



August 7, 2019

The Secretary, Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalai Street,  
Mumbai - 400 001.  
Maharashtra, India.  
Scrip Code: **500470/890144**

The Manager, Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor, Plot No. C/1,  
G Block, Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051.  
Maharashtra, India.  
Symbol: **TATASTEEL/TATASTEELPP**

Dear Madam, Sir,

**Re: Outcome of Board Meeting**

This has reference to our letter dated July 29, 2019.

The Board of Directors of Tata Steel Limited ('the Company') at its meeting held today, i.e. August 7, 2019, approved the audited Standalone and unaudited Consolidated Financial Results of the Company for the quarter ended June 30, 2019.

A copy of the said Results together with the Auditors' Report, Press Release and Investor Presentation are enclosed herewith.

The Board meeting commenced at 2:00 p.m. (IST) and concluded at 6.15 p.m. (IST).

The above announcements are also being made available on the website of the Company [www.tatasteel.com](http://www.tatasteel.com)

This is for your information and records.

Yours faithfully,  
**Tata Steel Limited**

  
**Parvatheesam Kanchinadham**  
Company Secretary &  
Chief Legal Officer (Corporate & Compliance)

Encl: As above

**TATA STEEL LIMITED**

Registered Office Bombay House 24 Homi Mody Street Fort Mumbai 400 001 India  
Tel 91 22 6665 8282 Fax 91 22 6665 7724 website [www.tatasteel.com](http://www.tatasteel.com)  
Corporate Identity Number L27100MH1907PLC000260



Standalone Statement of Profit and Loss for the quarter ended on 30th June 2019

₹ Crores

Particulars	Quarter ended on 30.06.2019	Quarter ended on 31.03.2019	Quarter ended on 30.06.2018	Financial year ended on 31.03.2019
	Audited	Audited	Audited	Audited
<b>1 Revenue from operations</b>				
a) Gross sales / income from operations	15,812.75	18,498.07	16,154.32	68,923.36
b) Other operating revenues	278.57	631.48	251.14	1,687.56
Total revenue from operations [ 1(a) + 1(b) ]	16,091.32	19,129.55	16,405.46	70,610.92
<b>2 Other income</b>	177.84	537.97	506.03	2,405.08
<b>3 Total income [ 1 + 2 ]</b>	16,269.16	19,667.52	16,911.49	73,016.00
<b>4 Expenses</b>				
a) Cost of materials consumed	4,700.02	5,162.21	4,576.48	19,840.29
b) Purchases of stock-in-trade	572.15	372.12	370.93	1,807.85
c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress	(544.30)	1,170.31	(654.64)	(554.33)
d) Employee benefits expense	1,352.33	1,158.65	1,281.99	5,131.06
e) Finance costs	723.14	654.26	683.44	2,823.58
f) Depreciation and amortisation expense	967.66	952.94	986.67	3,802.96
g) Other expenses	6,054.26	6,320.79	5,758.76	23,823.11
Total expenses [ 4(a) to 4(g) ]	13,825.26	15,791.28	13,003.63	56,674.52
<b>5 Profit / (Loss) before exceptional items &amp; tax [ 3 - 4 ]</b>	2,443.90	3,876.24	3,907.86	16,341.48
<b>6 Exceptional items :</b>				
a) Profit / (loss) on sale of non current investments	-	-	-	262.28
b) Provision for impairment of investments / doubtful advances	(6.00)	(0.20)	(6.05)	(12.53)
c) Provision for demands and claims	-	-	(328.64)	(328.64)
d) Employee separation compensation	(34.75)	(10.82)	-	(35.34)
Total exceptional items [ 6(a) to 6(d) ]	(40.75)	(11.02)	(334.69)	(114.23)
<b>7 Profit / (Loss) before tax [ 5 + 6 ]</b>	2,403.15	3,865.22	3,573.17	16,227.25
<b>8 Tax Expense</b>				
a) Current tax	859.96	1,093.09	1,954.65	6,297.11
b) Deferred tax	4.20	281.04	(699.63)	(603.05)
Total tax expense [ 8(a) + 8(b) ]	864.16	1,374.13	1,255.02	5,694.06
<b>9 Net Profit / (Loss) for the period [ 7 - 8 ]</b>	1,538.99	2,491.09	2,318.15	10,533.19
<b>10 Other comprehensive income</b>				
A (i) Items that will not be reclassified to profit or loss	(61.29)	51.74	29.68	(40.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss	12.45	(25.11)	(11.42)	(2.63)
B (i) Items that will be reclassified to profit or loss	(1.11)	18.64	6.48	(10.62)
(ii) Income tax relating to items that will be reclassified to profit or loss	0.39	(6.52)	(2.27)	3.71
Total other comprehensive income	(49.56)	38.75	22.47	(50.22)
<b>11 Total Comprehensive Income for the period [ 9 + 10 ]</b>	1,489.43	2,529.84	2,340.62	10,482.97
<b>12 Paid-up equity share capital [Face value ₹ 10 per share]</b>	1,146.12	1,146.12	1,146.12	1,146.12
<b>13 Reserves excluding revaluation reserves</b>				69,308.59
<b>14 Earnings per equity share</b>				
Basic earnings per share (not annualised) - in Rupees (after exceptional items)	13.05	21.37	19.85	90.41
Diluted earnings per share (not annualised) - in Rupees (after exceptional items)	13.05	21.36	19.85	90.40

(a) Paid up debt capital represents debentures

(b) Net Debt to Equity: Net Debt / Average Equity

(Net debt: Long term borrowings + Current maturities of long term borrowings + Short term borrowings - Cash & bank balances - Current investments)

(Equity: Equity Share Capital + Other Equity + Hybrid Perpetual Securities)

(c) Debt Service Coverage Ratio: EBIT / (Net Finance Charges + Interest Income from Group Companies + Scheduled Principal repayments of long term borrowings (excluding prepayments) due)

(EBIT: Profit before Taxes +/- Exceptional Items + Net Finance Charges)

(Net Finance Charges: Finance costs (excluding interest on short term debts) - Interest income - Dividend income from current investments - Net Gain/(Loss) on sale of current investments)

(d) Interest Service Coverage Ratio: EBIT / (Net Finance Charges + Interest Income from Group Companies)

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Consolidated Statement of Profit and Loss for the quarter ended on 30th June 2019

₹ Crores

Particulars	Quarter ended on 30.06.2019	Quarter ended on 31.03.2019	Quarter ended on 30.06.2018	Financial year ended on 31.03.2019
	Unaudited	Unaudited	Unaudited	Audited
1 Revenue from operations				
a) Gross sales / income from operations	35,382.16	41,186.44	35,106.07	1,54,691.84
b) Other operating revenues	564.95	1,237.42	388.01	2,977.15
Total revenue from operations [ 1(a) + 1(b) ]	35,947.11	42,423.86	35,494.08	1,57,668.99
2 Other income	251.10	489.87	352.84	1,420.58
3 Total income [ 1 + 2 ]	36,198.21	42,913.73	35,846.92	1,59,089.57
4 Expenses				
a) Cost of materials consumed	14,491.23	14,241.31	12,430.08	54,309.07
b) Purchases of stock-in-trade	1,635.42	1,502.49	1,410.83	6,567.98
c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress	(2,364.54)	2,031.13	(1,422.38)	(96.71)
d) Employee benefits expense	4,899.36	4,650.95	4,739.43	18,758.87
e) Finance costs	1,806.43	1,937.75	1,657.81	7,660.10
f) Depreciation and amortisation expense	2,082.84	1,880.54	1,747.55	7,341.83
g) Other expenses	11,908.74	12,484.70	11,983.38	48,746.44
Total expenses [ 4(a) to 4(g) ]	34,459.48	38,728.87	32,546.70	1,43,287.58
5 Profit / (Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax [ 3 - 4 ]	1,738.73	4,184.86	3,300.22	15,801.99
6 Share of profit / (loss) of joint ventures & associates	52.22	56.15	47.21	224.70
7 Profit / (Loss) before exceptional items & tax [ 5 + 6 ]	1,790.95	4,241.01	3,347.43	16,026.69
8 Exceptional items				
a) Profit / (loss) on sale of subsidiaries and non current investments	-	(29.02)	-	180.13
b) Provision for impairment of investments / doubtful advances	-	(1.27)	-	(172.12)
c) Provision for impairment of non-current assets	-	40.58	-	(9.57)
d) Provision for demands and claims	-	-	(328.64)	(328.64)
e) Employee separation compensation	(34.75)	(10.81)	-	(35.33)
f) Restructuring and other provisions	50.75	12.01	-	244.56
Total exceptional items [ 8(a) to 8(f) ]	16.00	11.49	(328.64)	(120.97)
9 Profit / (Loss) before tax [ 7 + 8 ]	1,806.95	4,252.50	3,018.79	15,905.72
10 Tax Expense				
a) Current tax	950.37	1,215.65	1,988.45	6,728.14
b) Deferred tax	173.45	683.41	(892.51)	(9.71)
Total tax expense [ 10(a) + 10(b) ]	1,123.82	1,899.06	1,095.94	6,718.43
11 Net Profit / (Loss) after tax from continuing operations [ 9 - 10 ]	683.13	2,353.44	1,922.85	9,187.29
12 Profit / (Loss) before tax from discontinued operations	19.75	(79.01)	18.66	(98.60)
13 Tax expense of discontinued operations	0.91	(20.82)	7.71	(9.64)
14 Profit / (Loss) after tax from discontinued operations [ 12 - 13 ]	18.84	(58.19)	10.95	(88.96)
15 Profit / (Loss) on disposal of discontinued operations	-	-	-	-
16 Net Profit / (Loss) after tax from discontinued operations [ 14 + 15 ]	18.84	(58.19)	10.95	(88.96)
17 Net Profit / (Loss) for the period [ 11 + 16 ]	701.97	2,295.25	1,933.80	9,098.33
18 Profit / (Loss) from continuing operations for the period attributable to:				
Owners of the Company	693.09	2,430.92	1,940.78	10,283.45
Non controlling interests	(9.96)	(77.48)	(17.93)	(1,096.16)
19 Profit / (Loss) from discontinued operations for the period attributable to:				
Owners of the Company	17.41	(48.37)	10.28	(65.12)
Non controlling interests	1.43	(9.82)	0.67	(23.84)
20 Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss	(95.36)	(489.04)	1,827.54	(720.39)
(ii) Income tax relating to items that will not be reclassified to profit or loss	16.30	55.97	(316.36)	94.83
B (i) Items that will be reclassified to profit or loss	(283.80)	359.16	248.57	674.80
(ii) Income tax relating to items that will be reclassified to profit or loss	37.06	(26.98)	(12.53)	(41.45)
Total other comprehensive income	(325.80)	(100.89)	1,747.22	7.79
21 Total Comprehensive Income for the period [ 17 + 20 ]	376.17	2,194.36	3,681.02	9,106.12
22 Total comprehensive income for the period attributable to:				
Owners of the Company	376.84	2,402.75	3,198.58	10,362.88
Non controlling interests	(0.67)	(208.39)	482.44	(1,256.76)
23 Paid-up equity share capital [Face value ₹ 10 per share]	1,144.94	1,144.94	1,144.93	1,144.94
24 Reserves (excluding revaluation reserves) and Non controlling interest				67,869.60
25 Earnings per equity share (for continuing operation):				
Basic earnings per share (not annualised) - in Rupees (after exceptional items)	5.68	20.86	16.57	88.32
Diluted earnings per share (not annualised) - in Rupees (after exceptional items)	5.68	20.86	16.57	88.31
26 Earnings per equity share (for discontinued operation):				
Basic earnings per share (not annualised) - in Rupees	0.15	(0.42)	0.09	(0.57)
Diluted earnings per share (not annualised) - in Rupees	0.15	(0.42)	0.09	(0.57)
27 Earnings per equity share (for continuing and discontinued operations):				
Basic earnings per share (not annualised) - in Rupees (after exceptional items)	5.83	20.44	16.66	87.75
Diluted earnings per share (not annualised) - in Rupees (after exceptional items)	5.83	20.44	16.66	87.75

TATA STEEL LIMITED

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Consolidated Segment Revenue, Results, Assets and Liabilities

₹ Crores

Particulars	Quarter ended on 30.06.2019	Quarter ended on 31.03.2019	Quarter ended on 30.06.2018	Financial year ended on 31.03.2019
	Unaudited	Unaudited	Unaudited	Audited
<b>Segment Revenue:</b>				
Tata Steel India	16,091.32	19,129.55	16,405.46	70,610.92
Bamnipal Steel (including Tata Steel BSL)	4,332.73	5,517.48	2,107.86	18,375.86
Tata Sponge Iron	704.59	254.07	260.94	992.05
Other Indian Operations	2,597.68	3,008.85	2,589.02	11,276.82
Tata Steel Europe	14,495.33	16,568.06	16,429.31	64,777.07
Other Trade Related Operations	9,560.26	8,440.42	7,937.62	33,696.51
Rest of the World	-	260.59	140.46	783.97
<b>Total</b>	<b>47,781.91</b>	<b>53,179.02</b>	<b>45,870.67</b>	<b>2,00,513.20</b>
Less: Inter Segment Revenue	11,834.80	10,755.16	10,376.59	42,844.21
<b>Total Segment Revenue from operations</b>	<b>35,947.11</b>	<b>42,423.86</b>	<b>35,494.08</b>	<b>1,57,668.99</b>
<b>Segment Results before exceptional items, interest, tax and depreciation :</b>				
Tata Steel India	4,097.86	4,952.99	5,118.09	20,743.98
Bamnipal Steel (including Tata Steel BSL)	784.88	783.06	61.64	3,027.95
Tata Sponge Iron	55.29	28.14	60.75	156.44
Other Indian Operations	198.84	257.40	206.98	975.78
Tata Steel Europe	62.48	1,695.57	1,664.39	5,413.63
Other Trade Related Operations	626.09	(22.67)	(365.16)	489.63
Rest of the World	24.84	139.48	15.71	182.13
Less: Inter Segment Eliminations	335.58	71.83	362.72	1,219.22
<b>Total Segment Results before exceptional items, interest, tax and depreciation</b>	<b>5,514.70</b>	<b>7,762.14</b>	<b>6,399.68</b>	<b>29,770.32</b>
Add: Finance income	113.30	241.01	305.90	1,033.60
Less: Finance costs	1,806.43	1,937.75	1,657.81	7,660.10
Less: Depreciation and Amortisation	2,082.84	1,880.54	1,747.55	7,341.83
Add: Share of profit / (loss) of joint ventures and associates	52.22	56.15	47.21	224.70
<b>Profit / (Loss) before exceptional items &amp; tax</b>	<b>1,790.95</b>	<b>4,241.01</b>	<b>3,347.43</b>	<b>16,026.69</b>
Add: Exceptional items	16.00	11.49	(328.64)	(120.97)
<b>Profit / (Loss) before tax</b>	<b>1,806.95</b>	<b>4,252.50</b>	<b>3,018.79</b>	<b>15,905.72</b>
Less: Tax expense	1,123.82	1,899.06	1,095.94	6,718.43
<b>Net Profit / (Loss) after tax from continuing operations</b>	<b>683.13</b>	<b>2,353.44</b>	<b>1,922.85</b>	<b>9,187.29</b>
Net Profit / (Loss) after tax from discontinued operations	18.84	(58.19)	10.95	(88.96)
<b>Net Profit / (Loss) for the period</b>	<b>701.97</b>	<b>2,295.25</b>	<b>1,933.80</b>	<b>9,098.33</b>
<b>Segment Assets:</b>				
Tata Steel India	1,36,121.14	1,34,385.00	1,25,100.94	1,34,385.00
Bamnipal Steel (including Tata Steel BSL)	40,193.70	39,854.24	40,880.09	39,854.24
Tata Sponge Iron	6,450.60	1,311.97	1,316.26	1,311.97
Other Indian Operations	7,579.95	7,666.12	6,282.93	7,666.12
Tata Steel Europe	70,060.13	68,251.43	70,993.48	68,251.43
Other Trade Related Operations	71,095.81	68,831.55	66,188.08	68,831.55
Rest of the World	8,249.09	7,739.47	8,059.26	7,739.47
Less: Inter Segment Eliminations	1,01,125.22	98,599.65	79,661.43	98,599.65
<b>Total Segment Assets</b>	<b>2,38,625.20</b>	<b>2,29,440.13</b>	<b>2,39,159.61</b>	<b>2,29,440.13</b>
Assets held for sale	4,605.94	4,142.26	4,569.64	4,142.26
<b>Total Assets</b>	<b>2,43,231.14</b>	<b>2,33,582.39</b>	<b>2,43,729.25</b>	<b>2,33,582.39</b>
<b>Segment Liabilities:</b>				
Tata Steel India	68,038.36	67,809.45	69,524.06	67,809.45
Bamnipal Steel (including Tata Steel BSL)	20,856.86	21,428.15	39,375.21	21,428.15
Tata Sponge Iron	5,491.44	238.25	283.97	238.25
Other Indian Operations	3,747.98	4,295.24	4,365.59	4,295.24
Tata Steel Europe	95,265.78	92,326.76	91,307.91	92,326.76
Other Trade Related Operations	48,686.06	46,465.89	47,737.05	46,465.89
Rest of the World	5,304.70	4,747.92	3,047.42	4,747.92
Less: Inter Segment Eliminations	78,470.63	76,444.93	81,280.25	76,444.93
<b>Total Segment Liabilities</b>	<b>1,68,920.55</b>	<b>1,60,866.73</b>	<b>1,74,360.96</b>	<b>1,60,866.73</b>
Liabilities held for sale	1,846.53	1,426.12	2,024.27	1,426.12
<b>Total Liabilities</b>	<b>1,70,767.08</b>	<b>1,62,292.85</b>	<b>1,76,385.23</b>	<b>1,62,292.85</b>

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**Notes:**

1. The results have been reviewed by the Audit Committee in its meeting held on August 07, 2019 and were approved by the Board of Directors in its meeting of date.
2. Effective April 01, 2019, the Group has adopted Ind AS 116 "Leases" and applied the standard to lease arrangements existing on the date of initial application using the modified retrospective approach with right-of-use asset recognized at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet immediately before the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted.
3. Pursuant to the Business Transfer Agreement ("BTA") entered into between the Company and Usha Martin Limited ("UML") on September 22, 2018 and its subsequent novation in favour of Tata Sponge Iron Limited, a subsidiary of the Company, the acquisition of steel business of UML was completed on April 09, 2019 (other than transfer of some of the assets including iron ore mines, coal mines and certain land parcels) on compliance with relevant conditions precedents specified in the BTA by respective parties. Further, consequent to satisfaction of relevant conditions precedents, transfer of iron ore mines and coal mines has been completed on July 03, 2019.

The fair value of assets and liabilities acquired have been determined provisionally in accordance with Ind AS 103 "Business Combinations".

Consequent to the acquisition, Tata Sponge Iron Limited has been presented as a separate segment and previous periods has been restated accordingly.

4. On June 01, 2019, Tata Steel BSL Limited (formerly "Bhushan Steel Limited"), a subsidiary of the Company, completed the acquisition of Bhushan Energy Limited ("BEL") pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code 2016. The impact of the Resolution Plan has been given effect to on the acquisition date.

The fair value of assets and liabilities acquired have been determined provisionally in accordance with Ind AS 103 "Business Combinations".

5. Consolidated financial results for the periods relating to current year include steel business of UML and BEL, starting April 09, 2019 and June 01, 2019 respectively, hence not comparable with previous periods.
6. On May 10, 2019, the Company and thyssenkrupp AG announced that activities to complete the joint venture had been suspended due to the unlikelihood of obtaining merger control approval from the European Commission ("EC") which was subsequently confirmed by the EC on June 11, 2019.
7. On January 28, 2019, T S Global Holdings Pte. Ltd. ("TSGH") (an indirect wholly owned subsidiary of the Company) had executed definitive agreements to divest its entire equity stake in NatSteel Holdings Pte. Ltd. and Tata Steel (Thailand) Public Company Ltd. to a company in which 70% equity shares was to be held by an entity controlled by HBIS Group Co., Ltd. and 30% by TSGH. The completion of transaction was subject to regulatory approvals.

On August 06, 2019, the Company has announced that both parties have decided not to extend the definitive agreements since HBIS Group Co., Ltd. have not been able to procure the requisite approvals from the Hebei Government which was one of the key conditions precedent for the proposed transaction.

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8. Figures for the quarter ended March 31, 2019 represent the difference between the audited figures in respect of the full financial year and the published figures of nine months ended December 31, 2018 respectively.
9. The consolidated financial results have been subjected to limited review and the standalone financial results have been audited by the statutory auditors.
10. Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, where necessary.

T V Narendran

Chief Executive Officer &  
Managing Director

Mumbai: August 07, 2019

Koushik Chatterjee

Executive Director &  
Chief Financial Officer



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# Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors  
Tata Steel limited  
Bombay House,  
24, Homi Modi Street,  
Fort, Mumbai 400001

## Independent Auditor's Report on Standalone Statement of Profit and Loss

1. We have audited the standalone financial results of Tata Steel Limited (the "Company") for the quarter ended June 30, 2019, (the "results") which are included in the accompanying Statement of 'Standalone Statement of Profit and Loss for the quarter ended on 30th June 2019', being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015").
2. The Company's Management is responsible for preparation of the results on the basis of its interim financial statements prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the results based on our audit of such interim financial statements.
3. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the results. An audit also includes assessing the accounting principles used and significant estimates made by Management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion, and to the best of our information and according to the explanations given to us, the results :
  - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations, 2015 in this regard; and
  - (ii) give a true and fair view of the net profit and other financial information for the quarter ended June 30, 2019.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E-300009  
Chartered Accountants



Russell I Parera  
Partner

Membership Number: 042190

UDIN: 19042190AFAAASR499

Place: Mumbai  
Date: August 07, 2019

Price Waterhouse & Co Chartered Accountants LLP, 252, Veer Savarkar Marg, Shivaji Park, Dadar (West)  
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Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

# Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors  
Tata Steel Limited  
Bombay House,  
24, Homi Modi Street,  
Fort, Mumbai 400001

1. We have reviewed the unaudited consolidated financial results of Tata Steel Limited (the "Company"), its subsidiaries (the Parent and its subsidiaries hereinafter referred to as the "Group"), jointly controlled entities and associate companies for the quarter ended June 30, 2019 which are included in the accompanying 'Consolidated Statement of Profit and Loss for the quarter ended on 30th June 2019' (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, which has been initialed by us for identification purposes.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities listed in Annexure A.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. We did not review the interim financial statements / financial information / financial results of four subsidiaries included in the consolidated unaudited financial results, whose interim financial statements / financial information / financial results reflect total revenues of Rs. 18,869.18 crores, total net loss after tax of Rs. (1,493.84) crores and total comprehensive loss (net) of Rs. (971.54) crores for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, which

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## Price Waterhouse & Co Chartered Accountants LLP

also include their step down subsidiaries and jointly controlled entities constituting Rs. 11.13 crores of the Group's share of total comprehensive income for the quarter ended on that date. These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the other auditors / Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on the reports of the other auditors.

7. The consolidated unaudited financial results includes the interim financial statements/ financial information/ financial results of twenty two subsidiaries which have not been reviewed by their auditors, whose interim financial statements/ financial information/ financial results reflect total revenue of Rs. 662.70 crores, total net loss after tax of Rs. (126.49) crores and total comprehensive loss (net) of Rs. (210.59) crores for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also includes the Group's share of net profit after tax of Rs. 0.16 crores and total comprehensive income of Rs. 1.38 crores for the quarter ended June 30, 2019, as considered in the consolidated unaudited financial results, in respect of five joint ventures, based on their interim financial statements/ financial information/ financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group.
8. In the case of two subsidiaries, two jointly control entities and five associates, the interim financial statements/ financial information/ financial results for the quarter ended June 30, 2019 is not available. The investments in these companies are carried at Re 1 as at June 30, 2019. In absence of the aforementioned interim financial statements/ financial information/ financial results, the financial statements / financial information / financial results in respect of aforesaid subsidiaries, the Group's share of total comprehensive income of these jointly controlled entities and associates for the quarter ended June 30, 2019 have not been included in the Statement.

Our conclusion on the Statement is not modified in respect of the matters set out in paragraphs 6, 7 and 8 above.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E-300009  
Chartered Accountants



Russel I Parera  
Partner

Membership Number: 042190

UDIN 19042190AAAAAT1411

Place: Mumbai

Date: August 07, 2019

# Price Waterhouse & Co Chartered Accountants LLP

Annexure A

## List of Entities Consolidated

Sl. No	Name of the Company
<b>A.</b>	<b>Subsidiaries (Direct)</b>
1	ABJA Investment Co. Pte. Ltd.
2	Adityapur Toll Bridge Company Limited
3	Tata Steel Special Economic Zone Limited
4	Indian Steel & Wire Products Ltd.
5	Jamshedpur Utilities & Services Company Limited
6	Mohar Export Services Pvt. Ltd
7	NatSteel Asia Pte. Ltd.
8	Rujuvalika Investments Limited
9	T S Alloys Limited
10	Tata Korf Engineering Services Ltd.
11	Tata Metaliks Ltd.
12	Tata Sponge Iron Limited
13	Tata Steel (KZN) (Pty) Ltd. *
14	T Steel Holdings Pte. Ltd.
15	Tata Steel Odisha Limited
16	Tata Steel Processing and Distribution Limited
17	Tayo Rolls Limited *
18	Tata Pigments Limited
19	The Tinsplate Company of India Ltd
20	Tata Steel Foundation
21	Jamshedpur Football and Sporting Private Limited
22	Sakchi Steel Limited
23	Jugsalai Steel Limited
24	Noamundi Steel Limited
25	Straight Mile Steel Limited
26	Bamnival Steel Limited
27	Bistupur Steel Limited
28	Jamadoba Steel Limited
29	Dimna Steel Limited
30	Bhubaneshwar Power Private Limited
31	Creative Port Development Private Limited
<b>B.</b>	<b>Subsidiaries (Indirect)</b>
1	Haldia Water Management Limited
2	Kalimati Global Shared Services Limited
3	TS Asia (Hong Kong) Ltd.
4	TSIL Energy Limited
5	T S Global Holdings Pte Ltd.
6	Orchid Netherlands (No.1) B.V.
7	NatSteel Holdings Pte. Ltd.
8	Easteel Services (M) Sdn. Bhd.
9	Eastern Steel Fabricators Philippines, Inc.
10	NatSteel Recycling Pte Ltd.
11	NatSteel Trade International (Shanghai) Company Ltd.
12	NatSteel Vina Co. Ltd.
13	The Siam Industrial Wire Company Ltd.
14	TSN Wires Co., Ltd.
15	Tata Steel Europe Limited
16	Apollo Metals Limited
17	Beheermaatschappij Industriële Producten B.V.
18	Bell & Harwood Limited
19	Blastmega Limited
20	Bore Samson Group Limited
21	Bore Steel Limited
22	British Guide Rails Limited
23	British Steel Corporation Limited
24	British Steel Directors (Nominees) Limited
25	British Steel Engineering Steels (Exports) Limited
26	British Steel Nederland International B.V.



# Price Waterhouse & Co Chartered Accountants LLP

Annexure A

## List of Entities Consolidated

Sl. No	Name of the Company
27	British Steel Service Centres Limited
28	C V Benine
29	C Walker & Sons Limited
30	Catnic GmbH
31	Catnic Limited
32	CBS Investissements SAS
33	Cogent Power Inc.
34	Tata Steel Mexico SA de CV
35	Cogent Power Inc.
36	Cogent Power Limited
37	Color Steels Limited
38	Corbeil Les Rives SCI
39	Corby (Northants) & District Water Company Limited
40	Cordor (C& B) Limited
41	Corus CNBV Investments
42	Corus Cold drawn Tubes Limited
43	Corus Engineering Steels (UK) Limited
44	Corus Engineering Steels Holdings Limited
45	Corus Engineering Steels Limited
46	Corus Engineering Steels Overseas Holdings Limited
47	Corus Engineering Steels Pension Scheme Trustee Limited
48	Corus Group Limited
49	Corus Holdings Limited
50	Corus International (Overseas Holdings) Limited
51	Corus International Limited
52	Corus International Romania SRL.
53	Corus Investments Limited
54	Corus Ireland Limited
55	Corus Large Diameter Pipes Limited
56	Corus Liaison Services (India) Limited
57	Corus Management Limited
58	Corus Primary Aluminium B.V.
59	Corus Property
60	Corus Service Centre Limited
61	Corus Steel Service STP LLC
62	Corus Tubes Poland Spolka Z.O.O
63	Corus UK Healthcare Trustee Limited
64	Corus Ukraine Limited Liability Company
65	Crucible Insurance Company Limited
66	Degels GmbH
67	Demka B.V.
68	DSRM Group Plc.
69	Esmil B.V.
70	Europressings Limited
71	Firsteel Group Limited
72	Firsteel Holdings Limited
73	Fischer Profil GmbH
74	Gamble Simms Metals Limited
75	Grant Lyon Eagre Limited
76	H E Samson Limited
77	Hadfields Holdings Limited
78	Halmstad Steel Service Centre AB
79	Hammermega Limited
80	Hille & Muller GmbH
81	Hille & Muller USA Inc.
82	Hoogovens USA Inc.
83	Huizenbezit "Breesaap" B.V.
84	Inter Metal Distribution SAS
85	Layde Steel S.L.
86	Lister Tubes Limited
87	London Works Steel Company Limited



# Price Waterhouse & Co Chartered Accountants LLP

Annexure A

## List of Entities Consolidated

Sl. No	Name of the Company
88	Montana Bausysteme AG
89	Naantali Steel Service Centre OY
90	Nationwide Steelstock Limited
91	Norsk Stal Tynnplater AS
92	Norsk Stal Tynnplater AB
93	Orb Electrical Steels Limited
94	Ore Carriers Limited
95	Oremco Inc.
96	Plated Strip (International) Limited
97	Precoat International Limited
98	Precoat Limited
99	Rafferty-Brown Steel Co Inc Of Conn.
100	Round Oak Steelworks Limited
101	Runblast Limited
102	Runmega Limited
103	S A B Profiel B.V.
104	S A B Profil GmbH
105	Seamless Tubes Limited
106	Service Center Gelsenkirchen GmbH
107	Service Centre Maastricht B.V.
108	Societe Europeenne De Galvanisation (Segal) Sa
109	Staalverwerking en Handel B.V.
110	Steel StockHoldings Limited
111	Steelstock Limited
112	Stewarts & Lloyds Of Ireland Limited
113	Stewarts And Lloyds (Overseas) Limited
114	Surahammar Bruks AB
115	Swinden Housing Association Limited
116	Tata Steel Belgium Packaging Steels N.V.
117	Tata Steel Belgium Services N.V.
118	Tata Steel Denmark Byggsystemer A/S
119	Tata Steel Europe Distribution BV
120	Tata Steel Europe Metals Trading BV
121	Tata Steel France Batiment et Systemes SAS
122	Tata Steel France Holdings SAS
123	Tata Steel Germany GmbH
124	Tata Steel IJmuiden BV
125	Tata Steel International (Americas) Holdings Inc
126	Tata Steel International (Americas) Inc
127	Tata Steel International (Canada) Holdings Inc
128	Tata Steel International (Czech Republic) S.R.O
129	Tata Steel International (Denmark) A/S
130	Tata Steel International (Finland) OY
131	Tata Steel International (France) SAS
132	Tata Steel International (Germany) GmbH
133	Tata Steel International (South America) Representações LTDA
134	Tata Steel International (Italia) SRL
135	Tata Steel International (Middle East) FZE
136	Tata Steel International (Nigeria) Ltd.
137	Tata Steel International (Poland) sp Zoo
138	Tata Steel International (Schweiz) AG
139	Tata Steel International (Sweden) AB
140	Tata Steel International (India) Limited
141	Tata Steel International Iberica SA
142	Tata Steel Istanbul Metal Sanayi ve Ticaret AS
143	Tata Steel Maubeuge SAS
144	Tata Steel Nederland BV
145	Tata Steel Nederland Consulting & Technical Services BV
146	Tata Steel Nederland Services BV
147	Tata Steel Nederland Star-Frame BV
148	Tata Steel Nederland Technology BV





# Price Waterhouse & Co Chartered Accountants LLP

Annexure A

## List of Entities Consolidated

Sl. No	Name of the Company
7	T M Mining Company Limited *
8	TM International Logistics Limited
9	Industrial Energy Limited
10	Jamipol Limited
11	Nicco Jubilee Park Limited *
12	Medica TS Hospital Pvt. Ltd
<b>D. Jointly Controlled Entities (Indirect)</b>	
1	Naba Diganta Water Management Limited
2	SEZ Adityapur Limited
3	Laura Metaal Holding B.V.
4	Ravenscraig Limited
5	Tata Steel Ticaret AS
6	Texturing Technology Limited
7	Air Products Llanwern Limited
8	Hoogovens Court Roll Service Technologies VOF
9	Minas De Benga (Mauritius) Limited
10	BlueScope Lysaght Lanka (Pvt) Ltd
11	Tata NYK Shipping (India) Pvt. Ltd.
12	International Shipping and Logistics FZE
13	TKM Global China Ltd
14	TKM Global GmbH
15	TKM Global Logistics Limited
16	Andal East Coal Company Pvt. Ltd.
<b>E. Associates (Direct)</b>	
1	Kalinga Aquatics Ltd *
2	Kumardhubi Fireclay & Silica Works Ltd. *
3	Kumardhubi Metal Casting and Engineering Limited *
4	Strategic Energy Technology Systems Private Limited *
5	TRF Limited
6	Malusha Travels Pvt Ltd. *
<b>F. Associates (Indirect)</b>	
1	European Profiles (M) Sdn. Bhd.
2	Albi Profils SRL
3	GietWalsOnderhoudCombinatie B.V.
4	Hoogovens Gan Multimedia S.A. De C.V.
5	ISSB Limited
6	Wupperman Staal Nederland B.V.
7	New Millennium Iron Corp.
8	9336-0634 Québec Inc
9	TRF Singapore Pte Limited
10	TRF Holding Pte Limited
11	Dutch Lanka Trailer Manufacturers Limited
12	Dutch Lanka Engineering (Private) Limited
13	Hewitt Robins International Ltd
14	Hewitt Robins International Holdings Ltd
15	Bhushan Capital & Credit Services Private Limited
16	Jawahar Credit & Holdings Private Limited
17	Fabsec Limited

\* Not consolidated as the financial information is not available



**Mumbai, August 07, 2019**
**Tata Steel reports consolidated financial results for the quarter ended June 30, 2019**
**Key Highlights:**

- Health and Safety: Red risk incidents for Tata Steel Group reduced by 60% over 1QFY19
- Consolidated steel production as well as deliveries jumped 11%YoY to 7.15 mn tons and 5%YoY to 6.34 mn tons, respectively; India<sup>1</sup> production surged 23%YoY to 4.50 mn tons while deliveries grew 18%YoY to 3.96 mn tons
- Consolidated revenues stood at Rs.35,947 crores while India<sup>1</sup> revenues grew 13%YoY to Rs.21,129 crores
- Consolidated adjusted EBITDA was Rs.5,530 crores and India<sup>1</sup> adjusted EBITDA was at Rs.5,117 crores
- Consolidated reported PAT was Rs.702 crores. India<sup>1</sup> reported PAT was Rs.1,567 Crores
- The liquidity position of the group remains robust at Rs.12,409 crores comprising of cash and cash equivalents and undrawn bank lines
- Following the termination of the definitive agreement with HBIS Group to divest 70% stake in our South-East Asia business, Tata Steel has today executed a Memorandum of Understanding to divest 70% of its shareholding in Tata Steel Thailand to Synergy Metals and Mining Fund ("Synergy"). As a next step, Synergy will carry-out confirmatory due diligence and both parties shall engage to complete the definitive agreements in an expeditious manner.

**Tata Steel India and Consolidated Highlights**

Key profit & Loss account items	India <sup>1</sup>			Consolidated <sup>2</sup>		
	1QFY20	4QFY19	1QFY19	1QFY20	4QFY19	1QFY19
Production (mn ton) <sup>3</sup>	4.50	4.49	3.64	7.15	7.21	6.45
Deliveries (mn ton)	3.96	4.72	3.34	6.34	7.52	6.02
Turnover	21,129	24,901	18,774	35,947	42,424	35,494
Adjusted EBITDA <sup>4</sup>	5,117	5,689	5,370	5,530	7,814	7,063
Adjusted EBITDA (Rs. Per ton) <sup>4</sup>	12,908	12,061	16,068	8,725	10,394	11,740
PBT before exceptional items	2,406	3,628	3,470	1,791	4,241	3,347
Exceptional Charges	10	67	(335)	16	11	(329)
PAT from Continuing Operations	1,567	2,309	1,856	683	2,353	1,923
PAT from Discontinued Operations	-	-	-	19	(58)	11
<b>Reported PAT (A)</b>	<b>1,567</b>	<b>2,309</b>	<b>1,856</b>	<b>702</b>	<b>2,295</b>	<b>1,934</b>
Other Comprehensive Income (B)				(326)	(101)	1,747
Total Comprehensive Income (A+B)				376	2,194	3,681
<b>Diluted EPS after exceptional items (in Rs., not annualised)</b>	<b>5.83</b>	<b>20.44</b>	<b>16.66</b>			

1. India includes Tata Steel Standalone, Tata Steel BSL and Tata Sponge Iron on proforma basis without inter-company eliminations; Tata Steel BSL financials are consolidated from 18th May, 2018 2. Consolidated figures don't include NatSteel Holding and Tata Steel Thailand as it is classified as 'Asset held for sale'; 3. Production numbers for consolidated financials are calculated using Crude steel for India and liquid steel for Europe 4. EBITDA restated to exclude share of JV and Associates, and 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



### Business Environment

During the quarter, steel prices across geographies declined with weakening economic activities and uncertainty around the ongoing US-China trade conflict. This coincided with a sharp rise in iron ore prices due to supply disruptions and elevated coking coal costs. As a result, steel spreads dropped by around US\$ 80-100/ton in key markets.

In India, steel prices declined as subdued economic activity, seasonal slowdown and liquidity issues weighed on domestic consumption. Higher net imports further exacerbated the demand supply balance.

In Europe, the steel industry faces significant headwinds in terms of lower economic growth, uncertainty around Brexit and the trade conflict. This coupled with rising share of imports and elevated raw material prices has led to a sharp decline in steel spreads.

In this business environment, the company has delivered a 11%YoY volume growth for production and 5%YoY for deliveries.

### Key Operating and Financial Highlights of full year and the quarter:

#### Indian operations:

- India<sup>1</sup> steel production grew by 23% YoY to 4.50 mn tons in 1QFY20 with consolidation of Tata Steel BSL for the full quarter and higher capacity utilization at both Tata Steel Standalone and Tata Steel BSL.
- India<sup>1</sup> steel deliveries jumped 19% YoY to 3.96 mn tons in 1QFY20 as slowdown in the automotive sector was countered by higher sales in other segments.
- Industrial Products and Projects segment sales grew by 26%YoY. Branded products & Retail segment sales grew by 20%YoY.
- Automotive segment grew by 12%QoQ with the acquisition of Usha Martin Limited's steel business.
- India<sup>1</sup> revenues from operations for the year increased by 13%YoY to Rs.21,129 crores driven by higher volumes. India<sup>1</sup> adjusted EBITDA for the quarter was Rs.5,117 crores. Adjusted EBITDA margin stood at 24.2% and adjusted EBITDA/t was Rs.12,908/t.
- Tata Steel Kalinganagar is the first and the only Indian manufacturing plant to be included in the list of the World Economic Forum's Global Lighthouse Network, a community of manufacturers showing leadership in applying Fourth Industrial Revolution technologies to drive financial and operational impact.
- Tata Steel BSL continues to improve capacity utilization and operational performance with higher PCI injection, improved power cost and improvement in blends.

#### European operations:

- During the quarter, Tata Steel Europe liquid steel production was impacted by planned shutdowns and unplanned outages. This coupled with sluggish demand adversely impacted delivery volumes.
- Tata Steel Europe continues to strengthen sales mix. It launched three new products during the quarter; higher-value differentiated product sales exceeded 39%.
- Revenue from operations decreased to Rs.14,495 crores in 1QFY20 in line with lower deliveries. Operational issues and pressure on steel spreads impacted 1QFY20 profitability. However, Tata

1. India includes Tata Steel Standalone, Tata Steel BSL and Tata Sponge Iron on proforma basis without inter-company eliminations





Steel Europe has initiated a transformation plan with an aim to make it self-sufficient and cash positive.

**Key corporate developments:**

- Tata Sponge Iron Limited, a 75.91% subsidiary of Tata Steel, completed the acquisition of steel business of Usha Martin Limited on April 09, 2019. Subsequently, the company obtained the required statutory approvals to operate its captive iron mines. The supply of iron ore from the captive mines has commenced from July 2019 and is expected to ramp up in next couple of months. The company is currently focusing on integration and stabilization of various operating units and in realizing identified synergies in various areas of operations, procurement and supply chain. The company is also working to bring the newly acquired business in line with Tata Steel's benchmark performances in the areas of environment, safety and operations.
- Tata Steel Kalinganagar Phase II expansion project is underway. The 2.2 mn tons CRM complex and pellet plant has been prioritized to improve product mix and reduce costs.
- Tata Steel BSL, a subsidiary of Tata Steel, has acquired 99.99% holding in Bhushan Energy Limited in accordance with the approved resolution plan under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016.

**Management Comments:****Mr. T V Narendran, CEO & Managing Director:**

"The steel sector is facing significant headwinds which has affected spreads and overall profitability. However, our strong business model in India has helped us counter the overall market weakness, including the slowdown in the automotive sector, by growing volumes in multiple customer segments. Our focus on operational excellence has also helped in containing the impact on margins. Increased government spending and efforts to address the liquidity crunch should help revive demand and steel prices in India in the second half of the year. While TSE performance has been affected by market and operational issues, we are implementing a transformation plan which aims to reduce operating costs, rationalize capex and working capital and improve overall cashflows.

We are consolidating our presence in India through the proposed merger of Tata Steel BSL with Tata Steel and our ongoing 5 MTPA Kalinganagar Phase II expansion, which will improve our product mix and further rationalize costs. Tata Sponge is focused on the integration and ramp-up of the recently acquired 1 MTPA steel business."

**Mr. Koushik Chatterjee, Executive Director and CFO:**

"Amidst very challenging global economic environment including in India, higher input costs and weak demand conditions, Tata Steel reported a consolidated EBIDTA margin of 15.4% on the back of a robust India performance of EBIDTA margin of 24.2%. The EBIDTA per ton in India business increased from Rs.12,061 to Rs.12,908 that reflected a 7%QoQ increase. The European performance was impacted shutdown and downtime in Netherlands. The UK operations had a stable performance post the major repairs of the Blast Furnace earlier in the year.

Our consolidated gross debt during the quarter increased primarily due to reclassification of lease obligations as per IndAS 116 and short-term acquisition financing of Usha Martins Steel business at Tata Sponge. The Tata Sponge rights issue closed successfully and Tata Steel's holding has increased to 75.9% post the issue. The integration of the acquisition has commenced and synergies are being explored. We are also working on capital release from special initiatives on working capital, portfolio consolidation and recalibration of capital expenditure for the year. Our liquidity is strong at over



Rs.12,000 crores. Today the Board has approved the signing of a Memorandum of Understanding with Synergy Metals and Mining fund to divest 70% of our stake in Tata Steel Thailand in a 70:30 partnership for the Thailand business."

**Disclaimer:**

Statements in this press release 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.

**About Tata Steel**

Tata Steel group is among the top global steel companies with an annual crude steel capacity of 33 million tonnes per annum (MnTPA). It is one of the world's most geographically-diversified steel producers, with operations and commercial presence across the world. The group (excluding SEA operations) recorded a consolidated turnover of US \$22.67 billion in the financial year ending March 31, 2019. In 2018, Tata Steel acquired Bhushan Steel Ltd (now renamed as Tata Steel BSL Ltd).

A Great Place to Work-Certified™ organisation, Tata Steel Ltd., together with its subsidiaries, associates and joint ventures, is spread across five continents with an employee base of over 65,000.

Tata Steel retained the 'Global Steel Industry Leader' position in the DJSI 2018. The Company has been recognised as the Climate Disclosure Leader in 'Steel category' by CDP (2017). Besides being a member of the World Steel Climate Action Programme, Tata Steel has won several awards including the Prime Minister's Trophy for the best performing integrated steel plant for 2016-17, 'GreenPro' certification for products (Tata Pravesh Steel Doors, Tata Structura, Tata Pipes) by CII, Authorized Economic Operator (AEO) status (Tier 2) by the Directorate of International Customs (Ministry of Finance, Govt. of India), 'Corporate Strategy Award' by Mint (2018), Golden Peacock Award for Risk Management (2018) and Best Risk Management Framework & Systems Award (2019) by CNBC TV18. The Company also received the 'Most Ethical Company' award from Ethisphere Institute for the eight time (2019), Steel Sustainability Champion (2018) by the World Steel Association, Dun & Bradstreet Corporate Awards (2019), Golden Peacock HR Excellence Award by Institute of Directors (2018), 'Best Companies To Work For' recognition by Business Today, 'Asia's Best Integrated Report' award by the Asia Sustainability Reporting Awards (2017), among several others.

In 2018, the Company launched a corporate brand campaign #WeAlsoMakeTomorrow. ([www.wealsomaketomorrow.com](http://www.wealsomaketomorrow.com)).

To know more, visit [www.tatasteel.com](http://www.tatasteel.com) | Follow us on

**For media enquiries contact:****Kulvin Suri**

Tel: +91 22 6665 0581/ +91 92310 52397

Email: [kulvinsuri@tatasteel.com](mailto:kulvinsuri@tatasteel.com)**Rob Simpson**

Tel: +44 207 717 4404/ +44 7990 786 531

Email: [rob.simpson@tatasteel.com](mailto:rob.simpson@tatasteel.com)



**Results Presentation**  
**Financial quarter ended June 30, 2019**  
August 07, 2019



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## Safe harbor statement

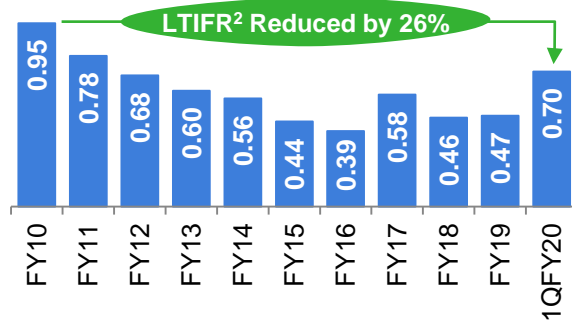
*Statements in this presentation describing the Company's performance may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those directly or indirectly expressed, inferred or implied. Important factors that could 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

- Cross functional assessment, by TSE Process Safety team, to strengthen 'Process Safety' deployment at TSJ & TSK
- 60% reduction in Red Risk<sup>1</sup> incidents over 1QFY19
- To drive safety culture, renewed focus on promoting reporting behavior for Loss Time Injury



## HEALTH

- 5,000 employees regularly participating in 'Outdoor Physical Fitness Program' launched to transform their fitness level
- Organized theme based awareness campaigns for Tobacco Free Workplace – 2,500 employees touched
- 1,500 employees covered in refreshers training on First Aid and CPR to improve the competency

**58%**

High risk cases<sup>3</sup> transformed into moderate/low risk at Tata Steel India

## SUSTAINABILITY

- Tata Steel has been rated 4<sup>th</sup> best among 20 global steel companies evaluated by CDP for actions taken within the steel sector to reduce carbon emissions
- Tata Steel Kalinganagar is the first and only Indian steel manufacturing plant to be included in the World Economic Forum's Lighthouse Network
- TSJ received 'CII Greenco Star Performer Award' for continued excellence in environmental performance

**100%**

LD Slag Utilization in 1QFY20 at TSJ

TSJ: Tata Steel Jamshedpur; TSK: Tata Steel Kalinganagar; TSE: Tata Steel Europe; Tata Steel India: TSJ + TSK; CPR : Cardiopulmonary Resuscitation; CDP: Carbon Disclosure Project

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

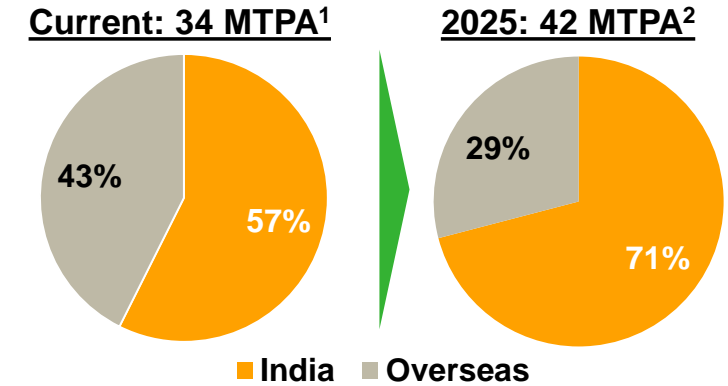
2. LTIFR: Lost Time Injury Frequency Rate per million man hours worked; for Tata Steel Group

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

# Key strategic priorities

## Strengthening India footprints

- Strong and ‘best in class’ assets – Jamshedpur, Kalinganagar and Angul; globally competitive cost position
- Target to increase capacity to 30 million tons per annum (MTPA) by 2025
- Strategic acquisitions comprising of 6.6 MTPA capacity; integration and ramp-up underway
- 5 MTPA phase II expansion at Kalinganagar is on track
- Simplifying corporate structure in India



## Financial health

- Diversified investor base and well spread debt maturity profile
- Demonstrated access to capital across domestic and international banks, and capital markets
- Focus on deleveraging through superior operating cash flows and portfolio restructuring; derive cost effectiveness through structured continuous improvement programmes such as Shikhar25
- Reduced consolidated gross debt by Rs.17,864 crore in 2HFY19; targeting another \$1 bn reduction in FY20

## Insulate revenues from steel cyclical

- Expand downstream products capacity – at least >30% of total volume from downstream products
- Services & Solutions initiative to capture a value multiplier – generate ~20% of revenue by 2025
- New materials business to grow beyond Steel – generate ~10% of revenue by 2025

## Corporate Social Responsibility

- Engage with neighbouring communities and improve their quality of life – engaged with 2 million lives by 2025 through CSR initiatives

1. India includes Tata Steel Standalone (13 MTPA), Tata Steel BSL (5.6 MTPA) and Tata Sponge Iron (1 MTPA); overseas includes Tata Steel Europe and South East Asia operations  
 2. Target to increase India capacity to 30 MTPA by 2025 through organic and inorganic routes post divestment of South East Asia operations

# Key performance highlights and updates



## 1QFY20 – key performance indicator

- Indian operations contributed 63% out of consolidated deliveries of 6.34 mn tons
- India domestic sales grew by 16%YoY against market growth of 7%YoY
- Consolidated adjusted EBITDA of Rs.5,530 crores, EBITDA margin of 15.4%, EBITDA per ton of Rs.8,725/t
- Standalone adjusted EBITDA of Rs.4,277 crores, EBITDA margin of 26.6%, EBITDA per ton of Rs.14,218/t

Continue to focus on profitable growth in India



## Strengthening India operations

- Kalinganagar 5MTPA Phase II expansion is underway; commissioning of CRM complex and pellet plant is being prioritized
- Tata Steel BSL – cost effective acquisition of Bhushan Energy
- Partnered Tata Sponge Iron Limited in the acquisition of Usha Martin's steel business
- Unlisted India footprint will be re-organized in 4 verticals to drive scale, simplicity and synergy



## Financial Health

- Calibrated debt drawdown for organic expansion; enhanced use of internal cash flows
- Long term financing put in place at Tata Sponge Iron with a rights issue of Rs.1,485 crores and long term debt of Rs2,650 crores
- Capex being recalibrated in line with market conditions and lower cashflows

# 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

- 1000 Schools Projects –1,372 schools and 49,032 children supported in Odisha and Jharkhand
- 30 Model schools – 20 schools completed, 17 handed over
- Tata Steel Scholars program – 59 meritorious SC/ST students covered

## Livelihood

- 'Cyclone Fani' affected betel vine farmers supported for restoration of betel leaf sheds
- Self-help groups – 2,441 women empowered
- Technical Institutes - 663 youth trained

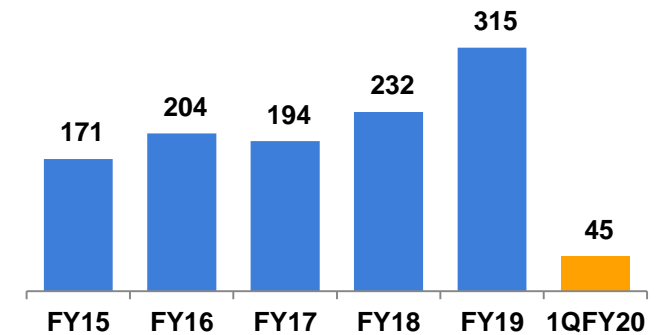
## Health & Sanitation

- Health care clinics, mobile medical units and health camps – 70,588 patient footfalls recorded
- Partnership with Sankara Nethralaya's Mobile Eye Surgical Units and others - 278 cataract surgeries facilitated
- Ante-Natal & prenatal check-ups – 1,071 women benefitted
- Regional Initiative for Safe Sexual Health by Today's Adolescents (RISHTA) – covered 3,992 adolescents
- Maternal And New-born Survival Initiative (MANSI) – covered 4,886 mothers and children

## Europe

- Women of Steel – a radio and school campaign aimed at young girls and women highlighting career options and female empowerment messages
- Site visit for around 250 girls from communities near Tata Steel Ijmuiden to learn about careers in engineering

TSL Standalone – CSR Spend (Rs. crores)



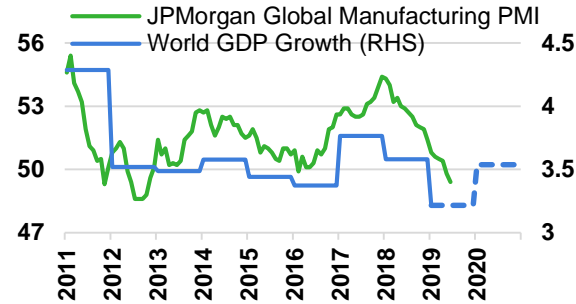


# Global macro and business environment

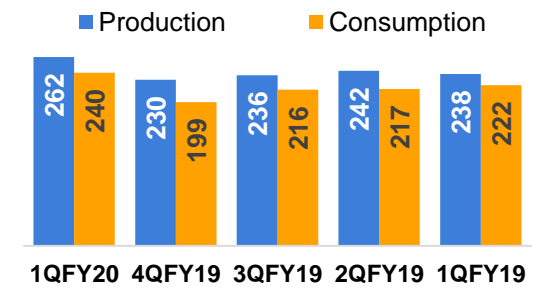
- Rising uncertainty around political and trade conflicts continued to weigh on global business confidence, investment decisions and trade flows
- Accommodative policy at major economies is counterbalanced by increased risk from escalating US-China trade war
- Chinese steel exports remained ~70 mn tons on annualised basis amidst increasing regional trade restrictions
- Chinese Crude steel production increased by ~24mn tons YoY in 1QFY20 while adjusted domestic consumption<sup>1</sup> grew by only ~18mn tons; leading to higher inventories on YoY basis
- Seaborne Iron ore prices continued to rise over supply disruptions in Brazil and Australia; Coking coal prices too remained elevated
- Steel prices were under pressure on global demand worries, affecting steel spreads across the regions

Margins were under pressure as steel prices lagged elevated raw material costs

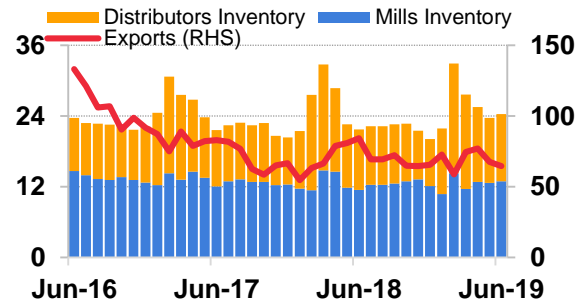
### World GDP growth (% YoY) and global manufacturing PMI



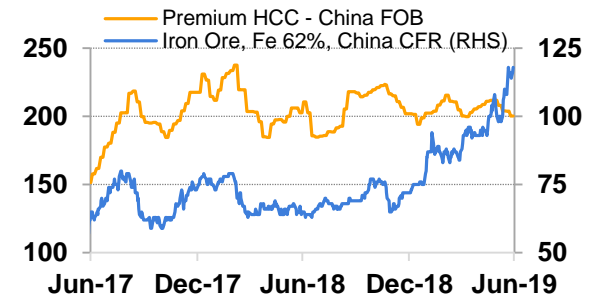
### China crude steel production and domestic consumption<sup>1</sup> (mn tons)



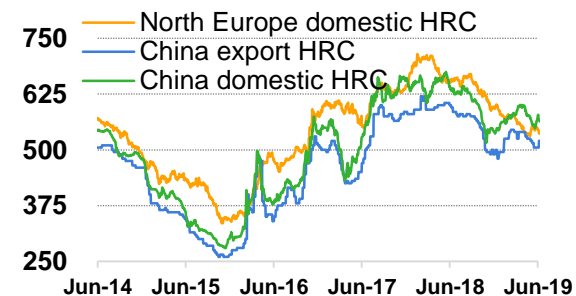
### China steel inventory and annualised exports (mn tons)



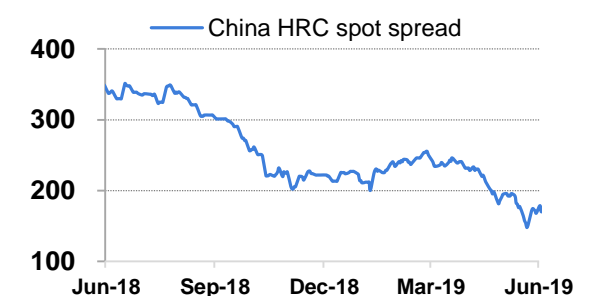
### Iron ore and Coking coal prices (\$/t)



### Global HRC prices (US\$ per ton)



### Gross spot HRC spread (US\$ per ton)



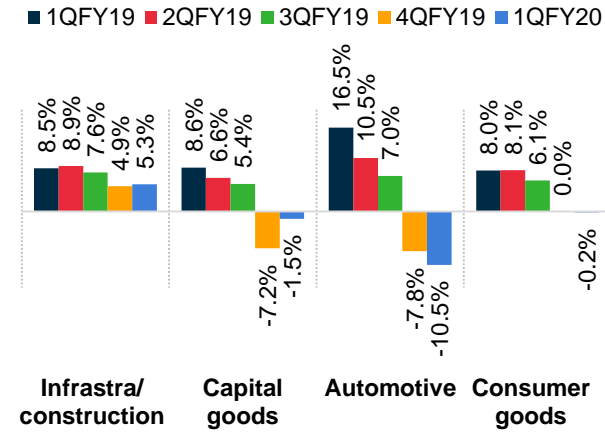
Sources: World Steel Association, IMF, Bloomberg, SteelMint, JP Morgan and Morgan Stanley; China export HRC - China Weekly Hot Rolled Steel 3mm Export Price Shanghai, North Europe Domestic HRC - PLATTS TSI HRC N Europe Domestic Prod Ex-Mill, China Domestic HRC - China Domestic Hot Rolled Steel Sheet 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

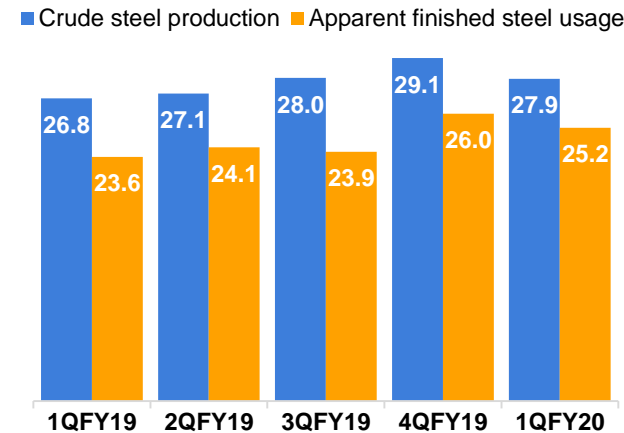
- Overall economic activities were weaker as liquidity issues negatively impacted domestic consumption and business sentiments
- Infrastructure/construction improved, however, Automotive, capital goods and consumer goods sector demand continued to be weak
- Credit growth ex Infrastructure remained weak despite recent policy measures
- Apparent steel consumption declined 3%QoQ in 1QFY20; Net steel imports increased significantly with lower exports
- Domestic steel prices trended downward during the quarter with weaker domestic demand and higher net imports
- Steel margins were under pressure with decline in average realisation and higher input costs

Weak economy activities weighed on domestic steel prices

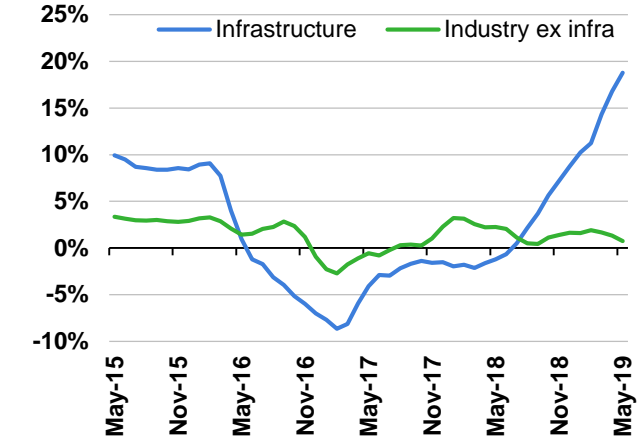
Key sectors growth (% Change, YoY)



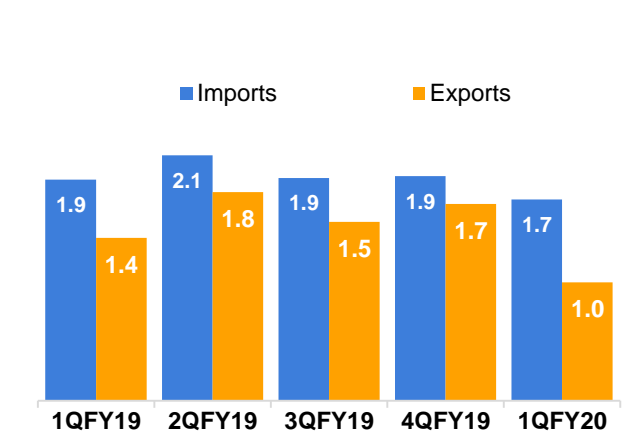
India steel production and consumption (mn tons)



Bank credit growth (YoY%, 3MMA)



India steel imports and exports (mn tons)



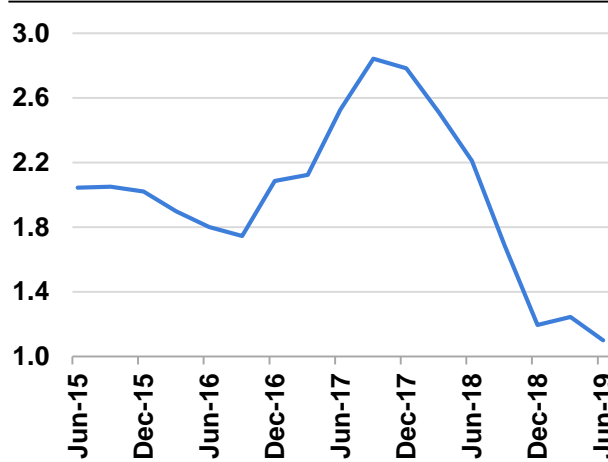
Source: Bloomberg, RBI, SIAM, Joint plant committee, MOSPI, World Steel Association

# Europe macro and business environment

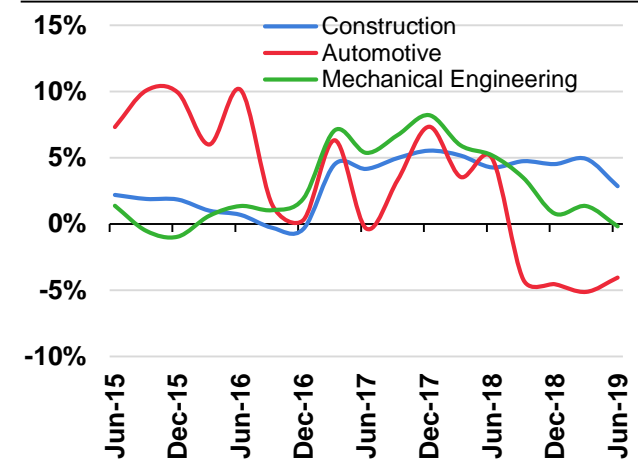
- Euro zone grew modestly at 1.1%YoY in 1QFY20 and expanded marginally on QoQ basis
- No-deal Brexit along with unsettling trade war is weighing on investment spending across the Eurozone
- Steel demand is decelerating since 2HCY18; expected to decline by -0.6%YoY in CY19
- Rising steel imports into the Euro zone, nullifying the impact of trade barriers and hurting trade balance
- Steelmakers in Euro zone grappling with surge in share of imports to 18%

Volumes and margins impacted by declining demand and elevated raw material costs

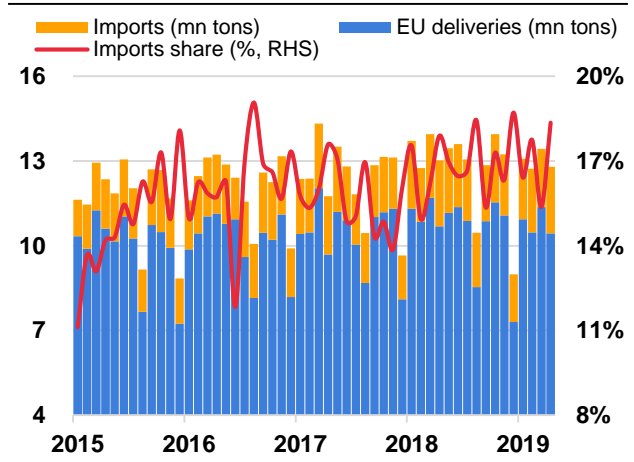
Eurozone GDP (% YoY)



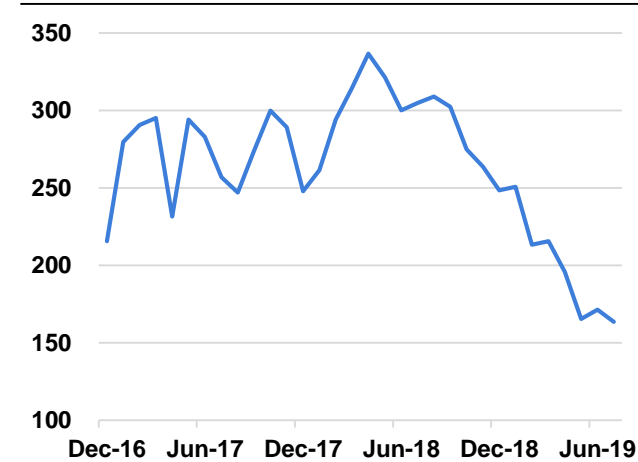
EU - key steel consuming sectors (%YoY)



EU Market Supply



Gross spot HRC spread - Germany (€/t)



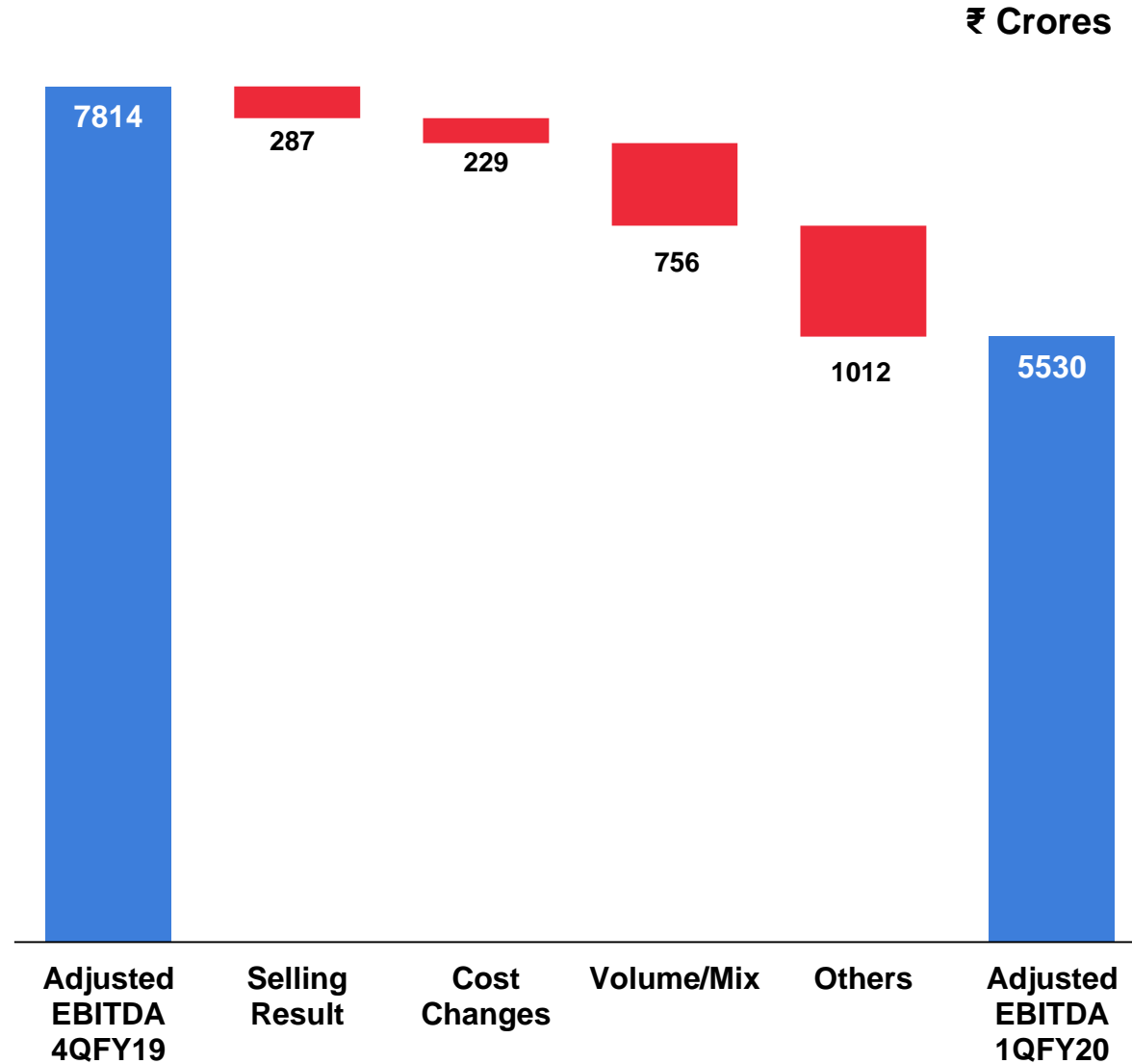
Source: Eurofer, Tata Steel

## Consolidated operational and financial performance

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	1QFY20	4QFY19	1QFY19
Production (mn tons) <sup>1</sup>	7.15	7.21	6.45
Deliveries (mn tons)	6.34	7.52	6.02
<b>Total revenue from operations</b>	<b>35,947</b>	<b>42,424</b>	<b>35,494</b>
Raw material cost <sup>2</sup>	16,127	15,744	13,841
Change in inventories	(2,365)	2,031	(1,422)
<b>EBITDA<sup>3</sup></b>	<b>5,515</b>	<b>7,762</b>	<b>6,400</b>
<b>Adjusted EBITDA<sup>4</sup></b>	<b>5,530</b>	<b>7,814</b>	<b>7,063</b>
<b>Adjusted EBITDA per ton (Rs./t)</b>	<b>8,725</b>	<b>10,394</b>	<b>11,740</b>
Pre exceptional PBT from continuing operations	1,791	4,241	3,347
Exceptional items	16	11	(329)
Tax expenses	1,124	1,899	1,096
<b>PAT</b>	<b>702</b>	<b>2,295</b>	<b>1,934</b>
<b>Diluted EPS (Rs. per Share)</b>	<b>5.83</b>	<b>20.44</b>	<b>16.66</b>

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: India - Crude Steel Production, Europe - Liquid Steel Production, and Tata Steel BSL - Crude Steel Production; 2. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products, 3. EBITDA restated to exclude share of JV and Associates; 4. 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 EBITDA<sup>1</sup> movement

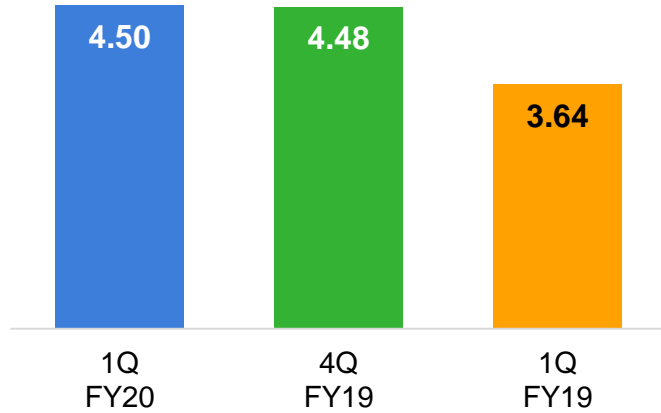


- Selling results reflects sequentially lower steel prices at Tata Steel Europe
- Costs impact were primarily due to higher costs including raw materials at Tata Steel Europe
- Volume/mix impact due to lower deliveries across the geographies
- Others include impact of: a) lower export credit benefits with lower exports and lower operating results at profit centres at Tata Steel Standalone, and b) one-offs at Tata Steel Europe in 4QFY19

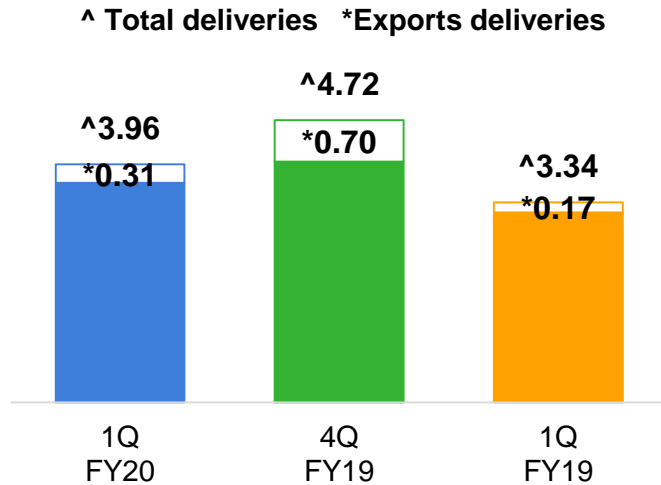
1. EBITDA adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings and revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings

# Tata Steel India<sup>1</sup>: Production and delivery volumes

Crude Steel Production Volume (mn tons)

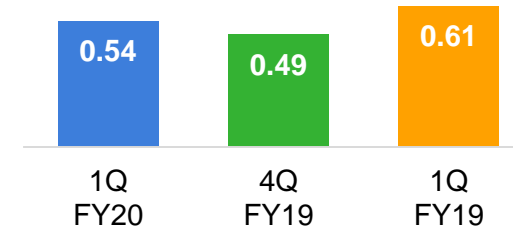


Total deliveries volume (mn tons)

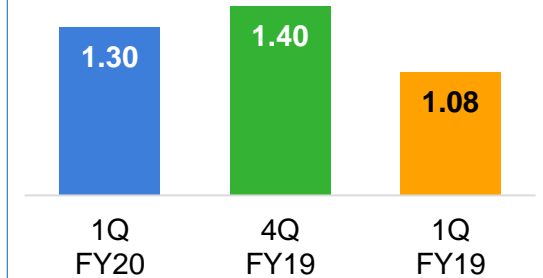


- Quarterly domestic sales volume jumped by 16%YoY to 3.66 mn tons compared to 7% YoY market growth
- Slowdown in Automotive sector countered by higher sales in other segments
- Industrial Products and Projects and Branded Products and Retail volumes increased by 26%YoY and 20%YoY

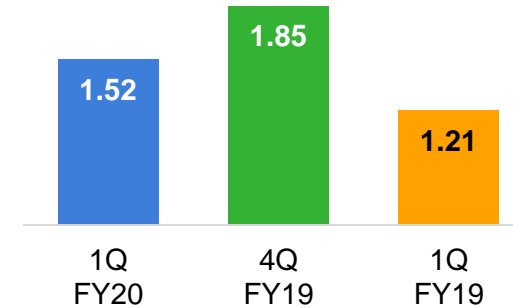
Automotive and Special Products



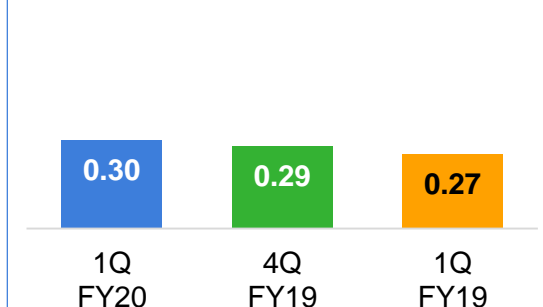
Branded Products and Retail



Industrial Products and Projects



Downstream<sup>2</sup>



Strong business model helps to drive volumes in weak market

1. Tata Steel India includes Tata Steel Standalone, Tata Steel BSL and Tata Sponge Iron on proforma basis without inter-company eliminations; Tata Steel BSL has been consolidated from 18<sup>th</sup> May, 2018; Tata Sponge Iron has been consolidated from 09<sup>th</sup> April, 2019 2. Transfer to downstream units

# Tata Steel India<sup>1</sup>: Setting standards at multiple levels



## Market leading branded portfolio

Branded products sales contributes  
44% of total sales



## Unparalleled Pan India reach

Network of 129 distributors and  
~12000 dealers



## Market leader in Auto Steel

First choice for new car launches



## Most enriched product mix

Enriched/Value added products  
contribute to 68% of total deliveries



## Lowest cost producer

Both cash cost and conversion cost are  
one of the lowest among the global peers



## Focus on innovation and R&D

4 new products developed in 1QFY20



## Socially responsible corporate

CSR activities touch one million lives  
every year



## Long term financing

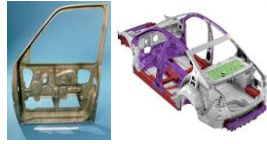
Tata Sponge right issue and long term  
debt financing completed

1: Excluding Tata Steel BSL and Tata Sponge Iron

# Tata Steel India<sup>1</sup>: Creating sustainable value

## Key business segments' highlights

### Automotive & Special products



- ✓ Protected 'share of business' in a slowing market
- ✓ Tata Steel BSL awarded "Certificate Of Appreciation" by Maruti Suzuki India for Superior performance in "Raw Material Localization"
- ✓ Multiple trials initiated with Tata Steel BSL for enhancing supplies to key OEMs

### Branded products and Retail



- ✓ Under the Channel integration initiative, ~ 1 Lac tons of volume sold from Tata Steel BSL through Tata Steel's distribution channel in 1QFY20
- ✓ Post launch of Tata Shaktee & Steelium brands from Tata Steel BSL Angul last year, Steelium Coils were flagged-off from Sahibabad and Khapoli plants in May-June'2019 as part of the product brand unification between Tata Steel BSL and Tata Steel

### Industrial Products & Projects



- ✓ Industrial Products registered a sales volume of ~1.5 million tons with 23%YoY growth
- ✓ Secured approval for X60 and X70 from Tata Steel Kalinganagar and Tata Steel BSL

### Downstream Transfers



- ✓ Best ever retail sales of Tata structura & Tata Pipes; grew by 18%YoY in 1QFY20
- ✓ Tata Structura has been certified with 'GreenPro' certification
- ✓ Launch of Colour Coated Barbed wire by Global wires in 1QFY20

## New revenue stream

- **Pravesh Doors and Windows:** System turnover<sup>2</sup> increased 41%YoY
- **Nest-In solution:** Recorded a 2x YoY order book growth
- **New Material Business:** 2<sup>nd</sup> Fibre Reinforced Polymer foot over bridge in India, at Jamshedpur

## Digital enablement across segments for future readiness



E-commerce portal registered Rs.32 crore revenue, a 4x growth on YoY basis with 6 retail brands



Supply chain visibility for B2B Customers



Unlocking value from ECAs

Diversified product offering and strong customer relationship provides resilience

OEMs: Original Equipment Manufacturers; ECAs: Emerging Customer Accounts

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

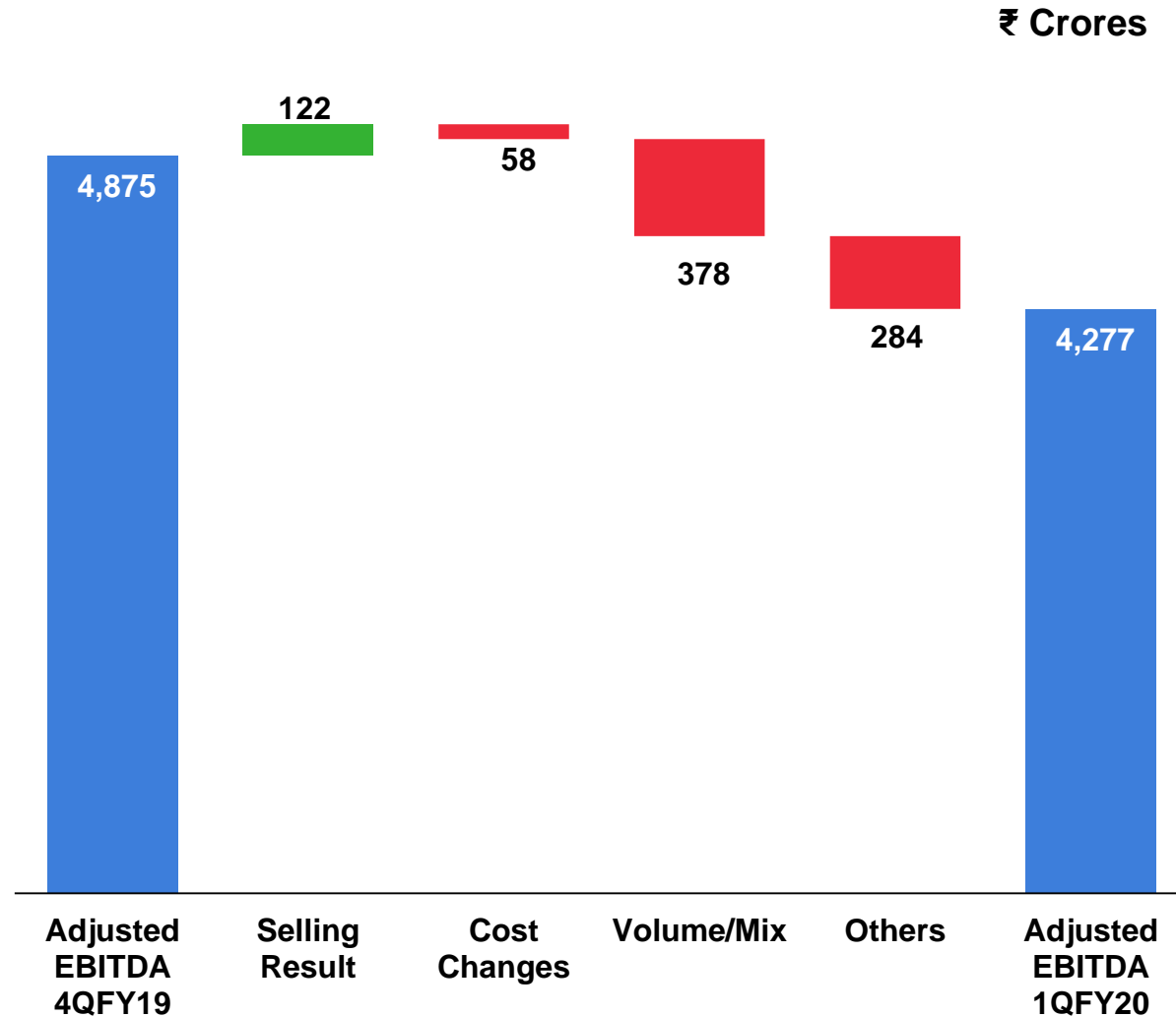


## Tata Steel Standalone: Financial performance

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	1QFY20	4QFY19	1QFY19
<b>Total revenue from operations</b>	<b>16,091</b>	<b>19,130</b>	<b>16,405</b>
Raw material cost <sup>1</sup>	5,272	5,534	4,947
Change in inventories	(544)	1,170	(655)
<b>EBITDA<sup>2</sup></b>	<b>4,098</b>	<b>4,953</b>	<b>5,118</b>
<b>Adjusted EBITDA<sup>3</sup></b>	<b>4,277</b>	<b>4,875</b>	<b>5,244</b>
<b>Adjusted EBITDA per ton (Rs./t)</b>	<b>14,218</b>	<b>13,619</b>	<b>17,677</b>
Pre exceptional PBT from continuing operations	2,444	3,876	3,908
Exceptional items	(41)	(11)	(335)
Tax expenses	864	1,374	1,255
<b>Reported PAT</b>	<b>1,539</b>	<b>2,491</b>	<b>2,318</b>
<b>Diluted EPS (Rs per Share)</b>	<b>13.05</b>	<b>21.36</b>	<b>19.85</b>

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products; 2. EBITDA restated to exclude share of JV and Associates; 3. EBITDA adjusted for fair value changes on account of exchange rate movement on investments in Tata Steel Holdings

# Tata Steel Standalone: EBITDA<sup>1</sup> movement



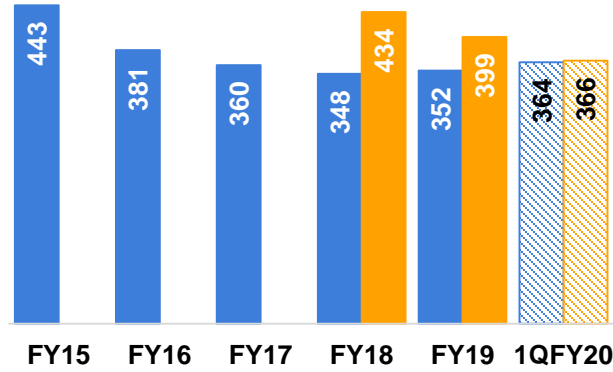
- Selling results reflects sequentially better steel realizations
- Cost impact is primarily due to absorptions of overheads on lower volumes
- Volume/mix impact due to lower deliveries
- Others include lower export credit benefits due to lower exports and lower operating results at profit centres

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

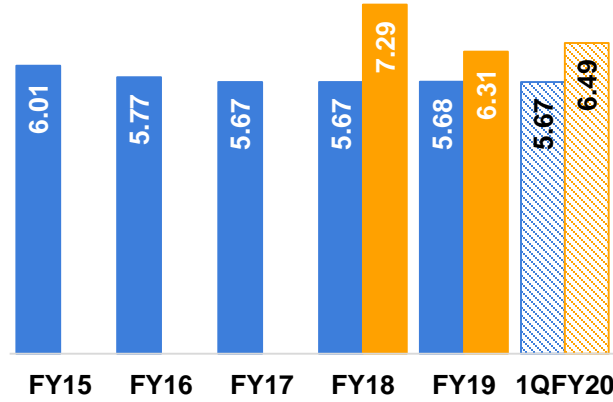
# Tata Steel Standalone: Key sustainability parameters

■ TSJ ■ TSK

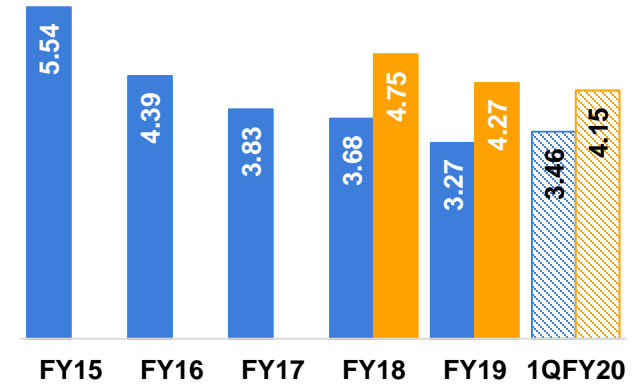
Coke Rate (kg/tcs)



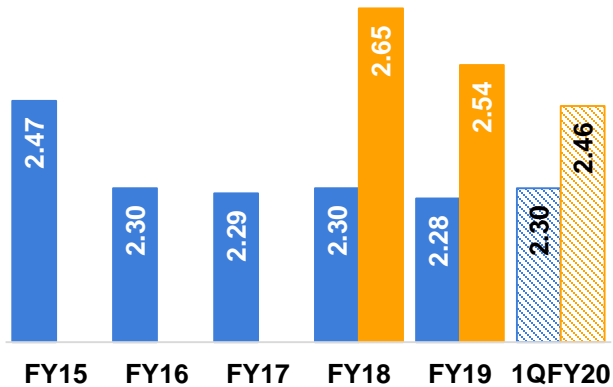
Specific Energy Intensity (Gcal/tcs)



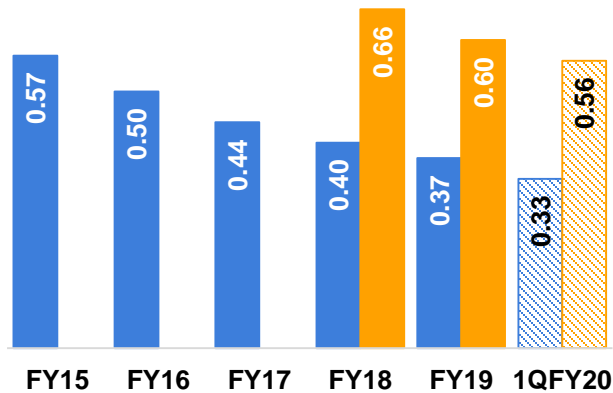
Specific Water Consumption (m³/tcs)



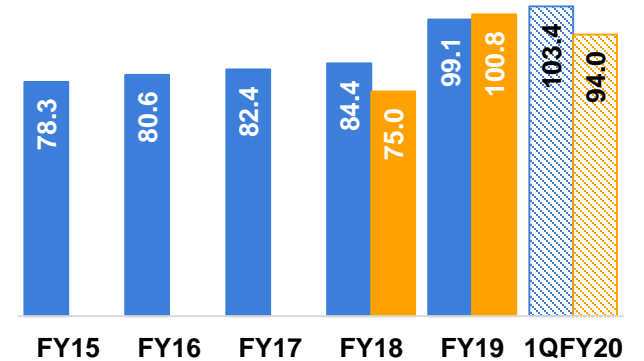
CO<sub>2</sub> Emission Intensity (tCO<sub>2</sub>/tcs)



Specific Dust Emission (kg/tcs)



Solid Waste Utilization (%)



TSJ: Tata Steel Jamshedpur; TSK: Tata Steel Kalinganagar

## Tata Steel BSL: Consolidated performance and key updates

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	1QFY20	4QFY19	1QFY19 <sup>1</sup>
Crude Steel production (mn tons)	1.12	1.03	0.47
Deliveries (mn tons)	0.86	1.14	0.38
Total revenue from operations	4,333	5,517	2,108
Raw material cost <sup>2</sup>	2,905	2,752	1,116
Change in inventories	(655)	549	301
<b>EBITDA<sup>3</sup></b>	<b>785</b>	<b>786</b>	<b>66</b>
<b>EBITDA/t (Rs.)</b>	<b>9,092</b>	<b>6,911</b>	<b>NM</b>

### Key updates

- Continues to improve capacity utilization. 1QFY20 production was higher by 9%QoQ basis driven by higher mill availability
- Deliveries in 1QFY20 remained broadly in-line with 1QFY19 amidst sluggish demand in domestic and international steel markets
- Highest ever quarterly sales of coated products at 120k tons; grew by 18%QoQ
- Branded products sales increased by ~23k tons on QoQ basis with launch of Tata brands (Tata Shaktee, Tata Kosh, Tata Structura, Tata Pipes and Tata Steelium)
- 'Be1' initiatives continue to yield better operational performance with focus on cost reduction e.g. higher PCI injection, improved power cost and improvement in blends

Proposed merger to accelerate operational synergies

1. 1QFY19 financials from the date of consolidation i.e 18<sup>th</sup> May 2018; 2. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products; 3. EBITDA restated to exclude share of JV and Associates

## Tata Sponge Iron: Consolidated performance and key updates

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	1QFY20	4QFY19	1QFY19
<b>Production ('000 tons)</b>			
- Crude Steel	121	-	-
- Sponge	172	115	117
<b>Deliveries ('000 tons)</b>			
- Crude Steel	93	-	-
- Sponge	135	118	115
<b>Total revenue from operations</b>	<b>705</b>	<b>254</b>	<b>261</b>
Raw material cost <sup>1</sup>	635	188	174
Change in inventories	(155)	4	(3)
<b>EBITDA<sup>2</sup></b>	<b>55</b>	<b>28</b>	<b>61</b>

### Key updates

- On 9th April 2019, Tata Sponge Iron Limited successfully acquired steel business of Usha Martin Limited; completed long term financing with long debt and rights issue in July 2019
- Plant availability has improved with restart of the blast furnace, which was down in April 2019 for relining
- Supply from captive iron ore has commenced from July 2019 and is expected to ramp up in next couple of months
- Current focus in on integration and stabilization of various operating units and realisation of Identified synergies in various areas of operations, procurement and supply chain
- Various projects are also underway to bring in line with Tata Steel's benchmark performances in the areas of environment, safety and operations

Profitability to improve going forward with focus on integration and stabilization of newly acquired business

Note: Steel business of Usha Martin Limited has been consolidated with Tata Sponge Iron from 09<sup>th</sup> April, 2019

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products; 2. EBITDA restated to exclude share of JV and Associates

## Tata Steel Europe: performance and key updates

<i>(All figures are in Rs. Crores unless stated otherwise)</i>	1QFY20	4QFY19	1QFY19
Liquid Steel production (mn tons)	2.65	2.73	2.81
Deliveries (mn tons)	2.26	2.57	2.45
Total revenue from operations	14,495	16,568	16,429
Raw material cost <sup>1</sup>	7332	7,268	7,585
Change in inventories	(932)	254	(898)
<b>EBITDA<sup>2</sup></b>	<b>62</b>	<b>1,696</b>	<b>1,664</b>
<b>EBITDA/t (Rs.)</b>	<b>277</b>	<b>6,592</b>	<b>6,794</b>

### Key updates

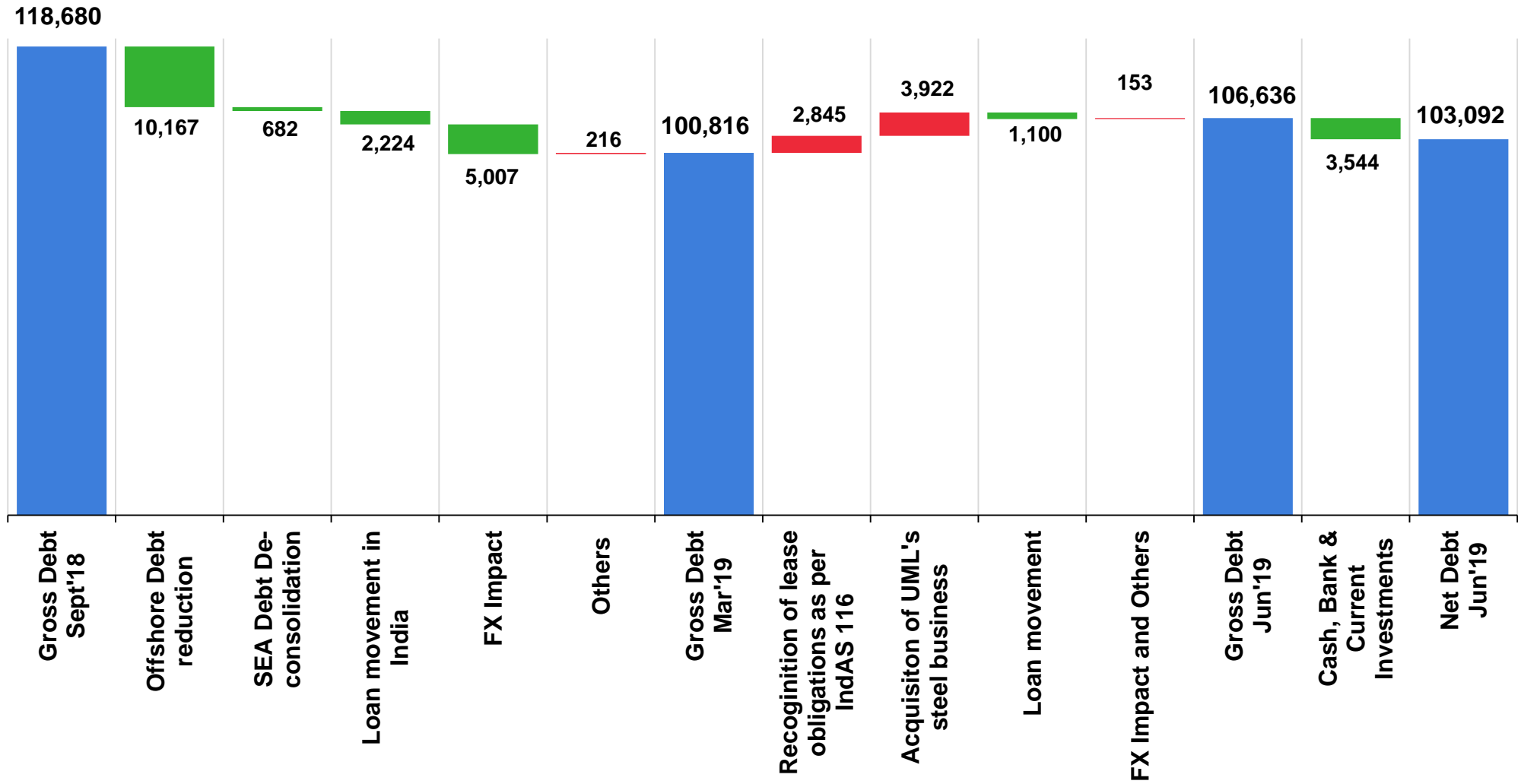
- 1QFY20 deliveries were lower amidst sluggish demand environment; production was impacted by planned shutdowns and unplanned outages
- 1QFY20 profitability was impacted by pressure on steel spread amidst increase in raw materials costs, import pressure and lower steel prices
- Tata Steel Europe launched 3 new products in 1QFY20
- Tata Steel Europe has initiated a transformation plan to become self-sufficient and cash positive

Aiming to become self sufficient

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products; 2. EBITDA restated to exclude share of JV and Associates

# Consolidated Debt movement

Rs. Crores



Note: Consolidated numbers doesn't include NatSteel Singapore and Tata Steel Thailand as it has been classified as "Asset Held For Sale"

# Business Outlook

## Steel Demand

- Global steel demand is expected to remain weak due to broader economic weakness and trade barriers among the global economies
  - 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 -0.4% in CY19 due to sustained weakness in key steel consuming sectors
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## Steel prices

- Regional steel prices are expected to find support from elevated Iron ore costs
  - Domestic steel prices are seeing pressure with sluggish domestic demand, however, should pick up gradually with improvement in overall sentiments in 2HFY20
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## Iron Ore

- International prices remains elevated with persistent quality issues at Rio Tinto; prices are expected to soften slowly owing to supply improvement toward CY19 end
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## Coking Coal

- Prices have softened up since June '19 on lower demand from China and India; import restrictions by China are expected to further keep coal prices in check
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## Annexure – I: Standalone QoQ Variations

Rs Crores	1QFY20	4QFY19	Key Reasons
Income from operations	<b>15,813</b>	18,498	Lower in line with lower deliveries and lower non steel revenues
Other operating income	<b>279</b>	632	Primarily due to lower export related benefits
Raw materials consumed	<b>4,700</b>	5,162	Lower consumption in line with lower production. Lower raw material consumption cost primarily coal
Purchases of finished, semis & other products	<b>572</b>	372	Higher purchase of TMT rebars and wire rods
Changes in inventories	<b>(544)</b>	1,171	Increase in inventory due to lower deliveries
Employee benefits expenses	<b>1,352</b>	1,159	Higher provision due to change in actuarial assumptions
Other expenses	<b>6,054</b>	6,321	Primarily due to lower freight and conversion charges in line with lower deliveries
Depreciation & amortisation	<b>968</b>	953	Primarily due to re-classification of lease obligation as per IndAS116
Other income	<b>178</b>	538	Primarily with lower interest income with repayment of inter-company deposits along with lower income from sale of mutual fund
Finance cost	<b>723</b>	654	Higher with non-convertible debentures issued in March 2019 and impact of IndAS 116
Exceptional Items	<b>(41)</b>	(11)	Charge due to ESS
Tax	<b>864</b>	1,374	In-line with profitability level
Other comprehensive income	<b>(50)</b>	39	Primarily on account of re-measurement gain/loss on actuarial valuation of employee benefits and fair value adjustments of non-current assets

ESS: Early Separation Scheme

## Annexure – II: Consolidated QoQ Variations

Rs Crores	1QFY20	4QFY19	Key Reasons
Income from operations	<b>35,382</b>	41,186	Primarily due to lower volumes across geographies
Other operating income	<b>565</b>	1,237	Primarily at Tata Steel Standalone and Tata Steel BSL
Raw materials consumed	<b>14,491</b>	14,241	Higher iron ore cost at Tata Steel Europe; higher production at Tata Steel BSL
Purchases of finished, semis & other products	<b>1,635</b>	1,502	Higher primarily at Tata Steel Standalone
Changes in inventories	<b>(2,365)</b>	2,031	Increase in inventory due to lower deliveries across geographies
Employee benefits expenses	<b>4,899</b>	4,651	Higher provision across the locations due to change in actuarial assumptions and annual increases; additional expense at Tata Sponge Iron with acquisition of Usha Martin's steel business
Other expenses	<b>11,909</b>	12,485	Lower primarily at Tata Steel Standalone; partially offset by increase at Tata Steel Europe and Tata Sponge Iron
Depreciation & amortisation	<b>2,083</b>	1,881	Primarily due to re-classification of lease obligation as per IndAS116
Other income	<b>251</b>	490	Primarily at Tata Steel Standalone
Finance cost	<b>1,806</b>	1,938	Lower primarily due to repayment of offshore debt in March 2019; partially offset by higher interest cost at Tata Steel Standalone and Tata Sponge Iron
Exceptional Items	<b>16</b>	11	Reversal of impairment / provision at TSBSL; offset by charge at Tata Steel Standalone and Tata Sponge Iron
Tax	<b>1,124</b>	1,899	In-line with profitability level
Other comprehensive income	<b>(326)</b>	(101)	Unfavorable FX translation impact and loss on fair value of cash flow hedges

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 Sponge Iron from 09<sup>th</sup> April, 2019

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