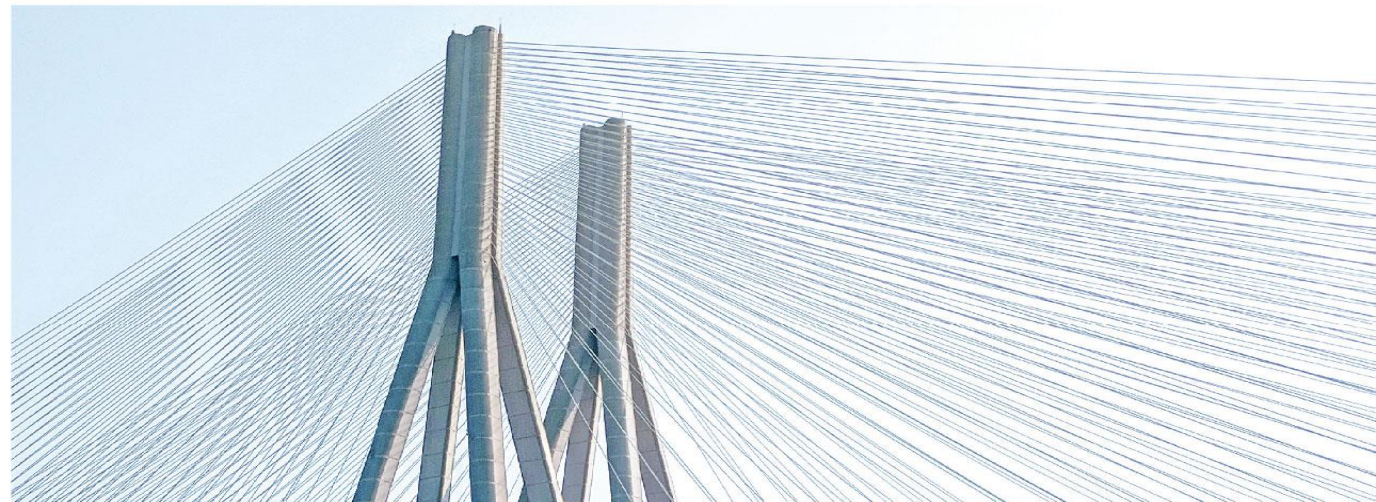




Results Presentation

Financial quarter and half year ended September 30, 2019
November 06, 2019



Safe harbor statement

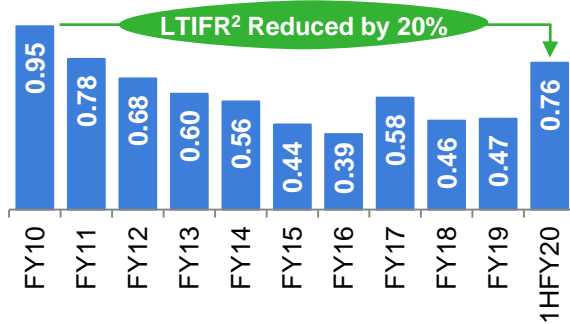
Statements in this presentation describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in or due to the environment, Government regulations, laws, statutes, judicial pronouncements and/or other incidental factors.

Committed towards excellence in Safety, Health & Sustainability



SAFETY

- Launched safety campaign on elimination of Commonly Accepted Unsafe Practices (CAUP); identified about 2,200 CAUP out of which 50% were eliminated during the campaign
- 55% reduction in Red Risk¹ incidents over 1HFY19
- To drive safety culture, renewed focus on promoting reporting behavior for Loss Time Injury



HEALTH

- Organized an awareness campaign ‘Be a Heart Hero’ on World Heart Day across Tata Steel – participation by about 5,000 employees and contract employees
- Refreshers training on First Aid and CPR to improve the competency – covered 3,100 employees

44%

High risk cases³ transformed into moderate/low risk at Tata Steel India

SUSTAINABILITY

- Tata Steel ranked 4th in the DJSI assessment 2019 amongst 27 global steel companies
- Tata Steel Europe won Worldsteel Association Steelie award for developing a tool to assess the sustainability of new product developments
- Tata Steel’s Maternal and Newborn Survival Initiative (MANSI) receives ‘Honourable Mention’ in Corporate Awards for Excellence in CSR

101%

LD Slag Utilization in 2QFY20 at TSJ

TSJ: Tata Steel Jamshedpur; TSK: Tata Steel Kalinganagar; TSE: Tata Steel Europe; Tata Steel India: TSJ + TSK; CPR : Cardiopulmonary Resuscitation; DJSI: Dow Jones Sustainability Indices

1. Incidents are classified into red, yellow & blue based on the consequence of event and likelihood of its occurrence. Red risk is with very high consequence and likelihood of occurrence

2. LTIFR: Lost Time Injury Frequency Rate per million man hours worked; for Tata Steel Group

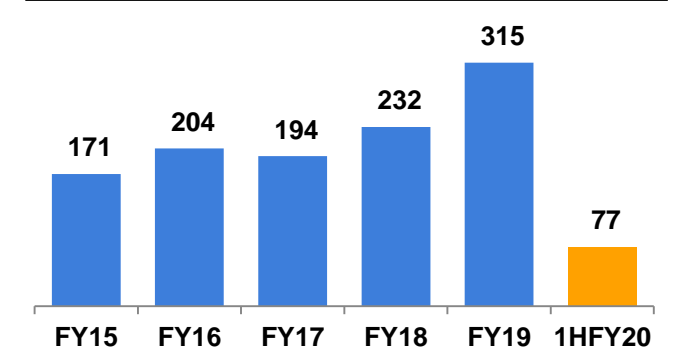
3. High risk cases across Tata Steel India as per the health index; Health Index measurement based on BMI, cholesterol, blood pressure and sugar

Engaging with neighbouring communities and improving their life quality

TSL Standalone spent more than Rs.1,100 crores in India over last 5 years

Education	<ul style="list-style-type: none"> 1000 Schools Projects –1,370 schools and over 1,00,000 children supported in Odisha and Jharkhand 30 Model schools – 21 schools completed, 17 handed over Pre-Metric coaching support – 5,187 children supported Jyoti Fellowship – 266 meritorious SC/ST students awarded
Livelihood	<ul style="list-style-type: none"> Installation and repair of hand tube wells and deep bore wells – 60,000 people provided access to drinking water 15,000 farmers touched through various agricultural initiatives Skill development programs - 2,300 youth trained
Health & Sanitation	<ul style="list-style-type: none"> Health care clinics, mobile medical units and health camps – over 2,00,000 patient footfalls recorded Maternal And New-born Survival Initiative (MANSI) –16,000 pregnant women reached; enabled 14,000 live births Regional Initiative for Safe Sexual Health by Today’s Adolescents (RISHTA) –8,200 adolescents covered Partnership with Sankara Nethralaya’s Mobile Eye Surgical Units and others - 872 cataract surgeries facilitated Mother & Child Health Services – 3,273 benefitted
Europe	<ul style="list-style-type: none"> Engagement with residents around IJmuiden site to develop a better way of working with neighbours Hosted young girls at In Port Talbot to build an understanding of science and technology and career opportunities

TSL Standalone – CSR Spend (Rs. crores)



Key performance highlights and updates



2QFY20 – key performance indicator

- Indian operations contributed 63% out of consolidated deliveries of 6.53 mn tons; India deliveries grew by 4%QoQ
- Consolidated adjusted EBITDA of Rs.4,018 crores, EBITDA margin of 11.6%, EBITDA per ton of Rs.6,155/t
- Standalone adjusted EBITDA of Rs.3,331 crores, EBITDA margin of 22.4%, EBITDA per ton of Rs.11,200/t

Recalibrating operations to market conditions



Financial Health

- US\$ 525 million of financing tied up, further extending the debt maturity profile
- Capex being recalibrated in line with market conditions and lower cashflows
- Liquidity position robust at Rs.11,858 crores comprising of cash and cash equivalents, and undrawn bank lines



Reorganizing India footprint

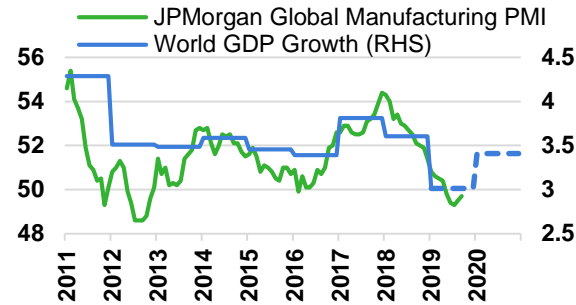
- Reorganizing to drive scale, synergies and simplification
- Tata Steel BSL merger with Tata Steel is underway
- Subsidiaries are being reorganized in 4 business verticals viz. Long products, Downstream, Mining, and Infrastructure

Global macro and business environment

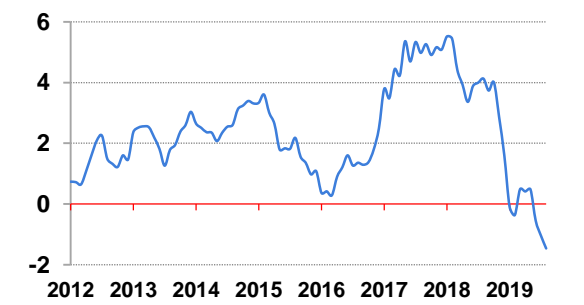
- Economic growth slowdown was broad-based; World trade remained weak as trade frictions outweighed accommodative monetary policies across key markets
- Lower steel exports and inventory in China on the back of strong domestic steel demand
- Seaborne Iron ore prices corrected amidst normalization of supply disruptions and weak demand sentiments; coking coal prices too softened
- Over the last year, steel prices are down by: a) China ~\$100/t, b) Europe ~\$150/t, c) Korea ~\$150/t, and d) Japan ~\$180/t
- Spot steel spreads improved from the lows of 1QFY20 but remains below last year average; benefits of improved spreads is yet to flow through

Steel prices softened further with continued weak demand and falling cost curve

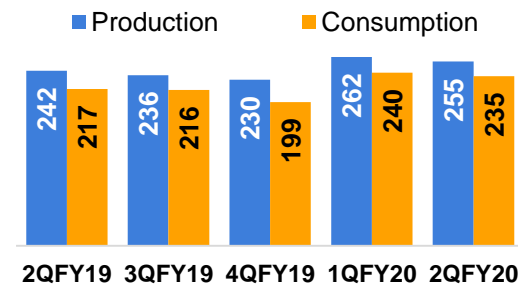
World GDP growth (% YoY) and global manufacturing PMI



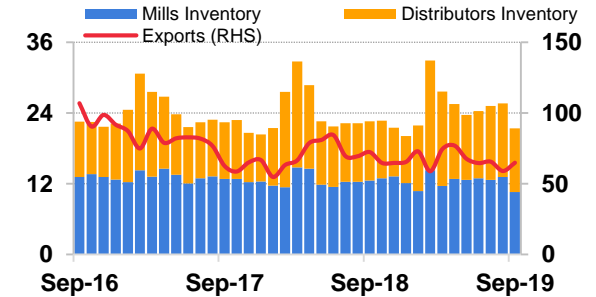
World trade growth (3MMA, % YoY)



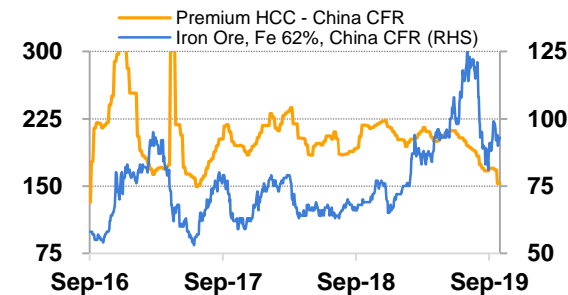
China crude steel production and domestic consumption¹ (mn tons)



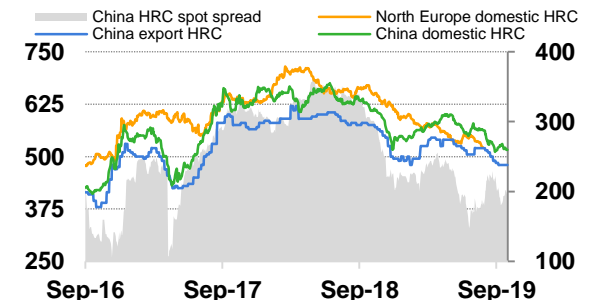
China steel inventory and annualised exports (mn tons)



Iron ore and Coking coal prices (\$/t)



Global HRC prices and Gross spot HRC spread (\$/t)



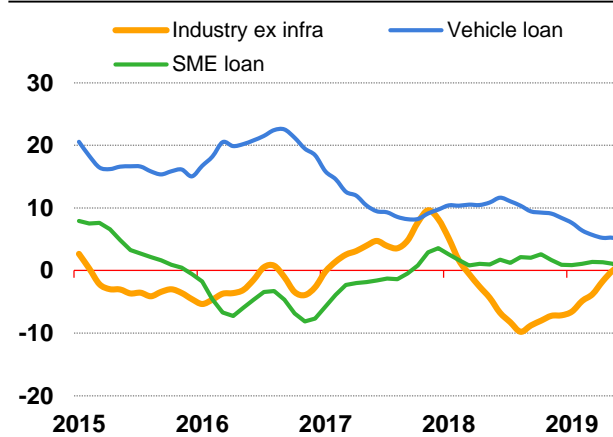
Sources: World Steel Association, IMF, Bloomberg, SteelMint, JP Morgan and Morgan Stanley; China export HRC - China Weekly Hot Rolled Steel 3mm Export Price Shanghai, North Europe Domestic HRC - PLATTS TSI HRC N Europe Domestic Prod Ex-Mill, China Domestic HRC - China Domestic Hot Rolled Steel Sheet Spot Average Price, China HRC spot spreads =China HRC exports FOB – (1.65x Iron Ore Fe 62% China CFR+ 0.7x Premium Hard Coking Coal China CFR); 1. Post adjustment for Inventory at Mills and distributors

India macro and business environment

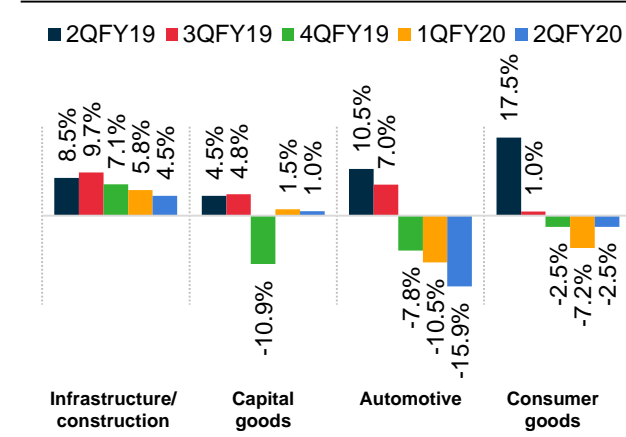
- Economic activities remained soft amidst: a) persistent liquidity issues, b) weakness in investment and consumption sentiment, and c) stronger seasonal impact with heavier and prolonged monsoons
- Automotive and consumer goods sector continued to decelerate; activities in construction and capital goods sector were also weak
- Credit off-take is yet to pick up despite various measures by government to improve investment sentiment and rate cuts by the RBI
- Sustained tepid steel demand in India coupled with higher inventory levels weakened steel prices
- Exports surged as steel mills looked to reduce inventory; apparent finished steel consumption grew only 2%QoQ

Weak demand weighed on domestic steel prices

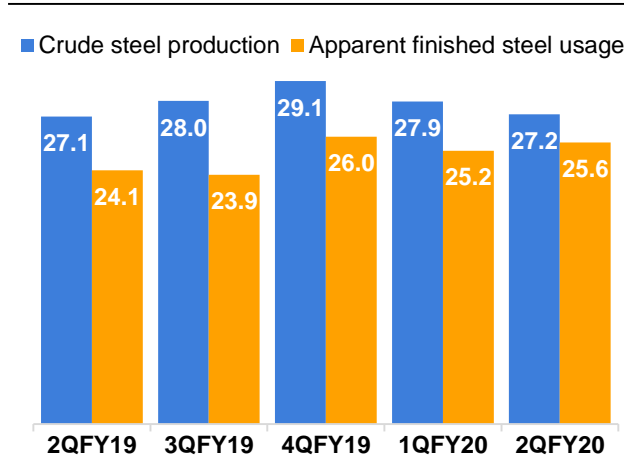
Bank credit/loan growth (YoY%, 3MMA)



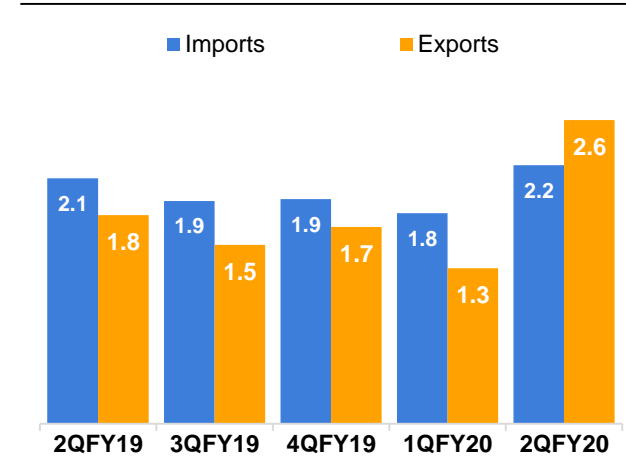
Key sectors growth* (% Change, YoY)



India steel production and consumption (mn tons)



India steel imports and exports (mn tons)



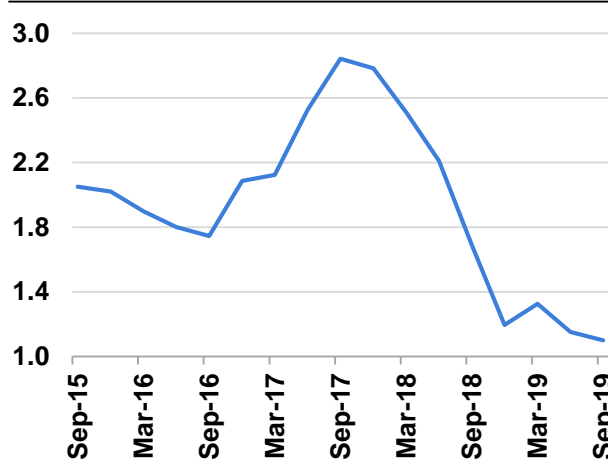
Source: Bloomberg, RBI, SIAM, Joint plant committee, MOSPI, World Steel Association

*Growth of key steel consuming sector is calculated by removing sub-segments which do not consume steel

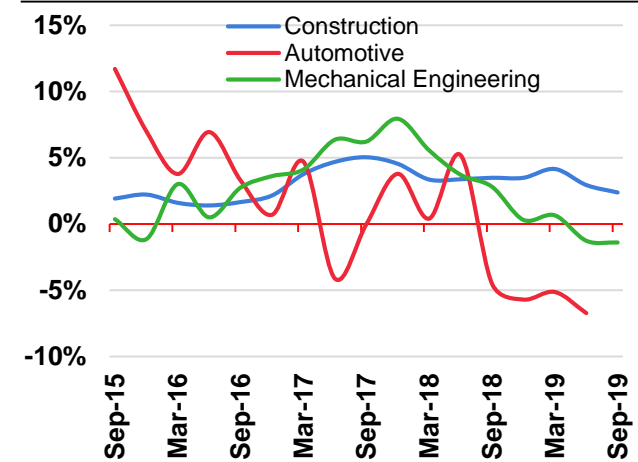
Europe macro and business environment

- Eurozone GDP grew by 1.1%YoY in 2QFY20 while expanded marginally on QoQ basis
- Rising trade protectionism and overhang of Brexit continued to weigh on business confidence
- Steel demand has been declining since second half of 2018 and is expected to decline by 0.6% in 2019; key steel consuming sectors continued to de-grow
- Steel imports fell by 11% in 9M2019 due to low margins and quotas, however, are expected to increase again with implementation of new tariff-free quota system
- Steel margins declined with drop in steel prices; full benefit of recent raw material prices correction yet to flow through

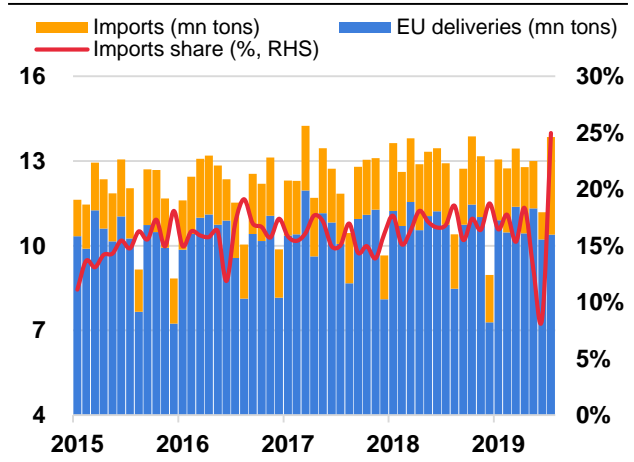
Eurozone GDP (% YoY)



EU key steel consuming sectors (%YoY)



EU Market Supply



Gross spot HRC spread - Germany (€/t)



Benefit of improved spreads yet to flow

Consolidated operational and financial performance

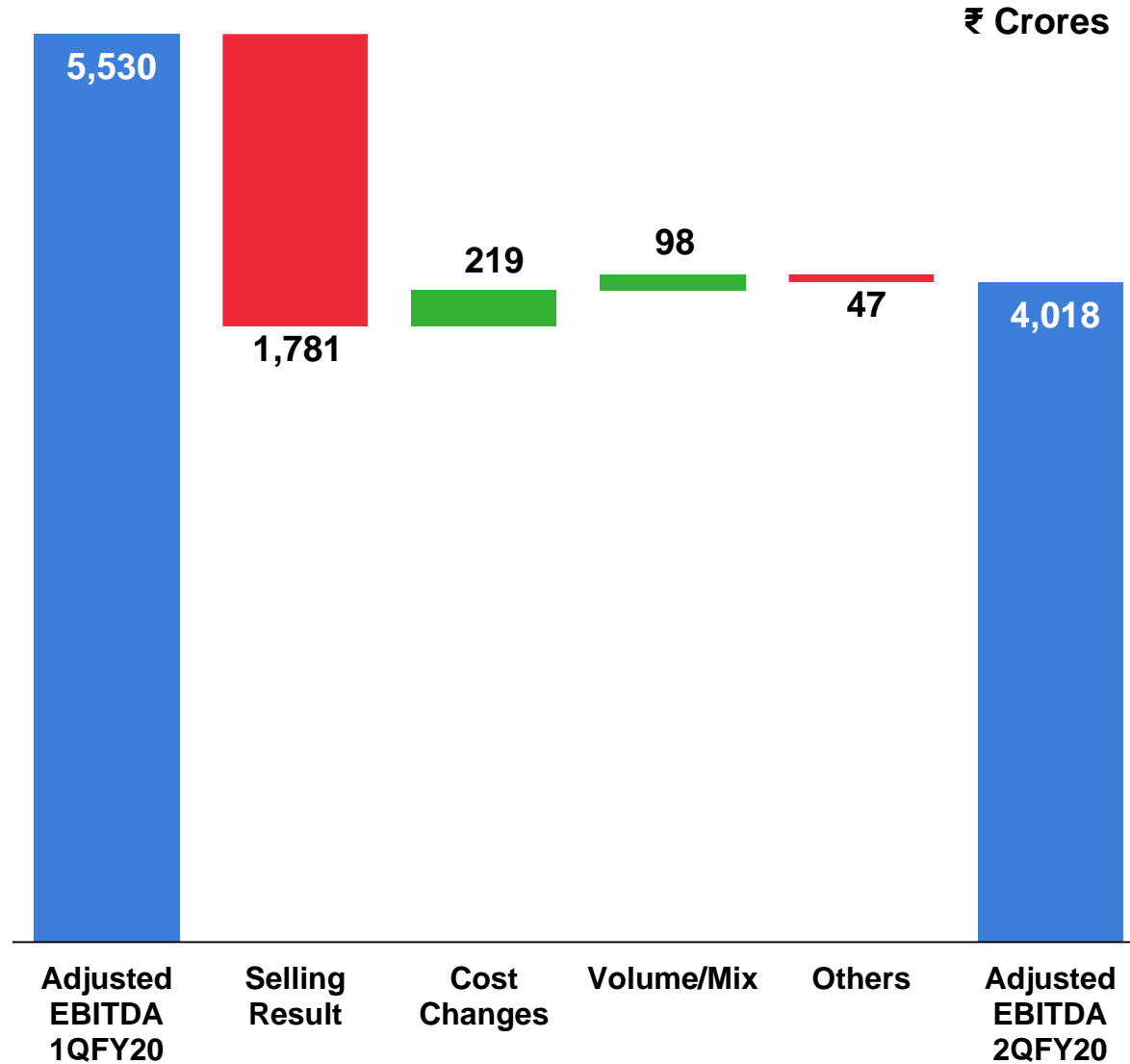
<i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY20	1QFY20	2QFY19
Production (mn tons)¹	6.95	7.15	6.73
Deliveries (mn tons)	6.53	6.34	6.80
Total revenue from operations	34,579	35,947	40,897
Raw material cost ²	14,864	16,127	15,903
Change in inventories	(16)	(2,365)	(177)
EBITDA	3,893	5,515	8,883
Adjusted EBITDA³	4,018	5,530	8,641
Adjusted EBITDA per ton (Rs./t)	6,155	8,725	12,173
Pre exceptional PBT from continuing operations	27	1,803	5,247
Exceptional items	(34)	16	164
Tax expenses [#]	(4,050)	1,124	2,317
PAT	3,302	714	3,116
Diluted EPS (Rs. per Share) – not annualised	29.25	5.88	31.06

Tax expenses include favourable impact of:

- Rs. 2,425 crores on adoption new corporate tax rate by Tata Steel Standalone and some of the subsidiaries,
- Rs.661 crores arising on recognition of deferred tax assets at Tata Steel Europe on waiver of intercompany loans and interest and conversion of such loans into equity, and
- Rs.1,147 crores on consequent reversal of deferred tax liability by TS Global Holding as it will no longer receive certain pay-outs post above waivers

Note: Consolidated numbers doesn't include NatSteel Singapore and Tata Steel Thailand as it has been classified as "Asset Held For Sale"; 1. Production Numbers: Tata Steel Standalone, Tata Steel BSL & Tata Steel Long Products - Crude Steel Production, Europe - Liquid Steel Production; 2. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products, 3. Adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings and revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings

Consolidated Adjusted EBITDA¹ movement

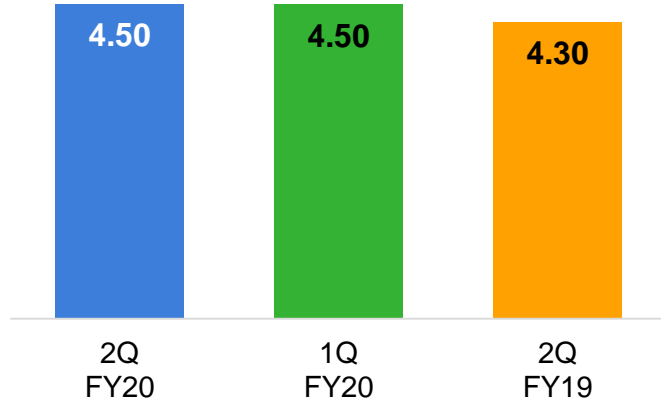


- Selling results reflects sequentially lower steel prices across geographies
- Lower costs across geographies due to lower material prices
- Volume/mix impact due to higher deliveries at Tata Steel BSL and Tata Steel Europe, partially offset by adverse product mix across geographies

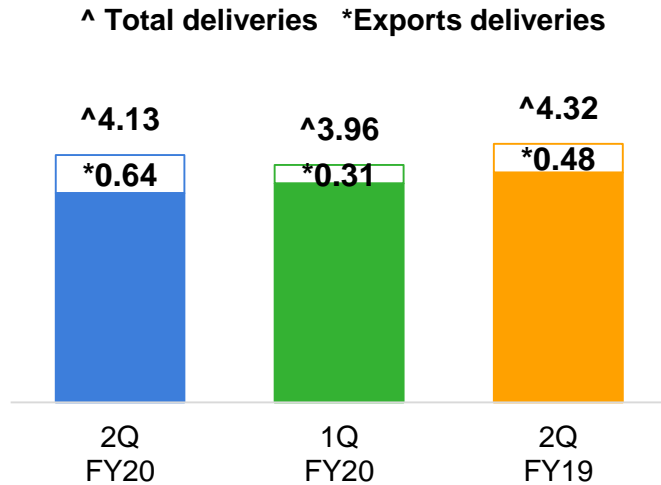
1. EBITDA adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings and revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings

Tata Steel India¹: Quarterly production and delivery volumes

Crude Steel Production Volume (mn tons)

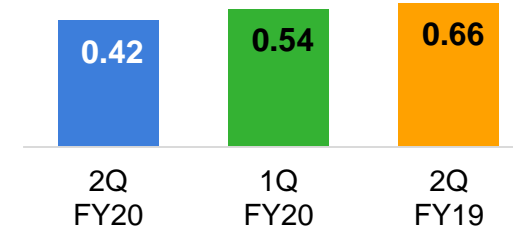


Total deliveries volume (mn tons)

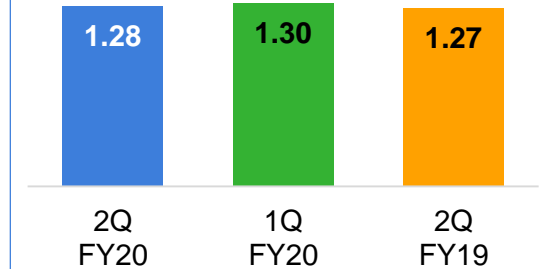


- Crude Steel production was flat on QoQ basis; total deliveries grew by 4%
- Despite the slowdown, deliveries in Branded Products & Retail segment and Industrial Product & Projects segment were largely maintained
- Lower volumes to Automotive segment were compensated by higher exports

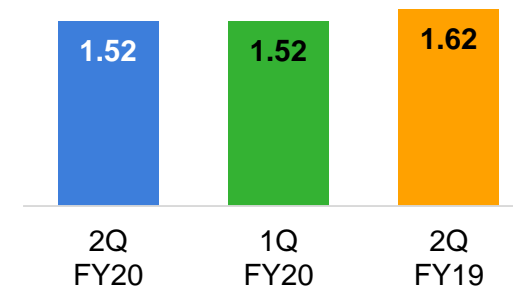
Automotive and Special Products



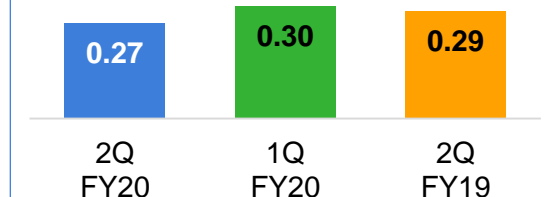
Branded Products and Retail



Industrial Products and Projects



Downstream²



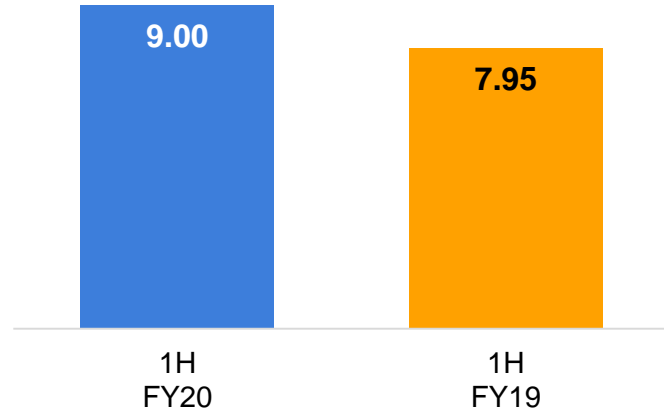
Strong business model drove volumes in a weak market

1. Tata Steel India includes Tata Steel Standalone, Tata Steel BSL and Tata Steel Long Products on proforma basis without inter-company eliminations; Tata Steel BSL has been consolidated from 18th May, 2018; Tata Steel Long Products has been included from 09th April, 2019

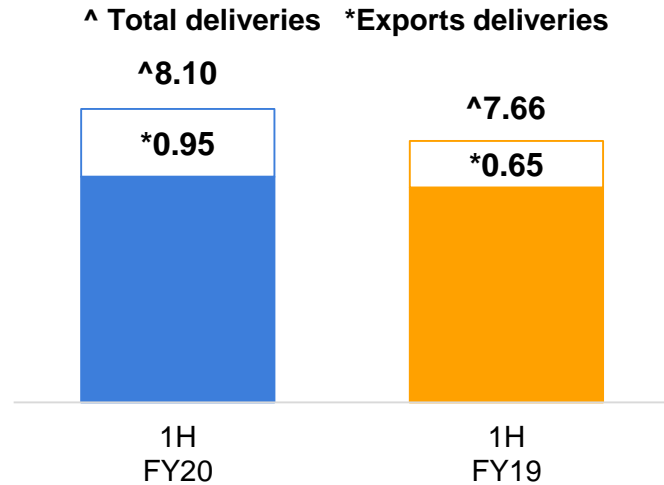
2. Transfer to downstream units

Tata Steel India¹: Half yearly production and delivery volumes

Crude Steel Production Volume (mn tons)

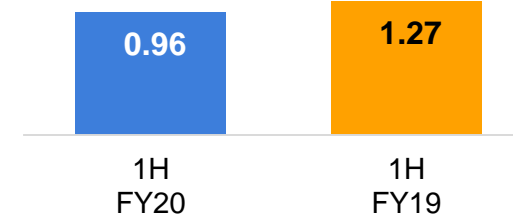


Total deliveries volume (mn tons)

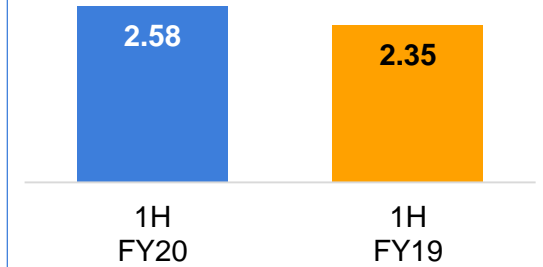


- Production is up by ~13%YoY; deliveries increased by 6%YoY to 8.10 mn tons
- Slowdown in Automotive sector countered by higher sales to construction and engineering segments, and exports
- Industrial Products and Projects and Branded Products and Retail volumes increased by 8%YoY and 10%YoY

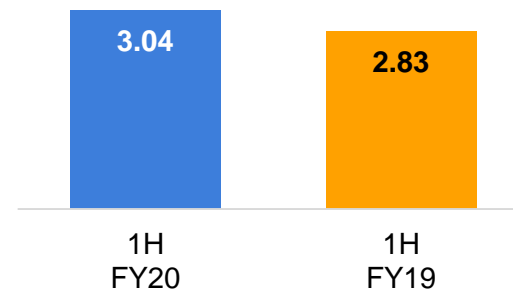
Automotive and Special Products



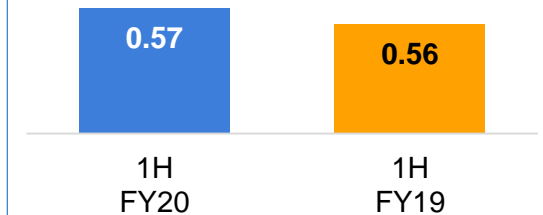
Branded Products and Retail



Industrial Products and Projects



Downstream²








Strong business model drove volumes in a weak market

1. Tata Steel India includes Tata Steel Standalone, Tata Steel BSL and Tata Steel Long Products on proforma basis without inter-company eliminations; Tata Steel BSL has been consolidated from 18th May, 2018; Tata Steel Long Products has been included from 09th April, 2019

2. Transfer to downstream units

Tata Steel India¹: Creating sustainable value

Key business segments' highlights

<p>Automotive and Special products</p>		<ul style="list-style-type: none"> ✓ Tata Steel has been awarded “Quality Certificate” by Toyota for exhibiting above target performance in quality ✓ Multiple trials initiated with Tata Steel BSL for enhancing supplies to key OEMs
<p>Branded products and Retail</p>		<ul style="list-style-type: none"> ✓ Branded products sales registered ~10% YoY growth in 1HFY20 by enhancing presence in focused micro-segments and by channel augmentation ✓ Aashiyana: First ever multi-brand portal for Individual Home Builders with 6 Tata Steel brands onboard; Rs.100+ crores revenue generated in 1HFY20 vs. Rs.100 crores revenue during full year FY19
<p>Industrial Products & Projects</p>		<ul style="list-style-type: none"> ✓ Increased market share in LPG segment to 64% in 2QFY20 from 53% in 1QFY20 ✓ Tata Steel BSL commenced commercial supplies of API X70
<p>Downstream Divisions</p>		<ul style="list-style-type: none"> ✓ Wires division registered ~5% YoY growth in 1HFY20 ✓ Tubes business registered ~9% YoY growth in 1HFY20 by leveraging our branded play in the construction and water projects segment
<p>Services and Solutions</p>		<ul style="list-style-type: none"> ✓ Pravesh Doors and Windows: System turnover² grew by 45% YoY ✓ Nest-In won the “Best Partnership Initiative in Water Sector ” Award at ASSOCHAM* Water Management Excellence Awards 2019

Diversified customer base to build resilience

OEMs: Original Equipment Manufacturers; ECAs: Emerging Customer Accounts

1. Includes Tata Steel BSL from 18th May, 2018; 2: Revenue generated across value chain

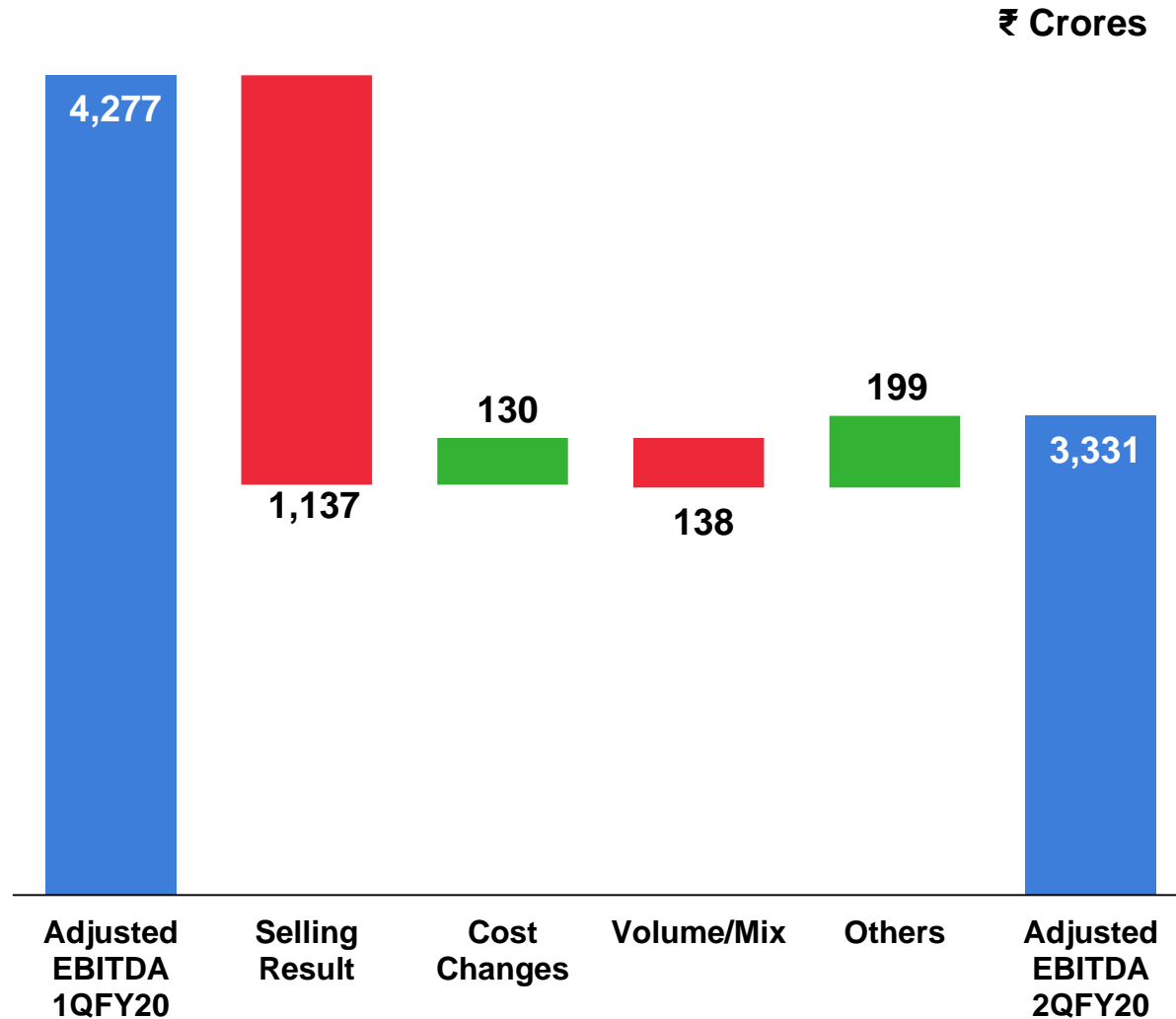
Tata Steel Standalone: Financial performance

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY20	1QFY20	2QFY19
Total revenue from operations	14,871	16,091	17,902
Raw material cost ¹	5,151	5,272	5,338
Change in inventories	(366)	(544)	(142)
EBITDA	3,546	4,098	6,113
Adjusted EBITDA²	3,331	4,277	5,859
Adjusted EBITDA per ton (Rs./t)	11,200	14,218	18,444
Pre exceptional PBT from continuing operations	1,891	2,444	5,044
Exceptional items	(3)	(41)	(28)
Tax expenses [#]	(1,949)	864	1,748
Reported PAT	3,838	1,539	3,268
Diluted EPS (Rs. per Share) – not annualised	33.00	13.05	28.13

Tax expenses include favorable impact of Rs. 2,433 crores as the company has exercised the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, it has recognized income tax provision for 1HFY20 and remeasured its deferred tax liabilities on the basis of the prescribed rate

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products; 2. EBITDA adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings

Tata Steel Standalone: EBITDA¹ movement



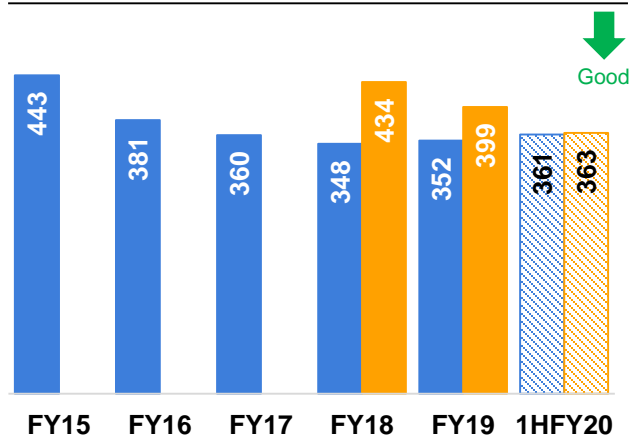
- Selling results reflects sequentially lower steel realizations
- Cost improvement is primarily due to lower material cost and better operational efficiencies
- Volume/mix impact primarily due to higher exports
- Others include higher export credit benefits and higher other operating income

1. Adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings

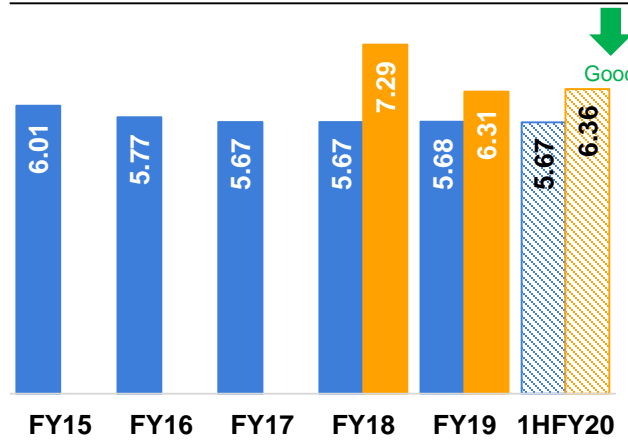
Tata Steel Standalone: Key sustainability parameters

■ TSJ ■ TSK

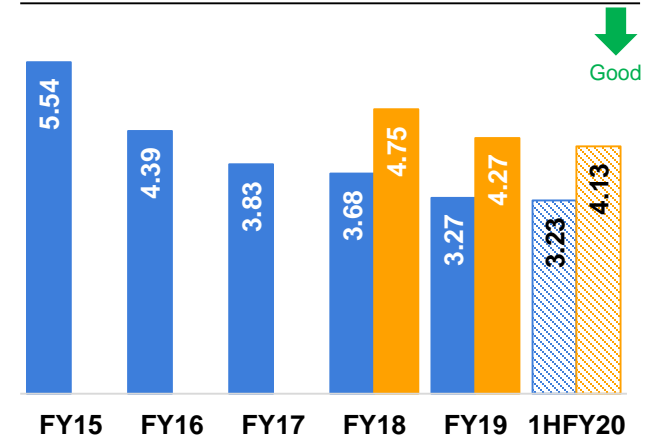
Coke Rate (kg/tcs)



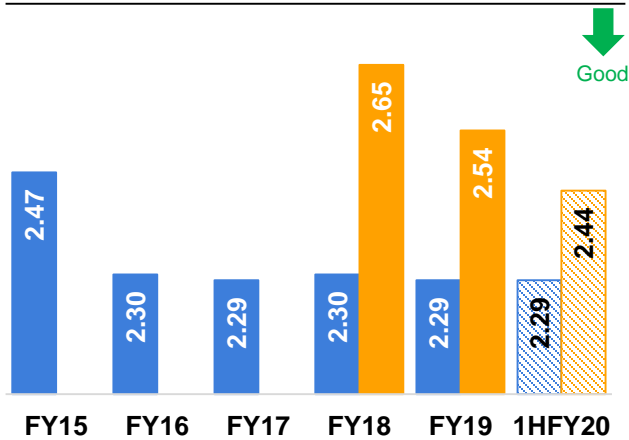
Specific Energy Intensity (Gcal/tcs)



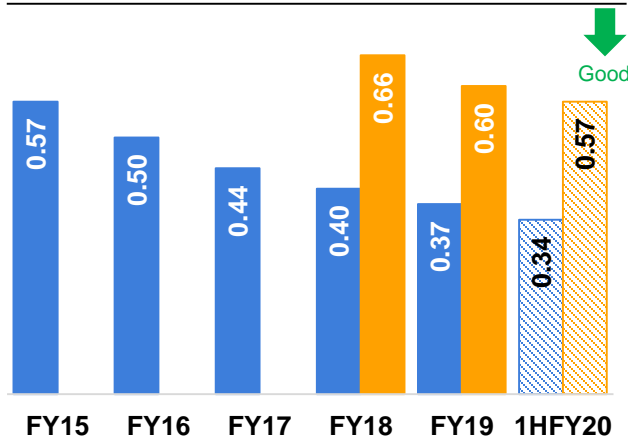
Specific Water Consumption (m³/tcs)



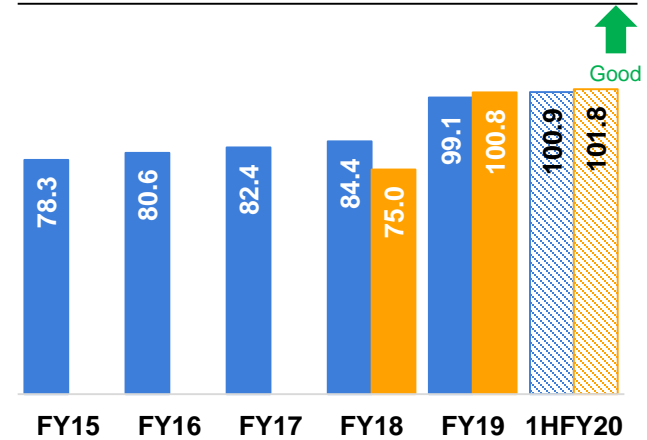
CO₂ Emission Intensity (tCO₂/tcs)



Specific Dust Emission (kg/tcs)



Solid Waste Utilization (%)



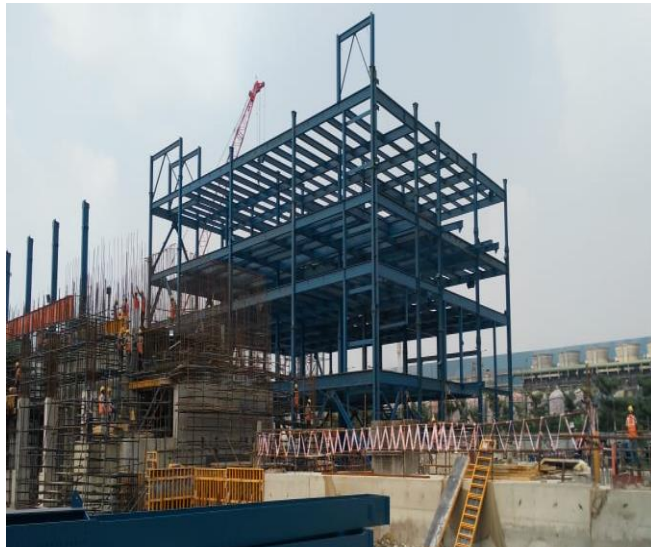
Committed to improve key sustainability parameters

TSJ: Tata Steel Jamshedpur; TSK: Tata Steel Kalinganagar

Tata Steel Kalinganagar Phase 2 expansion

Key updates

- Tata Steel Kalinganagar Phase 2 expansion is underway, the Cold Rolling Mill (CRM) complex and Pellet plant have been prioritized to improve product mix and bring cost efficiency
- Project progress:
 - Pickling Line and Tandem Cold Rolling Mill (PLTCM): Main mill foundation and engineering work completed; building work has also started
 - Balance CRM complex comprising of Continuous Annealing Mill and two Continuous Galvanizing lines: >80% of civil and structural engineering work is done



Electrical Control Room building of Pickling area



PLTCM equipment foundation



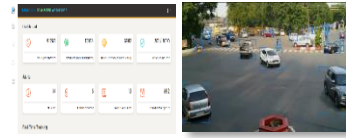
4 Mill Housings received

CRM and Pellet
plant have been
prioritized

Update on digitalization initiatives

Digitization across the value chain

Safety



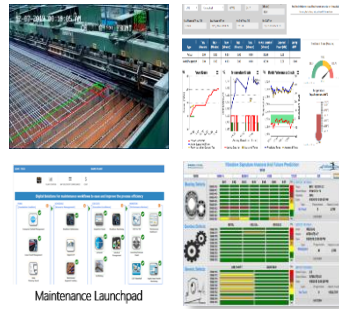
- ✓ Connected Workforce solution for real time visibility to avoid access to hazardous zones & auto-activation of emergency response if required
- ✓ Video Analytics based road safety solution

Mining and Supply chain



- ✓ ~25% YoY additional chrome production at Sukinda through higher asset utilization leveraging digital technologies
- ✓ Advanced Analytics aided production planning and network optimization resulting in reduction of freight costs, turn around time, demurrage
- ✓ Smart Mining Command Centre for continuous & real-time monitoring of fleet utilization & productivity at Ferro Alloys Division & Iron Ore mines

Operations and Maintenance



- ✓ Advanced analytics enabled: a) Fuel rate and yield improvement at Blast Furnaces, b) Yield and quality improvement of agglomerates and coke, c) Energy optimization at LD furnaces, and d) Electrical power demand-supply optimization across Tata Steel India
- ✓ New Bar Mill's yield has improved to 97.5% from 96.85% in Mar'19 using big data analytics solution
- ✓ 5% power cost reduction through demand-supply optimization across locations

Marketing and Sales



- ✓ **Aashiyana** – Rs 100cr revenue reached within a year of operation; on course for Rs 250cr in FY20
- ✓ **Tata Pravesh** - 20% reduction in order fulfilment time
- ✓ **DigEca**: Digital led management platform to cater the small, medium & emerging customer accounts; ~200KT/month enquiries being captured; comprising of 20% Value Added Products

Tata Steel BSL: Consolidated performance and key updates

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY20	1QFY20	2QFY19
Crude Steel production (mn tons)	1.07	1.12	1.05
Deliveries (mn tons)	1.04	0.86	1.14
Total revenue from operations	4,555	4,333	5,862
Raw material cost ¹	2,719	2,905	3,113
Change in inventories	52	(655)	86
EBITDA	527	785	1,173
EBITDA/t (Rs.)	5,062	9,092	10,291

Key updates

- 2QFY20 crude steel production was lower by 5%QoQ due to planned shutdowns in seasonally weaker quarter; deliveries grew 21%QoQ with higher exports and domestic sales
- Operational KPIs improvement – a) 3%YoY reduction fuel rate, and b) 7%YoY reduction in power consumption rate
- Appreciation certificate, by one of the largest Auto manufacturer in India, for developing the indigenous steel for its skin panels; producing Hot rolled sheets at Angul for 22 skin panels
- Successfully commercialized skin panel steel, HSLA, E34, BSK46 grade steel for commercial vehicle segment
- Received approval for API X70 grade HR coils from Indian oil marketing companies and secured orders for API pipes for cross country pipeline/city gas distribution projects

Proposed merger to
accelerate operational
synergies

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

Tata Steel Long Products: Consolidated performance and key updates

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY20	1QFY20	2QFY19
Production ('000 tons)			
- Crude Steel	150	121	NA
- Sponge	172	172	95
Deliveries ('000 tons)			
- Steel	118	93	NA
- Sponge	141	135	93
Total revenue from operations	778	705	216
Raw material cost ¹	642	635	154
Change in inventories	(95)	(155)	(4)
EBITDA	(40)	55	33

Key updates

- Phased acquisition: Steel and sponge making facilities were acquired in 1QFY20; completed Iron ore mines acquisition in July 2019; supply of captive iron ore was impacted by heavy monsoons
- Steps taken to stabilize the newly acquired facilities and improve operating KPIs
- Realisation were down with lower sponge and long steel prices; further impacted by adverse products mix amidst sluggish automotive sector
- Increased market share in all segments, including automotive sector, despite lower demand

Focus on integration and stabilization of newly acquired business

Note: Steel business of Usha Martin Limited has been consolidated with Tata Steel Long Products from 09th April, 2019

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

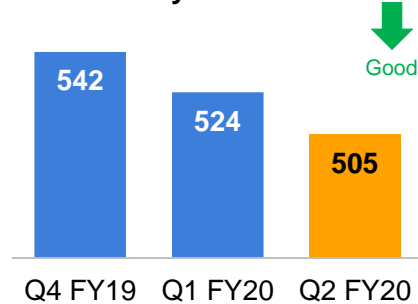
Tata Steel Long Products: key actions and initiatives

Operational efficiency

- Commenced mining from captive iron ore mines; ramping up to cater to full requirement of steel making business of Tata Steel Long Products
- Started operations at DRI Kilns and pellet plant
- Continuous focus on integration and stabilization of various operating units, and realisation of Identified synergies in various areas of operations, procurement and supply chain
- Various projects underway to drive improvements in the areas of environment, safety and operations

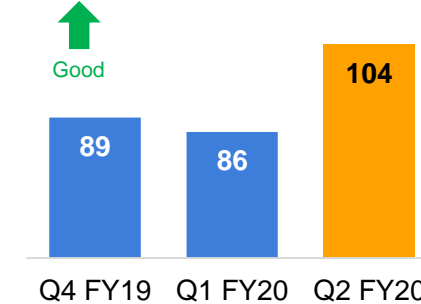
BF Coke Rate (kg/t)

Reduced by 7% from 4QFY19



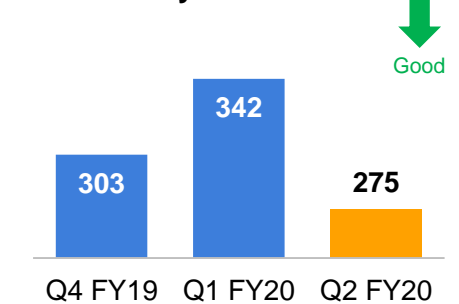
BF PCI Rate (kg/thm)

Improved by 17% from 4QFY19



Power Consumption (kwh/tcs)

Reduced by 9% from 4QFY19



Significant improvement in operating parameters

Marketing strategy

- Maintain/increase share of business with existing customers
- Tap complementary demand from Tata Steel's existing Wire Rod customers
- Focusing on widening customer base within automotive and diversifying to non-auto segments like Agriculture, Railways and Lifting & excavation

Tata Steel Europe: performance and key updates

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	2QFY20	1QFY20	2QFY19
Liquid Steel production (mn tons)	2.45	2.65	2.43
Deliveries (mn tons)	2.29	2.26	2.27
Total revenue from operations	14,035	14,495	15,929
Raw material cost ¹	6,431	7,332	6,974
Change in inventories	340	(932)	(61)
EBITDA	165	62	1,105
EBITDA/t (Rs.)	720	276	4,862

Key updates

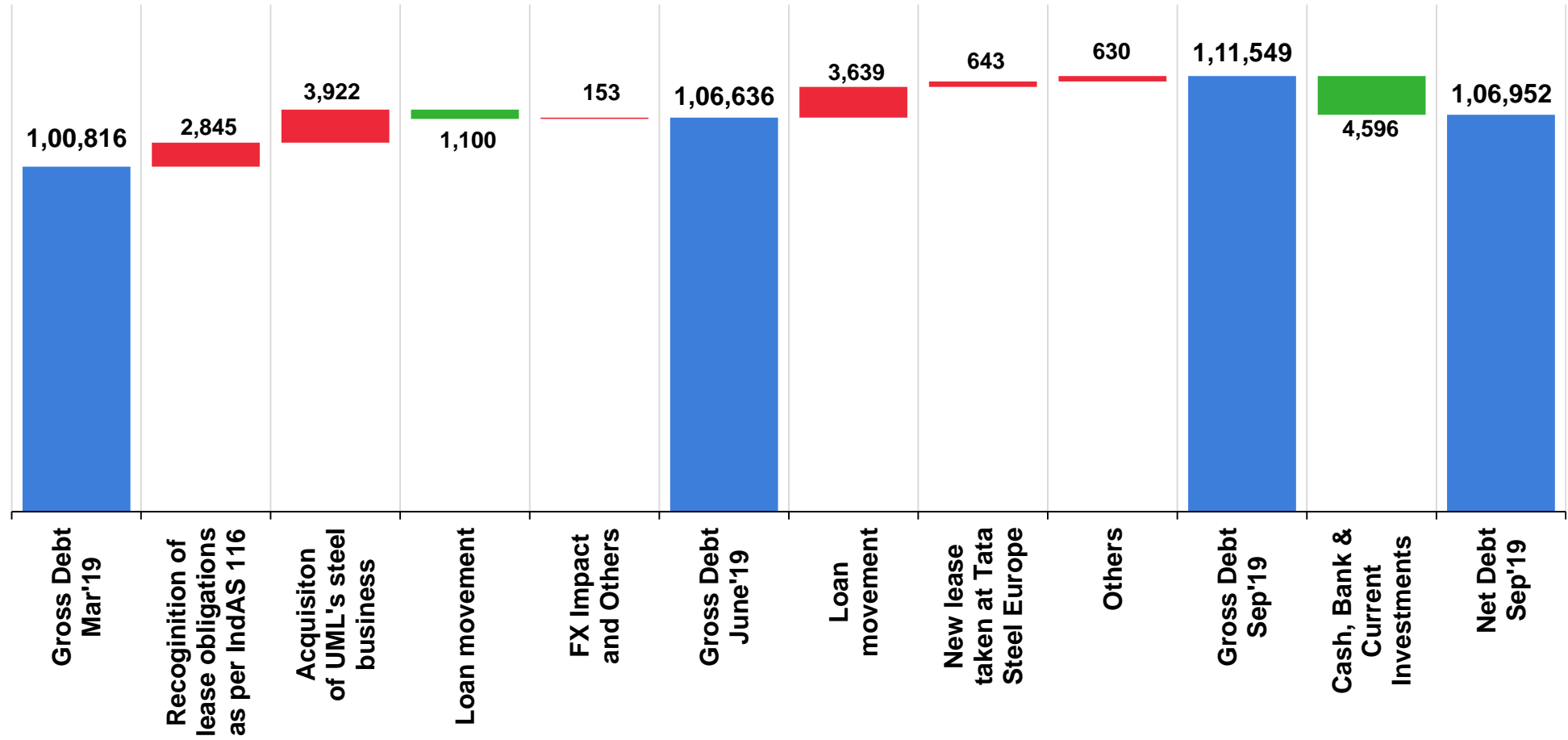
- 2QFY20 production was lower due to weaker market conditions, planned summer shutdowns and unplanned outages; deliveries were maintained
- Launched three new products in 2QFY20
- Completed sale of: 1) Firststeel business, UK, and 2) Cogent Power Inc, Canada during 2QFY20
- Working on further restructuring of operations of Orb Electrical Steels - South Wales, Wolverhampton Engineering Steels Service Centre - UK, and Degels business in Germany

Renewed
focus on cost
competitiveness

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products

Consolidated Debt movement

Rs. Crores



- €370 mn of debt has been repaid in October, 2019

Business Outlook

Steel Demand

- Global steel demand is expected to remain weak due to broader economic slowdown and increasing trade barriers
 - India steel demand is expected to improve in 2HFY20 with the end of monsoon, increase in the government spending and improvement in liquidity
 - Steel demand in European Union is expected to decline by 0.6% in CY19 due to sustained weakness in key steel consuming sectors
-

Steel prices

- Regional steel prices are expected to find support from supply discipline as margins are weak
 - Domestic steel prices to improve with improvement in demand and sentiment
-

Iron Ore

- International prices are expected to correct further with lower demand and improved supply, however, may remain volatile as Chinese port inventory is low
-

Coking Coal

- Prices have softened on lower demand from China and India; to remain in check given import restrictions by China
-

Annexure – I: Standalone QoQ Variations

Rs Crores	2QFY20	1QFY20	Key Reasons
Income from operations	14,487	15,813	Primarily due to lower realisation on per ton basis
Other operating income	385	279	Primarily due to higher export related benefits with higher exports
Raw materials consumed	4,843	4,700	Higher purchase pellet cost and coke consumption offset by lower coal consumption cost
Purchases of finished, semis & other products	307	572	Lower purchase of TMT rebars and pig iron
Changes in inventories	(366)	(544)	Increase in finished goods inventory
Employee benefits expenses	1,278	1,352	Primarily due to reversal in bonus provision
Other expenses	5,330	6,054	Primarily due to favourable FX movement on investment in preference shares at Tata Steel Holdings, lower freight and conversion charges
Depreciation & amortisation	970	968	In line
Other income	103	178	Primarily due to one-off income in 1QFY20
Finance cost	720	723	In line
Exceptional Items	(3)	(41)	In line
Tax	(1,949)	864	Primarily due to adoption of new corporate tax rate
Other comprehensive income	(78)	(50)	Primarily on account of re-measurement gain/loss on actuarial valuation of employee benefits and fair value adjustments of non-current assets

Annexure – II: Consolidated QoQ Variations

Rs Crores	2QFY20	1QFY20	Key Reasons
Income from operations	33,954	35,382	Primarily due to lower realisation across geographies
Other operating income	625	565	Primarily at Standalone
Raw materials consumed	13,676	14,491	Lower primarily at Europe and Tata Steel BSL
Purchases of finished, semis & other products	1,188	1,635	Lower primarily at Standalone and Europe
Changes in inventories	(16)	(2,365)	Inventory build up in India, offset by release in Tata Steel Europe and Tata Steel BSL
Employee benefits expenses	4,605	4,899	Lower expense at Standalone and Europe
Other expenses	11,307	11,909	Lower primarily at Standalone and Europe, partially offset by unfavorable FX impact
Depreciation & amortisation	2,127	2,083	Higher with addition of Bhushan Energy and mines acquired by Tata Steel Long Products
Other income	184	251	Primarily at Standalone
Finance cost	1,871	1,806	Higher interest expense at Europe and Tata Steel Long products
Exceptional Items	(34)	16	Primarily at Europe due to provision related to closure of some entities, partially offset by profit on sale of business
Tax	(4,050)	1,124	Primarily due to adoption of new corporate tax rat at Standalone and re-measurement of deferred tax asset/liabilities in offshore subsidiaries
Other comprehensive income	1,181	(326)	Re-measurement gain/loss on actuarial valuation and favourable FX translation impact

Note: 1. Consolidated numbers doesn't include NatSteel Singapore and Tata Steel Thailand as it has been classified as "Asset Held For Sale"; 2. Steel business of Usha Martin Limited has been consolidated with Tata Steel Long Products from 09th April, 2019

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