

BOARD'S REPORT

To the Members,

The Directors take pleasure in presenting the 9th Integrated Report prepared as per the Integrated Reporting <IR> framework of the IFRS Foundation and the 117th Annual Accounts on the business and operations of Tata Steel Limited ('Tata Steel' or 'Company'), along with the summary of standalone and consolidated financial statements for the financial year ended March 31, 2024.

A. Financial Results

Particulars	(₹ crore)			
	Tata Steel Standalone		Tata Steel Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from operations	1,40,987.43	1,42,913.32	2,29,170.78	2,43,352.69
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	1,11,154.11	1,14,642.64	2,06,864.88	2,11,052.53
Operating Profit	29,833.32	28,270.68	22,305.90	32,300.16
Add: Other income	3,122.91	2,530.44	1,808.85	1,037.48
Profit before finance cost, depreciation, exceptional items and tax	32,956.23	30,801.12	24,114.75	33,337.64
Less: Finance costs	4,178.61	3,974.63	7,507.57	6,298.70
Profit before depreciation, exceptional items and tax	28,777.62	26,826.49	16,607.18	27,038.94
Less: Depreciation and amortisation expenses	5,969.79	5,956.32	9,882.16	9,335.20
Profit/(Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax	22,807.83	20,870.17	6,725.02	17,703.74
Share of profit/(loss) of joint ventures & associates	-	-	(57.98)	418.12
Profit/(Loss) before exceptional items & tax	22,807.83	20,870.17	6,667.04	18,121.86
Add/(Less): Exceptional Items	(13,635.68)	(780.47)	(7,814.08)	113.26
Profit before tax	9,172.15	20,089.70	(1,147.04)	18,235.12
Less: Tax Expense	4,364.75	5,404.45	3,762.57	10,159.77
(A) Profit/(Loss) after tax	4,807.40	14,685.25	(4,909.61)	8,075.35
Total Profit/(Loss) for the period attributable to:				
Owners of the Company	-	-	(4,437.44)	8,760.40
Non-controlling interests	-	-	(472.17)	(685.05)
(B) Total other comprehensive income	691.37	88.58	(3,227.90)	(13,849.07)
(C) Total comprehensive income for the period [A + B]	5,498.77	14,773.83	(8,137.51)	(5,773.72)
Retained Earnings: Balance brought forward from the previous year	86,491.20	77,873.96	48,166.32	55,647.79
Add: Profit for the period	4,807.40	14,685.25	(4,437.44)	8,760.40
Add: Other Comprehensive Income recognised in Retained Earnings	(157.24)	199.83	(4,671.57)	(9,981.60)
Add: Other movements within equity	-	-	168.21	(33.12)
Balance	91,141.36	92,759.04	39,225.52	54,393.47
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares	4,414.00	6,267.84	4,409.79	6,227.15
Total Appropriations	4,414.00	6,267.84	4,409.79	6,227.15
Retained Earnings: Balance to be carried forward	86,727.36	86,491.20	34,815.73	48,166.32

Notes:

- i. Scheme of amalgamation of Tata Steel Mining Limited into and with the Company has been approved and sanctioned by the Hon'ble National Company Law Tribunal ('NCLT') Cuttack Bench on August 8, 2023.
- ii. Scheme of amalgamation of Tata Steel Long Products Limited into and with the Company has been approved and sanctioned by the NCLT Cuttack Bench on October 18, 2023, and the NCLT Mumbai Bench on October 20, 2023.
- iii. Scheme of amalgamation of S & T Mining Company Limited into and with the Company has been approved and sanctioned by the NCLT Kolkata Bench on November 10, 2023.
- iv. Scheme of amalgamation of The Tinsplate Company of India Limited into and with the Company has been approved and sanctioned by the NCLT Mumbai Bench on October 20, 2023, and by the NCLT Kolkata Bench on January 1, 2024.
- v. Scheme of amalgamation of Tata Metaliks Limited into and with the Company has been approved and sanctioned by the NCLT Kolkata Bench on December 21, 2023, and the NCLT Mumbai Bench on January 11, 2024.
- vi. Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, where necessary.
- vii. During the year under review, exceptional items (Consolidated Accounts) primarily represents:

- 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 Tata Steel Europe ('TSE') due to heavy end restructuring along with impairment for Sukinda mines and impairment of port project in India.
- b) Net Provision for Employee Separation Scheme ('ESS') amounting to ₹130 crore under Sunehere Bhavishya Ki Yojana ('SBKY') and other scheme at Tata Steel Limited (Standalone) and at Neelachal Ispat Nigam Limited ('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 Tata Steel Thailand ('TSTH') amounting to ₹52 crore on disposal of Mini Blast Furnace asset.
- f) Impairment reversal of ₹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).

The exceptional items (Consolidated Accounts) in FY2022-23 primarily include:

- a) Gain on sale of non-current investments at TSE amounting to ₹67 crore.
- b) Impairment reversal of ₹96 crore at TSE on deferred consideration of Speciality Business.
- c) Net impairment reversal in respect of property, plant and equipment (including capital work-in-progress), right-of-use assets and other assets at TSE amounting to ₹37 crore.
- d) Fair valuation gain on non-current investments amounting to ₹31 crore at Tata Steel Limited (Standalone).

Partly offset by,

- e) Net Provision for ESS amounting to ₹92 crore under SBKY scheme at Tata Steel Limited (Standalone).
- f) Expenses incurred in stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination amounting to ₹2 crore at Tata Steel Limited (Standalone).
- g) Impairment of Mini Blast Furnace at TSTH amounting to ₹11 crore.
- h) Net impairment charge of ₹12 crore on Inter Corporate Deposit ('ICD') & investments in one of the associates 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 2023-24, 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 Monday,

July 15, 2024 and will be paid on and from Friday, July 19, 2024.

The Record Date fixed for determining entitlement of Members to final dividend for the financial year ended March 31, 2024, if approved at the AGM, is Friday, June 21, 2024.

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 93% of the net profits of ₹4,807 crore (on standalone basis), which includes an impairment charge of ₹12,560 crore on account of the proposed restructuring of operations and closure of the existing heavy end assets at TSUK.

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 2023-24 in the statement of profit and loss.

4. Capex and Liquidity

During the year under review, the Company, on a consolidated basis spent ₹18,207 crore on capital projects 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 ₹31,767 crore as on March 31, 2024, comprising ₹9,532 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 Integrated Report and Annual Accounts 2023-24 (**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 9th 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 2nd Business Responsibility and Sustainability Report for FY2023-24.

C. Operations and Performance

1. Tata Steel Group

During the year under review, the consolidated crude steel production for Tata Steel Group ('TSG') was 29.94 MT as against 30.65 MT of FY2022-23, a marginal decline of 2% which was primarily on account of the reline of Blast Furnace 6 in the Netherlands which was offset by an increase in production at Indian operations owing to de-bottlenecking across sites and higher steel production at Neelachal Ispat Nigam Limited ('NINL'). The production increased at Tata Steel Limited to 20.12 MT which was higher by 2% (FY2022-23: 19.67 MT) attributable to de-bottlenecking across sites. Tata Steel Europe ('TSE') produced 7.80 MT, lower by 17% (FY2022-23: 9.35 MT) due to the reline of Blast Furnace 6 in the Netherlands along with subdued market demand. NINL produced 0.66 MT (FY2022-23: 0.20 MT), as it commenced production from October 2022 onwards post takeover of its operations by the Company. Production at South-East Asia ('SEA') of 1.36 MT (FY2022-23: 1.43 MT) was lower due to weak demand. The consolidated steel deliveries of TSG was at 29.39 MT in FY2023-24 as against 28.79 MT in FY2022-23, increase of 2% primarily at Tata Steel Standalone (1.06 MT). Deliveries declined at TSE on account of the reline of Blast Furnace 6 in the Netherlands.

The turnover of TSG in FY2023-24 at ₹2,29,171 crore was lower over FY2022-23 by ₹14,182 crore (6%) on account of decline in steel realisations across geographies along with decline in deliveries at the European operations attributable to decrease in demand and lower production, partly offset by higher deliveries in India.

The EBITDA in FY2023-24 at ₹23,402 crore was lower over FY2022-23 by ₹9,296 crore (28%), due to subdued performance from the European operations on account of contraction in steel prices and lower deliveries. EBITDA however, improved in the Indian operations on account of higher deliveries by 1.06 MT along with decrease in input costs, which was partly offset by lower steel realisations.

2. India

During the year under review, total deliveries at Tata Steel Limited were at 19.91 MT (previous year: 18.85 MT), higher by 1.06 MT. Turnover was ₹1,40,987 crore (previous year: ₹1,42,913 crore), which was marginally lower against the previous year mainly due to decline in steel prices, partly offset by higher deliveries. EBITDA was at ₹31,004 crore (previous year: ₹28,753 crore), higher by 8% than that of the previous year, primarily on account of increase in deliveries and lower raw material cost, mainly coking coal and purchased pellets, partly offset by decline in steel prices. During the year under review, the crude steel production in Tata Steel Limited increased by 2% to 20.12 MT on account of de-bottlenecking at sites.

NINL achieved crude steel production of 0.66 MT, while deliveries stood at 0.65 MT, both higher than previous year by 0.46 MT and 0.48 MT respectively, due to full year of operation. The turnover at ₹5,505 crore was significantly higher on account of higher deliveries partly offset by decline in steel prices. EBITDA at ₹53 crore was higher against a negative EBITDA of ₹770 crore in the previous year.

Total deliveries of Tata Steel from its Indian operations (including NINL) stood at 19.91 MT which is higher than the previous year by 6%. The turnover was ₹1,42,902 crore, marginally at par against previous year and EBITDA (excluding inter-company eliminations and adjustments) was ₹31,057 crore, improved by 10% over previous year. The improvement in EBITDA is due to decrease in input cost on account of decrease in imported coking coal prices and higher deliveries, partly offset by decline in steel realisations.

3. Europe

During the year under review, liquid steel production from European operations was 7.80 MT (previous year: 9.35 MT), a decrease of 17% against the previous year due to the relining of Blast Furnace 6 in the Netherlands along with subdued market demand. Deliveries from European operations decreased by around 6% to 7.68 MT primarily due to decline in demand and lower production. Revenue from operations was ₹78,144 crore (previous year: ₹90,300 crore) which was lower than FY2022-23 owing to reduction in average revenue per tonne along with lower deliveries.

EBITDA stood at negative ₹7,612 crore (previous year: positive ₹4,632 crore) which was lower than the previous year. This significant reduction in EBITDA was seen in both TSN and TSUK. In TSN, the impact of the Blast Furnace 6

relining and lower spreads within the market contributed for the decline whereas in TSUK the performance was adversely impacted by the performance of the end of life assets at the Port Talbot site as well as subdued market conditions.

D. Key Developments

1. Amalgamation

a) Amalgamation of Tata Steel Mining Limited into and with Tata Steel Limited

The Board of Directors of the Company (**'Board'**), at its meeting held on September 22, 2022, approved the scheme of amalgamation of Tata Steel Mining Limited (**'TSML'**), a wholly-owned subsidiary of Tata Steel, into and with the Company (**'TSML Scheme'**). The Hon'ble National Company Law Tribunal (**'Hon'ble NCLT'**), Cuttack Bench vide its order dated August 8, 2023 sanctioned the TSML Scheme. The effective date of amalgamation of TSML with the Company is September 1, 2023. As per the terms of the TSML Scheme, the entire shareholding of the Company in TSML, stands cancelled.

b) Amalgamation of Tata Steel Long Products Limited into and with Tata Steel Limited

The Board, at its meeting held on September 22, 2022, approved the scheme of amalgamation of Tata Steel Long Products Limited (**'TSLP'**) into and with the Company (**'TSLP Scheme'**). The TSLP Scheme was approved by the shareholders of the Company with requisite majority, at their meeting held on June 27, 2023. On receipt of approval of the shareholders, the Company filed the 'Company Scheme Petition' with the Hon'ble NCLT, Mumbai Bench with the prayer to sanction the TSLP Scheme. On October 18, 2023 and October 20, 2023, the Hon'ble NCLT, Cuttack Bench and Hon'ble NCLT, Mumbai Bench pronounced the respective orders sanctioning the TSLP Scheme. The effective date of amalgamation of TSLP into and with the Company is November 15, 2023.

As per the terms of the TSLP Scheme, the Board, on November 1, 2023 approved issuance of 67 fully paid-up equity shares of face value of ₹1/- each of the Company, for every 10 equity shares of TSLP of face value of ₹10/- each, to the public shareholders of TSLP as on November 17, 2023 (**'TSLP Record Date'**). Subsequently, on November 22, 2023, the Board allotted 7,58,00,309 fully paid-up equity shares of the Company of face value ₹1/- each, to the eligible shareholders of TSLP as on the TSLP Record Date. Further, the equity shares and preference shares held by the Company in TSLP stand cancelled.

c) Amalgamation of S & T Mining Company Limited into and with Tata Steel Limited

The Board, at its meeting held on September 22, 2022, approved a scheme of amalgamation of S & T Mining Company Limited ('S&T'), a wholly-owned subsidiary of Tata Steel, into and with the Company ('S&T Scheme'). The Hon'ble NCLT, Kolkata Bench vide its order dated November 10, 2023 sanctioned the S&T Scheme. The effective date of amalgamation of S&T into and with the Company is December 1, 2023. As per the terms of the S&T Scheme, the entire shareholding of the Company in S&T, stands cancelled.

d) Amalgamation of The Tinsplate Company of India Limited into and with Tata Steel Limited

The Board, at its meeting held on September 22, 2022, approved the scheme of amalgamation of The Tinsplate Company of India Limited ('TCIL') into and with the Company ('TCIL Scheme'). The TCIL Scheme was approved by the shareholders of the Company with requisite majority at their meeting held on June 28, 2023. On receipt of approval of the shareholders, the Company filed the 'Company Scheme Petition' with the Hon'ble NCLT, Mumbai Bench with the prayer to sanction the TCIL Scheme. On October 20, 2023, and January 1, 2024, the Hon'ble NCLT, Mumbai Bench and Hon'ble NCLT, Kolkata Bench pronounced the respective orders sanctioning the TCIL Scheme. The effective date of amalgamation of TCIL into and with the Company is January 15, 2024.

As per the terms of the TCIL Scheme, the Board, on January 8, 2024 approved issuance of 33 fully paid-up equity shares of face value of ₹1/- each of the Company, for every 10 fully paid-up equity shares of TCIL of ₹10/- each to the public shareholders of TCIL, as on January 19, 2024 ('TCIL Record Date'). Subsequently, on January 21, 2024, the Board allotted 8,64,92,993 fully paid-up equity shares of the Company of face value ₹1/- each, to the eligible shareholders of TCIL as on the TCIL Record Date. Further, the equity shares held by the Company in TCIL stand cancelled.

e) Amalgamation of Tata Metaliks Limited into and with Tata Steel Limited

The Board, at its meeting held on September 22, 2022, approved the scheme of amalgamation of Tata Metaliks Limited ('TML') into and with the Company ('TML Scheme'). The TML Scheme was approved by the shareholders of the Company with requisite majority at their meeting held on August 10, 2023. On receipt of approval of the shareholders, the Company filed the 'Company Scheme Petition' with the Hon'ble NCLT, Mumbai Bench with the prayer to sanction the TML

Scheme. On December 21, 2023 and January 11, 2024, the Hon'ble NCLT, Kolkata Bench and Hon'ble NCLT, Mumbai Bench pronounced the respective orders sanctioning the TML Scheme. The effective date of amalgamation of TML into and with the Company is February 1, 2024.

As per the terms of the TML Scheme, the Board, on January 24, 2024 approved issuance of 79 fully paid-up equity shares of the Company of face value ₹1/- each, for every 10 fully paid-up equity shares of TML of face value ₹10/- each, to the public shareholders of TML as on February 6, 2024 ('TML Record Date'). Subsequently, on February 8, 2024, the Board allotted 9,97,01,239 fully paid-up equity shares of the Company of face value ₹1/- each, to the eligible shareholders of TML as on the TML Record Date. Further, the equity shares held by the Company in TML stand cancelled.

f) Amalgamation of TRF Limited into and with Tata Steel Limited

The Board, at its meeting held on September 22, 2022, approved a scheme of amalgamation of TRF Limited ('TRF') into and with the Company ('TRF Scheme'). The TRF Scheme was approved by the Board with an objective to realise synergies from the amalgamation and to enhance stakeholder value. Pursuant to the orders of the Hon'ble NCLT, Mumbai Bench, a meeting of the equity shareholders of the Company was convened and held on September 18, 2023. On receipt of the requisite approval of the shareholders, the Company filed the 'Company Scheme Petition' with the Hon'ble NCLT, Mumbai Bench.

The Board of Directors of TRF, at its meeting held on February 6, 2024, decided not to proceed with the proposed amalgamation and approved withdrawal of the TRF Scheme, considering the improvement in TRF's business performance.

In concurrence with the decision of the Board of Directors of TRF, the Board of Directors of the Company also decided to withdraw the TRF Scheme and filed an application in this regard before the Hon'ble NCLT, Mumbai Bench with the prayer to withdraw the TRF Scheme. On February 7, 2024 and February 8, 2024 the Hon'ble NCLT, Kolkata Bench and Hon'ble NCLT, Mumbai Bench allowed the withdrawal of the TRF Scheme, respectively. As on date, TRF continues to be an associate company of Tata Steel Limited.

g) 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. On receipt of shareholders' approval, the Company and ISWP filed the 'Company Scheme Petition' with the Hon'ble NCLT, Mumbai Bench and Kolkata Bench, respectively, with the prayer to sanction the ISWP Scheme. On May 24, 2024, the Hon'ble NCLT, Kolkata Bench pronounced the order sanctioning the ISWP Scheme. The ISWP Scheme is currently pending before the Hon'ble NCLT, Mumbai Bench for its consideration.

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

The Board, at its meeting held on September 22, 2022, approved a scheme of amalgamation of Angul Energy Limited ('AEL') into and with the Company ('AEL Scheme'). The AEL Scheme was approved by the shareholders of the Company with requisite majority, at their meeting held on February 9, 2024. Further, the Hon'ble NCLT, New Delhi Bench, allowed the prayer of dispensation of holding the meeting of the equity shareholders of AEL.

On receipt of approval of the shareholders, the Company filed the 'Company Scheme Petition' with the Hon'ble NCLT, Mumbai Bench and Hon'ble NCLT, New Delhi Bench, respectively, with a prayer to sanction the AEL Scheme. On April 18, 2024, the Hon'ble NCLT, New Delhi Bench pronounced the order approving and sanctioning the AEL Scheme. The AEL Scheme is currently pending before the Hon'ble NCLT, Mumbai Bench for its consideration.

i) Amalgamation of Bhubaneswar Power Private Limited

The Board of Directors of the Company, at its meeting held on November 1, 2023, approved a scheme of amalgamation of Bhubaneswar Power Private Limited ('BPPL'), a wholly-owned subsidiary of Tata Steel, into and with the Company ('BPPL Scheme'). Subsequently, BPPL filed the 'Company Scheme Petition' with the Hon'ble NCLT, Hyderabad Bench with the prayer to sanction the

BPPL Scheme. The BBPL Scheme is pending before the Hon'ble NCLT, Hyderabad Bench for its consideration.

2. Acquisitions and Investments

a) Investment in The Indian Steel & Wire Products Limited

The Company acquired 1,55,26,573 equity shares of face value of ₹10/- each of The Indian Steel & Wire Products Limited ('ISWP'), at a premium of ₹417.01 per share, aggregating to ~₹663 crore in various tranches. The acquisition lead to an increase in the equity stake held by the Company in ISWP from 95.01% to 98.61%. ISWP continues to be a subsidiary of the Company.

b) Acquisition of stake in TP Vardhaman Surya Limited

In line with the Company's goal of Net Zero by 2045, to source renewable power and reduce its carbon footprint by replacing partially coal based thermal power consumption and fulfilling additional power requirement for expansion, on November 6, 2023, the Company executed a Share Purchase and Shareholders' Agreement with Tata Power Renewable Energy Limited and its wholly-owned subsidiary, TP Vardhaman Surya Limited ('TPVSL')

The Company acquired 13,000 equity shares of TPVSL, of face value of ₹10/- each, at par, for an aggregate consideration of ₹1.30 lakh constituting 26% of the equity shareholding of TPVSL. Consequent to this acquisition, TPVSL became an associate of the Company.

c) Acquisition of stake in Neelachal Ispat Nigam Limited

During the year, the Company directly acquired equity shares aggregating to 1.74% in Neelachal Ispat Nigam Limited ('NINL') by way of purchase of equity shares from minority shareholders. Further, the scheme of amalgamation between Tata Steel Long Products Limited ('TSLP') and Tata Steel Limited became effective November 15, 2023. Accordingly, the investment held by TSLP in NINL is now held directly by the Company.

As on March 31, 2024, the Company holds 99.66% of equity shares and entire preference share capital in NINL.

3. Financing and Debt Redemption

a) Issue of Non-Convertible Debentures

During FY2023-24, the Company allotted the following Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures ('NCDs') to identified investors on a private placement basis:

No. of NCDs	Face value (₹)	Amount (₹ crore)	Date of allotment	Coupon	Tenure	Date of Maturity
2,70,000	1,00,000	2,700	March 27, 2024	7.79%	3 years	March 27, 2027

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.

b) Redemption of Non-Convertible Debentures

The Company has redeemed the following Non-Convertible Debentures on the relevant due date as per their respective terms of issue:

Amount (₹ crore)	Date of allotment	Coupon	Date of Maturity
1,000	May 20, 2020	8.25%	May 19, 2023 (Since May 20, 2023 was a bank holiday)
400	June 3, 2020	Floating Rate	June 2, 2023 (Since June 3, 2023 was a bank holiday)
500	April 30, 2020	7.95%	October 30, 2023

c) Credit Rating

During the year under review, international credit rating agency, Moody's upgraded Tata Steel's Corporate Family Rating to investment grade rating from 'Ba1' Positive to 'Baa3' Stable. The upgrade was primarily driven by the strategic direction undertaken by Tata Steel on multiple areas including focus on India growth, the new strategic investment in the UK with the aid of the UK Government, conservative financial strategy and the aggressive deleveraging undertaken by Tata Steel in the past few years. At about the same time, S&P Global Ratings reaffirmed Tata Steel's Corporate Family Rating at investment grade rating of 'BBB-' maintaining 'Positive' rating outlook. Tata Steel is now rated investment grade by both rating agencies.

During the year, the domestic rating agencies, India Ratings reaffirmed Tata Steel's long-term credit rating at AA+ with 'Positive' rating outlook whereas CARE Ratings reaffirmed at AA+ with 'Stable' rating outlook.

4. Operations

Transformation from blast furnaces to green steelmaking in the UK and initiation of statutory consultation

On September 15, 2023, Tata Steel UK reached a historic milestone as it announced a joint agreement with the UK Government on a proposal to invest in state-of-the-art electric arc furnace, that would replace the two blast furnaces at the Port Talbot site by incurring a capital cost of £1.25 billion including a grant of up to £500 million from the UK Government. The proposal remains subject to relevant regulatory approvals, information, and consultation processes, and finalisation of detailed terms & conditions. The project will bolster the UK's steel security and will be the first major step towards decarbonisation of the UK steel industry, potentially reducing direct carbon emissions by 50 MT over a decade. The proposal would also mark a transformation in the UK's progress towards a more

circular economy, leveraging domestically available scrap steel and promoting value addition within the UK.

The Company has commenced statutory consultation as a part of its transformation and restructuring plan of UK business to transition from the legacy of blast furnaces to a more sustainable, green steel business which would result in securing most of Tata Steel UK's existing product capability and maintain the country's self-sufficiency in steel making, while also reducing CO₂ emissions. Subsequently, the Company has also decided to cease its operations of the Coke Ovens at the Port Talbot plant, in Wales, UK. The Company is under discussions with trade unions in the UK on its proposal for the planned restructuring involving closure of the iron and steelmaking assets at Port Talbot, and for subsequent transition to sustainable low CO₂ steelmaking. This is a part of the Company's commitment to transitioning to low-carbon steelmaking and is also a step aligned to the Company's goal of achieving Net Zero carbon emission by 2045.

Tata Steel UK announced a proposal which would lead to the cessation of its existing 'heavy end' assets - such as its blast furnaces and coke oven plants - which are reaching the end of their operational life. During the transition period and project phase, Tata Steel UK 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.

As part of Tata Steel's commitment to advance global research and innovation in materials science for a sustainable future, the Company also announced its intention to invest approximately £20 million over 4 years to set up two additional Centers of Innovation & Technology in the UK at the Henry Royce Institute at Manchester (for advanced materials research) and at Imperial College London (for research in Sustainable Design & Manufacturing).

E. Sustainability

Tata Steel is constantly striving to lead in sustainable practices with commitment to environment stewardship, social responsibility, and robust governance standards, setting a benchmark for industry peers. The Company is committed to align with national commitments on climate change across its operating geographies & Tata Group's Net Zero 2045 Goal and is working to mitigate climate change transition risk by various initiatives and collaborations.

Tata Steel India is increasing scrap charge in all steel making sites. The Company has launched a first of-its-kind green supply chain solution i.e., a multimodal service to move scrap from Chennai to Tata Steel sites within India, using the short sea route, reducing the overall carbon footprint. Tata Steel's upcoming 0.75 MTPA steel scrap-based electric arc furnace, ('EAF') Plant in Ludhiana, Punjab, India has obtained environment clearance.

The Company is also increasing its renewable energy mix. Tata Power Renewable Energy Limited proposes to set up solar & wind hybrid power plant to replace ~379 MW of Tata Steel's fossil fuel-based power consumption, to reduce ~2 MT of CO₂ emissions per annum.

Tata Steel India undertook Hydrogen (H₂) injection trial at the E Blast Furnace at Jamshedpur. This is the first time in the world that such a large quantity (40% of the injection system) of H₂ was continuously injected inside a blast furnace. The trial showed potential to reduce coke rate by 10%, i.e ~7-10% reduction in CO₂/tcs.

The product sustainability at Tata Steel is being deployed in 3 aspects:

Life Cycle Assessment ('LCA'): This year, LCA study for Ferro Chrome business was completed and of Iron powder made from by-products is under progress.

GreenPro: In FY2023-24, Tata Steel has achieved GreenPro ecolabel certification by CII for automotive flat products (HR, HRPO, HRSPO, CRCA and Galvanised) manufactured across multiple facilities.

Environment Product Disclosure ('EPD'): The Company has published EPD for Steel Rebars, Steel Hot Rolled Coils and Steel Structural hollow section ('**Tata Structura**').

Tata Steel is a member of Task Force on Nature Related Disclosures ('**TNFD**') and supported it in developing a risk management and disclosure framework & standard, released in September 2023. Additionally, the Company has two-pronged approach towards Biodiversity management, viz. covering all sites under Biodiversity Management Plans ('**BMPs**') developed after consultation with domain experts, Terracon Ecotech and

International Union for Conservation of Nature ('**IUCN**') and developing Nature-based Solution initiatives ('**NbS**'), in alignment with national & international Targets & UN-SDGs. The Company has also constituted Centre of Excellence for Biodiversity Management. The bamboo plantation in Jharia is a major step towards becoming a leader in NbS, supporting community livelihood and sequestering carbon.

Tata Steel's Kalinganagar and Meramandali plants received ResponsibleSteel™ Certification, marking a significant milestone in the Company's sustainability journey. Jamshedpur plant was the first Indian steel plant to be certified in 2022. In India, Tata Steel produces more than 90% steel from ResponsibleSteel™ certified sites.

Further, Tata Steel deployed Business and Human Rights Policy across its sites through extensive due diligence, for 6 identified categories of stakeholders across the value chain.

Across Europe, steelmakers need government support to decarbonise and Tata Steel is engaging with the Dutch, UK, and Welsh Governments on these complex themes.

In Europe, the Group has launched commercial propositions that allow customers to take a stake in its decarbonisation journey, whilst demonstrating their own contribution to societal CO₂ emission reductions. Under the brand names Zeremis Carbon Lite and Optemis Carbon Lite for Tata Steel Netherlands ('**TSN**') and Tata Steel UK ('**TSUK**') respectively, the propositions are based on carbon 'insetting,' where actual emissions reductions are third-party verified, banked and offered to customers for off-setting their Scope 3 emissions of CO₂. The CO₂ savings are subject to verification by leading assurance organisation DNV in accordance with the Greenhouse Gas ('**GHG**') Protocol Project and Product Accounting Standard. Operation of the CO₂ banks is based on a mass balance approach outlined in ISO 22095: 2020. Revenues from the sale of certificates are used to fund projects generating further CO₂ savings. During FY2023-24, both the Zeremis and Optemis Carbon Lite offerings continued to gain traction amongst customers. At the end of 2023, TSN launched Zeremis® Delivered, the solution for customers to receive their steel orders through lower-emission transportation methods. The service enables customers to reduce their scope 3 emissions, along with other emissions linked to the transportation of their steel. TSN and the Dutch government signed an Expression of Principles in FY2022-23 to reduce CO₂ emissions by 5 MT by 2030. In FY2023-24, TSN has submitted its transition plan, embarking next step in this process.

1. Environment

Being a responsible corporate citizen, Tata Steel continues to strive for environmental excellence across operations. Towards this, the Company has undertaken prioritised set of initiatives for environmental protection by addressing environmental concerns associated with its operations and supply chain. The Safety, Health and Environment Committee of the Board provides oversight and necessary guidance on the environmental matters. The Company has identified internal teams to take care of environmental requirements and issues at its operating locations, globally. As part of responsible advocacy, the Company syndicates its stance with key stakeholders on environmental policy matters including regulatory issues and actively participates in various national and international initiatives on diverse issues.

Guided by the Tata Code of Conduct, Climate change policy for Tata companies, Tata Steel's corporate policies (environmental policy, energy policy, biodiversity policy), the Company endeavours to set steel industry benchmark in environmental performance. The Company has achieved significant reduction in its environment footprint over the years through process optimisation, asset upgradation and efficiency enhancement to realise its commitment as a responsible stakeholder in the community. Towards this, the Company has undertaken several initiatives in areas of resource conservation, pollution control and waste management, amongst others. The Company has adopted environment friendly processes, best available technologies, real-time monitoring systems and has IT enabled real-time dashboards to facilitate environmentally friendly operational control. The Company has digitised the systems of real-time monitoring of environmental parameters for faster identification of probable environmental impacts of its operations to initiate mitigating actions for controlling environmental pollution. The Company maintains transparency of its environmental performance through various disclosures to stakeholders from time to time. During the year under review, the Company has taken initiatives to retain Indian benchmark position of Jamshedpur Steel Works in specific stack dust emissions and specific fresh-water intake amongst coal-based Blast Furnace – Basic Oxygen Furnace (BF-BOF) plants.

In the UK, Tata Steel achieved a re-certification of the environmental management system at its main sites to ISO 14001: 2015 and secured ongoing certification of its products to the BES6001 sustainability standard. Despite the Company's efforts, it noted an increase in the number of complaints received from members

of the public during FY2022-23 and the early part of FY2023-24, specifically regarding concerns about odour, noise, and dust. These concerns arose primarily in relation to issues related to the stability of the two blast furnaces at Port Talbot. In response to the complaints, the Company examined its processes and operations to ensure it was taking all necessary steps to meet and go beyond regulatory requirements. In recognition of the value it places on the feedback received from the local community, it initiated a review of its complaint management process to ensure timely and effective resolution of issues raised by the public. This led to the implementation of a revised, improved process. By fostering open lines of communication, the Company aims to strengthen its relationship with the community and address their environmental concerns more effectively. The Company always has, and always will, deeply value the well-being and prosperity of everyone who forms a part of the communities in which it operates. Its commitment to reducing the environmental impact of its operations remains resolute.

During the year, TSN further accelerated the measures under the Roadmap+ programme by implementing measures to reduce dust, noise, odour and other emissions. In January 2024, TSN commissioned its largest environmental installation, a dedusting installation at its IJmuiden Pellet Plant. The dedusting plant is to reduce emissions of lead by 70%, alongside reduction in dust. It will be accompanied with a nitrogen oxide reduction (deNOx), which is expected to be operational in 2025. Tata Steel is also building windbreaker screens of about 18 metres height and around a kilometre length around the raw material storage facilities, thereby reducing wind speeds and the associated dust dispersal. Local artist and residents have been encouraged to participate in the design. The windbreaker will be finished in the second half of 2024. As part of its transition to low CO₂ steelmaking, and its discussions with the government regarding state support, TSN has also announced environmental measures to include in the transition plan, mainly focussing on reduction of fine dust.

2. Climate Change

Climate change is one of the most pressing issues the world faces today, and the Company recognises its obligation to work towards mitigation of climate change related risks and strives to reduce its carbon footprint especially of steelmaking facilities across all geographies. The Company is committed to be aligned to national commitments on climate change in geographies, it operates in. The Company is a signatory

to the Task Force on the Climate-related Financial Disclosures ('TCFD') and has identified transition risks and opportunities. Specific mitigation and contingency plans for each of the identified risks have been integrated within the Company's long-term strategy.

The Company is collaborating with a wide range of organisations in developing the ecosystem to mitigate climate change transition risk. To move closer towards lower carbon pathway, the Company is working towards installing gas-based Direct Reduction Iron (DRI) and be future-ready in use of hydrogen. The Company continues to work towards integrating hydrogen gas in iron making processes as a non-fossil fuel and reductant. In India, the Company is pursuing its efforts to reduce Greenhouse Gases (GHG) intensity of business by improving resource efficiency through adoption of best available technologies and good practices which includes measurement, analysis, reporting review, target-setting and engagement with key stakeholders on related issues, experimenting with sustainable alternatives of fossil fuels, and stakeholder collaborations.

Tata Steel strives to retain benchmark positions in GHG intensity of IJmuiden globally and Jamshedpur Steel Works in India amongst BF-BOF based steelmaking facilities. Enhanced use of electricity from renewable sources in electricity mix, energy efficiency of production processes and multiple improvement initiatives across value chain including logistics (shipping and transportation), Steel Recycling Business amongst others in India are key enablers in pursuit of intermediate goal of 2030.

At IJmuiden, the Company pursues major decarbonisation plan to achieve quantum reduction. The Company has also embarked upon the implementation of its decarbonisation plans at Port Talbot plant in UK.

During the year, plans were announced for a £1.25bn investment to transform the UK business, moving from blast furnace to EAF technology. This will significantly reduce the overall carbon footprint, reduce direct CO₂ emissions by ~90%. It will also ensure an increase in the amount of recycled content of the Company's steel and reduce the amount of scrap exported from the UK.

Energy and carbon reduction implementation is progressing in many of the Company's sites which is complimented by ISO 50001: 2018 accreditation. Hartlepool, Catnic and Corby sites achieved this standard within the year, joining Shotton who already held the standard and have progressed key projects including site wide LED lighting upgrades, saving 57.3% and a furnace recuperator upgrade on the galvanising line saving.

In November 2023, Tata Steel UK completed installation of a £5m furnace upgrade project at Corby, which will result in a 16% reduction in process energy demands for the site's largest energy user and ensuring reliable manufacturing of Celsius products for the future by replacing the combined gas and electric furnaces with modern state-of-the-art electrical induction units.

During the year under review, Tata Steel has taken initiatives to retain its global benchmark positions in CO₂ intensity (scope 1&2) of IJmuiden Plant in Netherlands and Jamshedpur Steel Works in India amongst BF-BOF based steelmaking facilities. This has been enabled due to increase in use of recycled scraps in steelmaking and renewables in the energy mix which have lead to improving energy efficiency of production processes and multiple improvement initiatives across value chain.

TSN has a public commitment to reduce its CO₂ emissions by 5 Megatons by 2030. In the previous year, TSN submitted a request to the Dutch government for 'Maatwerk' support (a tailor-made support package) to enable the first phase of its decarbonisation plan. An improved Green Steel Plan with an enhanced focus on reducing the impact on our environment and making TSN more circular was submitted to the Dutch government in November 2023. The Company is committed to transitioning in a phased manner out of blast furnace operations to steel making using direct reduced iron technology and electric smelting, with an eventual transition to Green Hydrogen depending on availability and economics. It is currently engaged with multiple technology and engineering partners to complete detailed evaluation and engineering, implementation planning and costing of the project.

3. Health and Safety

Tata Steel places health and safety at the forefront of its responsibilities. The Company is committed to zero harm at the workplace. Health and Safety Management are integrated into the Company's annual business planning process and cascaded down to ensure accountability at all levels. Additionally, the Company also has a robust governance structure, overseen by the Safety, Health, and Environment Committee of the Board, working in tandem with the Apex Safety Council. These directives permeate through sub-committees and Divisional Implementation Committees, chaired by members of the Senior Management.

Tata Steel has significantly enhanced its safety leadership capabilities, embraced digital innovations in safety practices, and strengthened contractor safety

management standards. The Company's focused efforts on hazard identification, risk management, road and rail safety, process safety management, and occupational health have made considerable advancements in enhancing the safety risk sensitivity across Tata Steel. To institutionalise cross-learning between four Tata Group Companies, a safety workshop with senior leadership and the Group Chairman was organised.

During the year under review, the Company undertook several initiatives, including the successful establishment of Safety Alert Command Centre. This initiative has paved the way for the scalable implementation of innovative safety measures such as video analytics, and connected workforce. Tata Steel India's Safety Management System IT portal has been upgraded to EnsafeNxt, whereby digital alerts are also connected to uniform review and escalation mechanism. Integrated Safety Performance Index ('SPI') was rolled out to review the performance of departments on important Key Performance Indicators in safety to improve organisation's overall safety culture.

To promote positive safety culture throughout the organisation, 4th edition of Safety Health & Environment Excellence Awards, 2023 was organised with the theme 'Values Driven Excellence'. This event aimed at recognising & rewarding the efforts of employees, contractors, and departments in the field of Safety, Health, Environment, and 5S & Visual Workplace Management ('VWM').

For addressing road safety risks, Tata Steel has developed Model Heavy Vehicles Parking areas and Transport Parks, implemented technological interventions such as a Driver Fatigue Monitoring System, dump-body raised interlock, and Anti-tilt mechanisms across all Dumpers covering 100% of heavy vehicles plying inside works. An integrated command centre is being developed for effective control over the fleet through live monitoring of heavy vehicles plying inside and analysing feeds from Driver Fatigue Monitoring System. The competency development of heavy vehicle drivers through a simulator-based training facility has been commenced at Jamshedpur, Meramandali and Raw-Material locations.

The 'Contractor Safety Management Standard' has been fully implemented across all sites and is now being deployed at NINL. For strengthening oversight management of Operation & Maintenance ('O&M') contracts, a guideline was formulated and quarterly audits of all 102 O&M vendors across locations were carried out. Focused initiatives for the upgradation of skill-certified workmen and supervisors from Silver to Gold and Platinum at all locations were carried out.

Tata Steel received the 'Safety and Health Excellence Recognition 2023' from the World Steel Association for 'Real-time visualisation of risk movement' under the Process Safety category. Process Safety Management was rolled out in High Hazard departments of Tata Steel Gamharia, erstwhile Tata Steel Mining (now amalgamated with the Company) and NINL. To develop exemplars in process safety, certification programs were conducted via School of Excellence and National Examination Board in Occupational Safety and Health ('NEBOSH').

Fatality of contract employees has been the topmost safety concern for the Company. It is with deep regret that the Company reports 5 fatalities during the year under review. The Company has rolled out the revised Life-Saving Rules designed for manufacturing units, construction sites, and mines to enhance safety discipline across locations. The Company has launched hazard specific safety campaigns viz. 'Know your Personal Protective Equipment's', along with focused safety campaign on 'Manual Tasks and Tools' at Jamshedpur and Meramandali locations. Initiatives like Felt Leadership 2.0 and the transformation of 86 safety standards into e-learning modules underscore Tata Steel's commitment to widespread safety knowledge dissemination. Lost Time Injuries ('LTIs') at Tata Steel (India & South-East Asia) have reduced by 8% from the previous year. Tata Steel Jamshedpur achieved 35% reduction in LTIs.

A Chief Wellness Officer was appointed during the year to drive focus towards Occupational Health initiatives. 'Wellspring', Tata Steel's Health & Well-being App was rolled out for all the employees, covering physical well-being, nutrition, health promotion & emotional well-being. Industrial Hygiene assessment was completed in 14 departments of Jamshedpur, Kalinganagar and Raw Material locations. Ergonomic assessment was completed in 24 departments of Jamshedpur, Kalinganagar and Raw Material locations.

In the UK and the Netherlands, Health and Safety continues to be of utmost priority. In the UK, the business currently operates an internal 15-Principle health and safety management system but has started its transition towards a certified health and safety management system ISO 45001: 2018. Currently, three units have achieved certification with plans in place for the rest of the business to transition. During FY2023-24, Tata Steel UK deployed a health and safety annual plan with a focus on three key areas viz; occupational safety, process safety and occupational health & well-being. Improvements were made in relation

to the management of significant hazards through isolation and immobilisation in the deployment of a so-called 'one person one lock' approach, cranes and lifting standards, functional testing, workplace transport and initiation of digital permitting. From a process safety perspective, the Company submitted a site safety report for the main steel making site at Port Talbot as part of its Control of Major Accident Hazard (COMAH) obligations. It continued to improve knowledge and competence on process safety leadership through targeted interventions and course across the business. In terms of occupational health and well being, the change in the business awareness and activity continued at pace with a health and well-being hub established, 380 mental health first aiders trained and increased levels of engagement and interventions on a range of health and well-being topics. Safety leadership continues to be demonstrated with through senior leadership, audits, across the business.

To further improve the level of safety on TSN sites, TSN is implementing an additional strategy to create a pro-active safety management culture regarding unsafe behaviour. In addition to keeping an eye on incidents (safety issues), more focus is created on the positive aspects of safety: the circumstances and moments in which work runs smoothly and safely. In that way the focus is on looking for causes and conditions that contribute to safe operations. As a result of this, risks are eliminated. Next to this, attention is paid to role responsibility, as well as continuing to manage risks and maintaining dialogue regarding healthy and safe working practices. An important aspect of this strategy is safety awareness among employees, regarding both themselves and their colleagues, and associated behaviours and communication. With this approach, a link is made with TSN's three leadership principles, Connect, Change and Care, in underlining the responsibility of the individual for safety. Furthermore, 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'. This shared vision emphasises the importance of sustainable employability and preventive sickness absence.

Both at TSN and TSUK, an integrated health and safety management system ensures a consistent approach to health and safety throughout the organisation. The Health and Safety Management System follows the Plan, Do, Check, Act management model, which is a process of continuous improvement.

4. Research and Development

Tata Steel R&D and Technology division establishes the technical underpinnings essential for organisation's sustainability and enduring success. The division achieves this by fostering innovating thinking and continually enhancing products and processes. Tata Steel possesses R&D capabilities across the steel value chain starting from raw materials/mining to final products/solutions.

Along with R&D Centre at Jamshedpur, the Company has initiated measures to extend its footprint not only nationwide but also on a global scale. During the year under review, Tata Steel inked Memorandum of Understanding with the Imperial College London and The Henry Royce Institute to set up centres of innovation. The centre at Imperial College London is focused on Sustainable Design and Manufacturing and enables the acceleration of technology development and deployment in strategic areas, attract talent, and strengthen the industry-academia collaborative eco-system. The innovation Centre at the Henry Royce Institute aims to accelerate research on advanced materials along with the broader UK innovation eco-system involving multiple universities, catapult centres and the National Health Service.

As a part of the ongoing efforts to decarbonise the steel sector, Tata Steel has executed the trial injection of hydrogen gas using 40% of the injection systems in 'E' Blast Furnace at its Jamshedpur Works. This was the first time in the world that such a large quantity of hydrogen gas was continuously injected in a blast furnace. Another key implementation on sustainability this year was SMART solution package for cooling tower. The machine learning algorithm-based solution has resulted in substantial improvements in energy efficiency, reduction in carbon dioxide emissions, water savings, operational expenses without causing any operational disturbances. The project won the 'Energy Transition Changemakers' award during COP 28.

With focus on customer centricity, Tata Steel has developed an engineered polymer coating solution that make 7-tanks pre-treatment process redundant. This technology is mainly developed for Cold Rolled Steel and can be directly applied without any pre-treatment or primer coatings. Integrating sensors into production processes is gaining momentum in manufacturing industry as it enables enhanced monitoring, analysis and optimisation of parameters, ultimately contributing to increased efficiency and quality control. Amongst several notable implementation on sensorisation front, R&D developed Fiber Bragg Grating based sensors

system and deployed it for real-time monitoring of tundish condition. The system is designed to improve productivity and safe operations.

The emphasis on establishing technology leadership precipitated in filing of 142 patent applications and grant of 395 patents, marking the highest tally in history, and underscoring a dedicated commitment to innovation. R&D won several prestigious awards this year including Asia IP Elite 2023, CII Innovation award, CII Industrial IP Award, Energy transition change maker award COP'28 for smart cooling tower, and R&D 100 award for 5 TPD CO₂ capture from Blast Furnace.

Tata Steel UK ('TSUK') produces approximately 6 million tonnes of carbon dioxide ('CO₂') annually and is committed to reducing its carbon footprint. The effort to reduce this footprint has been two-fold. The first is the closure of the heavy end operations through the Blast Furnaces route and the investments in the EAF technology. With this, almost 90% of the CO₂ emissions would be addressed. The second is the continued efforts to work on technologies that enable further carbon capture and storage/utilization CCU/S- both at Port Talbot as well as the downstream operations.

With the transition to EAF technology, increased utilisation of the UK's scrap resource is going to be key. With this in mind, TSUK has continued its involvement in the UKRI funded SUSTAIN and RECTIFI Partnerships working with universities and other industries to develop the foundations for future steelmaking. The focus on scrap utilisation has led to the development of tools for the current processes studying the instances of loss of containment from hot metal charging. This has directly led to a deeper understanding of the UK scrap supply whilst also aiding process stability. The ongoing commitment to CO₂ reduction has led to utilisation of various scrap types in our blast furnaces. TSUK has also actively studied the replacement of fossil carbon in its coal injection facility by biomass in collaboration with Aberystwyth and Cardiff Universities.

TSUK continues to participate in yet another UKRI funded project, titled Flue2Chem. This project offers a unique opportunity not only to test higher capacity carbon capture technology but also to develop and validate a new business model and capability, to enable the utilisation of waste gases to generate feedstocks and chemicals for use in the production of consumer products in the UK. Tata Steel has also partnered on the UKRI funded Com-2-Coat project. The project has developed digital tools for creating energy-efficient and resource-efficient functional coatings for steel - specially antimicrobial spray coating.

TSUK is also working on a strategic UK government-funded Catapult partnership project with Warwick Manufacturing Group ('WMG') at Warwick University. Under this partnership, TSUK is focussing on the following:

- » Innovative solutions for the UK packaging sector. The objective is to develop high-strength, double-reduced packaging steels with strengths 600 to 750 MPa and elongation ~5%. These steels are vital for the Easy Open End ('EOE') and aerosols market, offering comprehensive solutions within a gauge range of about 0.15-0.25 mm. Increased strength and ductility will facilitate further downgauging, potentially reducing CO₂ emissions by approximately 1% per can. TSUK and WMG are filing a patent for this new microstructure, aimed at the high-strength packaging industry aligning to the EN10202:2022 packaging standard.
- » Support to TSUK's decarbonization strategy; particularly aligning with the EAF operations and increasing scrap content, which will influence elements like copper, nickel, tin, and chromium. Pilot work has been conducted to study the impact of residual elements on material properties. A comprehensive approach is being adopted that integrates residual effects in the development of low-carbon formable steel grades.
- » In line with developing a supply chain for packaging laminates in the UK, laboratory-scale extrusion and lamination of new polymer materials on tin cans are being explored. In collaboration with TSN, equipment for producing sanitary and easy-open can lid ends has been developed.

In June 2023, TSUK R&D organised STIR (Stimulating Innovations in Research) in hybrid mode to discuss and deliberate research and technology themes pertinent to the TSUK towards its journey of Net Zero, Circular Economy and Sustainable Product Portfolios. This was followed up in December 2023 when TSUK hosted its inaugural UK Innovation Awards. The event saw 74 nominations and recognized around 300 colleagues across five categories, including the prestigious Chris Elliot Innovation Prize for significant cross-functional innovations.

With the adoption of the EAF technology, TSUK is actively working on new research and technology areas e.g. Artificial Intelligence and Machine Learning for scrap beneficiation; Optimisation of Residuals in Scrap for advanced steel grades.

In Tata Steel Netherlands ('TSN'), 82% of the R&D technology programme was developed under the

Research Portfolio Committees ('RPCs'), which oversee process and product market sector advancements. The remaining capacity was allocated to the Strategic Thrust programme, covering projects including:

- » **DENS (Digitally Enhanced New Steel) Programme:** Partnering with selected universities, this initiative accelerates new product development through small-scale experiments that feed into models applicable at an operational scale. The DENS model predicts end-product mechanical properties from composition and process conditions. It has been calibrated to translate laboratory conditions to real mill processes.
- » **DEPMAT (Data Enhanced Physical models to reduce Materials use) Programme:** This collaboration develops hybrid physical/data models to extend the DENS approach to explore mitigation of the negative effects of increased scrap usage on required mechanical properties of strip products.
- » **Heat Recovery:** Investigating methods to recover and reuse heat losses during production, in collaboration with the environmental department at IJmuiden.
- » **Dust Characterisation:** Collecting dust samples in the surroundings of Tata Steel IJmuiden site to determine root causes.
- » **Market Development:** Investigating new developments such as the Einstein telescope, battery cases, and new steel concepts with higher strength and formability. Studying the effects of high scrap contents on high-strength and clean steels.
- » **Hlsarna Technology:** Engineering for upscaling to 1 million tonnes/year demo plant started in FY2021-22 and continued through FY2022-23, in collaboration with a team in Jamshedpur, India. In FY2023-24, three plant trials were conducted, including the 'Reclamet' project for recycling zinc-coated steel scrap.
- » **Data Driven Steel:** Connecting to Advanced Analytics to develop data-intensive through-process solutions.

The FY2023-24 process technology programme focused on lean and robust manufacturing, better raw material usage, and quality issue resolution. The programme supports the Group's manufacturing and differentiated product strategy. A decarbonisation programme is now embedded in the RPC structure, supporting TSN's goal of implementing a green hydrogen steelmaking route and optimising new DRI-based production routes. Key achievements include:

- » **Sustainable Nickel-Plating Technology:** Developed a new technology for nickel plating that avoids toxic by-products, crucial for the electrification and hydrogenation industries.
- » **AI-Optimised Ladle Logistics:** Using AI to minimise heat loss during hot metal transfer, reducing CO₂ emissions and allowing for additional scrap intake.
- » **New Reheating Furnace Control System:** Adapted an in-house control system for better product quality and reduced fuel consumption and emissions.
- » **Galvanising Process Enhancement:** Developed a galvanising process without submerged stabiliser rolls, improving yield and quality.
- » **Coating Weight Control Model:** Implemented a new control model for coating weight, resulting in better product quality and reduced zinc consumption.
- » **New Sensing System:** Installed a sensing system in the hot strip mill's run-out table, providing real-time data to optimise cooling processes and quality across the product portfolio.

The Tata Steel Group strategy focuses on developing new steel products for automotive, engineering, construction, and packaging sectors. Key initiatives include:

- » **Valast Products:** Demonstrated the superiority of abrasion-resistant Valast products for heavy engineering applications.
- » **Battery Box Cover Material Analysis:** Conducted material analysis for EV battery box covers, ensuring high formability and thermal safety.
- » **Hydrogen Cracking Testing Method:** Developed a testing method for assessing advanced high-strength steel sensitivity to delayed hydrogen cracking.
- » **Zinc Wear Sensitivity Prediction:** Created a procedure to predict sensitivity to zinc wear, aiding in product portfolio expansion.

In FY2023-24, TSN launched and commercialised 11 new products, including:

- » **AR400 Valast Product:** Extended the engineering portfolio with the widest strip product on the market, offering superior quality and increased hardness and strength.
- » **DP800-GA Automotive Product:** Enhanced the automotive portfolio with a product used by Toyota for stronger, lighter car bodies.

- » **Non-Grain Oriented Steel for Electro Motors:** Commercialised NGO steel for electro motors, enabling vehicle electrification with a lower CO₂ burden.
- » **Polymer-Coated TCCT Material:** Developed a consumer-friendly, sustainable material for food cans, in collaboration with a customer.

TSN is rethinking its new product development process to support a green future, continuing to develop new products with customers while redesigning processes for greener steel production. In FY2023-24, first insights have been gathered regarding the impact of our aspired future asset base on the makeability of our current product portfolio. The coming years this journey will continue together with our customers to ensure we will deliver green steel qualities which enable our customers to deliver sustainable products.

5. New Product Development

86 new products were launched in India during the year. In line with prospects in mass mobility by electrical power, Tata Steel has developed hot rolled substrate of high silicon electrical steel. With the objective of enriching the product mix from Tata Steel, product development efforts were undertaken for automotive industry and exports. Structural grades like S355JR and high strength S550MC grades were developed. In lifting and excavation segment, grades with low temperature [-20°C] impact toughness, e.g. S275J2, S355J2 and high strength structural steel like HS620 were successfully developed. For exports, structural grades S235J2, S275J2 and S355J2 were developed. In 2023, Tata Steel obtained 'Green-Pro' certification in automotive steel.

In Oil & Gas segment, API X60-sour for Electric Resistance Welding ('**ERW**') application and X52-sour for Helical Submerged Arc Welding ('**HSAW**') application, have been developed. The developed grades meet the stringent sour service criteria of Hydrogen Induced Cracking, Sulphide Stress Cracking and Stress Oriented Hydrogen Induced Cracking along with low temperature toughness requirements. Further with an endeavour to move towards hydrogen-based economy, Tata Steel successfully produced API X-65 Sour grade at plant scale. The processed tubes exhibited excellent HIC (Hydrogen Induced Cracking) and SSCC (Sulphide Stress Corrosion Cracking), in addition to the mechanical properties. The grade is now getting tested for fracture toughness in high pressure hydrogen environment.

In commercial order execution of API grades, GWT matrix for API X65 and X70 has been extended towards thicker and wider sections to cover HR plates for large

diameter Longitudinal Submerged Arc Welded ('**LSAW**') pipes. Development of YS700 grade [ISH 750LA] with low temperature [-40°C] impact toughness guarantee using a lean chemistry for high-end lifting and excavation equipment is a significant development leading to import substitution and self-reliance.

In Cold Rolled and Coated Products technology, the Company has secured PV approvals for continuous annealed bake hardened steel for exposed panels and DP590 + DP780 for crash safety components. Tata Steel specifically focussed this year upon increasing product reach and flexibility (both Automotive and Branded Products) through utilisation of alternate, technically equivalent process routes. In the Long Product segment, the Company has developed high strength, high ductility Fe 600SD rebars with UTS/YS > 1.15 and high %El [14.5% min] for seismic resistance applications. In addition, high strength high ductility 7mm and 9mm air cooled rebars have been developed with superior weld shear strength for welded wire mesh application. Corrosion Resistant Rebar (CRS) 550D has been developed in coil form to cater to cut and bend sector. Addressing the customer requirement of eliminating wire breakages while drawing to 0.80mm continuous welding wire, a new grade WR3M[N], 5.5mm wire rod has been developed. High diameter wire rod [13mm] for LRPC application has been developed to meet the mandatory requirement of BIS norms for PC strands.

In Tata Steel UK ('**TSUK**'), 8 new products were launched during the year. These launches cover a wide range of high value products and end applications for automotive, manufactured goods, infrastructure and construction markets focussing on UK and export opportunities. During the year under review, the Company launched a new ComFlor™ and RoofDek products containing the MagiZinc™ substrate for construction applications. These products provide increased durability and improved service performance due to superior corrosion resistance offered by the novel Zinc – Aluminium – Magnesium coating. In the packaging sector, TSUK launched new specialist steel grades for aerosol and welded food can applications, helping customers to meet sustainability targets either through improved container performance or lightweighting. Further, TSUK continued to develop the MagiZinc product offering and successfully launched a range of highly formable grades for automotive end applications

In the Netherlands, the Company has launched 11 new products across the Automotive, Engineering and Packaging markets in FY2023-24. The engineering portfolio is extended with the AR400 Valast product,

which is the widest strip product on the market with superior surface quality. Further, the IJmuiden hot strip mill can roll two meter widths of high quality material and the Company's unique decoiling facilities add flexibility and tailored lengths. This product is being used in agricultural and heavy vehicle production and its increased hardness and strength quality offer lightweight trough design.

Tata Steel's automotive portfolio is enriched with the DP800-GA product, which offers a differentiated development opportunity within the galvanised portfolio. It is currently used by car brands to strengthen and lightweight their existing car bodies. With increased strength in passenger safety cells, this product offers weight saving opportunities of up to 15%.

In close collaboration with its customers, the Company developed and commercialised a Protact polymer coated Trivalent Chromium-Coating Technology ('**TCCT**') deep drawing packaging material. This led to a complete redesign of the customers' food can. The material enables an even more consumer-friendly application and is more sustainable as it is tin free and REACH compliant. The TCCT material is produced by a Cr6+-free production method. Another newly introduced packaging product is Protact for Beverage. The material is used to introduce reusable and recyclable party cups to replace single use plastic cups.

6. Customer Relationship

In FY2023-24, Tata Steel has reinforced its commitment to customer centricity by developing new capabilities and capacities to bolster its presence in value-added segments. Furthermore, the Company has instituted digitally enabled processes across the value chain and integrated Artificial Intelligence ('**AI**') into customer-facing operations to enhance the customer experience.

The Company continued to strengthen the relationship with B2B automotive Original Equipment Manufacturers and their value chain partners. The Company continues to invest in new facilities and develop advanced high-strength steel grades to support the shift towards sustainable, lightweight vehicles and improved fuel economy, which has resulted in highest-ever sales of automotive high-end products in FY2023-24. Additionally, Tata Steel focused on advanced technical service offerings like Vehicle Teardown & Benchmarking Services and Value Analysis and Value Engineering ('**VAVE**') to develop value-creating partnerships with discerning customers.

In B2B Industrial segment (Industrial Products, Projects and Exports), the Company has focused on 'India growth story' led opportunities across Railways, Infrastructure, Construction, Energy and Urbanisation. Customer collaboration initiatives such as 'Customer Service Teams' and VAVE in chosen segments have created the differentiation at marketplace, which have been well supported by accelerated product developments, service enrichment and fast-track complaint resolution. 'Wired2win', a knowledge sharing platform for Wire Rod ecosystem continued to provide the guidance to stakeholders on emerging trends, addressing challenges and upcoming opportunities.

In B2B Construction Segment, Tata Steel has focused on the customised solutions space which is being developed with structural steel and provides modular offerings, design services, etc. to generate value for customers in terms of time, cost, and manpower savings. The Company has collaborated with academia and industry bodies like constructsteel and Institute for Steel Development and Growth ('**INSDAG**') to increase awareness on the potential of construction solutions in various segments. In FY2023-24, customer focused initiatives such as 'Building Bonds' and 'Converse to Construct' events were organised to facilitate the interactions of channel partners, end-customers, and influencers with the senior leadership of Tata Steel. Four state-of-the-art 'Downstream Construction Service Centres' were launched in Bhubaneswar, Ghaziabad, Vijayawada, and Ludhiana to enhance the Pan-India customer service in construction segment.

In flat products MSME space, Tata Steel serves around 10,000 SME customers across 80 microsegments regularly. In FY2023-24, we have supported growth of MSMEs in export markets and have initiated design of low CO₂ steel for the EU value chain. To generate consumer insights in fast-growing Railways and Agri equipment segment, engagement platforms – RAILCON and AGRINEXT were launched.

In B2C segment, Tata Steel's flagship Rebar brand, Tata Tiscon has connected with over 60,000 consumers under the 'Golden Home Consumer' initiative. A consumer testimonial series - 'Stories of Joy' was curated to capture the home building journey of retail consumers. To enrich the customer service with best-in-class practices, Tiscon Learning Academy, an online learning platform was launched for over 800 channel work force to upskill the sales team. Tata Tiscon also introduced 'Daksh', a dealer sales officer training programme. The brand has also strengthened its Tiscon Grand Master programme for ACE (Architects, Contractors and Engineers) community.

Over 3,600 new ACEs have been onboarded, achieving highest-ever sales through ACEs in a financial year. An Engineers and Architects summit, Constructing Responsibly ('Core'), was also organised for knowledge sharing by distinguished speakers, recognition of outstanding performers and to showcase Tata Steel's diverse construction product portfolio. Tata Steel Aashiyana, India's largest e-commerce platform for home-building segment, has reduced the transaction time by 20% with analytics-based insights to simplify the consumer's purchase journey. This has led to 72,000 new customers (71%, y-o-y) and increase of NPS score to 65 in FY2023-24 from 59 in FY2022-23.

In B2C flat products space, Shaktee-Kosh Rewards, an app-based loyalty programme was extended to fabricators, to create a close-knit ecosystem and enhance consumer reach. Learners Academy, an app-based learning platform was enhanced to use AI based coaching for building technical and managerial skills of 300 sales force.

Steel doors and windows solution brand 'Tata Pravesh' has consolidated its position as the No.1 brand in the segment, installing approximately 1,45,000 units. 'Tata Pravesh' continued to deliver superior customer experience through its augmented IT-infrastructure and best-in-class industry practices through Authorised Service Centre – 'SmartCare', doubling its presence in FY2023-24. The brand expanded its Privileged Dealer programme network to around 500 outlets.

Nest-In, Tata Steel's smart steel-based modular construction solution has integrated Salesforce.com, a Customer Relationship Management system with project management systems, ensuring seamless data flow to internal stakeholders in real-time. MobiNest solution was upgraded with improved aesthetics and material options to cater to growing demand in the premium segment.

In the UK, the Company continued to strengthen and deepen engagement with its customers, to grasp new opportunities and ensure customer retention and satisfaction. This included creating a positive and forward-looking narrative around the Company's vision for a competitive, sustainable and low-carbon steel supply chain that will result from the transition to new steelmaking technologies, announced during the course of the year.

As part of its commitment to the Carbon Disclosure Project and its overall climate change strategy, the Company has engaged widely with customers on decarbonisation of steel in general, and its UK journey in particular. To maximise the opportunities for steel within

the energy transition, the Company engaged extensively to drive forward development projects in offshore wind, solar and Hydrogen applications.

TSUK took the leading role at UK Metals Expo, the premier annual event for the metals processing industry, sponsoring and delivering thought leadership around supply chain value creation and sustainability topics. Further, it also extended its reach into global markets with its Colorcoat® branded products and continued strong performance from its Organic Coated Steel ('OCS') business was supported by a relaunch of its guaranteed Colorcoat® product range to include Photovoltaics in UK and mainland Europe.

Building on the success of the Seismic project (utilising a 'kit of parts' approach to construction) the Company collaborated to develop standardised, high quality, healthcare clinics, with potential to expand globally and to other building typologies. Further, the Company's Optemis Carbon Lite offering achieved strong growth during the year and won the prestigious Tata Innovista Award for Implemented Innovations.

The Company's e-commerce portal, Nexus, expanded its reach by launching to Tubes UK customers, enhanced its service offering plus added online sales for Arisings Engineering, Automotive, General Sales & Tubes UK.

In the Netherlands, the Company maintains its differentiation strategy, which aims to increase the proportion of high margin differentiated products. As part of the strategy, the Company continued to launch various new products in Europe during the year across its key target markets. In the digital area, the Company continued its strategy to improve customer experience through e-Commerce platforms Nexus and Arisings, as well as further developed digitally enabled services to support customers to perform in their markets.

The Company progressed its commercial sustainability strategy, strengthening its Zeremis branded sustainability offerings. In addition to a mass balanced low CO₂ steel offering through Zeremis Carbon Lite, the Company launched a second insetting solution, called Zeremis Delivered, for low CO₂ transport of steel to its customers.

7. Digital Transformation

Tata Steel has identified 'Digital Leadership in the Steel Industry' as a Strategic Enabler aligning to the Company's long-term strategic vision. For this, starting 2018, Tata Steel embarked on a business-KPI, and value-driven business transformation achieved with an Industry-standard 7-layer technology architecture through

progressively significant investments in Cloud, Data and Artificial Intelligence ('AI').

The foundation of the transformation is a secure, multi-tenanted cloud and connectivity that enables 'always-on' business. The Company is now driving synergy with a **templatised 'mother' IT architecture** which enables standardised enterprise systems and business platform across businesses and geographies, laying the groundwork for efficiency and scalability with Plug-n-Play Mergers and Acquisitions, as evidenced in the seamless mergers of multiple Tata Steel group companies with Tata Steel in FY2023-24.

The **Connected Business Platforms** - Connected Assets, Operations, People, Transactions, Processes and Customers - are creating new business models and data-driven decision-making on a data layer that ensures a 'Single version of truth'. The quantifiable data volume has increased from about 6 Terabytes in FY2018-19 to 8 Petabytes in FY2023-24.

Connected Operations the Connected Operations platform is Tata Steel's initiative for making mining and manufacturing operations more intelligent, remote, and location-agnostic and safer with Integrated Remote Operations Centres ('iROCs') where the Company can run operations far from the plant, a first in the Indian steel industry. Remote Operations are enhancing synergies both within individual plant operations, and with other plant operations, while enabling talent and expertise availability irrespective of location. In FY2023-24, Tata Steel has made a significant portion of the Iron-making operations in TSJ remote with the launch of Integrated Coke Plant Remote Operations Centre to add to the Company's current iROCs for Agglomerates, operating >10km away from the sites, along with Mines being supervised from >300kms away.

Connected Assets: Sensorisation needs were identified across manufacturing and mining that would enable Predictive Maintenance for assets, starting with mission-critical equipment. In this journey, Predictive and Prescriptive AI models have helped avoid almost 1,350+ hours of potential delay, building up to centralised maintenance expertise in an Integrated Maintenance Excellence Centre (iMEC) launched in FY2023-24.

Together with connected operations, Tata Steel now has location-agnostic industry templates for manufacturing, mining, and maintenance, and Tata Steel will be delivering greater value from this synergy through increased usage of Data and AI for intelligent operations and maintenance.

Connected People: A Connected Workforce Platform 'Suraksha', enables workers safety through geo-fencing across Tata Steel Limited, with workforce visibility and AI-generated insights and alerts on potentially unsafe conditions based on process, people, and equipment data along with video analytics on to detect real time violation and process deviation to prevent unsafe incidences. Actionable alerts are brought together and tracked to closure on the insights layer on the MyPass Application, launched in FY2023-24.

Connected Transactions: Connected Transactions are standardising and simplifying the organisation and driving down costs through consolidation of business processes of global entities. In FY2023-24, the Company's Central Finance platform facilitated financial closure across Tata Steel Group Companies in India and South-East Asia, streamlining reporting, enabling planning scenarios and reducing compliance risks across the group.

Connected Processes: Connected Processes focus on optimising the supply chain through better planning across our Supply Chain. In FY2023-24, Tata Steel completed the first stage of Integrated Supply Chain Management, which will give the Company an end-to-end view of the entire supply chain and help Tata Steel achieve a global optimum by forecasting and planning the costs and availability of raw materials, workforce engagement, production schedules, and market demand.

Connected Customers: The Connected Customers platform aims to revolutionise customer engagement through the Company's digital platforms for B2B, B2ECA and B2C. In 'Aashiyana', Tata Steel's B2C platform serving home building needs, Tata Steel added conveniences of a multilingual interface and cash on delivery in the Digital Customer Platforms and driving a personalised customer engagement through platforms like Whatsapp.

Artificial Intelligence: In the last 5 years, the Company has built over 550 AI models for enhancing Yield, Energy, Throughput, Quality and Productivity, stakeholder experience, safety, and sustainability. The Company has invested a lot 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. AI has been essential for business transformation in FY2023-24. Tata Steel completed over 100 projects that used AI, with some notable examples like CO₂ emissions prediction model that received an

award from the President of India at the National Energy Efficiency Innovation Awards. The Company heavily invested in Generative AI to unlock the potential of the scale and quality of its organisational data and used 35Mn+ Generative AI tokens across the enterprise driving a culture of AI-enhanced productivity. AI-generated Automated Insights help to take quick action in areas like safety, by using video analytics to issue alerts and utilising past unsafe incident data to forecast potential unsafe situations. External and internal data is being leveraged to shape the Company's market strategy by offering insights on customers, competitors, and markets. AI-powered conversational agents improve efficiency by providing a conversational way to query and interact with organisational data using voice, video, or text, with specific examples like the 'SS Guru' which is helping in asset maintenance and 'code genie' which assists in developing IT applications and AI models.

In FY2023-24, Tata Steel continued its journey of value-driven business transformation with the timely (over 94% on time) completion of 650+ Digital projects while achieving a record-high value creation from the Shikhar program. Tata Steel has 3 sites Tata Steel Jamshedpur, Kalinganagar and IJmuiden (Netherlands) recognised as World Economic Forum Global Lighthouses, the highest for any steel company in the world. The Company has been recognised as an Advanced Benchmark Leader globally in the Gartner Digital Execution Scorecard (DES) 4 years in a row. Tata Steel's data maturity journey is recognised as the highest in the Tata Group. In FY2023-24, Tata Steel was recognised as Digital Leader in Steel in the Economic Times CIO Awards, along with digitally enabled projects being recognised in many prestigious forums.

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 Policy forms part of the Annual Report on CSR activities annexed to the Board's Report. The CSR policy is available on the website of the Company at <https://www.tatasteel.com/media/11804/tata-steel-csr-policy-latest-2019.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 ₹580.02 crore

towards its CSR activities and positively impacted over 4.4 million lives through its CSR programmes. The Company implements its CSR programmes primarily through the Tata Steel Foundation, 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 (**Annexure 2**).

In the Netherlands, the Company 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 on various topics that 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 primary and secondary 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, for example, by putting additional effort into inspiring young girls to choose a career in a technical field.

Tata Steel UK places community at the very heart of its operations. Its programme of proactive community partnership embraces three aspects viz. health and well-being, environment and education and learning.

In UK, the Company's long-running Tata Kids of Steel triathlon programme has given thousands of children the opportunity to try swimming, cycling and running through annual events held near the Company's operating sites at Corby and Shotton. Many employees volunteer to help run the events, highlighting the commitment Tata Steel UK's employees have to their communities. Further, the annual sponsorship of the Richard Burton 10k running event near Port Talbot – which celebrated its 41st year in 2023 and saw almost 3,000 runners across the start line including local MP Stephen Kinnock. In 2023, the event, combined with the Runtech Kevin Webber Mini-Miler raised tens of thousands of pounds for local charities and good causes. In March, a presentation evening was hosted on site, to celebrate the race and all those in receipt of community funding.

Tata Steel UK sponsors two activity-based programmes for primary school children in South Wales: the Aberavon Wizards' League, a competition to develop rugby and netball skills in Neath Port Talbot, and the Newport Dragons community outreach programme which offers sports, holiday skills camps and sessions on lifestyle, healthy eating and teamwork for children in over 60 primary schools in Gwent.

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 Practising Company Secretary, certifying compliance with conditions of Corporate Governance, forms part of this Integrated Report & Annual Accounts 2023-24 (**Annexure 3**).

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 2023-24.

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 Director. 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/21203/familiarization-programme-ids-2024.pdf>

4. Evaluation

The Board evaluated the effectiveness of its functioning of the Committees and of individual Directors, pursuant to the provisions of the Act 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 Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Chairman of the Board had one-on-one meeting with the Independent Directors ('IDs') and the Chairman of NRC had one-on-one meeting 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 meeting 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 fiduciary duties.

In the coming year, the Board intends to enhance focus on:

- » the on-going transformational projects both in TSUK and TSN;
- » commissioning of the Kalinganagar Phase II;
- » Sustainability and decarbonisation initiatives 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:

- » 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 Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ('Rules') are annexed to this report (**Annexure 4**).

In terms of the provisions of Section 197(12) of the Act 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 Report and the Annual Accounts are being sent to the Members excluding the aforesaid statement. In terms of Section 136 of the Act, 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').

Inductions to the Board

Based on the recommendations of the NRC, and in terms of the provisions of the Companies Act, 2013 the Board, on May 27, 2023, appointed

Dr. Shekhar C. Mande (DIN: 10083454) as an Additional Director of the Company effective June 1, 2023. 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 Act and applicable SEBI Listing Regulations, appointed Dr. Mande as an Independent Director of the Company, not liable to retire by rotation, for a term of 5 years commencing from June 1, 2023 through May 31, 2028. Dr. Mande brings to the Board his extensive knowledge and experience in the areas of research & development and science & technology. The shareholders of the Company approved the appointment of Dr. Mande as an Independent Director of the Company by way of a special resolution passed at the 116th Annual General Meeting of the Company held on July 5, 2023, for the abovementioned tenure.

Re-appointment of Chief Executive Officer and Managing Director

Mr. T. V. Narendran (DIN: 03083605) was appointed as the Managing Director, India & South-East Asia, of the Company for a period of five years effective September 19, 2013 through September 18, 2018, not liable to retire by rotation. The Board, on October 31, 2017, re-designated Mr. Narendran as the Chief Executive Officer and Managing Director ('CEO & MD') of the Company. He was then re-appointed as the CEO & MD of the Company, not liable to retire by rotation, for a further period of five years effective September 19, 2018 through September 18, 2023. Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on July 24, 2023, re-appointed Mr. Narendran as the CEO & MD for a further period of five years effective September 19, 2023 through September 18, 2028, subject to approval of the shareholders.

On September 11, 2023, the Shareholders of the Company, by way of an ordinary resolution passed through postal ballot, approved the re-appointment of Mr. Narendran as CEO & MD of the Company for the abovementioned tenure.

Re-appointment of Director retiring by rotation

In terms of the provisions of the Companies Act, 2013, Mr. Saurabh Agrawal (DIN: 02144558), Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment. The necessary resolution for re-appointment of Mr. Agrawal forms part of the Notice convening the ensuing AGM scheduled to be held on Monday, July 15, 2024.

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

Cessation

As per the terms of his appointment, Mr. O. P. Bhatt (DIN: 00548091), completed his second term as an Independent Director on June 9, 2023 and accordingly, ceased to be an Independent Director and Member of the Board of Directors of the Company. The Board of Directors places on record their deep appreciation for the wisdom, knowledge, guidance and leadership provided by Mr. Bhatt as Member of the Board and as an Independent Director during his tenure and as Chairman of the Board (from November 25, 2016 to February 7, 2017).

8. Independent Directors' Declaration

The Company has received the necessary declaration from each Independent Director in accordance with Section 149(7) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations, that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 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 Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 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.

9. Key Managerial Personnel

In terms of Section 203 of the Act, 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 & Chief Legal Officer (Corporate & Compliance). During the year under review, there has been no change in the Key Managerial Personnel.

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 comprises of Mr. Deepak Kapoor (Chairman), Ms. Farida Khambata, Ms. Bharti Gupta Ramola and Mr. Saurabh Agrawal. The Committee met six 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 this Integrated Report and Annual Accounts 2023-24.

12. Risk Management

Tata Steel operates in a dynamic and uncertain business landscape. Hence, the Company has developed and deployed its Enterprise Risk Management ('ERM') framework to create long-term value. The organisation pursues risk intelligent decision-making to proactively prepare for unforeseen scenarios. The ERM framework incorporates benchmark industry practices, international standards (including Committee of Sponsoring Organisation of the Treadway Commission - COSO & ISO 31000: 2018), while also being customised to suit the business of the Company.

The Risk Management Committee ('RMC') of the Board provides an oversight and sets the context for implementation of the ERM process across the organisation.

The RMC ensures that appropriate methodology, processes, and systems are in place to evaluate and monitor risks associated with the business of the Company. 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 is approved by the RMC and the Board and is aligned to the Vision of the

organisation. It is an important metric for governing all business actions and strategic decisions.

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 the above 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.

In order to drive the ERM implementation, the Company has also constituted a Management Committee called Apex Risk Committee ('**ARC**') which comprises of the Chief Executive Officer and Managing Director, ('**CEO & MD**'), Executive Director and Chief Financial Officer ('**ED & CFO**') and Vice President – Corporate Finance, Treasury & Risk Management ('**VP CFT & RM**') as its members. The ARC reviews the business plan of ERM, engages on the macro environment and deliberates on the risks that the Company faces, every quarter.

The ERM framework is deeply embedded across the organisation and is driven by a dedicated Central ERM team led by VP CFT & RM who acts as the Chief Risk Officer ('**CRO**') of the Company. The CRO reports to ED & CFO and also to the RMC Chairperson. The ERM team continuously scans the external and internal environment for developments which may throw up emerging risks for the organisation. The risk flags and risk insights are shared with the Senior Management for deep diving into emerging risk areas for the Company. 'Expert Lens' sessions are organised for the leadership team where external experts are invited to discuss emerging risk areas contextual for the Company. Business Units ('**BUs**') consider these inputs during identification and

management of bottom-up risks, which are reviewed quarterly as per defined ERM Governance mechanism. The bottom up ERM process is decentralised, and the ownership of the risks resides with the BUs. Hence, capability development for risk management remains a focus area across the organisation. The bottom-up process is complemented by a top-down process, which helps in identification of strategic enterprise level risks.

The Company follows co-ordinated risk assurance and the ERM process is integrated with Corporate Audit, Corporate Strategy & Planning, Corporate Legal, Compliance and Security functions. The two-way communication with these functions brings further rigor in driving the process across the organisation and the Tata Steel Group Companies ('**TSGCs**'). 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 ERM process being data intensive, an in-house built IT system has been deployed across the organisation for management of risks through live dashboards. The IT system supports risk analytics and helps in developing a uniform risk culture as the same ERM framework is used while identifying, assessing, evaluating, monitoring and reviewing risks.

The year has been disruptive for the global business environment, with the prolonged Russia-Ukraine war, Israel-Hamas conflict, attacks on the global trade route through Red Sea, to name a few. The Company remained vigilant of the evolving macroeconomic, geopolitical situation and global financial market sentiments to proactively manage risks in FY2023-24. The focus on identification and tracking of 'Early Warning Indicators' and implementation of risk mitigation strategies proactively has been a key enabler in managing these risks.

The Company was conferred with the 'RIMS ERM Global Award of Distinction 2023' for 2nd consecutive year. The award recognises the Company's outstanding ERM achievements that have enabled the organisation to streamline processes and strengthen collaboration across the enterprise in order to achieve strategic objectives.

Risk Maturity Assessment was also conducted during the year by an external agency. The assessment evaluated the deployment of the ERM process across Tata Steel India. Based on the independent evaluation, the Company has received a score of 4.71 on a scale of 5 and assessed to be much ahead in the risk maturity curve as compared to its peers in the same industry.

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 and make protected disclosures about any unethical behaviour, 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. The Vigil Mechanism in the Company fosters a culture of trust and transparency among all its stakeholders. December 18, 2023, marked 25 years of the signing of the TCoC by the Company.

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 ('COI') 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 every Director, employee, and Business Associate to promptly 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 Company ensures protection for the whistleblowers and any attempts to intimidate the whistleblower is also treated as a violation of the TCoC. The Whistleblower Policy 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, which includes vendors and customers, safeguards Business Associates from any form of retaliation or unjust business practices by the Company and simultaneously promotes whistle-blowers to make protected disclosures in good faith, it also prohibits raising concerns with malicious intent.

The ABAC and AML policies mainly focus on risk assessment, establishing procedures and guidelines, conducting third-party due diligence, providing training and awareness, and carrying out audits and reporting.

The G&H Policy offers guidance to employees or persons working for or on behalf of the Company on what

is appropriate and acceptable, and what is deemed unacceptable for offering, giving, and accepting gifts and hospitality. The policy is in consonance with ABAC and AML policies.

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

To incentivise employees to report misconduct or unethical behavior within the Company, the Whistleblower Reward and Recognition Guidelines have been put in place. 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 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. Online training sessions on ABAC/AML and POSH were continued in FY2023-24, along with customised training and awareness sessions on 'Third Party Due Diligence'. 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 abovementioned policies.

During the year under review, the Company received 364 Whistle Blower Complaints ('WBCs') and 1,132 grievances and other concerns. Out of these, 236 WBCs were investigated and closed after taking appropriate actions, 1,015 grievances and other concerns were addressed as appropriate. A total of 128 WBCs were open as of March 31, 2024 for which investigations are underway. The unaddressed 117 grievances and other concerns are being reviewed and will be closed as appropriate.

Consequent to the whistleblower complaint in the Company's Graphene Business Division, the Company carried out a detailed assessment and review of the matter and made the accounting adjustments/provisions, as appropriate, in the books of account, which were not material to the financial statements. Based on the assessment(s) and review, it has been concluded that there has not been any fraud under Section 447 of the Companies Act, 2013.

A report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the statutory auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

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.

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 21 complaints of sexual harassment, of which 16 complaints have been resolved and appropriate actions taken, 5 complaints are under investigation.

15. Subsidiaries, Joint Ventures and Associates

The Company has 131 subsidiaries and 41 associate companies (including 23 joint ventures) as on March 31, 2024. 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 Act, 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 (**Annexure 5**).

In accordance with the provisions of Section 136 of the Act 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 (**Annexure 6**).

16. Related Party Transactions

In line with the requirements of the Act 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. 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 Act in Form AOC-2 is not applicable to the Company for FY2023-24 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/consolidated financial statements forming part of this Integrated Report & Annual Accounts 2023-24.

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 financial year 2023-24.

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 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 2023-24. The said report does not contain any qualification, reservation, adverse remark or disclaimer.

Cost Auditors

In terms of Section 148 of the Act, 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 Act.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s Shome & Banerjee (Firm Registration No. 000001) as the cost auditors of the Company for the year ending March 31, 2025. 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 Act 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 FY2024-25 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 ensuing AGM.

Secretarial Auditors

Section 204 of the Act, *inter alia*, requires every listed company to annex to its Board's Report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice.

The Board had appointed Parikh & Associates, (Registration No. P1988MH009800), Practicing Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the FY2023-24 and their Report is annexed to this report (**Annexure 7A**). There are no qualifications, observations, adverse remark or disclaimer in the said Report.

Further, in terms of the requirements under the SEBI Listing Regulations the Secretarial Audit Report of the Company's Indian material unlisted subsidiary, Neelachal Ispat Nigam Limited is annexed to this report (**Annexure 7B**)



19. Annual Return

The Annual Return for Financial Year 2023-24 as per provisions of the Act and Rules thereto, is available on the Company's website at <https://www.tatasteel.com/media/21208/mgt7.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 Act is annexed to this report (**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 (**Annexure 9**).

23. Deposits

During the year under review, the Company has not accepted any deposits from public in terms of the Act. 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 (31 of 2016) during the year under review.

J. Acknowledgements

The Board thanks the customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. The Board places on record its appreciation of the contribution made by employees at all levels. 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 looks forward to their continued support in the future.

On behalf of the Board of Directors

sd/-

N. CHANDRASEKARAN

Chairman

DIN: 00121863

Mumbai
May 29, 2024