

RESULTS PRESENTATION

Fourth quarter and Financial year
Ended March 31, 2022

May 03, 2022

Safe harbour 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

Overview

1

Performance update

2

4QFY22 Results

A year of record performance and strategic progress



Sustainability at its core

- Best in Class CO₂ footprint in all geographies
- 100% solid waste utilisation, Best ever specific water consumption
- Steel sustainability champion²



Robust performance

- Highest ever annual EBITDA of Rs 63,830 crores
- Generated free cash flow of Rs 27,185 crs., 32% net debt reduction in FY22
- Investment grade credit metrics



Increasing India footprint

- Highest ever annual delivery volumes at 18.27 mn tons
- 5 MTPA Expansion on track, NINL acquisition to close in 1QFY23
- Expanding Downstream portfolio

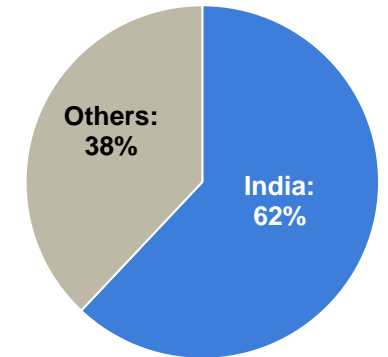


Capital Returns

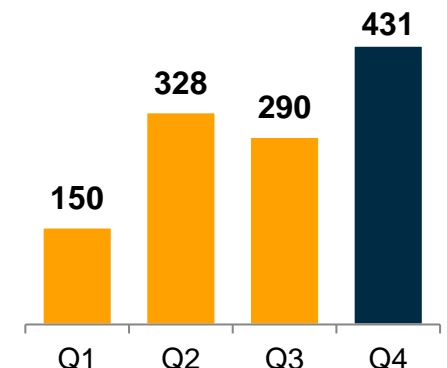
- Dividend recommended³ of Rs 51 per fully paid equity share and Rs 12.75 for partly paid equity shares
- 10:1 Stock split recommended³



India¹ constitutes 62% of FY22 deliveries (mn tons)



Europe generates ~£1.2 billion EBITDA



Note : 1. India includes Tata Steel Standalone and Tata Steel Long Products. Deliveries on proforma basis without intercompany eliminations. 2. Awarded by WorldSteel, fifth time in a row. 3. Subject to shareholder approval. MTPA – million tons per annum and NINL is Neelachal Ispat Nigam Limited

Some milestones we are proud of



**29.4 million tons of
Iron ore mined**



**Inland shipping to drive
supply chain efficiencies**



**3 sites included in WEF's
Lighthouse network**



**Best manufacturing company
to work for in 2021**



**50+ transgender employees
onboarded**



**Pan India dealers &
Distributor - 15,800+**



**Rs 1,468 crores sales, >100%
YoY growth**



**A Tata Steel Constructions Initiative
16.75 Lac+ Sq. ft
construction**



**125 new products
developed**



**>120 patents filed and
granted**



**Expanding high value
API sales**

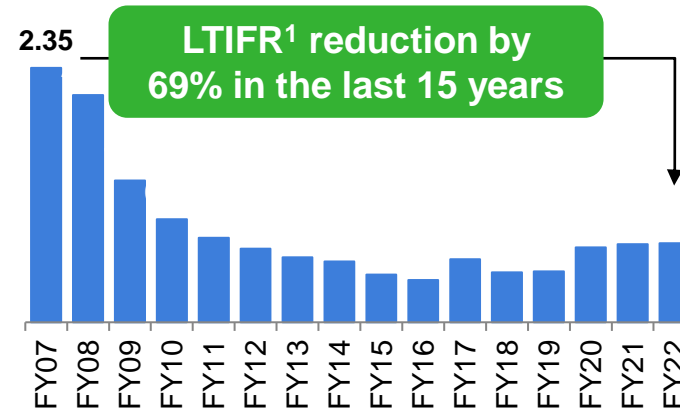


**Improvement savings of
Rs 5,486 crores**

Committed towards excellence in Safety & Health of our employees



Safety remains a top priority



- Trained 36,400+ workforce on various safety standards at Safety Leadership Development Centre
- New initiative “Ghar se Ghar tak” to drive safety consciousness among contractor employees and their families across locations

Health is a key focus area



Health check ups



Awareness Campaigns



First Aid refreshers

- Campaign on ‘Lower your risk for Heart attack’ and awareness session on ‘Mental Wellbeing’ organised for all employees
- 97% of employees (including contract employees) have been fully vaccinated²

1. Lost Time Injury Frequency Rate per million-man hours worked, for Tata Steel Group; 2. Cumulative till 31st Mar 2022

Improving quality of life of our communities

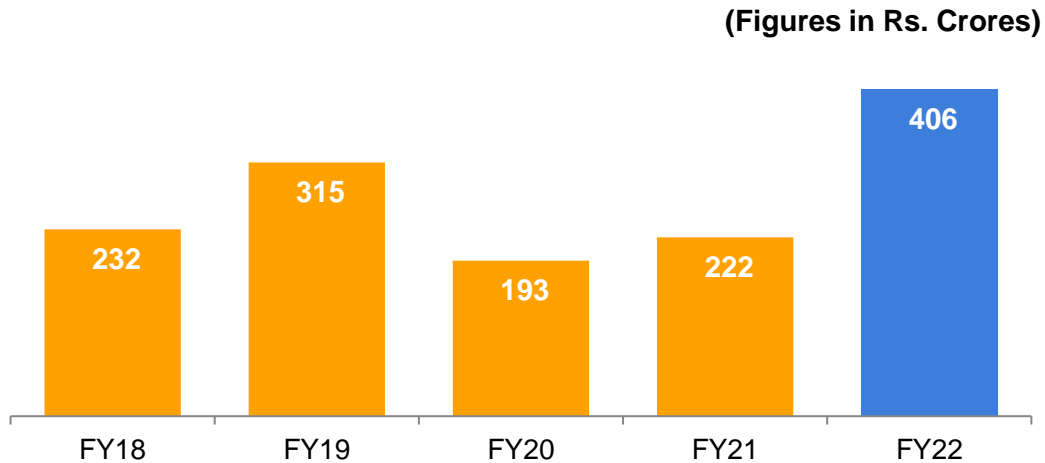


28 lakh+
Lives reached out¹



51,000+
Hours of volunteering¹

- Spent more than Rs.1,350 crores² since FY18 on Signature programmes at regional scale as well as programmes for Communities proximate to our operations



Key areas for CSR initiatives



Rural & Urban Education



Dignity for the Disabled



Household Health & Nutrition



Household Livelihoods



Tribal Cultural Heritage



Water Resources



Grassroots Rural Governance



Grassroots Sports


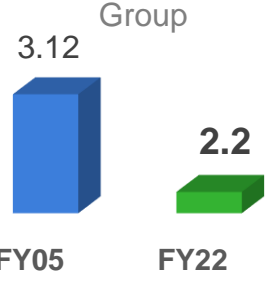

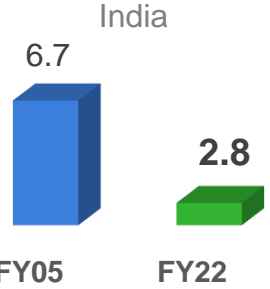

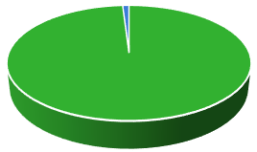

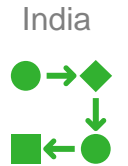


Women & Youth Empowerment



Public Infrastructure

Sustainability is deeply embedded in our ecosystem

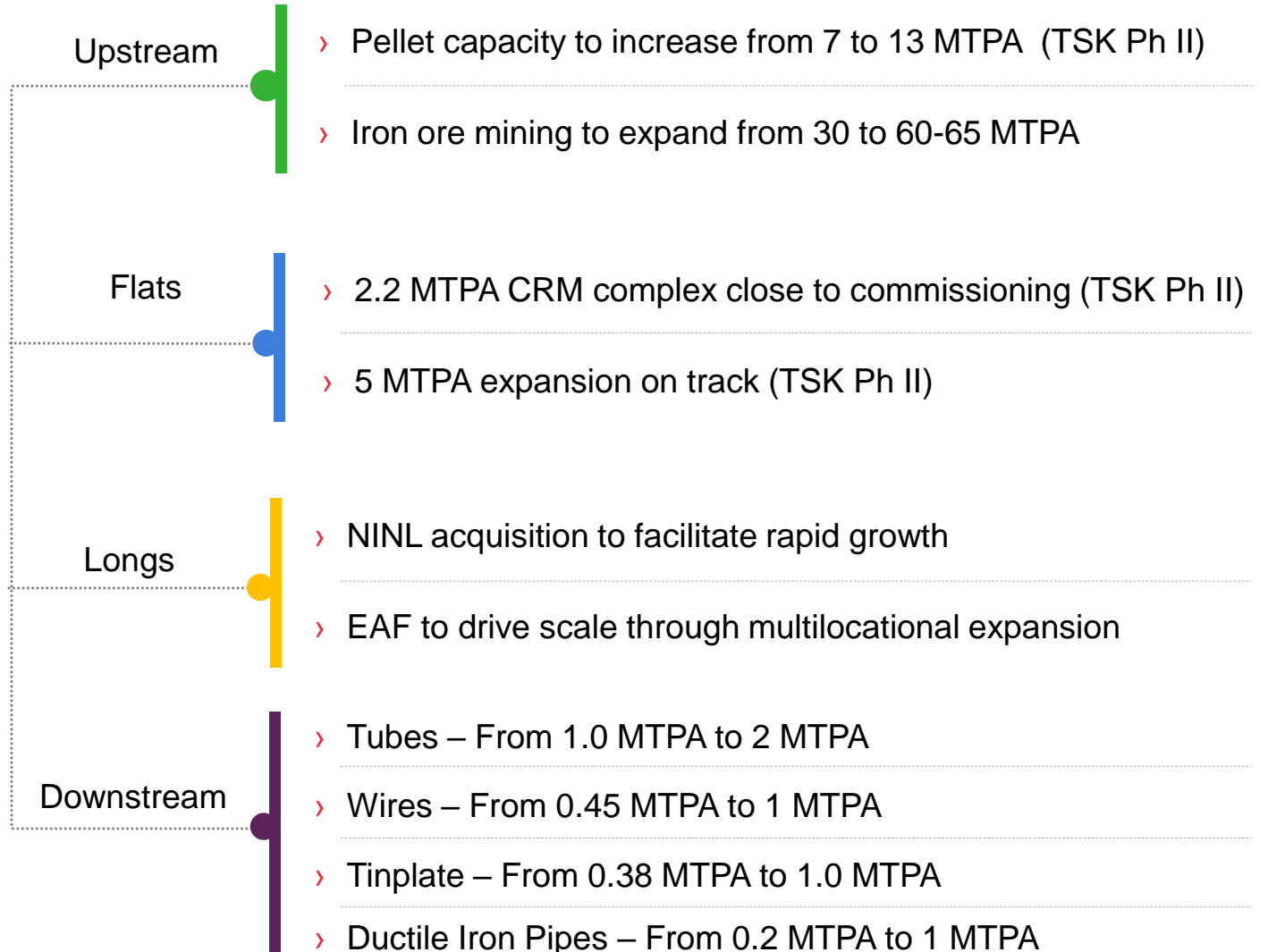
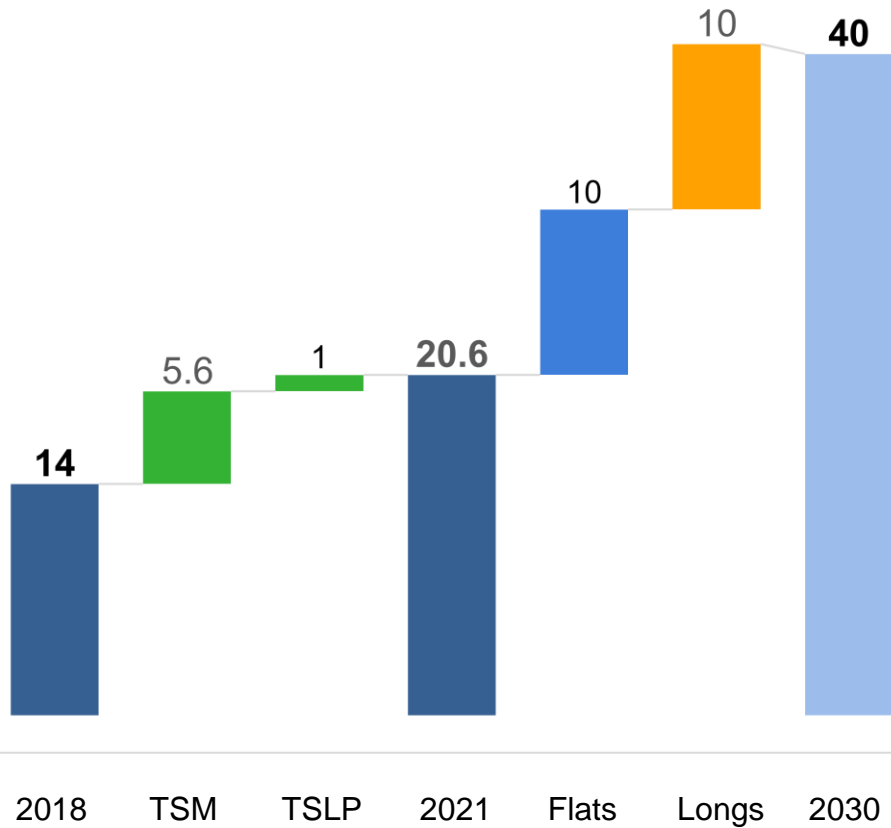
| | Current | 2025 goals | 2030 goals |
|--|--|---|---|
|  <p>Climate change</p> | <p>Group</p>  <p>3.12 FY05</p> <p>2.2 FY22</p> <p>Best in class CO₂ footprint in all geographies</p> | <ul style="list-style-type: none"> TSI: Achieve <2 tCO₂/tcs carbon emission | <ul style="list-style-type: none"> TSI: Achieve <1.8 tCO₂/tcs carbon emission TSE: 30% reduction in specific emissions over 2020 |
|  <p>Water</p> | <p>India</p>  <p>6.7 FY05</p> <p>2.8 FY22</p> <p>Progress despite steady growth in capacity</p> | <ul style="list-style-type: none"> TSI: Achieve specific freshwater consumption of 2 m³/tcs | <ul style="list-style-type: none"> TSI: Achieve specific fresh-water consumption of <1.5 m³/tcs, aim for water neutrality TSE: EU benchmark for water intensity |
|  <p>Circular economy</p> | <p>India</p>  <p>100% Solid waste utilisation at TSJ and TSK</p> | <ul style="list-style-type: none"> TSI : Achieve material efficiency of 99% | <ul style="list-style-type: none"> Build 5 MTPA recycling business |
|  <p>Biodiversity</p> | <p>India</p>  <p>Developed Biodiversity mgmt. plan</p> | <ul style="list-style-type: none"> Develop / Implement Biodiversity Management Plan for operations | <ul style="list-style-type: none"> Aspire for no net loss of biodiversity |

TSI – Tata Steel India (Tata Steel standalone and Tata Steel Long products); TSJ: Tata Steel Jamshedpur, TSK – Tata Steel Kalinganagar, TSE – Tata Steel Europe; material efficiency is defined as percentage of crude steel and co-products (by-products) material out of total output material

Leadership in India on the back of value accretive growth



Crude steel production (MTPA)



Optimised portfolio : 2.2 MTPA CRM & 5 MTPA expansion to drive product mix enrichment

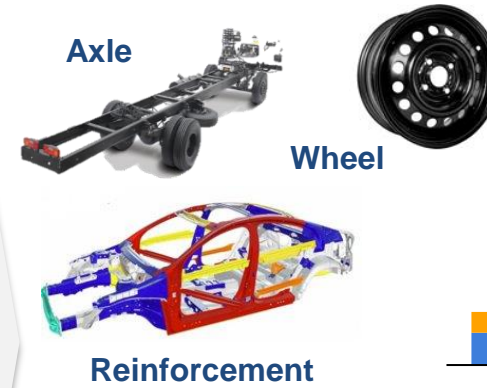
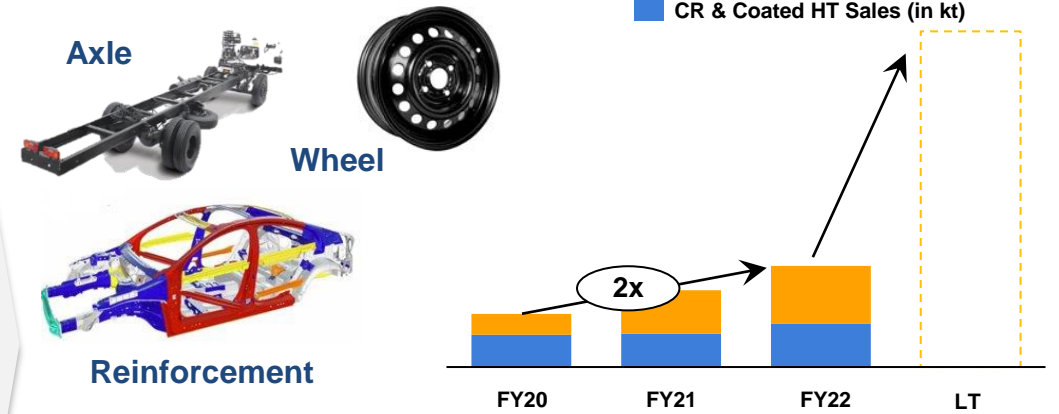
2.2 MTPA CRM complex to be commenced in 4QFY23

| CRM complex capability | Width (in mm) | Thickness (in mm) | Capacity (in MTPA) |
|--|---------------|-------------------|--------------------|
| Pickling Line and Tandem Cold rolling Mill | 1,870 | 0.3 - 2.3 | 2.2 |
| Continuous Annealing Line | 1,870 | 0.3 - 2.3 | 0.9 |
| Continuous Galvanizing Line (non-auto) | 1,560 | 0.3 - 2.3 | 0.53 |
| Continuous Galvanizing Line (auto) | 1,870 | 0.3 - 2.3 | 0.47 |

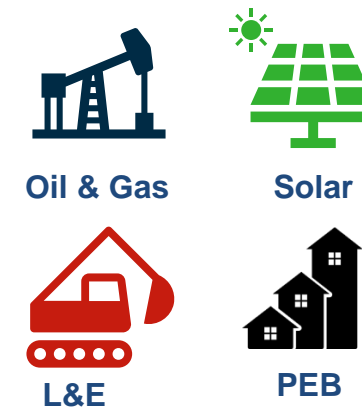
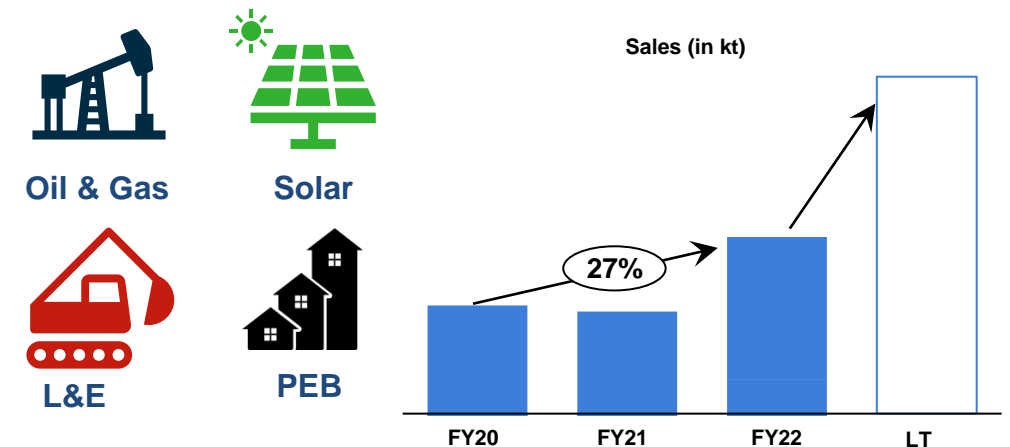


High end Products for Automotive & Engineering

- Meeting customer requirement on lightweighting and safety standards



- Market share in Engineering segment to grow



Optimised product portfolio : Ramp up long products to drive high margin retail business

Neelchal Ispat Nigam Limited

- NINL Share purchase agreement completed; Transaction to close in 1QFY23
- Capacity to be expanded to 10 MTPA



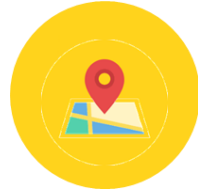
Steelmaking capacity of >1 million ton



Land Bank of 2,500 acres



Captive Iron ore mine ~100 mt reserves



Proximity to TSK to drive synergies

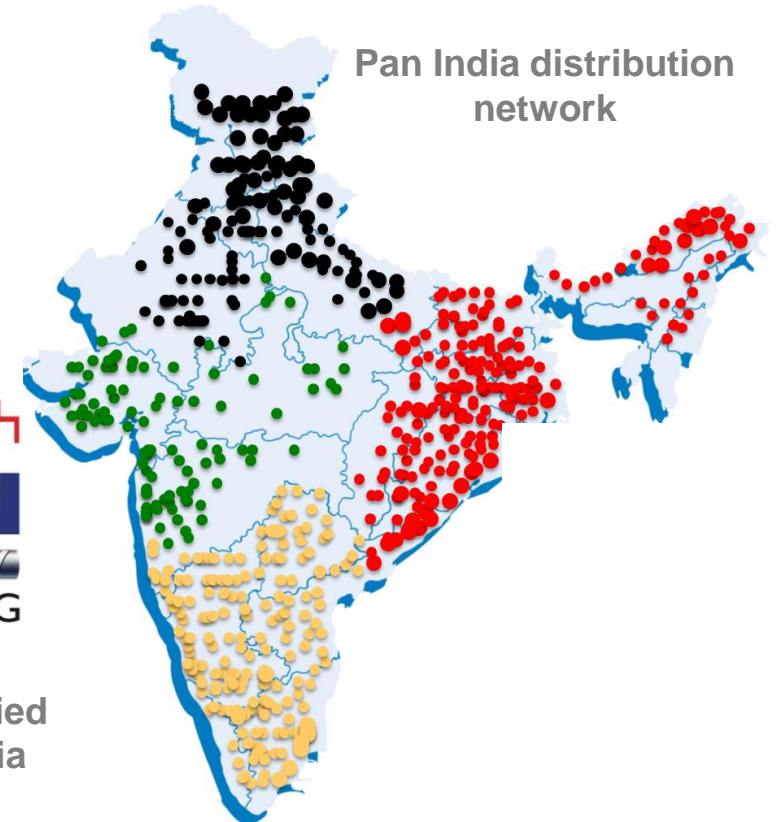
EAF

- First 0.75 MTPA EAF to be setup in the north, close to the scrap generating auto hub
- Modular expansion to South and West (India)

- Leverage strong portfolio of retail brands and extensive distribution network to drive scale and profitability
- Will benefit from significant pan India growth in infra & retail housing growth in semi urban India

TATA
TISCON
JOY OF BUILDING

1st GreenPro certified rebar brand in India



Overview

1

Performance update

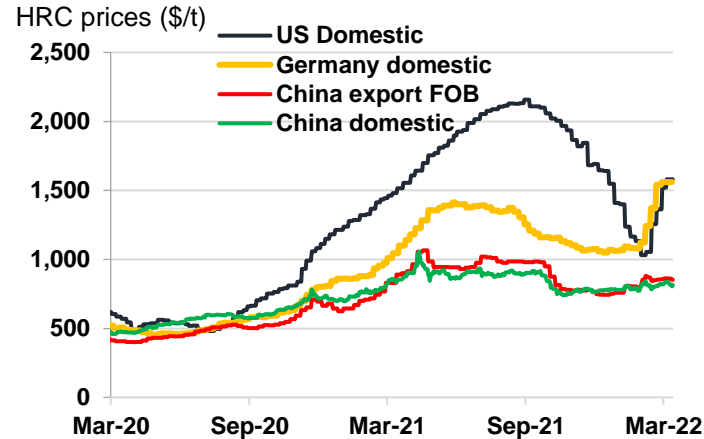
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4QFY22 Results

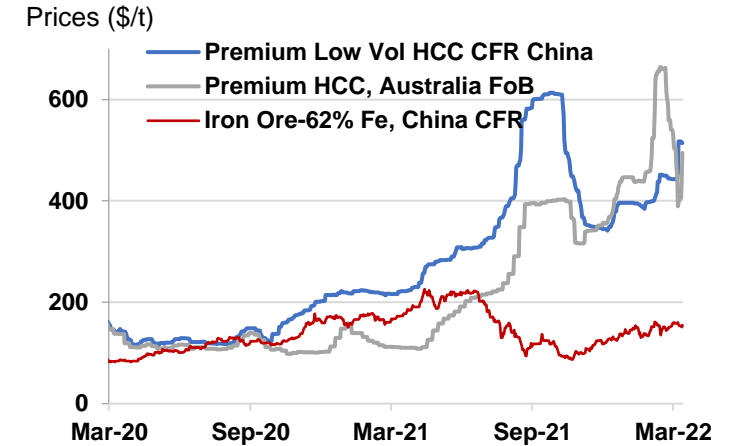
Geopolitical tensions in Europe and COVID in China have weighed on steel operating landscape

- Steel prices in western markets rose steeply in the January – March period on tight supply and recovering demand
- China steel prices were relatively more stable as COVID restrictions dampened demand
- Coking coal prices witnessed renewed volatility, with a steep rise being followed by a sharp decline
- Overall, this has led to divergent steel spot spreads. Western spot spreads are up while Chinese steel spreads have softened
- China steel exports continue to be in the 4 to 5 million ton range despite export spreads moving slightly above domestic spreads

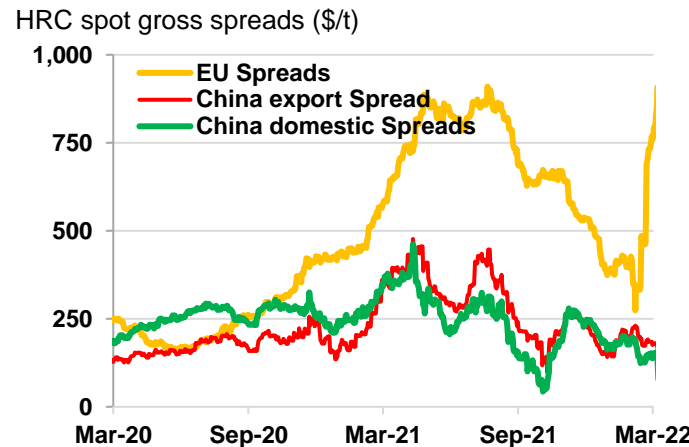
Steel prices moved higher esp. in west



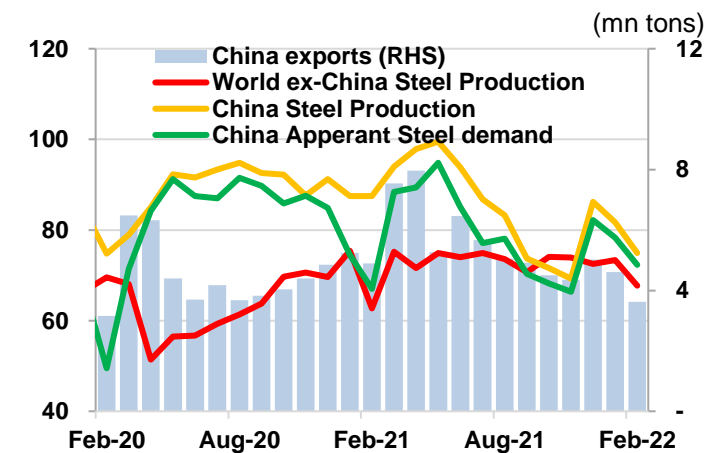
Heightened volatility in raw material prices



Divergent steel spot spreads



China Steel production continued to decline



Sources: World Steel Association, IMF, Bloomberg, Steelmint, and Tata Steel; China HRC exports spot spreads = China HRC exports FOB – 1.65x Iron Ore (62% Fe China CFR) - 1x Coal (Premium HCC China CFR); China HRC domestic spot spreads = China HRC domestic prices – 1.65x Iron Ore (62% Fe China CFR) - 1x Coal (Premium HCC China CFR); EU HRC spot spreads = HRC (Germany) - 1.6x iron ore (fines 65%, China spot, R'dam) - 0.8x premium hard coking coal (Australia spot, R'dam) - 0.1x scrap (HMS, R'dam)

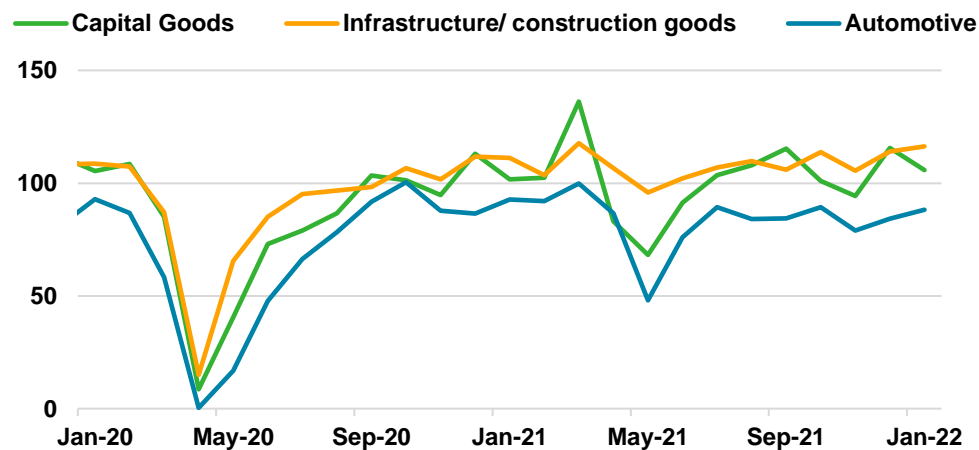
Steel demand continued to recover in India; Renewed supply – demand imbalance in Europe



India

- Apparent steel consumption improved by ~4% QoQ driven by ongoing economic recovery. Consumers though remain watchful after price increases towards end of the quarter
- Automotive production especially in passenger and commercial vehicles improved while Infrastructure / Construction goods witnessed steady growth

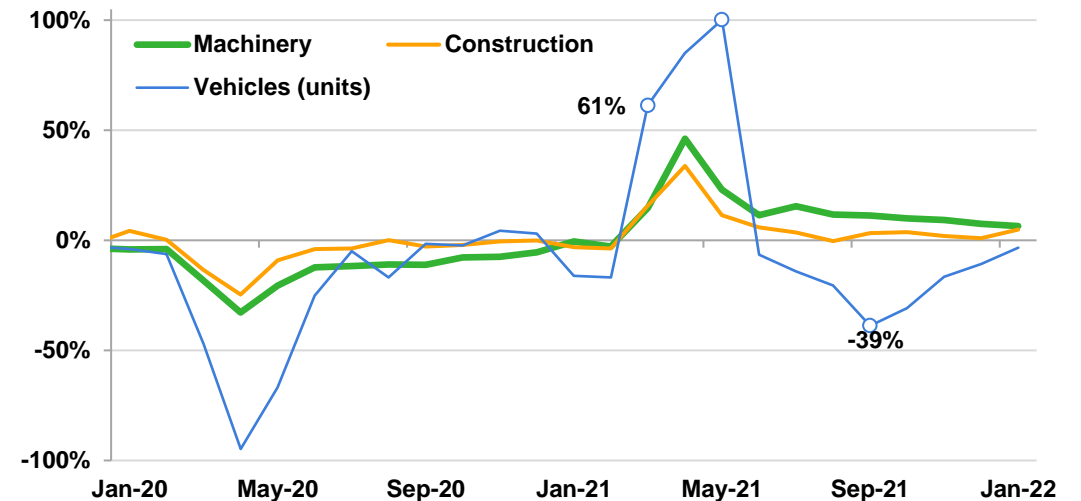
Key steel consuming sectors*



Europe

- Steady growth in steel consuming sectors; Automotive sector recovering but continues to face shortages related to semiconductors
- Ongoing Russia – Ukraine crisis has constrained traditional steel supply into Europe leading to renewed supply – demand imbalances

Key steel consuming sectors (% YoY growth)



Sources: Bloomberg, SIAM, Joint Plant Committee, MOSPI, CMIE, Eurostat and Tata Steel

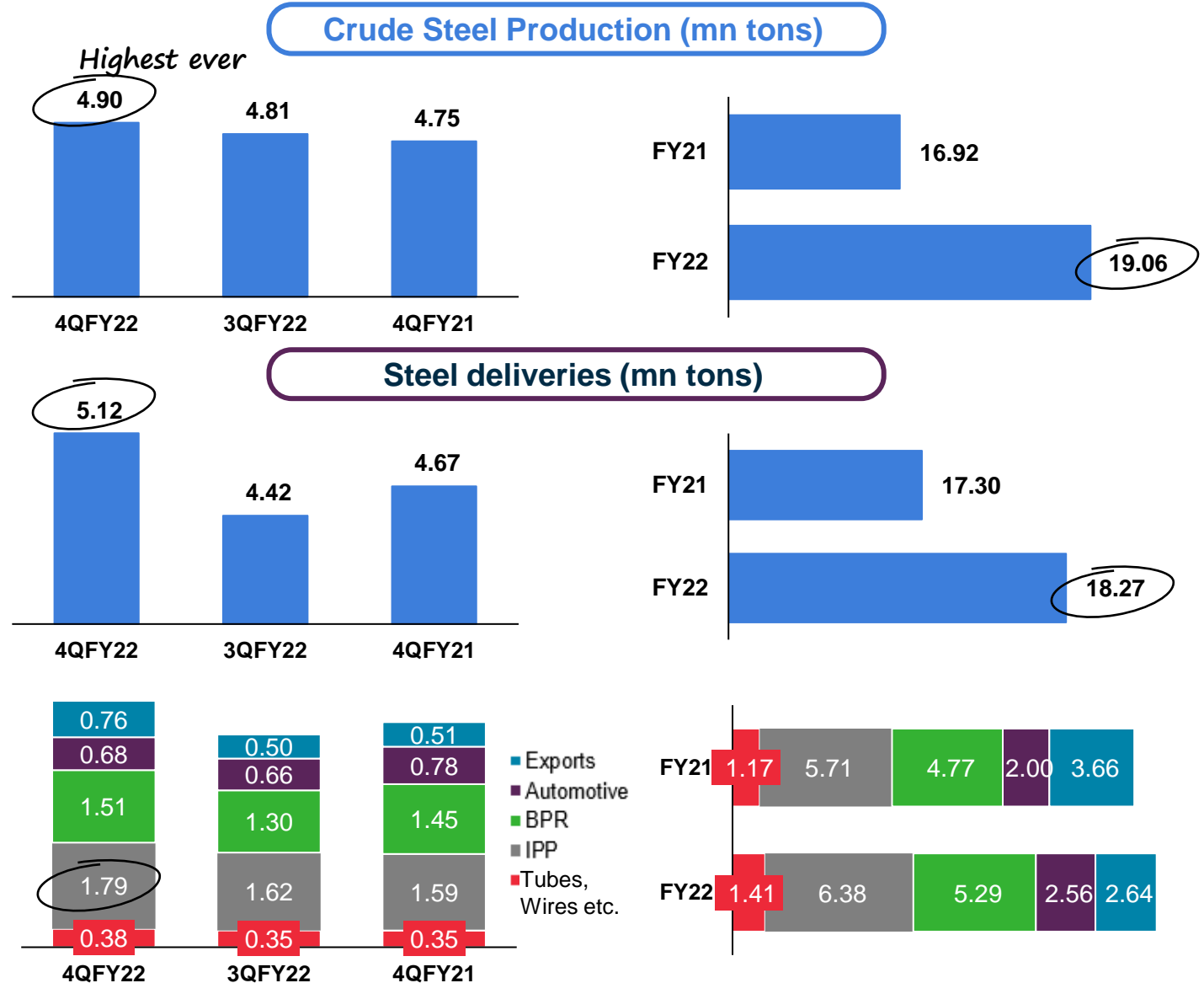
*Figures of Industrial Production for Capital Goods, Infrastructure/Construction, consumer durables and railways are rebased to Nov'18=100 using FY12 index based sector weights; number of units produced as per SIAM; growth of key steel consuming sector is calculated by removing sub-segments which do not consume steel

Highest ever annual production and deliveries in India¹

- Production crossed 19 million tons for the first time, 13% YoY increase

- Highest ever deliveries at 18.27 million tons, up 6% YoY

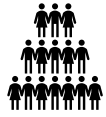
- Domestic deliveries crossed 15.6 million tons with broad based improvement across segments



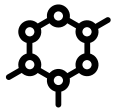
1. India includes Tata Steel Standalone and Tata Steel Long Products on proforma basis without inter-company eliminations; Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel

Tata Steel Europe : Transformation program and focus on product mix yielding results

Transformation programme



Governance & Structure



Functional Vs Value Chain



Value Delivery & Enablement



Overall benefits in FY22 (Rs Crores)



TSUK

TSN

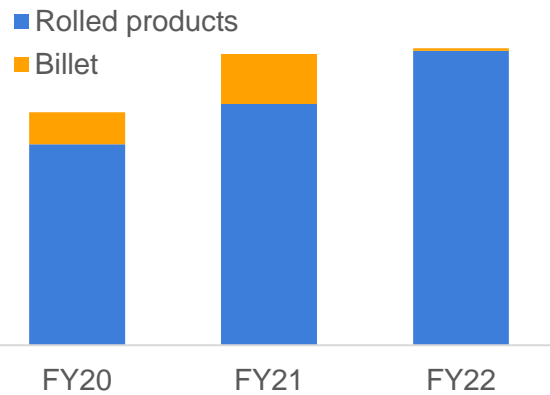
Sustained focus on product mix



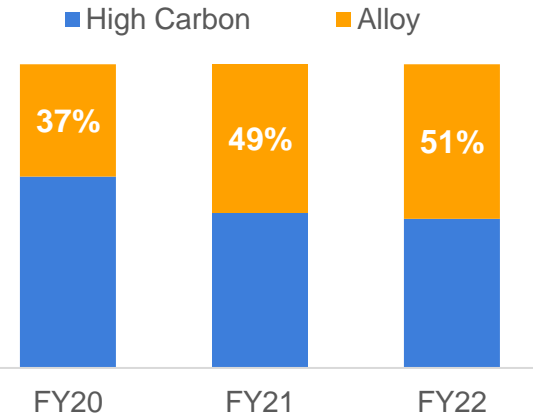
Tata Steel Long Products : Product mix enrichment to drive value maximisation

Enhancing presence in chosen segments

Increase in Rolled product sales



Wire rod sales mix enrichment



- Focus on high end products
 - Highest ever sales of rolled products, 22% YoY growth in the year
- Market leadership in chosen segments
 - Leading Market share in CV segment and component exports
- Diversifying customer base
 - Approvals from PV and 2W OEMs to expand presence
 - 40 new products developed during the year
 - New automotive customers in high end bearing and fasteners
- Cash rich DRI business
- Continued improvement journey to drive sustained savings

Tata Steel Consolidated¹: Steady EBITDA performance despite surge in coal costs

| (All figures are in Rs. Crores unless stated otherwise) | 4QFY22 | 3QFY22 | 4QFY21 |
|---|---------------|---------------|---------------|
| Production (mn tons)² | 7.62 | 7.76 | 8.02 |
| Deliveries (mn tons) | 8.01 | 7.01 | 7.83 |
| Total revenue from operations | 69,324 | 60,783 | 50,028 |
| Raw material cost ³ | 24,873 | 24,086 | 16,665 |
| Change in inventories | 2,757 | (3,960) | (1,642) |
| Employee benefits expenses | 6,056 | 5,683 | 5,391 |
| Other expenses | 20,607 | 19,080 | 15,430 |
| EBITDA | 15,174 | 15,853 | 14,290 |
| Adjusted EBITDA⁴ | 15,891 | 15,890 | 13,933 |
| Adjusted EBITDA per ton (Rs.) | 19,832 | 22,663 | 17,797 |
| Other income | 292 | 60 | 272 |
| Finance cost | 1,099 | 1,532 | 1,866 |
| Pre exceptional PBT | 12,139 | 12,359 | 10,348 |
| Exceptional items (gain)/loss | 274 | 193 | 991 |
| Tax expenses | 2,030 | 2,567 | 2,195 |
| Reported PAT | 9,835 | 9,598 | 7,162 |
| Other comprehensive income | 519 | 887 | (1,031) |

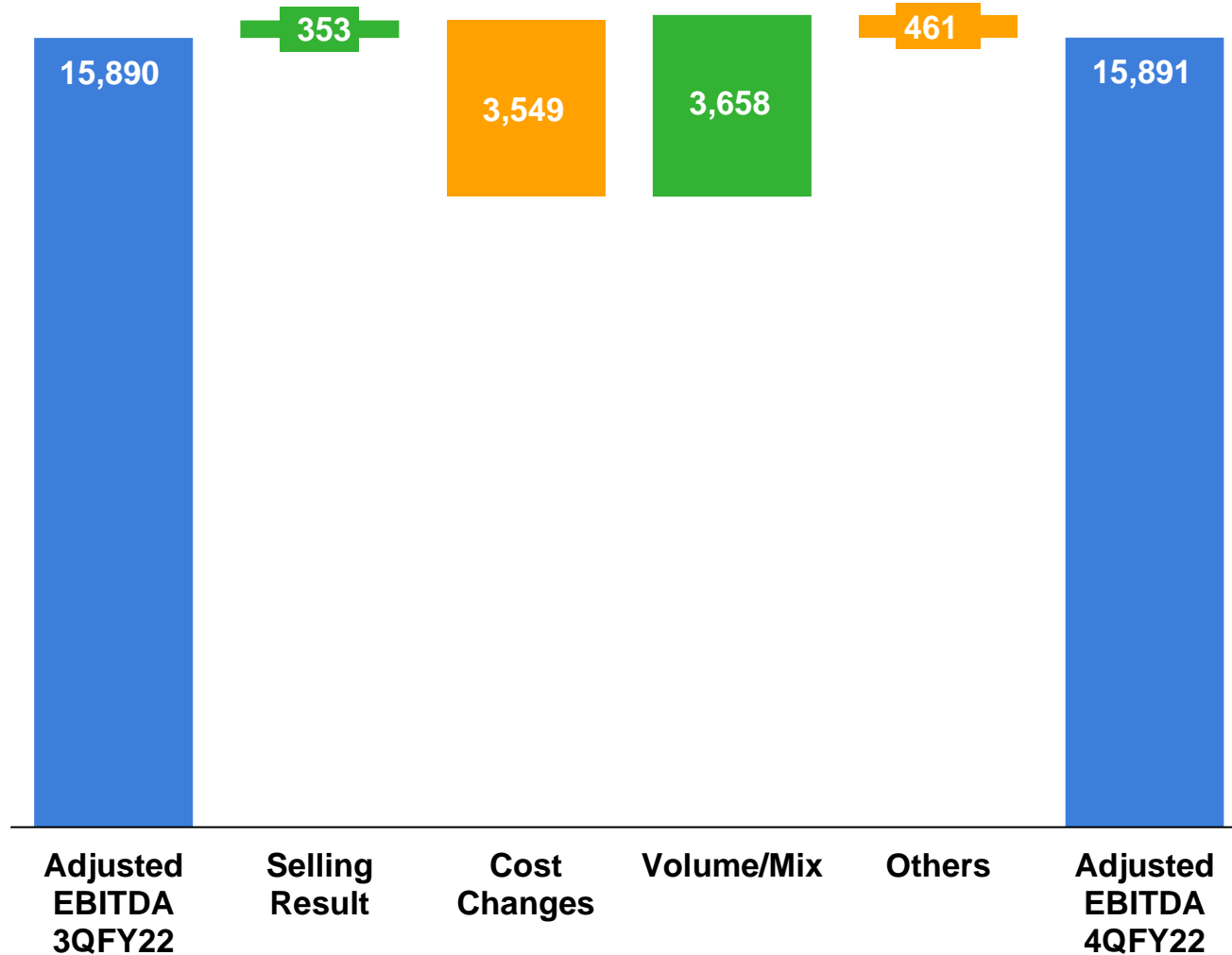
Key drivers for QoQ change:

- **Deliveries:** were up 14% driven by increase in India and Europe operations
- **Revenues:** increased driven by higher prices in Europe and higher deliveries in India and Europe
- **Raw Material cost:** increased primarily due to higher Coking Coal prices across key entities. However, in Europe the rise was offset by decline in Iron ore
- **Change in inventories:** inventory value decreased due to liquidation across geographies
- **Other expenses:** increased due to provision related to Tata Steel Mining, rise in consumption of stores & spares and power and fuel
- **Exceptional item:** for the quarter primarily relate to provision for impairment of non current assets

1. Figures for previous periods have been regrouped and reclassified to conform to classification of current period, where necessary. 2. Production Numbers: Standalone & Tata Steel Long Products - Crude Steel Production, Europe - Liquid Steel Production; SEA - Saleable Steel Production. 3. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products. 4. Adjusted for fair value changes on account of revaluation gain/loss on external/ internal company debts/ receivables at TS Global Holdings and FX rate movement on loan given to offshore entity

Consolidated EBITDA¹ stood at Rs 15,891 crores

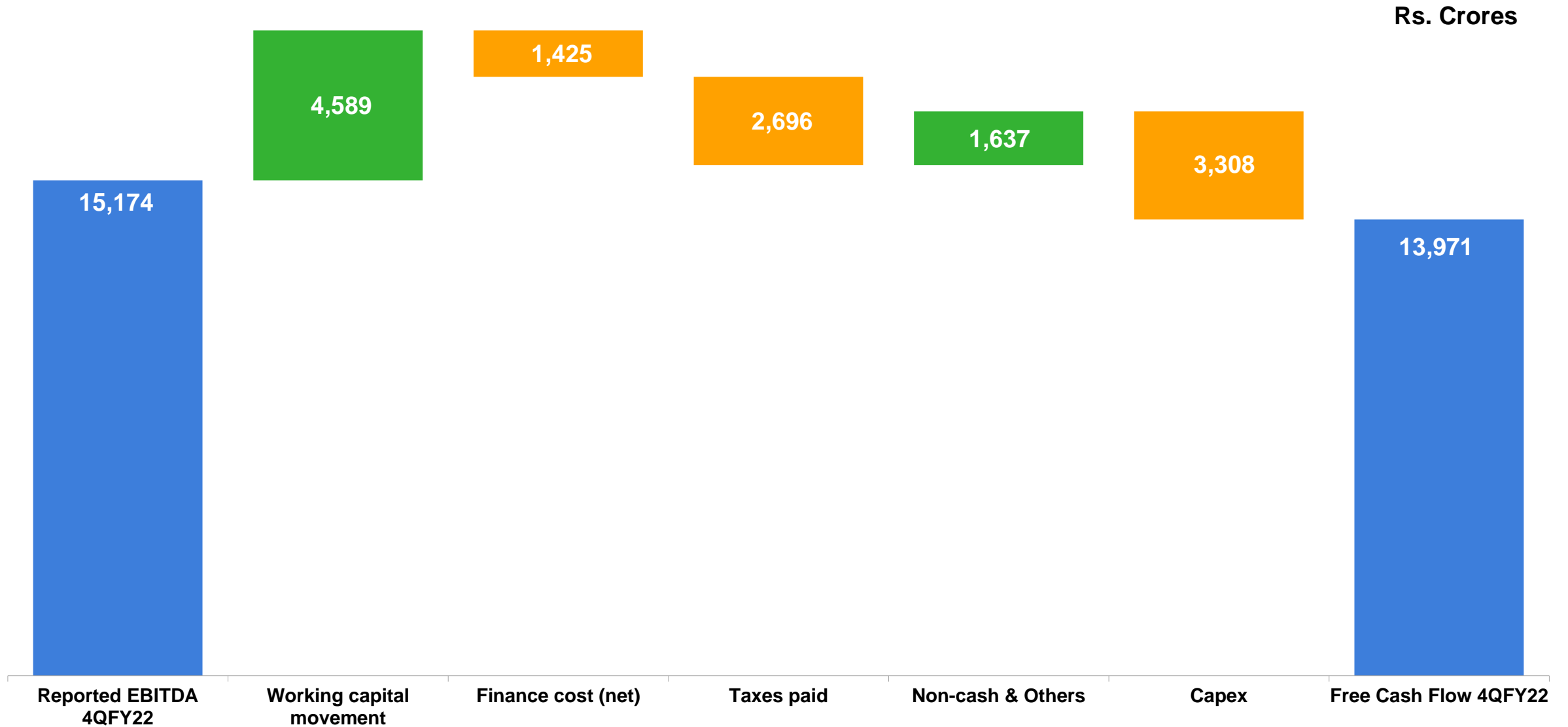
Rs. Crores



- **Selling Result:** Primarily due to better steel realisations in Europe
- **Cost Changes:** Primarily due to increase in coking coal consumption cost across entities
- **Volume/Mix:** Primarily due to higher steel deliveries in India and Europe
- **Others:** Primarily due to provision at Tata Steel Mining Limited and higher consumption of stores & spares

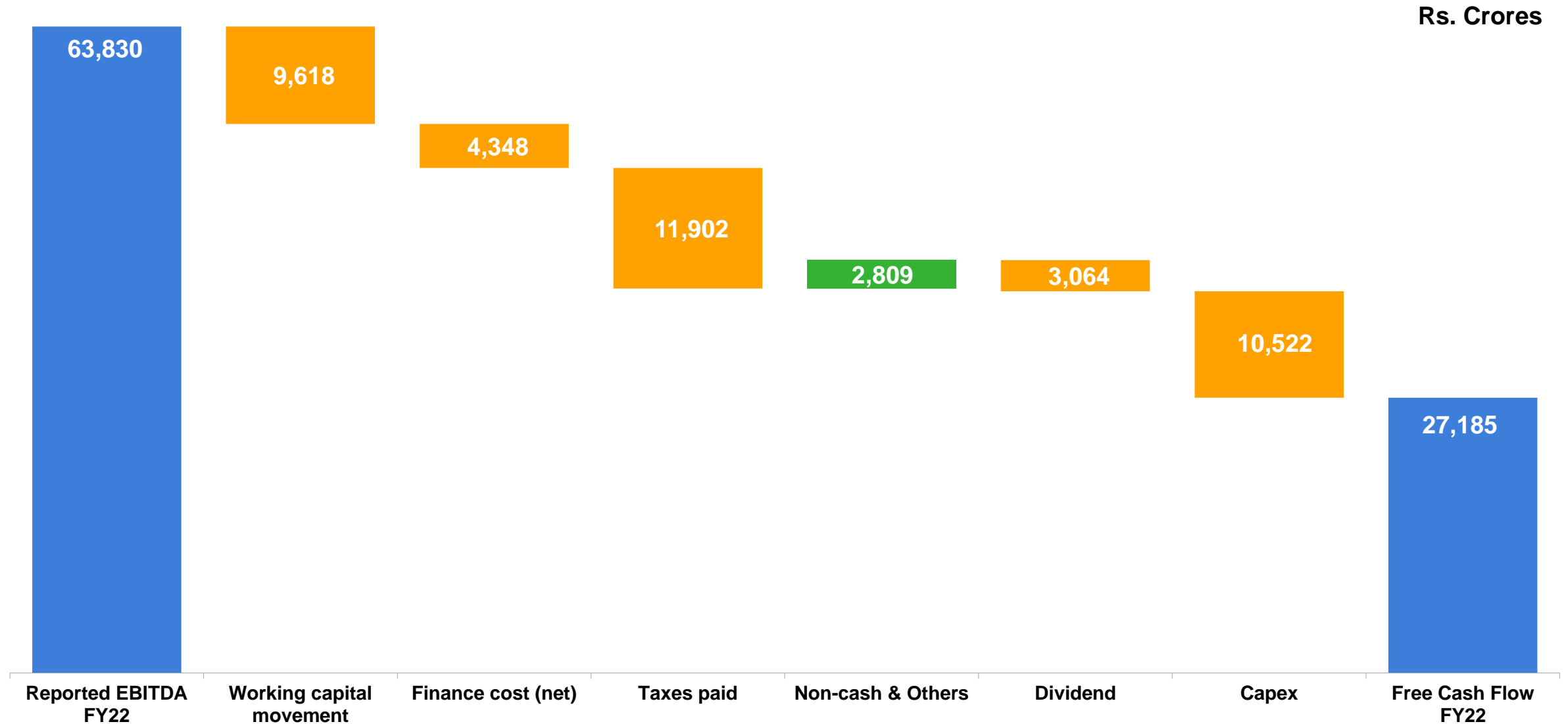
1. EBITDA adjusted for revaluation gain/loss on external/ internal company debts/ receivables at Tata Steel Global Holdings and FX rate movement on loans to T Steel Holdings

Generated free cash flows of Rs.13,971 crores in 4QFY22



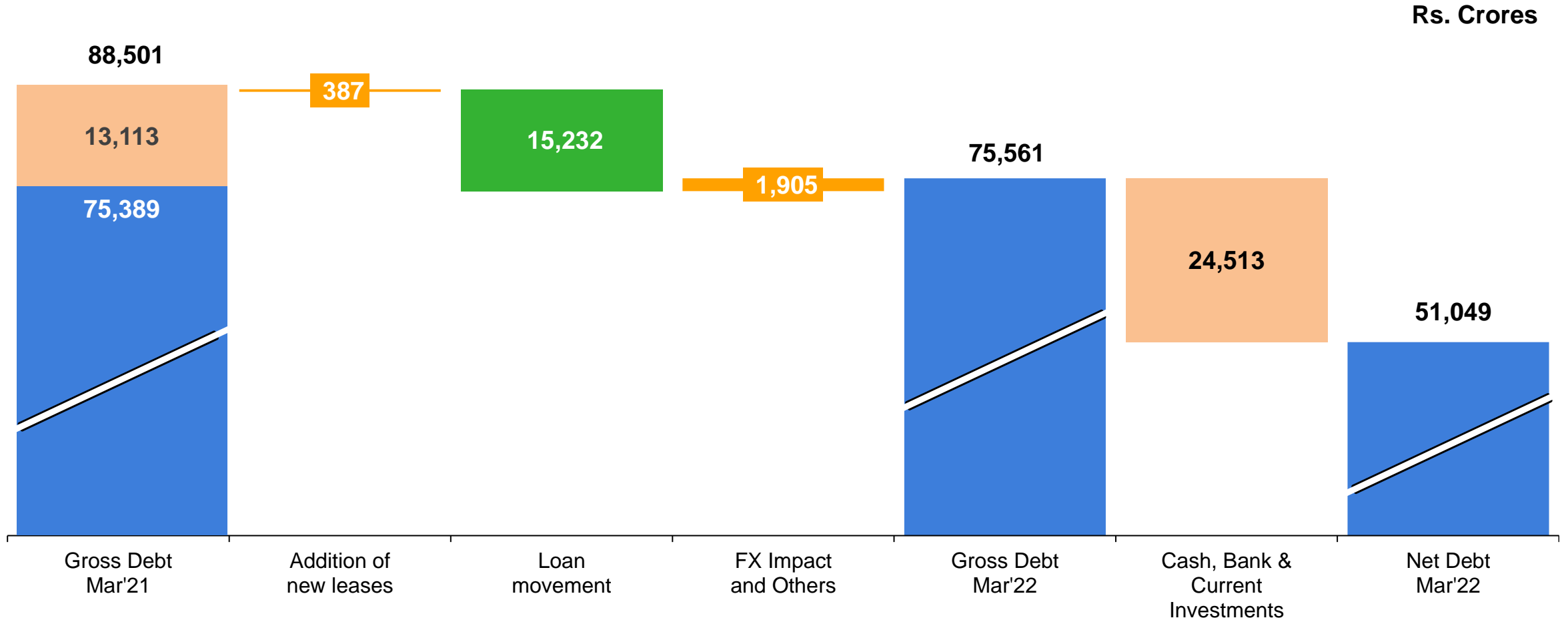
Note : In addition, ~Rs 1,210 crores of cash has been kept in escrow towards acquisition of Neelachal Ispat Nigam Limited

Generated free cash flows of Rs 27,185 crores for the year



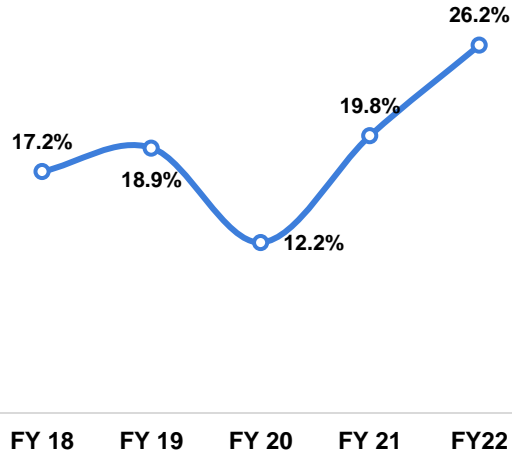
Note : In addition, ~Rs 553 crores has been utilised to repay hybrid perpetual securities and investments offset by equity proceeds on partly paid shares

Debt repayment of ~Rs. 15,232 crores in the last 12 months, Net debt to EBITDA at 0.8x

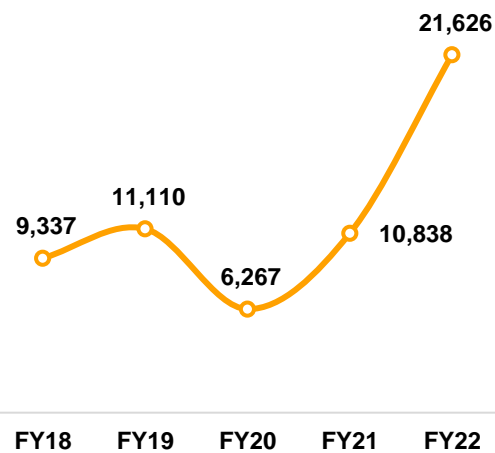


Key metrics are at investment grade levels

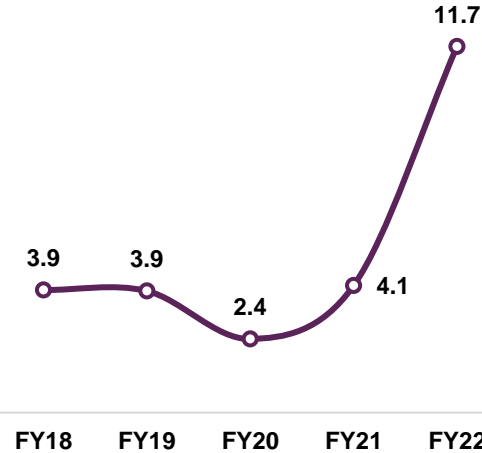
EBITDA Margin (%)¹



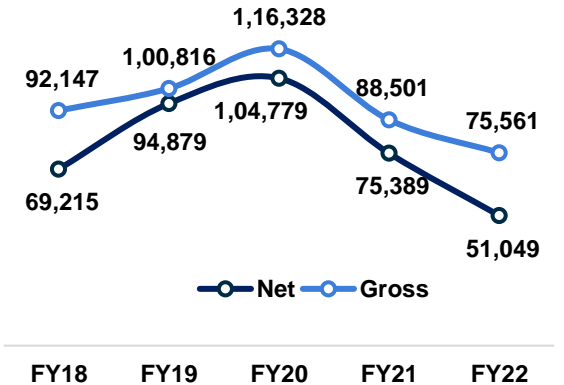
EBITDA / ton (Rs.)¹



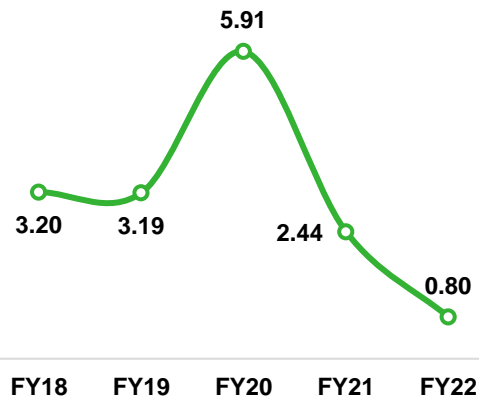
Interest Coverage Ratio (x)^{1,2}



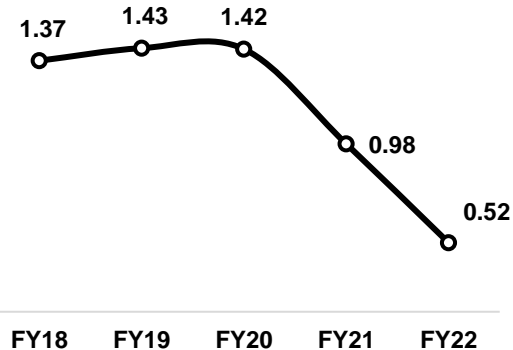
Gross & Net Debt (Rs. crore)



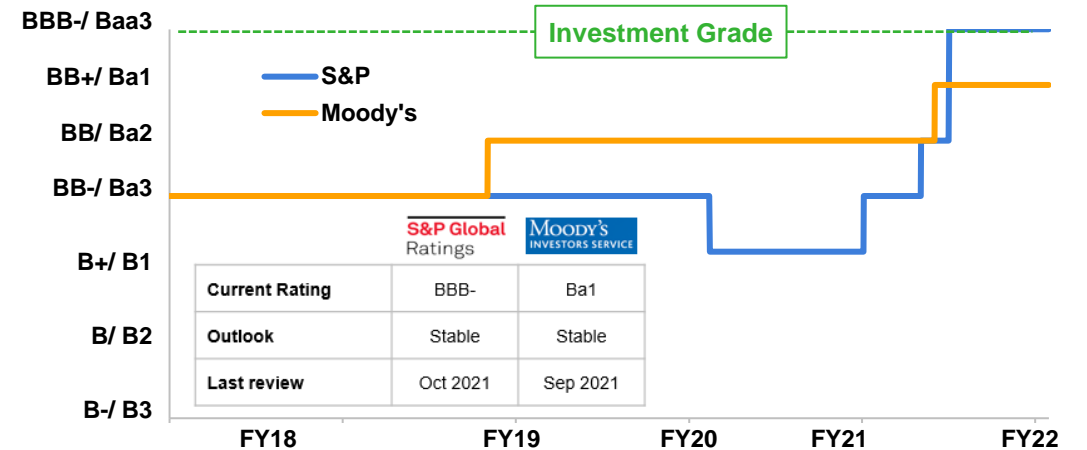
Net Debt / EBITDA (x)



Net Debt / Equity (x)



Credit Rating



All data is on consolidated basis; 1. FY20 and FY21 includes Southeast Asia (SEA) Operations which is reclassified as continuing operations; 2. Interest Coverage Ratio: EBITDA / Interest

Business outlook for 1QFY23 : Strong underlying momentum despite short term volatility

Steel demand

- **Global steel demand** to remain broadly stable in CY22 driven by stimulus measures focused on infrastructure projects especially in World ex-China
- **India steel demand** to remain robust due to government push on infrastructure spending and gradual revival in auto production
- **EU Steel demand** to sustain above pre-COVID levels. Russia – Ukraine and energy pose risk

Steel prices

- **Asian steel prices** are expected to be range bound as COVID related restrictions weigh on China domestic demand as well as output
- **Indian steel prices** to remain resilient, supported by strong international prices and input costs which remain elevated
- **European steel prices** are expected to be volatile driven by supply demand imbalances. Some moderation as reallocated quotas partially offset constrained supply from Russia and Ukraine

Raw material prices

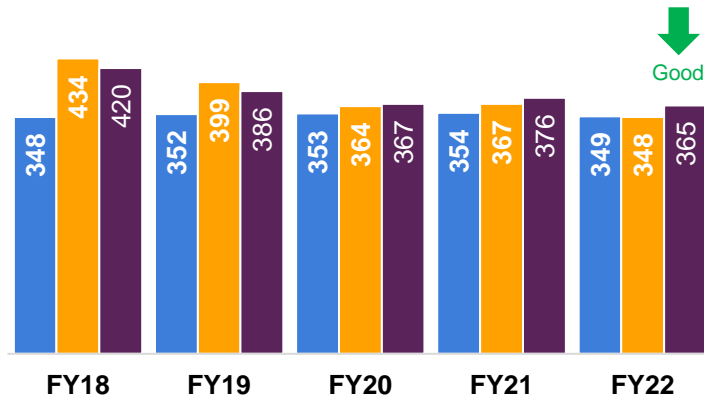
- **Coking coal prices** to remain volatile
- **Seaborne iron ore prices** to remain range bound, lower china demand due to COVID vs. impact of weather and labour shortages on major suppliers
- **European power and energy costs** to remain high due to ban on Russian coal imports and moderate as renewable energy supply picks up

Annexures

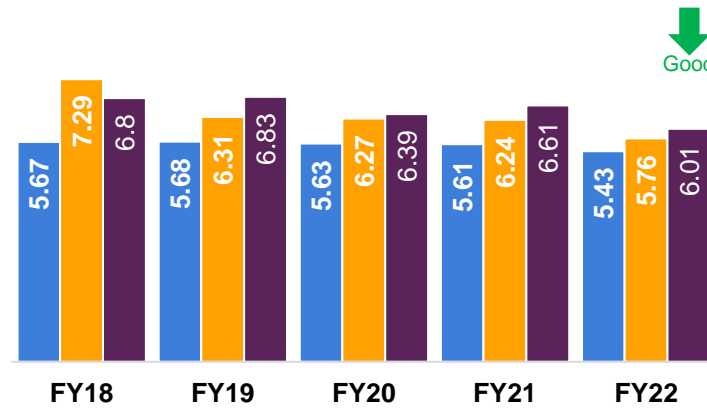
Tata Steel Standalone: Continued focus on operational efficiencies and minimizing environmental impact

- Jamshedpur
- Kalinganagar
- Meramandali

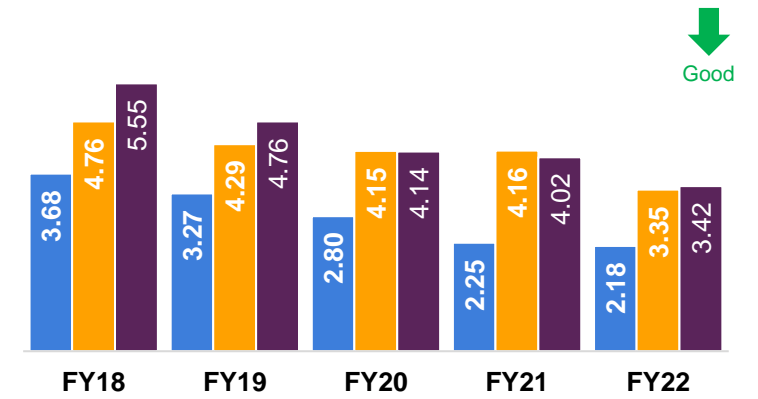
Coke Rate (kg/thm)



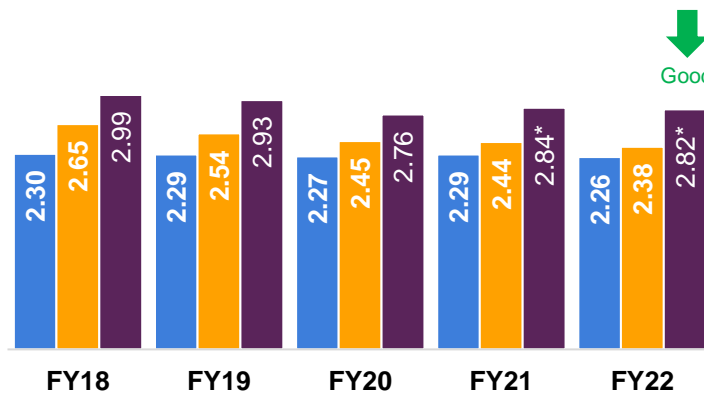
Specific Energy Consumption (Gcal/tcs)



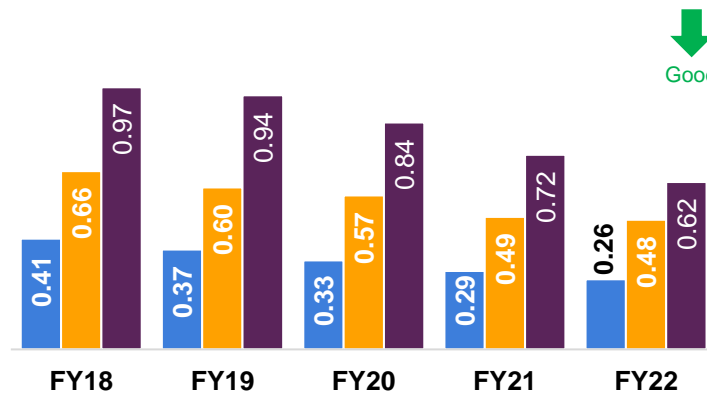
Specific Fresh Water Consumption (m³/tcs)



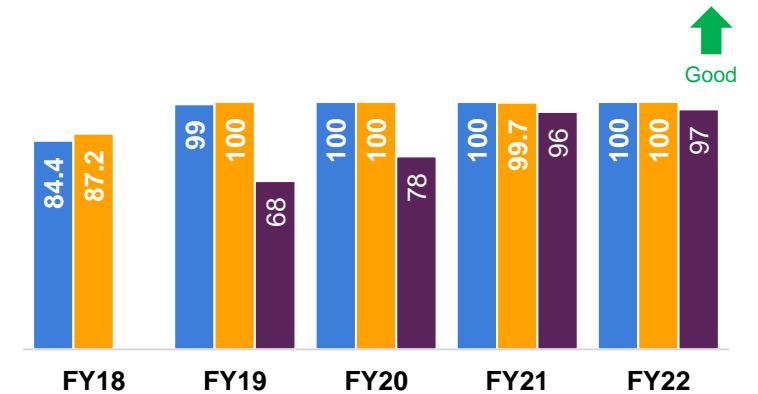
CO₂ Emission Intensity (tCO₂/tcs)



Specific Dust Emission (kg/tcs)



Solid Waste utilisation (%)



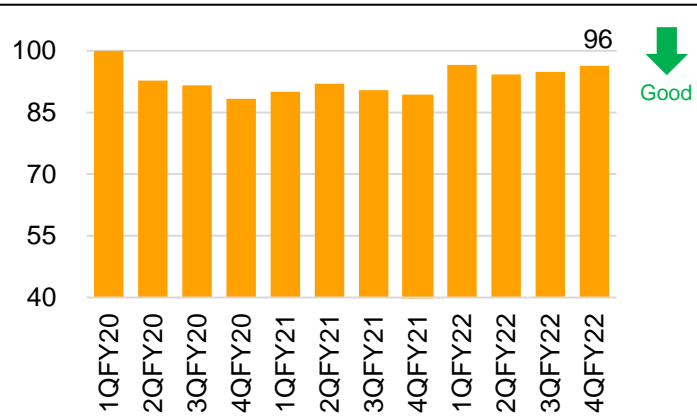
* CO₂ Emission Intensity was higher mainly due to lower capacity utilization than FY20, however, total emission was lower.

Note : Tata Steel Meramandali solid waste utilisation restated for prior years as standards aligned

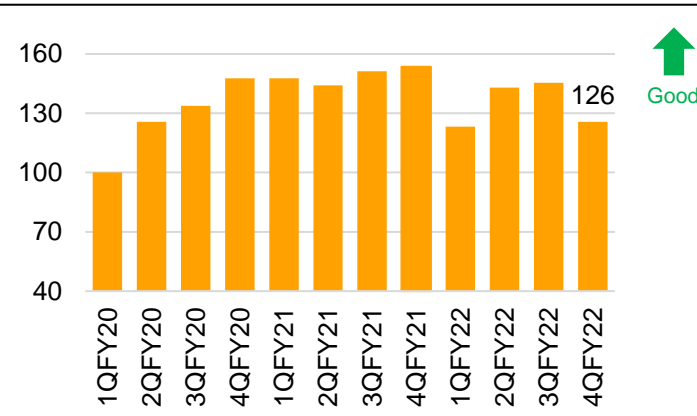
Tata Steel Long Products: Key operating parameters

(all figures are indexed; 1QFY20=100)

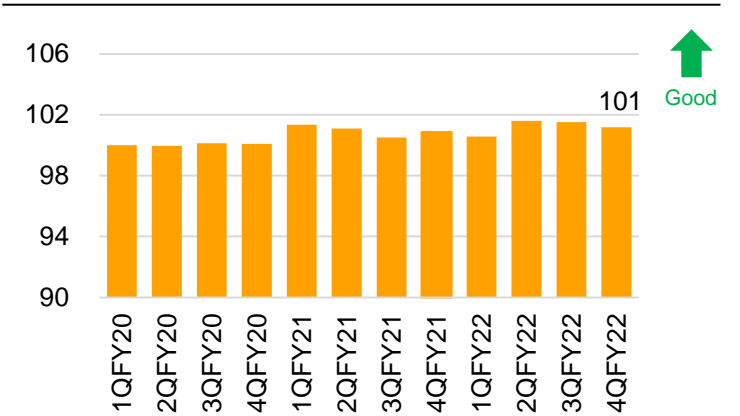
Coke rate¹



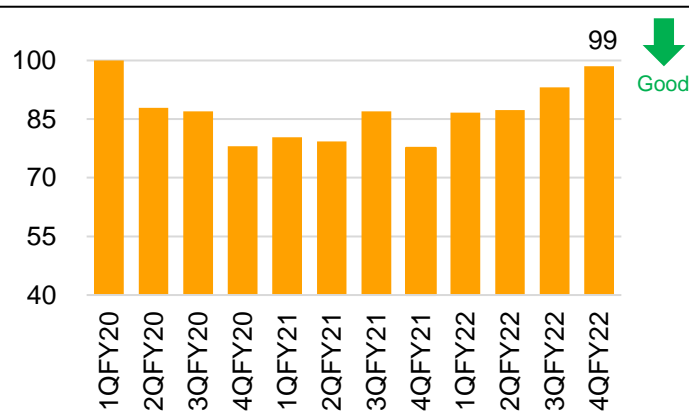
PCI rate¹



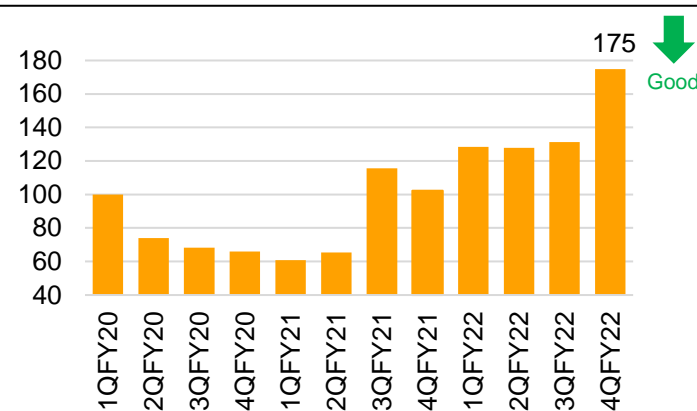
Crude Steel Yield²



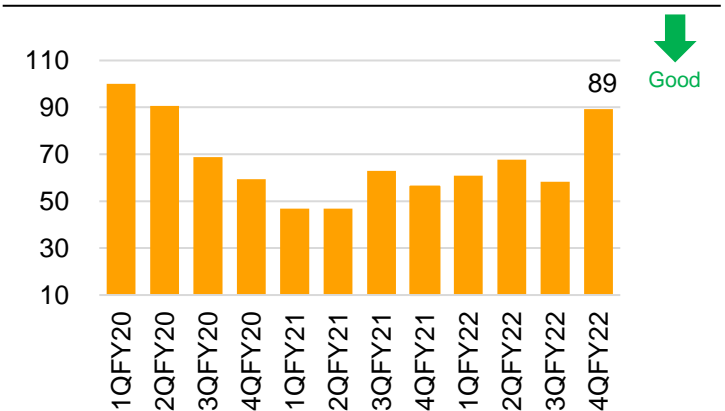
Power consumption³



Electrode consumption³



Oil consumption at Mill⁴



1. Increased due to lower hot metal production volume because of BF shutdown; 2. Maintained through smooth operation and more production despite BF disruption; 3. Increased due to higher arcing; 4. Increased due to lower availability of Blast Furnace gas on account of BF maintenance shutdown

Tata Steel Standalone¹: Operating performance

| (All figures are in Rs. Crores unless stated otherwise) | 4QFY22 | 3QFY22 | 4QFY21 |
|---|---------------|---------------|---------------|
| Production (mn tons) | 4.73 | 4.64 | 4.56 |
| Deliveries (mn tons) | 4.97 | 4.25 | 4.50 |
| Total revenue from operations | 36,681 | 31,964 | 27,355 |
| Raw material cost ² | 12,647 | 11,030 | 6,406 |
| Change in inventories | 1,826 | (1,693) | (196) |
| Employee benefits expenses | 1,723 | 1,553 | 1,503 |
| Other expenses | 8,251 | 8,906 | 7,954 |
| EBITDA | 12,363 | 12,167 | 11,722 |
| Adjusted EBITDA³ | 11,766 | 12,179 | 11,722 |
| Adjusted EBITDA per ton (Rs.) | 23,690 | 28,631 | 26,054 |
| Other income | 506 | 280 | 223 |
| Finance cost | 646 | 644 | 914 |
| Pre exceptional PBT from continuing operations | 10,715 | 10,444 | 9,589 |
| Exceptional items (gain)/loss | 76 | 181 | (949) |
| Tax expenses | 2,799 | 2,579 | 2,409 |
| Reported PAT | 7,839 | 7,683 | 8,130 |
| Other comprehensive income | 348 | 154 | 364 |

Key drivers for QoQ change:

- **Revenues:** increased by 15% driven by higher volumes
- **Raw Material cost:** increased primarily due to increase in coking coal prices and consumption of higher imported coal
- **Change in inventories:** Finished & Semi-Finished goods quantity decreased
- **Employee benefits expenses:** higher on account of increase in Salaries and wages incl. bonus
- **Other expenses:** were lower due to decline in royalty and favourable FX movement
- **Finance cost:** was broadly stable
- **Exceptional item:** for the quarter primarily reflects charge relating to Employee Separation Scheme and net impairment on ICD / investments

1. Tata Steel Standalone numbers have been restated from April 1, 2019 to reflect Tata Steel BSL's merger into Tata Steel; Figures for previous periods have been regrouped and reclassified to conform to classification of current period, where necessary 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 FX rate movement on loan given to offshore entity

Tata Steel Europe: Operating performance

| <i>(All figures are in Rs. Crores unless stated otherwise)</i> | 4QFY22 | 3QFY22 | 4QFY21 |
|--|---------------|---------------|---------------|
| Liquid Steel production (mn tons) | 2.31 | 2.57 | 2.66 |
| Deliveries (mn tons) | 2.40 | 2.16 | 2.47 |
| Total revenue from operations | 26,389 | 22,769 | 17,258 |
| Raw material cost ¹ | 9,364 | 10,599 | 7,798 |
| Change in inventories | 902 | (2,184) | (579) |
| Employee benefits expenses | 3,855 | 3,673 | 3,360 |
| Other expenses | 7,939 | 7,747 | 5,557 |
| EBITDA | 4,349 | 2,942 | 1,194 |
| EBITDA per ton (Rs.) | 18,135 | 13,642 | 4,841 |

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

Key drivers for QoQ change:

- **Volumes:** increased on the back of inventory liquidation despite lower production
- **Revenues:** increased with improved steel realisations and sales mix
- **Raw Material cost:** declined as coal consumption cost due to higher prices was more than offset by lower iron ore prices
- **Change in inventories:** inventory value decreased on liquidation
- **Other expenses:** increased primarily due to higher energy costs

Tata Steel Long Products: Operating performance

| <i>Consolidated financial statements</i> <i>(All figures are in Rs. Crores unless stated otherwise)</i> | 4QFY22 | 3QFY22 | 4QFY21 |
|--|---------------|---------------|---------------|
| Total revenue from operations | 1,799 | 1,677 | 1,547 |
| Raw material cost ¹ | 1,132 | 1,013 | 672 |
| Change in inventories | (13) | (15) | (33) |
| Employee benefits expenses | 54 | 58 | 50 |
| Other expenses | 462 | 370 | 359 |
| EBITDA | 177 | 255 | 506 |
| EBITDA per ton (Rs.)² | 11,186 | 15,526 | 29,439 |
| EBITDA Margin (%) | 9.8% | 15.2% | 32.7% |
| Reported PAT | 60 | 104 | 340 |

1. Raw material cost includes raw material consumed, and purchases of finished and semi-finished products
2. EBITDA/Steel deliveries

Key drivers for QoQ change:

- **Revenues:** increase driven primarily by higher DRI realisations and volumes; slight rise in steel prices
- **Raw material cost:** was driven by higher coal prices and higher DRI production
- **Change in inventories:** inventory value increased primarily with higher prices
- **Other expenses:** increased due to higher consumption of stores and spare parts and rise in fuel and power costs
- **Net debt:** increased to Rs.842 crores due to NCRPS. Excluding this, Net debt was nil by end of FY22

Tata Steel Thailand : Operating performance

| <i>(All figures are in Rs. Crores unless stated otherwise)</i> | 4QFY22 | 3QFY22 | 4QFY21 |
|--|--------------|--------------|--------------|
| Saleable Steel production (mn tons) | 0.34 | 0.32 | 0.39 |
| Deliveries (mn tons) | 0.34 | 0.32 | 0.37 |
| Total revenue from operations | 1,982 | 1,882 | 1,706 |
| Raw material cost ¹ | 1,420 | 1,410 | 1,560 |
| Change in inventories | (5) | (144) | (445) |
| Employee benefits expenses | 93 | 53 | 60 |
| Other expenses | 371 | 346 | 370 |
| EBITDA | 102 | 162 | 160 |
| EBITDA per ton (Rs.) | 3,004 | 5,042 | 4,372 |

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

Key drivers for QoQ change:

- **Volumes:** production and sales were slightly higher QoQ on account of improved market conditions
- **Revenues:** improved driven by steel prices and steady volumes
- **EBITDA:** was marginally lower due to higher raw material costs



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