

## Chairman's Message

The Board of your Company approved the expansion of the Kalinganagar plant in Odisha to a capacity of 8 million tonnes per annum

---

The acquisition of Bhushan Steel is a strategic investment which has the potential to enhance Tata Steel's product portfolio and market competitiveness in the near future



## Dear Stakeholders,

It is a privilege to write to you again as the Chairman of the Board of Tata Steel. During 2018, the Tata group founded by Jamsetji N. Tata is celebrating its 150 years. This is a proud moment in history for all stakeholders of the Tata group and Tata Steel has been an integral part of the rich heritage of the Group.

In terms of economic performance in the year under consideration, India stood tall amongst its global peers and continues to have a significant growth promise in the future. During the year under review, there were several structural reforms implemented in the country including the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code amongst others. These structural initiatives are important for enhancing the country's future competitiveness.

During the year gone by, your Company reviewed the long-term strategy to leverage the growth potential of the Indian economy in the future. The Company will continue to deploy capital in projects and investments that have the potential to create long-term value for its stakeholders. In line with these principles, the Board of your Company approved the expansion of the Kalinganagar plant in Odisha to a capacity of 8 million tonnes per annum. This project will be completed in 48 months. The Kalinganagar expansion will also include capability to produce value-added products including cold rolled galvanised and annealed products to serve the differentiated customer base. In addition to the organic growth strategy, your Company has also expressed its interest and has bid for multiple assets that were put up for sale under the Insolvency and Bankruptcy Code. Following a rigorous and transparent process, your Company was identified as the highest bidder for the acquisition of controlling interest in Bhushan Steel Limited. The acquisition of Bhushan Steel is a strategic investment which has the potential to enhance Tata Steel's product portfolio and market competitiveness in the near future. Your Company will continue to evaluate and pursue growth opportunities in India through organic and inorganic options in the future to grow in line with the underlying Indian economy.

In Europe, your Company has successfully restructured the British Steel Pension Scheme including closing the scheme for future accruals under the Regulated Apportionment Arrangements, with the approval of the Pension Regulator in the UK. Tata Steel has also signed a Memorandum of Understanding (MoU) with thyssenkrupp AG in September 2017 to combine the European Steel businesses of both companies and create a leading pan-European steel enterprise. The proposed joint venture will focus on driving cost synergies, technology and will have a

## Tata Steel has also signed a Memorandum of Understanding (MoU) with thyssenkrupp AG in September 2017 to combine the European Steel businesses of both companies and create a leading pan-European steel enterprise.

differentiated product portfolio that will drive future value creation. The process of creating the joint venture involves simultaneous multi-stakeholder consultations which is currently at an advanced stage.

As we continue our journey to create long-term value for our stakeholders, I would like to thank all the shareholders for reposing confidence in Tata Steel's strategy and overwhelmingly supporting the Rights Issue of the Company. I would also like to thank the governments, customers, suppliers and lenders for their relentless support to the Company. The employees, unions and the Management team have worked very hard during the year and I would like to thank them for their tireless commitment to the Company. Finally, I look forward to your continued and valuable support in the years to come.

Yours sincerely,

**Natarajan Chandrasekaran**  
Chairman of the Board