominent research programmes being Flue2Chem in which, the Company

has demonstrated the use of captured CO₂ in the formulation of paints using surfactants. The paints are being pilot trialled at the Shotton Plant of the Company as potential sustainable paint systems. In addition, the Company continues to participate in the 'SUSTAIN' consortia through the sponsorship of PhD students.

Themes of environment and broader sustainability continue to be a key element in many research and development activities. TSUK's Sustainability Policy & Assessment team have continued to play an active role in influencing the development of assessment methodologies, including for product carbon footprinting, work that was recognised with the team winning worldsteel's Excellence in LCA Steelie Award in 2024.

5. New Product Development

In FY2024-25, Tata Steel developed 123 new products across various segments, supported by product quality assurance, proactive customer engagement, and extended technical assistance, all aimed at enhancing customer satisfaction and operational excellence.

Automotive Sector: The introduction of the complex phase 780 MPa (CP780) steel grade for control arm applications marks a significant first for India, featuring a whole expansion ratio of $\geq 50\%$ and total elongation exceeding 15%. Other notable developments include Tisten 52 and Tisten 55, which provide low-temperature impact toughness of 30J at -20°C while retaining strength post-hot forming. Additionally, SPFH590 (low Si) steel for disc applications enhances fatigue life and surface quality, while BSK46 and E46 grades from Tata Steel Meramandali expand the options for automotive long member applications.

Oil & Gas and Energy: The Company became the first Indian steelmaker to produce hot-rolled steel for 100% pure gaseous hydrogen transport. In collaboration with Welspun Corp, Tata Steel has engineered 14" Electric Resistance Welded ('ERW') pipes with stringent guarantees on impact toughness and resistance to hydrogen-induced cracking.

Lifting & Excavation and Structural Applications: Tata Steel developed a new HR substrate of ₹15 grade for ammunition. Further, high-strength ERW tubes STK500 and STK540 were produced for the Ahmedabad-Mumbai Bullet Train project.

Cold Rolled and Coated Products: 17 new products were developed, primarily focusing on Dual Phase steels with UTS > 590 MPa and Interstitial Free steels with UTS > 440 MPa to meet automotive requirements.

In the long products segment, the Company has developed high-strength, high-ductility 36-40mm 550D rebar, specifically designed for coupler applications. To facilitate faster construction, Tata Steel has also launched high-strength, high-ductility air-cooled corrosion-resistant rebars in coil form. Additionally, the 550D Super-ductile corrosion resistant ('SDCR') grade rebar, distinguished by its seismic and corrosion resistance, targets the retail segment in coastal regions.

To meet customer demands for high-speed direct drawing wire, Tata Steel has created the HC78ACr wire rod. In the Special Bar Quality segment, Grade 236 has been developed for producing bearing races and rings specifically for railway applications, while SAE 52100 has been tailored for taper roller bearings in the automotive sector. The Company has also gained approval from customers for grades 16MnCr5LSi and SCM435H, for gear and crankshaft applications in two-wheelers. Moreover, grades SAE1141 and SAE4124 have been developed for propeller shaft and crown wheel applications in the automotive commercial vehicle segment.

To support the agricultural sector, Tata Steel has developed Grade 47CrMo4 for housing assemblies used in power energy systems like windmills, alongside Grade SAE4140 for kingpin and spindle applications.

In FY2024-25, TSN successfully launched and commercialised 17 new products across multiple sectors. Automotive innovations include HR-CP800 HyperFlange, an advanced high-strength steel offering optimal balance between lightweighting and strength and improved full finish low waviness for enhanced paint appearance.

For engineering applications, TSN introduced S550GD ZM310, designed for durable, lightweight solar panel structures, and inner weld bead trimmed High Strength Steel Tubes for agriculture and excavation equipment. The Company also launched three color-coated products, including PE25 HC and MATT on ZM120 with reduced zinc weight for lower environmental impact.

In the construction sector, TSN developed a new offering for lower carbon embodied steel to support environmental product declarations requiring CO₂ reduction content.

The Company's product development focus is broadening to accommodate future asset configurations, combining EAF redevelopment projects with blast furnace route developments to confirm and expand the existing and target market portfolio.

In FY2024-25, TSUK launched five new products across packaging, infrastructure, and construction sectors,

enhancing its product portfolio for both UK and export markets. These launches emphasise TSUK's commitment to sustainability, in-service performance guarantees, and rigorous product assessments.

A key launch was a chrome-free passivation system for tinplate products, to comply with upcoming REACH legislation set for 2027. The construction products division introduced a 'High Containment Barrier System' for the highways sector, incorporating two new patents and meeting demanding customer requirements, which opens new business opportunities.

Additionally, Building Systems launched Trimapanel Fire Wall, offering superior fire performance for internal applications, and ComFlor® FD+, a floor decking product featuring Prisma organic-coated steel. ComFlor FD+ provides 20-year in-service guarantees due to its corrosion resistance and has been used on high-profile projects like Neom in Saudi Arabia, strengthening TSUK's global presence.

6. Customer Relationship

In FY2024-25, the Company's customer-centric initiatives have strengthened relationships and improved value delivery. Additionally, the Company has adopted AI and digital technologies to enhance customer experiences, boost brand awareness, and streamline operations.

Investments in advanced facilities

To stay ahead of evolving market needs, Tata Steel inaugurated a state-of-the-art Continuous Annealing Line ('**CAL**') at Kalinganagar, producing a diverse range of Cold Rolled products, including Advanced High Strength Steels ('**AHSS**'), tailored for crucial sectors like automotive, energy and consumer goods.

Additionally, the Company is at the advanced stage of commissioning the new Galvanising line at Kalinganagar and a best-in-class Combi-Mill facility in Jamshedpur to produce high-end specialty steel.

Building customer value through innovation

Tata Steel has emerged as a product innovation leader by aligning with evolving customer needs. In FY2024-25, it became the first Indian steelmaker to develop Hydrogen-compliant API X65 H grade steel and pipes, demonstrating end-to-end capabilities in hydrogen transportation, thus supporting India's National Hydrogen Mission.

Tata Steel introduced a range of automotive-grade steels in FY2024-25 and became the first domestic supplier to

localise Hot Rolled CP780 and also, began supplying Cold Rolled AHSS DP780, supporting OEMs in their lightweighting efforts.

The Company has initiated supplies of shipbuilding-grade Hot Rolled plates that meet American Bureau of Shipping (ABS) compliance and are certified by Det Norske Veritas (DNV) and the Indian Register of Shipping (IRS). Tata Steel also secured approval for high-strength X65 sour grade steel, enabling entry into global oil and gas markets. Collaborations with wagon manufacturers led to the supply of E450 copper for lightweight wagons, facilitating shift from stainless to carbon steel.

The Company developed Poly-Coated steel for refrigerator doors, improving formability and surface finish.

Strengthening Customer Relationships

Tata Steel fosters strong relationships across sectors like automotive, appliances, railways, construction, and engineering. To enhance Just-in-Time services for B2B automotive clients, it expanded service centres in key hubs and conducted technical workshops aimed at Value Analysis and Value Engineering (VAVE) and Early Vendor Involvement (EVI).

In B2B construction segment, the Company launched the 'One Construction Customer Service Team' and expanded its network to 31 digitally connected service centres, offering ready-to-use reinforcement solutions. It also entered the Plate Fabricated Sections ('**PFS**') market, securing orders across five projects.

Effective customer engagement

Over 1,500 ECAs and Fabricators benefited from 16 'Skilling India' and technical training events, in collaboration with IIT Bombay. Also, initiatives like 'Converse to Construct' and the 'Wagon Way' forum fostered deeper engagement among channel partners and wagon manufacturers respectively.

In the B2C segment, Tata Tiscon connected with 1.5 lakh consumers through the 'Golden Home Consumer' initiative and onboarded 5,000 new Architects, Contractors, and Engineers, achieving highest-ever sales.

Driving Digital Transformation for Customer Experience

Tata Steel Aashiyana has established itself as a prominent platform for driving digital adoption in the Individual Home Building market. Leveraging Tata Steel's robust, pan Indian retailer network, the platform has expanded its reach among individual homebuilders in a sizable

number of PIN codes across all regions. Its user-friendly tools such as a Building Material Estimator and a Design Library help Aashiyana engage its consumers well, while its omnichannel features such as chatbot & WhatsApp ensure that information and assistance are easily accessible. This focus on customer experience combined with people's trust in brand Tata has led to a fast scale-up of customer acquisition, despite significantly high average order value. Tata Steel Aashiyana is not only facilitating digital reach but reshaping how homes are built in India, as evidenced by the substantial growth in its gross merchandise value over the years.

Tata Steel has evolved DigECA into a robust digital platform connecting directly with over 1,000 MSMEs, offering best practices, streamlined inquiries, flexible payment options, and order tracking. Enhancements to the COMPASS platform have improved supply chain visibility and customer satisfaction. Nest-In has implemented QR-code-based tracking and a digital time compliance dashboard for projects while launching a customer complaint management system.

TSN continued strengthening its focus on sustainable steelmaking and customer relations in FY2024-25. The presentation of the Green Steel Plan to the Dutch government represents a significant milestone towards low emission steel production, demonstrating the Company's commitment towards environment.

Stakeholder engagement remains central to operations, with emphasis on maintaining enduring relationships with customers, suppliers, and communities through established and evolving forums. This collaborative approach drives sustainability and shared progress.

A customer satisfaction score of 88% reflects TSN's customer-centric approach and technology-led innovation. The Company has enhanced engagement through a new CRM system, impactful social media presence, and innovative digital campaigns that enable personalised interactions.

TSN has also introduced intelligent products and services, including the Data on Demand Platform, Aurora Live for R&D, and the Arising E-commerce Platform. These initiatives provide customers with cutting-edge solutions while setting new standards for customer relations.

The Company's transformation initiatives in green steel production and digital technologies, position TSN as an industry leader committed to sustainable steelmaking and exceptional customer service.

During 2024, TSUK made substantial progress in advancing sustainability and operational efficiency across

its key sectors. A significant MoU supply agreement was reached with JCB for the provision of low CO₂ steel.

Packaging UK launched its sustainability commitment alongside the Electrifying Packaging Steels campaign, aligning with TSUK's broader transition to greener steelmaking. The Construction Tube and line pipe making sector marked a historic milestone with Corby's 90th anniversary and the commissioning of a new £7 million steel coil splitter at the Hartlepool site.

Building Systems UK has made significant progress in product innovation and sustainability, securing capital investment to integrate solar technology into its Catnic Urban roofing range through the launch of the SolarSeam system. This advancement, alongside the publication of over 70 environmental product declarations, reinforces TSUK's leadership in providing sustainable construction solutions. Additionally, the division successfully secured three major projects in London for the supply of lowcarbon ComFlor® structural steel decking and played a key role in the award-winning Port of Leith Distillery project. Building Systems UK also received notable industry recognition, including a Silver award for Refurbishment of the Year and a Gold Well-being Quality Mark for its leadership in mental health initiatives.

7. Digital Transformation

Tata Steel has significantly invested in cloud, data, and AI Digital and AI as strategic enablers within a framework driven by value and clear impact on Business KPIs. The fundamental part of the strategy is data quality, and to be able to capture and curate data needs Compute.

At Tata Steel we laid the foundation of the transformation with front-ended investments to create a secure, multitenanted cloud and connectivity that enables 'always-on' business, consolidating enterprise systems and standardising business processes across geographies providing for global cost competence and organisational agility.

With investments in sensors and systems, the Company has curated around 11.2Pb of data globally. With data quality management and automation of key operational metrics such as cost and wage KPIs, the Company is driving towards a 'single version of truth' enabling agility and reliability in decision-making.

Over the past 5-6 years, the Company has developed over 588 AI models investing significantly in cutting-edge generative AI platforms which are now powering automated insights, conversational interfaces, and addressing hard-to-solve use cases by combining the

abilities of conventional (mathematical) AI with the creative capacities of Generative AI:

- » Around 75% of them drive **Manufacturing excellence** - yield, energy efficiency, throughput, quality, productivity (YETQP) as well as safety using science-based models, machine learning and deep learning models, vision intelligence and generative AI. The Company has developed remote and intelligent operations for manufacturing, maintenance and mining.
- » The Company is also enabling **Functional Excellence** in areas such as HR, Procurement, Finance. Tata Steel's investments in supply chain and logistics have modernised backend processes. Initiatives such as the smart indenting system under our spares, repairs and maintenance program are enabling notable cost savings.
- » Enhancing **Customer Experience** is another vital focus. The Company has registered ~₹500 crore of monthly online sales on the digital platforms. Around 20% of our AI models are focused on customer experience, improving customer interactions, complaint resolution and overall satisfaction.

Tata Steel's Digital and AI led business transformation has delivered value driven through the Shikhar Value Framework. 80% of our steel production comes from WEF Global Lighthouse sites, and Tata Steel has been recognised as an Advanced Leader in Digital by Gartner for the past 4 years consecutively. The future is expected to be led by data and AI, and the early investments provide Tata Steel with a strong foundation.

8. Corporate Social Responsibility

The objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company's CSR Policy provides guidelines to conduct CSR activities of the Company. The salient features of the CSR Policy forms part of the Annual Report on CSR activities annexed to this Report. The CSR policy is available on the website of the Company at <https://www.tatasteel.com/media/23872/tata-steel-csr-policy.pdf>

For decades, the Company has pioneered various CSR initiatives. The Company continues to address societal challenges through societal development programmes and remains focused on improving the quality of life. During the year, the Company spent ₹584.61 crore towards its CSR activities and positively impacted over

5.77 million lives through its CSR programmes. The Company implements its CSR programmes primarily through the Tata Steel Foundation (a company incorporated under Section 8 of the Companies Act, 2013) which works in close collaboration with public systems and partners. Through its CSR, the Company envisions an enlightened, equitable society in which every individual realises her/his potential with dignity through work with tribal and excluded communities to co-create transformative, efficient and lasting solutions to their development challenges.

Through large-scale, proven Signature Theme Models of change, the Company addresses core development gaps in India, while being replicable at global platform. These include programmes on maternal and child mortalities, access to school and learning enrichment for rural children, PAN-India focus on key aspects of tribal identity and comprehensive development through empowerment of panchayats between the manufacturing locations at Jamshedpur and Kalinganagar.

The Company also fosters Regional Change Models enabling lasting betterment in the well-being of communities, prioritising those who are excluded and proximate to its operating areas. The Company undertakes its CSR Programmes in areas of health, nutrition, water, education, livelihoods, infrastructure, sports, disabilities, grassroots governance and empowering the voice of women within communities.

The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 and the Rules framed thereunder, is annexed to this Report as **Annexure 2**.

In the Netherlands, TSN maintains a close relationship with its employees, customers, local residents, suppliers, the local business community, NGOs and educational institutions and provides guest lectures and workshops to support the Company's strategy to become a green, clean and circular steel company. The Company continues to partner with organisations on various social causes such as activities for schools, social well-being of its local communities in the areas of education, environment as well as health and well-being and coaching of children with learning difficulties towards a healthy lifestyle. The Company also focuses on gender diversity and equality, inspiring young girls to pursue careers in technical fields.

TSN has a donation policy for supporting local activities aligned with the theme 'Future generations,' focusing on health and well-being, education and environment. Donations are granted to initiatives with the broadest and most sustainable regional impact, assessed quarterly by a community committee comprising employees, former

employees and external stakeholders. The Company actively communicates about supported projects both internally and externally.

In the UK, TSUK prioritises the local community, considering it the core of its operations. TSUK's long-standing community engagement program reaches tens of thousands of people annually.

In FY2024-25, TSUK sponsored the 42nd Richard Burton 10K, raising over £60,000 for Neath Port Talbot causes and also celebrated the 15th anniversary of the Aberavon Wizards League, an accessible football and netball tournament for primary schools in Port Talbot, covering kits and travel costs. The scheme reached 15 schools and over 300 children.

Similar community schemes continue across all of the UK businesses sites, encompassing the three core values of health & well-being, environment and education. On February 18, 2025, TSUK received approval to construct a state-of-the-art electric arc furnace at Port Talbot. The planning process included community engagement sessions, allowing residents to interact with senior leaders and understand the proposals.

The success of these engagement events, and TSUK's ongoing community engagement, was evident when the Neath Port Talbot Council Planning Committee approved the planning. Counsellors highlighted the importance of TSUK's significance to the local area and praised the Company's dedication to serving the community. This reflects Tata Steel values and importance of strong relationships with the community and key stakeholders.

F. CORPORATE GOVERNANCE

The Company ensures that it evolves and follows the corporate governance guidelines and best practices diligently, not just to boost long-term shareholder value, but also to respect rights of the minority. Tata Steel considers its inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership and governance of the Company.

In accordance with its Vision, Tata Steel aspires to be the global steel industry benchmark for value creation and corporate citizenship. Tata Steel expects to realise its Vision by taking such actions as may be necessary in order to achieve its goals of value creation, safety, environment and people.

Pursuant to the SEBI Listing Regulations, the Corporate Governance Report along with the Certificate from a

Practicing Company Secretary, certifying compliance with conditions of Corporate Governance, forms part of this Report and is enclosed as **Annexure 3**.

The Board is pleased to inform that during the year, the Company has won two awards for Corporate Governance, viz. Golden Peacock Award for Excellence in Corporate Governance - 2024 and the 24th ICSI National Award for Excellence in Corporate Governance (Listed Segment - Large Category).

1. Meetings of the Board and Committees of the Board

The Board met six times during the year under review. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. The Committees of the Board usually meet the day before or on the day of the Board meeting, or whenever the need arises for transacting business. Details of composition of the Board and its Committees as well as details of Board and Committee meetings held during the year under review and Directors attending the same are given in the Corporate Governance Report forming part of this Integrated Report & Annual Accounts 2024-25.

2. Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') engages with the Board to evaluate the appropriate characteristics, skills and experience for the Board as a whole as well as for its individual members with the objective of having a Board with diverse backgrounds and experience in business, finance, governance, and public service. The NRC, basis such evaluation, determines the role and capabilities required for appointment of Independent Directors. Thereafter, the NRC recommends to the Board the selection of new Directors.

Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Company has in place a Policy on Appointment & Removal of Directors.

The salient features of the Policy are:

- » It acts as a guideline for matters relating to appointment and re-appointment of Directors.
- » It contains guidelines for determining qualifications, positive attributes of Directors, and independence of a Director.
- » It lays down the criteria for Board Membership.

- » It sets out the approach of the Company on board diversity.
- » It lays down the criteria for determining independence of a director, in case of appointment of an Independent Director.

The Policy is available on the website of the Company at <https://www.tatasteel.com/media/6816/policy-on-appointment-and-removal-of-directors.pdf>

3. Familiarisation Programme for Directors

As a practice, all new Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. Presentations are made by Senior Management giving an overview of the operations, to familiarise the new Directors with the Company's business operations. The new Directors are given an orientation on the products of the business, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company. Visits to plant and mining locations are organised for the new Directors to enable them to understand the business better.

Details of orientation given to the new and existing Independent Directors in the areas of strategy/industry trends, operations & governance, and safety, health and environment initiatives are available on the website of the Company at <https://www.tatasteel.com/media/23897/familiarization-programme-ids-2025.pdf>

4. Evaluation

The Board evaluated the effectiveness of its functioning of the Committees and of individual Directors, pursuant to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The Board sought the feedback of Directors on various parameters including:

- » Degree of fulfillment of key responsibilities towards stakeholders (by way of monitoring corporate governance practices, participation in the long-term strategic planning, etc.);
- » Structure, composition and role clarity of the Board and Committees;
- » Extent of co-ordination and cohesiveness between the Board and its Committees;
- » Effectiveness of the deliberations and process management;
- » Board/Committee culture and dynamics; and

- » Quality of relationship between Board Members and the Management.

The above criteria are broadly based on the Master Circular issued by the Securities and Exchange Board of India on November 11, 2024.

The Chairman of the Board had one-on-one meetings with the Independent Directors ('IDs') and the Chairman of NRC had one-on-one meetings with the Executive and Non-Executive, Non-Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/Committee processes.

In a separate meetings of the IDs, the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Company were evaluated taking into account the views of Executive Directors and other Non-Executive Directors.

The NRC reviewed the performance of the individual Directors and the Board as a whole.

In the Board meeting that followed the meeting of the Independent Directors and the meeting of NRC, the performance of the Board, its Committees, and individual directors were discussed.

Outcome of Evaluation

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and duties.

In the coming year, the Board intends to enhance focus on (a) decarbonisation, biodiversity and aligning the Company's goals and initiatives with that of Project Aalingana; (b) business performance of European subsidiaries; (c) research & development; and (d) capital allocation strategy of the Company.

5. Remuneration Policy for the Board and Senior Management

Based on the recommendations of the NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMPs') and all other employees of the Company. As part of the Policy, the Company strives to ensure that:

- » the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

- » relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- » remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The salient features of the Policy are that it lays down the parameters:

- » Based on which payment of remuneration (including sitting fees and remuneration) should be made to Independent Directors ('IDs') and Non-Executive Directors ('NEDs').
- » Based on which remuneration (including fixed salary, benefits and perquisites, bonus/performance linked incentive, commission, retirement benefits) should be given to whole-time directors, KMPs and rest of the employees.
- » For remuneration payable to Directors for services rendered in other capacity.

During the year under review, there has been no change to the Policy. The Policy is available on the website of the Company at <https://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf>

6. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are annexed to this Report as **Annexure 4**.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Rules, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of this Report. Further, the Integrated Report and the Annual Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Companies Act, 2013, the said statement will be open for inspection upon request by the Members. Any Member interested in obtaining such particulars may write to the Company Secretary at cosec@tatasteel.com

7. Directors

The year under review saw the following changes to the Board of Directors ('Board').

Induction to the Board

Based on the recommendations of the NRC, and in terms of the provisions of the Companies Act, 2013 the Board, on November 6, 2024, appointed Mr. Pramod Agrawal (DIN: 00279727) as an Additional Director (Non-Executive, Independent) effective November 6, 2024. Further, based on the recommendations of the NRC and subject to the approval of the Members, the Board, in accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 and applicable SEBI Listing Regulations, appointed Mr. Agrawal as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years commencing from November 6, 2024 through November 5, 2029.

Mr. Pramod Agrawal, former Chairman and Managing Director of Coal India Limited, has about three decades of administrative experience as an IAS Officer in varied fields at State as well as Central level. As a business leader, he has extensive experience and exposure to areas such as strategy, operations, finance, risk management, governance & compliance, sustainability, administration and government affairs. Mr. Agrawal brings with him core competencies in project management, strategic alliances, tactical planning, and high-stake negotiations, the attributes and skills which will be of immense benefit to the Management and the Company. On December 26, 2024, the Shareholders of the Company approved the appointment of Mr. Agrawal as an Independent Director of the Company by way of a special resolution passed through postal ballot for the above mentioned tenure.

Re-appointment of Director retiring by rotation

In terms of the provisions of the Companies Act, 2013, Mr. Noel N. Tata (DIN: 00024713), Non-Executive Director designated as Vice-Chairman, retires at the ensuing AGM and being eligible, seeks re-appointment. The necessary resolution for re-appointment of Mr. Noel N. Tata forms part of the Notice convening the ensuing AGM scheduled to be held on Wednesday, July 2, 2025.

The profile and particulars of experience, attributes and skills that qualify Mr. Noel N. Tata for Board membership, are disclosed in the said Notice.

Cessation

As per the terms of her appointment, Ms. Farida Khambata (DIN: 06954123), completed her term as an Independent Director on December 10, 2024 and accordingly, ceased to be an Independent Director and Member of the Board of Directors of the Company effective December 11, 2024. The Board of Directors place on record their deep appreciation for the wisdom, knowledge and guidance provided by Ms. Khambata during her tenure.

8. Independent Directors' Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Companies Act, 2013 and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs of Company.

9. Key Managerial Personnel

In terms of Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. T. V. Narendran, Chief Executive Officer & Managing Director, Mr. Koushik Chatterjee, Executive Director & Chief Financial Officer and Mr. Parvatheesam Kanchinadham, Company Secretary and Chief Legal Officer. During the year under review, there has been no change in the Key Managerial Personnel of the Company.

10. Audit Committee

The Audit Committee was constituted in the year 1986. The Committee has adopted a Charter for its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee presently comprises Mr. Deepak Kapoor (Chairman), Ms. Bharti Gupta Ramola, Mr. Pramod Agrawal and Mr. Saurabh Agrawal. The Committee met seven times during the year under review, the details of which are given in the Corporate Governance Report.

During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

11. Internal Control Systems

The Company's internal control systems commensurate with the nature of its business, the size, and complexity

of its operations and such internal financial controls with reference to the Financial Statements are adequate. Details on the Internal Financial Controls of the Company forms part of Management Discussion and Analysis forming part of **Annexure 1** of this Report.

12. Risk Management

Tata Steel has established a robust Enterprise Risk Management framework to effectively navigate the evolving and volatile business environment with the aim to create sustainable value for its stakeholders. The Tata Steel ERM framework focuses on developing a risk intelligent culture that facilitates risk informed decision making and build business resilience. The ERM framework has been developed by integrating best practices from international standards including the Committee of Sponsoring Organisations of the Treadway Commission (COSO), ISO 31000:2018 and incorporating benchmark global industry practices.

The Risk Management Committee ('RMC') of the Board provides an oversight and guides Central ERM team on risk management policy, risk management plan and adequacy of risk management systems. It reviews the status of key risks, progress of ERM implementation across locations and any exceptions as flagged to it, on a quarterly basis.

The risk appetite of the organisation, approved by the RMC and the Board, has been developed by analysing industry best practices and aligns to the vision of the Company. This is an important metric and the guiding principle for identification and management of risks. The risk appetite is driven by the following:

- » Health and safety of the employees and the communities in which the Company operates are the prime concern and the operating strategy is focused on this objective.
- » All business decisions are aligned to the Tata Code of Conduct.
- » Management actions are focused on continuous improvement.
- » Environment and Climate Change impacts are assessed on a continuous basis and business decisions support systems including capital allocation, considers climate impact through the internal carbon pricing framework.
- » The long-term strategy of the Company is focused on generating profitable growth and sustainable cashflows that creates long-term stakeholder value.

Risk Owners may accept risk exposure to their annual and long-term business plans, which after implementation

of mitigation strategies, is aligned to the Company's risk appetite.

The Company has also constituted a Management Committee called ARC (Apex Review Committee) comprising CEO & Managing Director, Executive Director & Chief Financial Officer, and Vice President – Corporate Finance, Treasury & Risk Management who is also the CRO (Chief Risk Officer). The ARC reviews the business plan of ERM quarterly, engages on the macro environment and deliberates on risks that the Company faces. Additionally, it engages with risk owners to understand the risks associated with business strategy, and proposed mitigation plans to get assurance that the risks are identified proactively and being managed.

The ERM framework is deployed across the organisation and is driven by a dedicated Central ERM team led by the CRO of the Company. The CRO reports to ED & CFO and to the RMC Chairperson. The ERM team continuously engages in horizon scanning to track the evolving external business landscape and assess the macroeconomic factors to identify emerging risk areas. Risk flags and risk insights are shared with the organisation for evaluation by the Business Units (BUs) to identify risks and mitigation strategies. 'Expert Lens' sessions and webinars are organised for the leadership team and Risk Community to discuss emerging risk areas contextual for the Company. The bottom-up ERM process is decentralised to keep the ownership of the risks with the BUs to ensure agility in managing the risks. The bottom-up process is complemented by a top-down process, which helps in identification of strategic enterprise level risks.

The Company follows coordinated risk assurance through which the ERM process is integrated with Corporate Audit, Strategy & Business Planning, Corporate Legal & Compliance, and Security functions. There is a two-way communication established with these functions to augment the robustness of the process and ensure effective implementation throughout the organisation. Corporate Audit team, led by Chief Audit Executive (who reports to CEO & MD of the Company and Chairperson of the Audit Committee), conducts an independent audit of the ERM process deployment across the organisation, as the third line of defense.

The Company has developed an In-house built IT system to ensure management of risks through live dashboards as well as maintain data repository for risk analytics. An Artificial Intelligence enabled 'Horizon Scanning' feature has been launched as part of the IT system to scan external news and developments related to steel and allied industry for identification of potential risks.

The Company views ERM as an enabler to achieve business objectives (BO) & aims at intelligent risk taking for Business decisions. Capability development for risk management has been a key focus area across the organisation and various formats of communication & training have been developed to create awareness and ensure implementation of mitigation during management of risk. The training programs are customised for Risk Champions (Extended arm of Central ERM Team at the BUs), risk owners, new joiners, senior leadership and specific functions.

Risk culture is considered as an important lever for assessing the overall effectiveness of risk management and the risk maturity of the organisation. To strengthen the Risk culture in the organisation, Risk has been institutionalised as an additional metric in the performance assessment of employees including for senior Risk Owners. With the goal of continuously improving the risk culture across the organisation, the Company conducts an annual Risk Culture Survey (RCS) through an independent partner. The survey benchmarks risk culture practices with leading organisations, identifies key areas of improvement and make enhancements in the ERM framework to improve its overall effectiveness. The Company has received a score of 4.25 on a scale of 5 in FY25.

The fiscal year 2024-25 presented considerable global economic and geopolitical challenges including the prolonged Russia – Ukraine conflict, the instability in the Middle East, Trade and Tariff war, Elections in multiple countries, volatile foreign exchange markets, and slower-than-anticipated Chinese economic growth which negatively impacted global steel prices. The Company focused on proactive tracking and monitoring key 'Early Warning Indicators', developing different risk impact scenarios, and proactively implementing risk mitigation strategies to effectively manage the risks arising out of the volatile and evolving global business environment.

The Company has won the 'Masters of Risk Metals Mining' in Large Cap Category at the CNBC TV 18 India Risk Management Awards for the 8th consecutive year. The award recognises the exceptional achievements of the Company in the field of risk management reinforced by inventive strategies and forward-thinking initiatives.

13. Vigil Mechanism

The Company has a Vigil Mechanism that provides a formal channel for all its Directors, employees and business associates including customers to approach the Chairman of the Audit Committee or Chief Ethics Counsellor to make protected disclosures about any ethical misconduct, actual or suspected fraud or violation of the Tata Code of Conduct ('TCoC'). No person is denied

access to the Chairman of the Audit Committee. This vigil mechanism fosters a culture of trust and transparency among its stakeholders.

The Company has established various policies to govern the vigilance procedures, such as the Whistle-Blower Policy for Directors & Employees, the Whistle-Blower Policy for Business Associates, the Whistle-Blower Protection Policy for Business Associates (vendors/customers), the Gift and Hospitality Policy ('G&H'), the Conflict-of-Interest ('Col') Policy for Employees, the Anti-Bribery & Anti-Corruption ('ABAC') Policy, and the Anti-Money Laundering ('AML') Policy.

The Whistleblower Policies for Directors & Employees and Business Associates encourages Directors, employees, and business associates to report any actual or possible violation of the TCoC or any event that he/she becomes aware of that could affect the business or reputation of the Company. The policy safeguards the whistle-blowers against any unfair practices, such as retaliation, threats, intimidation, termination, suspension, transfer, demotion, refusal of promotion or any other disciplinary action. The whistleblower policy also includes reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information ('UPSI') as required in terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

The Whistle-Blower Protection Policy for Business Associates provides safeguard to the third parties such as vendors, suppliers, distributors, customers, etc. from retaliation or unjust treatment. This also helps to build confidence among whistle-blowers to make protected disclosures in good faith. The policy also outlines for disqualification in case of raising false concerns with malicious intent.

The ABAC and AML policies mainly focus on ethical risk assessment, procedures and guidelines, third-party due diligence, training and awareness, and audits and reporting.

The G&H Policy offers guidance to employees or persons working for or on behalf of the Company on appropriate, acceptable, and deemed unacceptable gifts and hospitality for offering, giving or accepting. The policy is in consonance with ABAC and AML policies.

The Col Policy of the Company requires employees to disclose any actual or potential conflicts annually and as and when it arises.

To incentivise employees to report misconduct or unethical behaviour within the Company, the Whistleblower Reward and Recognition Guidelines have been implemented. The disclosures reported are

addressed in the manner and within the time frame prescribed in the Whistleblower Policy.

A Third-Party Whistleblowing helpline service is available to stakeholders in Tata Steel and Tata Steel Group companies for reporting concerns or disclosures. The Ethics helpline services offer various communication channels, including a toll-free number, web access, postal services and email facilities.

The Company, during the year under review, conducted a series of communication and training programmes for internal and external stakeholders, with an aim to create awareness amongst them about TCoC and other ethical practices of the Company. Customised training programmes on Prevention of Sexual Harassment, Tata Code of Conduct, Respectful Workplace, Conflict of Interest, Anti-Bribery & Anti-Corruption and Third-Party Due Diligence are conducted online, classrooms, and web-based mediums. Further, meets were conducted with business associates with an aim to provide them a platform to discuss their issues and clarify their dilemmas if any on the above-mentioned policies.

During the year under review, the Company received 548 Whistle-Blower Complaints ('WBCs') and 1,617 grievances and other concerns. Out of these, 391 WBCs were investigated and closed after taking appropriate actions, 1,440 grievances and other concerns were addressed as appropriate. A total of 157 WBCs were open as of March 31, 2025, for which investigations are underway. The unaddressed 177 grievances and other concerns are being reviewed and will be closed as appropriate.

14. Disclosure as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Tata Steel maintains a zero-tolerance policy towards sexual harassment at the workplace. The Company has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder, as amended from time to time.

The Company has complied with the provisions relating to the constitution of the Internal Complaints Committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, the Company received 47 complaints of sexual harassment, of which 33 complaints have been resolved and appropriate actions taken, 14 complaints are under investigation.

15. Subsidiaries, Joint Ventures and Associates

The Company has 126 subsidiaries and 41 associate companies (including 23 joint ventures) as on March 31, 2025. During the year under review, the Board of Directors reviewed the affairs of material subsidiaries. There has been no material change in the nature of the business of the subsidiaries.

In accordance with Section 129(3) of the Companies Act, 2013, the Consolidated Financial Statements of the Company and all its subsidiaries, associates and joint ventures has been prepared and this forms part of the Integrated Report. Further, the report on the performance and financial position of each subsidiary, associate and joint venture and salient features of their Financial Statements in the prescribed Form AOC-1 is annexed to this Report as **Annexure 5**.

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, read with the SEBI Listing Regulations the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies are available on the website of the Company at www.tatasteel.com

The names of companies that have become or ceased to be subsidiaries, joint ventures and associates during the year under review are disclosed in an annexure to this Report as **Annexure 6**.

16. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions. The Policy can be accessed on the Company's website at <https://www.tatasteel.com/media/5891/policy-on-related-party-transactions.pdf>

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. All material related party transactions and their material modifications, if any, were entered into after being approved by the Company's shareholders. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Companies Act, 2013.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the

Companies Act, 2013 in Form AOC-2 is not applicable to the Company for FY2024-25 and hence, does not form part of this Report.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone and consolidated financial statements forming part of this Integrated Report & Annual Accounts 2024-25.

17. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance system established and maintained by the Company, work performed by the internal, statutory, cost, and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the FY2024-25.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability confirms that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures;
- b) it has selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) it has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) it has prepared the annual accounts on a going concern basis;
- e) it has laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- f) it has devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were in place, are adequate and operating effectively.

18. Auditors

Statutory Auditors

Members of the Company at the AGM held on August 8, 2017, approved the appointment of Price Waterhouse & Co Chartered Accountants LLP (Registration No.- 304026E/E300009) ('PW'), Chartered Accountants, as the statutory auditors of the Company. Further, the shareholders approved the re-appointment of PW for a second term of five years commencing from the conclusion of the 115th AGM held on June 28, 2022 until the conclusion of 120th AGM of the Company to be held in the year 2027.

The report of the Statutory Auditor forms part of this Integrated Report and Annual Accounts 2024-25. The said report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

In terms of Section 148 of the Companies Act, 2013, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Companies Act, 2013.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Shome & Banerjee as the cost auditors of the Company (Firm Registration No. 000001) for the year ending March 31, 2026. M/s. Shome & Banerjee have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of ₹35 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors for conducting cost audit of the Company for FY2025-26 as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. The same is placed for ratification of Members and forms part of the Notice of the AGM.

Secretarial Auditors

In terms of Regulation 24A read with other applicable provisions of the SEBI Listing Regulations and applicable provisions of the Companies Act, 2013, the Company is required to appoint Secretarial Auditors for a period of 5 years commencing FY2025-26, to conduct the secretarial audit of the Company in terms of Section 204 and other applicable provisions of the Companies Act, 2013 read with Regulation 24A and other applicable provisions of the SEBI Listing Regulations.

For identification of Secretarial Auditor, the Management of the Company had initiated the process and had detailed interactions with certain eligible audit firms and assessed them against a defined eligibility and evaluation criteria.

The following criteria inter alia were considered for evaluation of Practicing Company Secretary firms capable of conducting audit of Tata Steel Limited:

- background of the firm, their experience and past associations in handling secretarial audit of large listed companies;
- competence of the leadership and the audit team in conducting secretarial audit of the Company in the past as well as of other large listed companies; and
- ability of the firm to understand the business of Tata Steel Limited and identify compliance of major laws and regulations applicable to the Company.

As part of the assessment, the Management also considered the eligibility and evaluated the background, expertise and past performance of M/s Parikh & Associates as the Secretarial Auditors of the Company from 2014 till date.

The Management presented the outcome of the assessment to the Audit Committee of the Board.

The Audit Committee considered the findings of the Management and recommended to the Board, the appointment of M/s. Parikh & Associates as the secretarial auditors of the Company for a period of five years commencing from the conclusion of the ensuing 118th Annual General Meeting scheduled to be held on July 2, 2025, through the conclusion of 123rd Annual General Meeting of the Company to be held in the year 2030, for conducting secretarial audit of the Company for the period beginning from FY2025-26 through the FY2029-30.

The Board considered the recommendation of the Audit Committee with respect to the appointment of M/s. Parikh & Associates as the Secretarial Auditors of the Company. Based on due consideration, the Board recommends for your approval, the appointment of M/s. Parikh & Associates as the Secretarial Auditors of the Company for a period of five years commencing from the conclusion of the ensuing 118th Annual General Meeting scheduled to be held on July 2, 2025, through the conclusion of 123rd Annual General Meeting of the Company to be held in the year 2030, for conducting secretarial audit of the Company for the period beginning from FY2025-26 through FY2029-30.

The above proposal and related information forms part of the Notice of the AGM and is placed for your approval.

Secretarial Audit Report

The Company is required to annex to the Board's Report, the Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice.

The Report of the Company issued by M/s. Parikh & Associates is annexed to this Report as **Annexure 7**.

There are no qualifications, observations, adverse remark or disclaimer in the said Report.

Reporting of Fraud

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees to the Audit Committee under Section 143(12) of the Act, details of which need to be mentioned in this Report.

19. Annual Return

The Annual Return for Financial Year 2024-25 as per provisions of the Companies Act, 2013 and Rules thereto, is available on the Company's website at <https://www.tatasteel.com/media/23905/annual-return-mgt-7.pdf>.

20. Significant and Material Orders passed by the Regulators or Courts

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

21. Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees given and investments made during the year under review in accordance with Section 186 of the Companies Act, 2013 is annexed to this Report as **Annexure 8**.

22. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this Report as **Annexure 9**.

23. Deposits

During the year under review, the Company has not accepted any deposits from public in terms of the

Companies Act, 2013. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

24. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of the Company Secretaries of India and such systems are adequate and operating effectively.

25. Other Disclosures

- (a) There has been no change in the nature of business of the Company as on the date of this Report.
- (b) There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report.
- (c) There was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

G. Acknowledgements

The Board thanks the customers, vendors, dealers, investors, business associates, bankers and communities for their continued support during the year. The Board places on record its appreciation of the contribution made by employees at all levels (including Unions). The Company's resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

The Board thanks the Government of India, the State Governments and the Governments in the countries where Tata Steel has its operations and other regulatory authorities and government agencies for their support and look forward to their continued support in the future.

On behalf of the Board of Directors

sd/-

N. CHANDRASEKARAN

Chairman

DIN: 00121863

Mumbai

May 12, 2025