



Ref: G - 34

February 4, 2016

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

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

Dear Sirs/Madam,

**Re: Outcome of the Board Meeting**

This has reference to our letter dated December 24, 2015.

The Board of Directors at the meeting held today, i.e., February 4, 2016, approved the Audited Standalone and Unaudited Consolidated Financial Results of the Company for the quarter and nine months ended December 31, 2015. The meeting concluded at 6.10 p.m. (IST).

A copy of the said results together with the Auditors' Report and Press Release is enclosed herewith. These are also being made available on the website of the Company at [www.tatasteel.com](http://www.tatasteel.com).

This is for your information and record.

Yours faithfully,  
Tata Steel Limited

Parvatheesam K  
Company Secretary

Encl: As above

**TATA STEEL LIMITED**

Registered Office Bombay House 24 Homi Mody Street 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 Financial Results for the Nine Months ended on 31st December 2015**

₹ Crores

| Particulars                                                                                                    | Quarter ended on 31.12.2015 | Quarter ended on 30.09.2015 | Quarter ended on 31.12.2014 | Nine Months ended on 31.12.2015 | Nine Months ended on 31.12.2014 | Financial Year ended on 31.03.2015 |
|----------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
|                                                                                                                | Audited                     | Audited                     | Audited                     | Audited                         | Audited                         | Audited                            |
| <b>1 Income from operations</b>                                                                                |                             |                             |                             |                                 |                                 |                                    |
| a) Net sales / income from operations (net of excise duty)                                                     | 8,991.35                    | 9,445.71                    | 9,824.46                    | 27,442.95                       | 30,911.14                       | 41,433.82                          |
| b) Other operating income                                                                                      | 72.53                       | 85.37                       | 72.32                       | 245.72                          | 238.97                          | 351.18                             |
| <b>Total income from operations (net) [1(a) + 1(b)]</b>                                                        | <b>9,063.88</b>             | <b>9,531.08</b>             | <b>9,896.78</b>             | <b>27,688.67</b>                | <b>31,150.11</b>                | <b>41,785.00</b>                   |
| <b>2 Expenses</b>                                                                                              |                             |                             |                             |                                 |                                 |                                    |
| a) Changes in inventories of finished goods, work-in-progress and stock-in-trade                               | (173.12)                    | (132.00)                    | (662.00)                    | (503.38)                        | (1,309.64)                      | (715.94)                           |
| b) Purchases of finished, semi-finished steel & other products                                                 | 333.35                      | 197.52                      | 231.71                      | 767.30                          | 475.90                          | 688.32                             |
| c) Raw materials consumed                                                                                      | 2,340.60                    | 2,870.93                    | 3,709.08                    | 7,541.23                        | 8,994.78                        | 11,678.60                          |
| d) Employee benefits expense                                                                                   | 1,139.19                    | 1,085.14                    | 1,164.79                    | 3,306.67                        | 3,433.85                        | 4,601.92                           |
| e) Purchase of power                                                                                           | 673.52                      | 668.46                      | 536.61                      | 2,036.28                        | 1,935.34                        | 2,570.16                           |
| f) Freight and handling charges                                                                                | 777.82                      | 707.22                      | 727.17                      | 2,180.39                        | 2,112.06                        | 2,883.32                           |
| g) Depreciation and amortisation expense                                                                       | 490.93                      | 481.03                      | 457.30                      | 1,440.20                        | 1,425.13                        | 1,997.59                           |
| h) Other expenses                                                                                              | 2,474.41                    | 2,272.24                    | 2,209.51                    | 7,311.81                        | 7,177.92                        | 10,069.82                          |
| <b>Total expenses [2(a) to 2(h)]</b>                                                                           | <b>8,056.70</b>             | <b>8,150.54</b>             | <b>8,374.17</b>             | <b>24,080.50</b>                | <b>24,245.34</b>                | <b>33,773.79</b>                   |
| <b>3 Profit / (Loss) from operations before other income, finance costs, exceptional items and tax [1 - 2]</b> | <b>1,007.18</b>             | <b>1,380.54</b>             | <b>1,522.61</b>             | <b>3,608.17</b>                 | <b>6,904.77</b>                 | <b>8,011.21</b>                    |
| <b>4 Other income</b>                                                                                          | <b>82.86</b>                | <b>2,932.69</b>             | <b>108.29</b>               | <b>3,764.39</b>                 | <b>514.18</b>                   | <b>582.78</b>                      |
| <b>5 Profit / (Loss) from operations before finance costs, exceptional items and tax [3 + 4]</b>               | <b>1,090.04</b>             | <b>4,313.23</b>             | <b>1,630.90</b>             | <b>7,372.56</b>                 | <b>7,418.95</b>                 | <b>8,593.99</b>                    |
| <b>6 Finance costs</b>                                                                                         | <b>350.09</b>               | <b>331.28</b>               | <b>462.44</b>               | <b>1,077.34</b>                 | <b>1,443.58</b>                 | <b>1,975.95</b>                    |
| <b>7 Profit / (Loss) before exceptional items and tax [5 - 6]</b>                                              | <b>739.95</b>               | <b>3,981.95</b>             | <b>1,168.46</b>             | <b>6,295.22</b>                 | <b>5,975.37</b>                 | <b>6,618.04</b>                    |
| <b>8 Exceptional items :</b>                                                                                   |                             |                             |                             |                                 |                                 |                                    |
| a) Profit / (Loss) on sale of non current investments                                                          | -                           | (1.58)                      | -                           | 104.29                          | 787.96                          | 806.10                             |
| b) Profit on sale of non current assets                                                                        | -                           | -                           | -                           | -                               | 1,146.86                        | 1,146.86                           |
| c) Provision for diminution in value of investments/doubtful advances                                          | (15.43)                     | (95.59)                     | -                           | (111.02)                        | -                               | (198.40)                           |
| d) (Provision)/ Reversal of impairment of non-current assets                                                   | -                           | (51.51)                     | -                           | (51.51)                         | -                               | 136.29                             |
| e) Provision for demands and claims                                                                            | -                           | (880.05)                    | -                           | (880.05)                        | -                               | -                                  |
| f) Employee separation compensation                                                                            | (24.27)                     | (292.78)                    | -                           | (317.05)                        | -                               | -                                  |
| <b>Total exceptional items [8(a) to 8(f)]</b>                                                                  | <b>(39.70)</b>              | <b>(1,321.51)</b>           | <b>-</b>                    | <b>(1,255.34)</b>               | <b>1,934.82</b>                 | <b>1,890.85</b>                    |
| <b>9 Profit / (Loss) before tax [ 7 + 8 ]</b>                                                                  | <b>700.25</b>               | <b>2,660.44</b>             | <b>1,168.46</b>             | <b>5,039.88</b>                 | <b>7,910.19</b>                 | <b>8,508.89</b>                    |
| <b>10 Tax expense</b>                                                                                          |                             |                             |                             |                                 |                                 |                                    |
| a) Current tax                                                                                                 | 199.20                      | 579.10                      | 293.61                      | 1,168.64                        | 2,222.58                        | 1,908.60                           |
| b) MAT credit                                                                                                  | (1.58)                      | (264.31)                    | -                           | (315.51)                        | -                               | (117.21)                           |
| c) Deferred tax                                                                                                | 49.81                       | (177.27)                    | (5.79)                      | (37.60)                         | 62.58                           | 278.38                             |
| <b>Total tax expense [10(a) to 10(c)]</b>                                                                      | <b>247.43</b>               | <b>137.52</b>               | <b>287.82</b>               | <b>815.53</b>                   | <b>2,285.16</b>                 | <b>2,069.77</b>                    |
| <b>11 Net Profit / (Loss) for the period [9 - 10]</b>                                                          | <b>452.82</b>               | <b>2,522.92</b>             | <b>880.64</b>               | <b>4,224.35</b>                 | <b>5,625.03</b>                 | <b>6,439.12</b>                    |
| <b>12 Paid-up equity share capital [Face value ₹10 per share]</b>                                              | <b>971.41</b>               | <b>971.41</b>               | <b>971.41</b>               | <b>971.41</b>                   | <b>971.41</b>                   | <b>971.41</b>                      |
| <b>13 Reserves excluding revaluation reserves</b>                                                              |                             |                             |                             |                                 |                                 | <b>65,692.48</b>                   |
| <b>14 Basic earnings per share (not annualised) - in Rupees (after exceptional items)</b>                      | <b>4.21</b>                 | <b>25.53</b>                | <b>8.61</b>                 | <b>42.15</b>                    | <b>56.55</b>                    | <b>64.49</b>                       |
| <b>15 Diluted earnings per share (not annualised) - in Rupees (after exceptional items)</b>                    | <b>4.21</b>                 | <b>25.53</b>                | <b>8.61</b>                 | <b>42.15</b>                    | <b>56.55</b>                    | <b>64.49</b>                       |

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Corporate Identity Number L27100MH1907PLC000260



# Standalone Segment Revenue, Results and Capital Employed

₹ Crores

| Particulars                                                                  | Quarter ended on 31.12.2015 | Quarter ended on 30.09.2015 | Quarter ended on 31.12.2014 | Nine Months ended on 31.12.2015 | Nine Months ended on 31.12.2014 | Financial Year ended on 31.03.2015 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
|                                                                              | Audited                     | Audited                     | Audited                     | Audited                         | Audited                         | Audited                            |
| <b>Revenue by Business Segment:</b>                                          |                             |                             |                             |                                 |                                 |                                    |
| Steel business                                                               | 8,517.44                    | 9,165.44                    | 9,652.32                    | 26,450.57                       | 30,007.51                       | 40,343.85                          |
| Ferro Alloys and Minerals                                                    | 509.56                      | 299.45                      | 192.78                      | 1,083.98                        | 939.57                          | 1,154.89                           |
| Others                                                                       | 503.66                      | 531.10                      | 590.40                      | 1,574.38                        | 1,798.03                        | 2,378.39                           |
| <b>Total</b>                                                                 | <b>9,530.66</b>             | <b>9,995.99</b>             | <b>10,435.50</b>            | <b>29,108.93</b>                | <b>32,745.11</b>                | <b>43,877.13</b>                   |
| Less: Inter segment revenue                                                  | 466.78                      | 464.91                      | 538.72                      | 1,420.26                        | 1,595.00                        | 2,092.13                           |
| <b>Net sales / Income from operations</b>                                    | <b>9,063.88</b>             | <b>9,531.08</b>             | <b>9,896.78</b>             | <b>27,688.67</b>                | <b>31,150.11</b>                | <b>41,785.00</b>                   |
| <b>Segment results before finance costs, exceptional items and tax:</b>      |                             |                             |                             |                                 |                                 |                                    |
| Steel business                                                               | 1,086.42                    | 1,444.72                    | 1,777.58                    | 3,845.62                        | 7,419.66                        | 8,749.47                           |
| Ferro Alloys and Minerals                                                    | 36.54                       | 27.03                       | (18.30)                     | 71.87                           | 146.63                          | 108.79                             |
| Others                                                                       | 17.32                       | 15.10                       | 6.96                        | 39.22                           | 35.07                           | 48.64                              |
| Unallocated income / (expenditure)                                           | (50.24)                     | 2,826.38                    | (135.34)                    | 3,415.85                        | (182.41)                        | (312.91)                           |
| <b>Total Segment results before finance costs, exceptional items and tax</b> | <b>1,090.04</b>             | <b>4,313.23</b>             | <b>1,630.90</b>             | <b>7,372.56</b>                 | <b>7,418.95</b>                 | <b>8,593.99</b>                    |
| Less: Finance costs                                                          | 350.09                      | 331.28                      | 462.44                      | 1,077.34                        | 1,443.58                        | 1,975.95                           |
| <b>Profit / (Loss) before exceptional items and tax</b>                      | <b>739.95</b>               | <b>3,981.95</b>             | <b>1,168.46</b>             | <b>6,295.22</b>                 | <b>5,975.37</b>                 | <b>6,618.04</b>                    |
| <b>Exceptional items:</b>                                                    |                             |                             |                             |                                 |                                 |                                    |
| Profit / (Loss) on sale of non current investments                           | -                           | (1.58)                      | -                           | 104.29                          | 787.96                          | 806.10                             |
| Profit on sale of non current assets                                         | -                           | -                           | -                           | -                               | 1,146.86                        | 1,146.86                           |
| Provision for diminution in value of investments/doubtful advances           | (15.43)                     | (95.59)                     | -                           | (111.02)                        | -                               | (198.40)                           |
| (Provision)/ Reversal of impairment of non-current assets                    | -                           | (51.51)                     | -                           | (51.51)                         | -                               | 136.29                             |
| Provision for demands and claims                                             | -                           | (880.05)                    | -                           | (880.05)                        | -                               | -                                  |
| Employee Separation Compensation                                             | (24.27)                     | (292.78)                    | -                           | (317.05)                        | -                               | -                                  |
| <b>Profit / (Loss) before tax</b>                                            | <b>700.25</b>               | <b>2,660.44</b>             | <b>1,168.46</b>             | <b>5,039.88</b>                 | <b>7,910.19</b>                 | <b>8,508.89</b>                    |
| Less: Tax expense                                                            | 247.43                      | 137.52                      | 287.82                      | 815.53                          | 2,285.16                        | 2,069.77                           |
| <b>Net Profit / (Loss)</b>                                                   | <b>452.82</b>               | <b>2,522.92</b>             | <b>880.64</b>               | <b>4,224.35</b>                 | <b>5,625.03</b>                 | <b>6,439.12</b>                    |
| <b>Segment Capital Employed:</b>                                             |                             |                             |                             |                                 |                                 |                                    |
| Steel business                                                               | 49,080.11                   | 48,175.06                   | 45,509.65                   | 49,080.11                       | 45,509.65                       | 47,257.07                          |
| Ferro Alloys and Minerals                                                    | 251.98                      | 365.52                      | 255.99                      | 251.98                          | 255.99                          | 266.32                             |
| Others                                                                       | 59.59                       | 71.64                       | 152.59                      | 59.59                           | 152.59                          | 107.51                             |
| Unallocated                                                                  | (420.73)                    | (540.89)                    | (836.31)                    | (420.73)                        | (836.31)                        | (855.12)                           |
| <b>Total</b>                                                                 | <b>48,970.95</b>            | <b>48,071.33</b>            | <b>45,081.92</b>            | <b>48,970.95</b>                | <b>45,081.92</b>                | <b>46,775.78</b>                   |

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Corporate Identity Number L27100MH1907PLC000260



# Consolidated Financial Results for the Nine Months ended on 31st December 2015

₹ Crores

| Particulars                                                                                                            | Quarter ended on 31.12.2015 | Quarter ended on 30.09.2015 | Quarter ended on 31.12.2014 | Nine Months ended on 31.12.2015 | Nine Months ended on 31.12.2014 | Financial Year ended on 31.03.2015 |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
|                                                                                                                        | Unaudited                   | Unaudited                   | Unaudited                   | Unaudited                       | Unaudited                       | Audited                            |
| <b>1</b> Income from operations                                                                                        |                             |                             |                             |                                 |                                 |                                    |
| a) Net sales / income from operations (net of excise duty)                                                             | 27,818.73                   | 29,068.54                   | 33,327.61                   | 86,787.37                       | 104,982.10                      | 138,318.91                         |
| b) Other operating income                                                                                              | 220.29                      | 236.15                      | 305.62                      | 856.67                          | 855.45                          | 1,184.82                           |
| Total income from operations (net) [1(a) + 1(b)]                                                                       | 28,039.02                   | 29,304.69                   | 33,633.23                   | 87,644.04                       | 105,837.55                      | 139,503.73                         |
| <b>2</b> Expenses                                                                                                      |                             |                             |                             |                                 |                                 |                                    |
| a) Changes in inventories of finished goods, work-in-progress and stock-in-trade                                       | 956.66                      | 114.12                      | (511.91)                    | 551.12                          | (1,071.17)                      | 1,122.18                           |
| b) Purchases of finished, semi-finished steel & other products                                                         | 2,431.88                    | 2,392.04                    | 3,548.77                    | 7,666.30                        | 11,344.89                       | 13,804.22                          |
| c) Raw materials consumed                                                                                              | 7,624.80                    | 8,783.73                    | 10,553.44                   | 25,130.88                       | 31,959.28                       | 40,741.04                          |
| d) Employee benefits expense                                                                                           | 4,964.63                    | 4,990.45                    | 4,950.12                    | 14,850.83                       | 15,981.58                       | 21,407.64                          |
| e) Purchase of power                                                                                                   | 1,317.13                    | 1,378.96                    | 1,343.53                    | 4,144.56                        | 4,478.10                        | 5,913.28                           |
| f) Freight and handling charges                                                                                        | 1,988.49                    | 2,044.93                    | 2,129.83                    | 6,064.45                        | 6,510.59                        | 8,811.41                           |
| g) Depreciation and amortisation expense                                                                               | 1,132.66                    | 1,370.80                    | 1,451.09                    | 3,849.96                        | 4,430.88                        | 5,943.60                           |
| h) Other expenses                                                                                                      | 7,979.75                    | 7,769.97                    | 8,542.06                    | 23,855.49                       | 25,641.50                       | 35,168.21                          |
| Total expenses [2(a) to 2(h)]                                                                                          | 28,396.00                   | 28,845.00                   | 32,006.93                   | 86,113.59                       | 99,275.65                       | 132,911.58                         |
| <b>3</b> Profit / (Loss) from operations before other income, finance costs, exceptional items and tax [1 - 2]         | (356.98)                    | 459.69                      | 1,626.30                    | 1,530.45                        | 6,561.90                        | 6,592.15                           |
| <b>4</b> Other income                                                                                                  | 96.16                       | 2,938.19                    | 119.11                      | 3,796.52                        | 656.77                          | 796.18                             |
| <b>5</b> Profit / (Loss) from operations before finance costs, exceptional items and tax [3 + 4]                       | (260.82)                    | 3,397.88                    | 1,745.41                    | 5,326.97                        | 7,218.67                        | 7,388.33                           |
| <b>6</b> Finance costs                                                                                                 | 964.08                      | 1,048.74                    | 1,167.41                    | 3,110.85                        | 3,652.56                        | 4,847.75                           |
| <b>7</b> Profit / (Loss) before exceptional items and tax [5 - 6]                                                      | (1,224.90)                  | 2,349.14                    | 578.00                      | 2,216.12                        | 3,566.11                        | 2,540.58                           |
| <b>8</b> Exceptional items :                                                                                           |                             |                             |                             |                                 |                                 |                                    |
| a) Profit / (Loss) on sale of non current investments                                                                  | -                           | 21.52                       | -                           | 179.95                          | 1,312.32                        | 1,315.34                           |
| b) Profit on sale of non current assets                                                                                | -                           | -                           | -                           | -                               | 1,146.86                        | 1,146.86                           |
| c) Provision for diminution in value of investments/doubtful advances                                                  | -                           | (90.69)                     | -                           | (90.69)                         | -                               | (338.30)                           |
| d) Provision for impairment of non-current assets                                                                      | (72.11)                     | (7,924.30)                  | -                           | (7,996.41)                      | (1,576.65)                      | (6,052.57)                         |
| e) Provision for demands and claims                                                                                    | -                           | (880.05)                    | -                           | (880.05)                        | -                               | -                                  |
| f) Employee separation compensation                                                                                    | (24.27)                     | (292.78)                    | -                           | (317.05)                        | -                               | -                                  |
| g) Restructuring and other provisions                                                                                  | (615.39)                    | 8,602.56                    | -                           | 7,987.17                        | -                               | -                                  |
| Total exceptional items [8(a) to 8(g)]                                                                                 | (711.77)                    | (563.74)                    | -                           | (1,117.08)                      | 882.53                          | (3,928.67)                         |
| <b>9</b> Profit / (Loss) before tax [7 + 8]                                                                            | (1,936.67)                  | 1,785.40                    | 578.00                      | 1,099.04                        | 4,448.64                        | (1,388.09)                         |
| <b>10</b> Tax expense                                                                                                  |                             |                             |                             |                                 |                                 |                                    |
| a) Current tax                                                                                                         | 177.79                      | 615.98                      | 306.21                      | 1,246.42                        | 2,463.18                        | 2,214.71                           |
| b) MAT credit                                                                                                          | (2.49)                      | (264.44)                    | -                           | (316.74)                        | -                               | (117.32)                           |
| c) Deferred tax                                                                                                        | 68.10                       | (111.37)                    | 140.47                      | 69.26                           | 238.68                          | 470.02                             |
| Total tax expense [10(a) to 10(c)]                                                                                     | 243.40                      | 240.17                      | 446.68                      | 998.94                          | 2,701.86                        | 2,567.41                           |
| <b>11</b> Net Profit / (Loss) for the period [9 - 10]                                                                  | (2,180.07)                  | 1,545.23                    | 131.32                      | 100.10                          | 1,746.78                        | (3,955.50)                         |
| <b>12</b> Minority interest                                                                                            | 30.97                       | (0.84)                      | 15.63                       | 36.91                           | (2.11)                          | 13.29                              |
| <b>13</b> Share of profit / (loss) of associates                                                                       | 21.87                       | (15.68)                     | 10.16                       | 27.43                           | 4.10                            | 16.69                              |
| <b>14</b> Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates [11 + 12 + 13] | (2,127.23)                  | 1,528.71                    | 157.11                      | 164.44                          | 1,748.77                        | (3,925.52)                         |
| <b>15</b> Paid-up equity share capital [Face value ₹10 per share]                                                      | 970.24                      | 970.24                      | 971.41                      | 970.24                          | 971.41                          | 971.41                             |
| <b>16</b> Reserves excluding revaluation reserves                                                                      |                             |                             |                             |                                 |                                 | 30,378.00                          |
| <b>17</b> Basic earnings per share (not annualised) - in Rupees (after exceptional items)                              | (22.38)                     | 15.31                       | 1.16                        | 0.35                            | 16.64                           | (42.24)                            |
| <b>18</b> Diluted earnings per share (not annualised) - in Rupees (after exceptional items)                            | (22.38)                     | 15.31                       | 1.16                        | 0.35                            | 16.64                           | (42.24)                            |

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Corporate Identity Number L27100MH1907PLC000260



## Consolidated Segment Revenue, Results and Capital Employed

₹ Crores

| Particulars                                                                  | Quarter ended on 31.12.2015 | Quarter ended on 30.09.2015 | Quarter ended on 31.12.2014 | Nine Months ended on 31.12.2015 | Nine Months ended on 31.12.2014 | Financial Year ended on 31.03.2015 |
|------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------|------------------------------------|
|                                                                              | Unaudited                   | Unaudited                   | Unaudited                   | Unaudited                       | Unaudited                       | Audited                            |
| <b>Revenue by Business Segment:</b>                                          |                             |                             |                             |                                 |                                 |                                    |
| Steel business                                                               | 26,821.56                   | 28,396.10                   | 32,524.61                   | 84,483.39                       | 102,067.84                      | 134,407.07                         |
| Others                                                                       | 2,621.64                    | 2,441.19                    | 2,945.41                    | 7,900.67                        | 9,215.71                        | 12,419.88                          |
| Unallocated                                                                  | 137.57                      | 253.33                      | 394.02                      | 681.57                          | 1,069.85                        | 1,448.14                           |
| <b>Total</b>                                                                 | <b>29,580.77</b>            | <b>31,090.62</b>            | <b>35,864.04</b>            | <b>93,065.63</b>                | <b>112,353.40</b>               | <b>148,275.09</b>                  |
| Less: Inter segment revenue                                                  | 1,541.75                    | 1,785.93                    | 2,230.81                    | 5,421.59                        | 6,515.85                        | 8,771.36                           |
| <b>Net sales / income from operations</b>                                    | <b>28,039.02</b>            | <b>29,304.69</b>            | <b>33,633.23</b>            | <b>87,644.04</b>                | <b>105,837.55</b>               | <b>139,503.73</b>                  |
| <b>Segment results before finance costs, exceptional items and tax:</b>      |                             |                             |                             |                                 |                                 |                                    |
| Steel business                                                               | (81.23)                     | 986.59                      | 2,453.07                    | 2,642.61                        | 8,875.75                        | 9,500.78                           |
| Others                                                                       | 26.37                       | (161.26)                    | (44.33)                     | (142.62)                        | 22.05                           | 27.65                              |
| Unallocated income / (expenditure)                                           | 1,201.32                    | 3,893.36                    | 610.32                      | 6,738.61                        | 2,553.75                        | 5,205.02                           |
| Less: Inter segment eliminations                                             | 1,407.28                    | 1,320.81                    | 1,273.65                    | 3,911.63                        | 4,232.88                        | 7,345.12                           |
| <b>Total Segment results before finance costs, exceptional items and tax</b> | <b>(260.82)</b>             | <b>3,397.88</b>             | <b>1,745.41</b>             | <b>5,326.97</b>                 | <b>7,218.67</b>                 | <b>7,388.33</b>                    |
| Less: Finance costs                                                          | 964.08                      | 1,048.74                    | 1,167.41                    | 3,110.85                        | 3,652.56                        | 4,847.75                           |
| <b>Profit / (Loss) before exceptional items and tax</b>                      | <b>(1,224.90)</b>           | <b>2,349.14</b>             | <b>578.00</b>               | <b>2,216.12</b>                 | <b>3,566.11</b>                 | <b>2,540.58</b>                    |
| <b>Exceptional items:</b>                                                    |                             |                             |                             |                                 |                                 |                                    |
| Profit / (Loss) on sale of non current investments                           | -                           | 21.52                       | -                           | 179.95                          | 1,312.32                        | 1,315.34                           |
| Profit on sale of non current assets                                         | -                           | -                           | -                           | -                               | 1,146.86                        | 1,146.86                           |
| Provision for diminution in value of investments/doubtful advances           | -                           | (90.69)                     | -                           | (90.69)                         | -                               | (338.30)                           |
| Provision for impairment of non-current assets                               | (72.11)                     | (7,924.30)                  | -                           | (7,996.41)                      | (1,576.65)                      | (6,052.57)                         |
| Provision for demands and claims                                             | -                           | (880.05)                    | -                           | (880.05)                        | -                               | -                                  |
| Employee separation compensation                                             | (24.27)                     | (292.78)                    | -                           | (317.05)                        | -                               | -                                  |
| Restructuring and other provisions                                           | (615.39)                    | 8,602.56                    | -                           | 7,987.17                        | -                               | -                                  |
| <b>Profit / (Loss) before tax</b>                                            | <b>(1,936.67)</b>           | <b>1,785.40</b>             | <b>578.00</b>               | <b>1,099.04</b>                 | <b>4,448.64</b>                 | <b>(1,388.09)</b>                  |
| Less: Tax expense                                                            | 243.40                      | 240.17                      | 446.68                      | 998.94                          | 2,701.86                        | 2,567.41                           |
| <b>Net Profit / (Loss)</b>                                                   | <b>(2,180.07)</b>           | <b>1,545.23</b>             | <b>131.32</b>               | <b>100.10</b>                   | <b>1,746.78</b>                 | <b>(3,955.50)</b>                  |
| <b>Segment Capital Employed:</b>                                             |                             |                             |                             |                                 |                                 |                                    |
| Steel business                                                               | 95,736.62                   | 96,936.52                   | 107,387.91                  | 95,736.62                       | 107,387.91                      | 104,754.17                         |
| Others                                                                       | 2,458.60                    | 2,577.24                    | 2,601.16                    | 2,458.60                        | 2,601.16                        | 2,774.85                           |
| Unallocated                                                                  | 6,224.46                    | 5,609.60                    | (1,416.89)                  | 6,224.46                        | (1,416.89)                      | (4,867.87)                         |
| Inter segment eliminations                                                   | 117.11                      | 127.17                      | 157.03                      | 117.11                          | 157.03                          | (33.77)                            |
| <b>Total</b>                                                                 | <b>104,536.79</b>           | <b>105,250.53</b>           | <b>108,729.21</b>           | <b>104,536.79</b>               | <b>108,729.21</b>               | <b>102,627.38</b>                  |

**TATA STEEL LIMITED**

Registered Office Bombay House 24 Homi Mody Street 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



Notes:

1. The results have been reviewed by the Audit Committee in its meeting held on February 03, 2016 and were approved by the Board of Directors in its meeting of date.
2. The actuarial gains and losses on funds for employee benefits (pension plans) of Tata Steel Europe Limited for the period from April 1, 2008 have been accounted in "Reserves and Surplus" in the consolidated financial statements in accordance with IFRS/Ind AS principles and as permitted by Accounting Standard 21. Had the Company recognised changes in actuarial valuations of pension plans of Tata Steel Europe in the statement of profit and loss, the consolidated profit after taxes, minority interest and share of profit of associates for the nine months ended December 31, 2015 would have been higher by ₹ 725.78 crores (consolidated loss after taxes, minority interest and share of profit of associates would have been higher by ₹ 589.40 crores for the quarter) and the consolidated profit after taxes, minority interest and share of profit of associates for the nine months ended December 31, 2014 would have been lower by ₹ 2,985.64 crores (₹ 1,946.82 crores for the quarter).
3. Exceptional Item 8(d) in the consolidated results during the quarter represents non-cash write down of fixed assets relating to the European operations.  
  
Exceptional item 8(f) represents the charge taken on Employee Separation Scheme in Tata Steel India.  
  
Exceptional item 8(g) in the consolidated results during the quarter represents restructuring and other provisions relating to the European operations.
4. The consolidated financial results have been subjected to limited review and the stand-alone financial results have been audited by the statutory auditors.
5. Figures for the previous periods have been regrouped and reclassified to conform to the classification of the current period, where necessary.

Mumbai: February 04, 2016

Tata Steel Limited

Cyrus P Mistry  
Chairman

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## **INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS TO THE BOARD OF DIRECTORS OF TATA STEEL LIMITED**

1. We have audited the accompanying Statement of Standalone Financial Results of **TATA STEEL LIMITED** ("the Company") for the Quarter and Nine Months ended December 31, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of the related interim financial statements in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Haskins & Sells LLP**

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
- (i) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - (ii) gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the Quarter and Nine Months ended December 31, 2015.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No.117366W/W-100018)



**N. Venkatram**  
Partner

(Membership No. 71387)



Mumbai, February 4, 2016

**INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF CONSOLIDATED INTERIM  
FINANCIAL RESULTS  
TO THE BOARD OF DIRECTORS OF  
TATA STEEL LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **TATA STEEL LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled entities and its share of the profit of its associates for the Quarter and Nine Months ended December 31, 2015 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. 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 is limited primarily to inquiries of Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. We did not review the interim financial results of four subsidiaries included in the consolidated financial results, whose interim financial results reflect total revenues of Rs. 18,034.05 crore and Rs. 56,787.22 crore for the Quarter and Nine Months ended December 31, 2015, respectively, and total loss after tax of Rs. 2,621.98 crore and Rs. 4,843.91 crore for the Quarter and Nine Months ended December 31, 2015, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of Rs. 1.59 crore and Rs. 3.11 crore for the Quarter and Nine Months ended December 31, 2015, respectively, as considered in the consolidated financial results, in respect of an associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors.
4. Attention is invited to the Note 2 to the Statement regarding accounting policy for recognition of actuarial valuation credit of Rs. 589.40 crore and actuarial valuation debit of Rs. 725.78 crore for the Quarter and Nine Months ended December 31, 2015 respectively, in the pension funds of Tata Steel Europe Limited, a subsidiary, for reasons specified therein. Had the company recognised actuarial valuation changes in the Unaudited Consolidated Statement of Profit and Loss:
  - i) the consolidated Loss Before Tax for the Quarter ended December 31, 2015 would have been Rs. 2,525.77 crore and consolidated Profit Before tax for the Nine Months ended December 31, 2015 would have been Rs. 1,824.82 crore;

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Haskins & Sells LLP**

- ii) the consolidated Loss After Taxes, Minority Interest and Share of Associates for the Quarter ended December 31, 2015 would have been Rs. 2,716.63 crore and the consolidated Profit After Taxes, Minority Interest and Share of Associates for the Nine Months ended December 31, 2015 would have been Rs. 890.22 crore.

Our conclusion is not qualified in respect of this matter.

5. (i) The consolidated financial results includes the interim financial results of seventeen subsidiaries and five jointly controlled entities which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 598.42 crore and Rs. 1,654.93 crore for the Quarter and Nine Months ended December 31, 2015, respectively, and total loss after tax of Rs. 65.82 crore and total profit after tax of Rs. 427.89 crore for the Quarter and Nine Months ended December 31, 2015, respectively, as considered in the consolidated financial results. The consolidated financial results also includes the Group's share of profit after tax of Nil for the Quarter and Rs. 0.04 crore for the Nine Months ended December 31, 2015, as considered in the consolidated financial results, in respect of an associate, based on their interim financial results which have not been reviewed by their auditors.
- (ii) In case of a subsidiary, the financial statements as at December 31, 2015 is not available. The consolidated financial results includes the total revenue of Nil and Rs. 4.94 crore for the Quarter and Nine Months ended December 31, 2015, respectively, and total loss after tax of Nil and Rs. 298.92 crore for the Quarter and Nine Months ended December 31, 2015, respectively, as considered in the Unaudited Consolidated Financial Results are based on the unaudited financial statements as at September 30, 2015.
- (iii) In case of an associate, the financial statements as at December 31, 2015 is not available. The Group's share of loss after taxes and minority interest and share of loss of associates of Nil for the Quarter and Rs. 22.59 crore for Nine Months ended December 31, 2015 as considered in the Unaudited Consolidated Financial Results are based on the unaudited financial statements as at September 30, 2015.
- (iv) In the case of eight associates the financial statements as at December 31, 2015 are not available. The investments in these companies are carried at Re. 1 each as at December 31, 2015. In the absence of their financial statements as at December 31, 2015 the Group's share of profit/loss of these associates have not been included in the Unaudited Consolidated Financial Results.

Our conclusion is not qualified in respect of this matter.

6. Based on our review conducted as stated above and based on the consideration of the reports of the other auditors referred to in paragraph 3 above and except for the possible effects of the matter described in paragraph 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No.117366W/W-100018)



**N. Venkatram**  
Partner  
(Membership No. 71387)



Mumbai, February 4, 2016

February 4, 2016

## Tata Steel reports Consolidated Financial Results for the third quarter and nine-months ended December 31, 2015

Tata Steel Group (the "Company") today declared its Consolidated Financial Results for the third quarter (Q3 FY'16) and nine-months (9M FY'16) ended December 31, 2015. Group deliveries increased to 6.37 million tonnes while Group turnover came in at ₹28,039 crores and EBITDA at ₹841 crores for the quarter ended December 31, 2015. For the nine-months ended December 31, 2015, the Group recorded deliveries of 19 million tonnes, consolidated turnover of ₹87,644 crores and EBITDA of ₹9,031 crores.

### 1. Consolidated Performance Highlights

All figures in ₹crores, unless specified

| 9M FY'16       | 9M FY'15 |                                                               | Q3 FY'16       | Q2 FY'16 | Q3 FY'15 |
|----------------|----------|---------------------------------------------------------------|----------------|----------|----------|
| <b>18.98</b>   | 19.25    | Steel Deliveries (million tons)                               | <b>6.37</b>    | 6.29     | 6.29     |
| <b>87,644</b>  | 105,838  | Turnover                                                      | <b>28,039</b>  | 29,305   | 33,633   |
| <b>9,031</b>   | 11,165   | EBITDA                                                        | <b>841</b>     | 4,694    | 3,090    |
| <b>5,622</b>   | 11,112   | EBITDA Underlying*                                            | <b>838</b>     | 1,985    | 2,790    |
| <b>3,850</b>   | 4,431    | Depreciation                                                  | <b>1,133</b>   | 1,371    | 1,451    |
| <b>3,111</b>   | 3,653    | Finance Costs                                                 | <b>964</b>     | 1,049    | 1,167    |
| <b>(1,117)</b> | 883      | Exceptional Items                                             | <b>(712)</b>   | (564)    | -        |
| <b>1,099</b>   | 4,449    | PBT                                                           | <b>(1,937)</b> | 1,785    | 578      |
| <b>164</b>     | 1,749    | Profit after Taxes, Minority Interest and Share of Associates | <b>(2,127)</b> | 1,529    | 157      |
| <b>0.35</b>    | 16.64    | Basic and Diluted Earnings per Share (₹)                      | <b>(22.38)</b> | 15.31    | 1.16     |

\*excludes one offs and profit on sale of quoted investments

### 2. Overview

Over the last year, global steel prices have declined sharply from around US\$460/tonne to around US\$260/t in line with the glut in supply and the sharp decline in raw material prices. Iron ore has dropped from around US\$68/t to around US\$40/t while coking coal has dropped from US\$115/t to around US\$80/t. Steel exports from countries such as China, Russia, Korea and Japan have surged to all-time highs on the back of lacklustre domestic demand, excess capacity and competitive currencies. Imports to India are now around 12 mtpa, with China being the largest exporter to India. Similarly, imports to Europe have increased to around 30mtpa million tonnes, with shipments from China surging by 57%. These unfairly priced imports are distorting the demand-supply balance in many regions, depressing domestic prices and undermining the profitability of many large steel producers.

### 3. Indian Business

Indian steel demand remained subdued post monsoon quarter due to sluggish uptick across key steel consuming sectors like construction, general engineering and infrastructure. Rural demand also remained muted. The oversupply in global steel markets coupled with relative stability of Indian rupee versus dollar as compared to other currencies has made India a favoured import destination. India saw a surge in net imports from countries such as Japan, Korea and China which grew by 143% yoy in 9M FY'16 and 67% yoy in Q3 FY'16. As a result, the domestic steel prices retreated sharply in line with international steel prices. While the price drop in Hot Rolled Coils was marginally offset by the provisional safeguard duty imposed in September 2015, prices of value-added products like Cold Rolled products, galvanised products and rebars declined sharply.

Despite these macro headwinds, the Indian operations of the Company reported strong growth in production and deliveries in the third quarter of current fiscal. Our investments in developing our marketing franchise, new products and customer service teams helped us in growing faster than the markets during the quarter. Branded segment sales continue to increase with brands such as Astrum, Galvano and Steelium registering healthy growth while value-added segment such as LPG also increased significantly.

- Hot metal and crude steel production increased to 2.69 million tonnes and 2.55 million tonnes respectively in Q3 FY'16, while saleable steel production increased by 13.1% yoy to 2.51 million tonnes.
- In our continuing efforts towards efficiency improvement, the Blast Furnaces in Jamshedpur achieved best ever coke rate and highest best-ever coal rate. Various facilities like Pellet Plant, Sinter Plant, Steel Melting Shops, Hot Strip Mill and New Bar Mill have also achieved best-ever Q3 production.
- On an underlying basis, 9M FY'16 EBITDA declined to ₹5,200 crores from ₹8,441 crores in 9M FY'15 reflecting the drop in steel price realisations by almost ₹7,800 per tonne on a year on year basis. Q3 FY'16 EBITDA stood at ₹1,523 crores compared to ₹1,963 crores in Q2 FY'16 and ₹1,979 crores in Q3 FY'15.
- Profit after tax in 9M FY'16 was ₹4,224 crores compared to ₹5,625 crores in 9M FY'15. Q3 FY'16 profit was ₹453 crores compared to ₹2,523 crores in Q2 FY'16 and ₹881 crores in Q3 FY'15. Profits for 9M FY'16 included sale of investments of ₹3,508 crores and exceptional loss of ₹1,255 crores largely towards regulatory related provisions and employee separation scheme while 9M FY'15 included exceptional gain of ₹1,935 crores from the sale of land at Borivali and investments in Dhamra Port Company.

#### 4. European Business

Surging imports into Europe exerted further pressure on margins in the last quarter. The unprecedented market conditions, made worse by the UK's regulatory costs and strong pound, led to announcements to reduce jobs and mothball assets in the UK – part of an ongoing transformation programme. Regulatory action on a European and national level is needed to enable the business to compete fairly.

- Liquid steel production in 9M FY'16 declined to 11.11 million tonnes versus 11.26 million tonnes in 9M FY'15. Q3 FY'16 production was 3.56 million tonnes compared to 3.58 million tonnes in the previous quarter and 3.74 million tonnes in Q3 FY'15. Deliveries held steady at 3.35 million tonnes in Q3 FY'16, but increased imports led to lower downstream sales
- Turnover in 9M FY'16 declined sharply to ₹51,147 crores as compared to ₹60,341 crores in 9M FY'15 due to weak business environment and restructuring of UK business in the current fiscal. Q3 FY'16 turnover declined to ₹16,344 crores compared to ₹16,948 crores in Q2 FY'16 and ₹19,399 crores in Q3 FY'15.
- 9M FY'16 EBITDA loss was ₹339 crores as compared to gains of ₹3,231 crores in 9M FY'15. Q3 FY'16 EBITDA loss increased to ₹675 crores largely due to the sharp deterioration of market spreads in Q3 FY'16 to ₹180 per tonne from ₹207 per tonne in Q2 FY'16. This compares to the loss of ₹238 crores in the previous quarter and gains of ₹1,308 crores in Q3 FY'15. There was also a impairment and restructuring charges of ₹687 crores during the quarter.
- The European business continued its customer focus journey by developing differentiated and innovative products and services which make its customers more competitive. The automotive sector was a key area of growth with differentiated product sales increasing by 18% year on year. Satisfaction scores from key customers has significantly improved, and the company's attention to quality, differentiation and delivery has been recognised by several customers, including Volvo cars which awarded its quality award to Tata Steel – the first time this was awarded to a steel supplier.

#### 5. South East Asian Business

The South East Asian operations reported turnaround performance as compared to last year despite higher Chinese imports in the region. In this challenging environment, the Company continues its focus on cost saving initiatives, new markets, downstream sales and exports. NatSteel profitability remained stable despite mothballing of China operations. Thai

operations achieved best-ever quarterly sales volume for value added products, though profitability was affected due to lower realisations.

- Turnover in 9M FY'16 declined to ₹6,048 crores from ₹10,587 crores in 9M FY'15 largely due to mothballing of China operations and lower rebar-scrap spreads. Turnover in Q3 FY'16 was ₹1,785 crores compared to ₹2,001 crores in the previous quarter and ₹2,831 crores in Q3 FY'15.
- 9M FY'16 EBITDA turned to gains of ₹155 crores compared to loss of ₹268 crores in 9M FY'15 largely due to turnaround in profitability of NatSteel operations. The EBITDA gain for Q3 FY'16 was ₹52 crores compared to ₹70 crores in the previous quarter and loss of ₹18 crores in Q3 FY'15.

## **6. Kalinganagar Greenfield Project update**

- Project has achieved major milestones with respect to the start of sinter production, heating of Blast furnace and trials of various systems commenced at steel melting shop.
- The Company will continue its facility set-up in a phased manner with trial runs at each of state-of-the-art facilities and processes in Q4 FY'16 with blow-in of the blast furnace and heating of steel melting shop.
- The commencement of Kalinganagar steel plant will enhance the footprint of Odisha state in Indian steel industry and cater to wider range of customers with high-grade steel products.
- As at end of Q3 FY16, ₹23,000 crores was spent on the KPO project, of which ₹7,000 crores through project finance debt and balance through internal equity.

## **7. Corporate Developments**

- Tata Steel UK Limited has announced cost-saving proposals to improve the competitiveness of its UK business. Plate mills in Scunthorpe, Dalzell and Clydebridge will be mothballed while one of the two coke ovens at the Scunthorpe steelworks will be closed. Along with earlier restructurings announced this year the proposed plan would lead to ~3,000 job losses.
- As a part of its program to enhance productivity in the future, Tata Steel India announced an employee separation program during the current fiscal. 1,171 employees have been separated till January 2016. NatSteel Holdings has also completed separation of 300 people in China.

- Tata Steel has successfully refinanced its offshore loan facilities of US\$1.5 billion. The maturity has been further extended at lower interest costs.
- Tata Steel UK Limited has signed a Letter of Intent with Greybull Capital for the potential sale of its Long Products business.
- In 2005, Tata Steel had signed an MOU to set up a greenfield steel plant in Chhattisgarh. Due to the inability of the State Government to extend the time to complete the prospecting operations for Iron ore and the amendment in the MMDR Act 1957 for allocation of minerals, the Company has decided not to pursue the project.
- Standard & Poor's ("S&P") has lowered the long term corporate credit rating of 'Tata Steel Limited' by one notch to BB- from BB with a Stable outlook.
- An MoU has been signed with the Government of Quebec with respect to a government participation in the DSO Canada project on or before 31<sup>st</sup> March 2016.

### Executive Comment

**Mr T V Narendran**, Managing Director of Tata Steel India and South East Asia, said: "Steel markets in India have been affected by depressed international steel prices and predatory imports. Tepid demand among steel consuming sectors has further exacerbated the problem. Despite all these challenges, we continue to operate at full capacity and delivered 10.3% volume growth over last year. However, the quarter saw a sharp decline in steel prices which has impacted our margins. To realign ourselves with the new market realities, we are sharpening our focus on effective management of costs. We also continue to invest in our marketing franchise and in increasing the share of value added products.

During the quarter, we have dedicated the Kalinganagar steel plant to the state of Odisha. We expect to commence the commercial production by end of this fiscal year.

Our South East Asian operations is stable despite the flood of cheap imports in the region. We continue to be focused on cost savings and on increasing downstream sales & exports.

I am also happy to mention that Tata Steel has won the 'Prime Minister's Trophy for the best Integrated Steel Plant' in the country for the year 2013-14."

**Dr Karl-Ulrich Köhler**, MD & CEO of Tata Steel in Europe, said: "Growing European steel demand continues to be undermined by a flood of imports into the region. Chinese steel shipments into Europe leapt more than 50% last year, while imports from Russia and South Korea jumped 25% and 30% respectively. The European steel association has identified that Chinese steel is being exported at prices below the cost of production. This unfair trade is undercutting domestic producers and harming the European steel industry which employs many thousands of people and is at the foundation of much of the region's cutting-edge innovation. That's why we are calling on the European Commission and national governments to speed up and strengthen action against unfair trade.

This perfect storm caused the deterioration of our financial performance in the last quarter and led to us announcing restructuring in the UK where our operations also face higher regulatory costs. These changes will continue to be a core focus in a bid to improve our competitiveness and enable us to concentrate on supplying higher-value products to customers.

Making our customers more successful is key to our long-term differentiation strategy. With another 30 new product launches this year, we are making progress."

**Mr Koushik Chatterjee**, Group Executive Director (Finance and Corporate), said: "The current business conditions for the global steel industry are extremely challenging with confluence of elevated imports across regions, currency headwinds and depressed market sentiments affecting Tata Steel Group's profitability. We are witnessing significant unfairly priced imports into countries like the UK, India and South East Asia which has disrupted the pricing discipline in most markets.

The Tata Steel Group has embarked on significant cost rationalisation program including fixed cost reduction, right sizing of manpower, productivity management and enriching the product mix across all geographies. These programs are expected to enhance the sustainable profitability profile of the Company. The Company has also undertaken significant portfolio restructuring and will continue to pursue the same in the future

During the quarter, we successfully refinanced US\$1.5 billion of debt which has given us further flexibility and extended tenure while reducing costs. Our liquidity remains strong at ₹18,600 crores apart from the undrawn project finance facilities at Kalinganagar. The Group's leverage remain stable despite the ongoing capex of ₹8,800 crores in 9M FY'16, largely towards our Kalinganagar Project in Odisha."

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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.

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