



TATA STEEL LONG PRODUCTS LIMITED

Integrated Report & Annual Accounts 2021-22

A dramatic photograph of the Earth from space, showing the curvature of the planet and a bright sun rising or setting over the horizon, creating a strong lens flare effect.

EXPANDING HORIZONS

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EXPANDING HORIZONS

The financial year 2021-22 will go down in the history of the Company as a milestone year. It saw us take another momentous step towards consolidating our position to become a leader in Long Product Industry. The strategic acquisition of Neelachal Ispat Nigam Ltd (NINL) further expands our synergies with our parent company through the proximity of infrastructure at Kalinganagar and strengthens our production capacity and raw material security. Both are critical to our aspiration to grow our long products business with a sustained focus on creating cost-effective, value-added, differentiated products.

The acquisition coincides with the tremendous possibilities opening for the steel sector, particularly for long products, which is expected to see a sharp demand growth, supported by the demand drive on the back of government-led infrastructure investments in affordable housing, railways, rural electrification and road networks.

We have been carefully preparing ourselves to partake of these expanding horizons for steel. In the last two years – which witnessed acquisition of the Steel Business of Usha Martin and its successful turnaround – we have expanded

our capacity and become a leading specialty player moving ahead in the sponge iron life cycle. In FY 2021-22, we have made an orbital shift in the performance of our various operating facilities. We have worked steadfastly on strengthening our balance sheet through cost optimisation and prudent decisions, enabling us to grow through strategic investments. This year is a testament to our efficient management, witnessing us reach the highest-ever EBITDA and becoming net debt free (barring NINL related fund management).

The coming days will see us leverage these inherent strengths to drive growth. While the adoption of latest technologies and digital capabilities will help us improve our processes, service efficiencies and enrich our product mix, these will also help us deliver on our core mission of being a sustainable steelmaker. We are embracing a new ecosystem with a diverse, inclusive, and agile culture working as one unified team with transformation and innovation in mind.

Sustainable growth has always been a part of the Tata ethos. We will continue to work on our sustainability targets for optimum resource utilisation, lower carbon emissions and water stewardship, as part of our objective to grow along the triple bottom line and promote environmental and social well-being.

ABOUT OUR INTEGRATED REPORT

Our approach to reporting

Our integrated report presents a succinct and balanced review of our financial and non-financial performance, outlining the information related to our strategy, governance, risks and opportunities. It combines the information of our annual report and sustainability report into a concise document to showcase our value creation journey.

Frameworks, guidelines and standards

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder); Indian Accounting Standards (Ind AS); the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards. The Report is prepared in accordance with the Integrated Reporting framework of the Value Reporting Foundation. The Report also presents an overview of how our value creation process contributes to the United Nations Sustainable Development Goals (UN SDGs).

Reporting scope and boundary

The Report also covers the Company's raw material locations, the manufacturing locations, sales and marketing activities, value chain related initiatives and other community initiatives for FY 2021-22 (April 1, 2021 to March 31, 2022) in a comprehensive and concise manner.

Financial and non-financial reporting

This Report covers both our financial and non-financial performances, including operational, environmental, and social performance. It also details our short, medium and long-term value creation processes/strategies, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value and remain sustainable.

Independent assurance

The non-financial information of the Report has been assured by Bureau Veritas as per the ISAE 3000 standard. For the detailed assurance statement, please visit: <https://www.tatasteelpl.com/annual-report-tsil/>



NAVIGATION PANEL

Our capitals

Value creation at TSLP depends on the integrated relationships between the six capitals identified below:



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Management responsibility statement

The information covered in this Report is veritable to the best of our knowledge and has been overviewed collectively by multiple functions within TSLP. The management acknowledges its responsibility in ensuring the integrity of the integrated report and confirms that the Report addresses all material topics pertaining to the organisation and our stakeholders.

Target readers

This integrated report is intended to address the information requirements of key stakeholders, including investors, customers, regulators, employees and the society at large.

Contribution to Sustainability Developments Goals

We contribute to the United Nations' Sustainability Development Goals (UN SDGs) with prudent and optimal use of our six key capitals to generate sustainable value.

We primarily contribute to the following UN SDGs.




KEY HIGHLIGHTS

MAINTAINING OUR LEADERSHIP WITH RECORD-HIGHS



INVESTORS

₹6,802 crore
Revenue, 43% 

₹1,289 crore
Highest ever EBITDA

₹12.50
Dividend per share

₹139.66
Earnings per share



CUSTOMERS

40

Products launched

85.4%

Customer satisfaction score



EMPLOYEES

₹2,165

Training and development expense per employee

57,912 hours

Total training and development per employee



COMMUNITY

₹2.99 crore
CSR Spend

~51,473
Lives impacted

ABOUT US

INTEGRATED AND EXPANDING CAPABILITIES

Tata Steel Long Products Limited is one of India’s largest specialty steel producers in Special Bar Quality (SBQ) segment and merchant DRI producers with strong presence in the wire rod market. Our recent undergoing acquisition of Neelachal Ispat Nigam Limited further strengthens our growth aspiration and will enable us in becoming the hub for long products business in future.



VISION
Be a benchmark in the Indian Long Product Industry for value creating and corporate citizenship



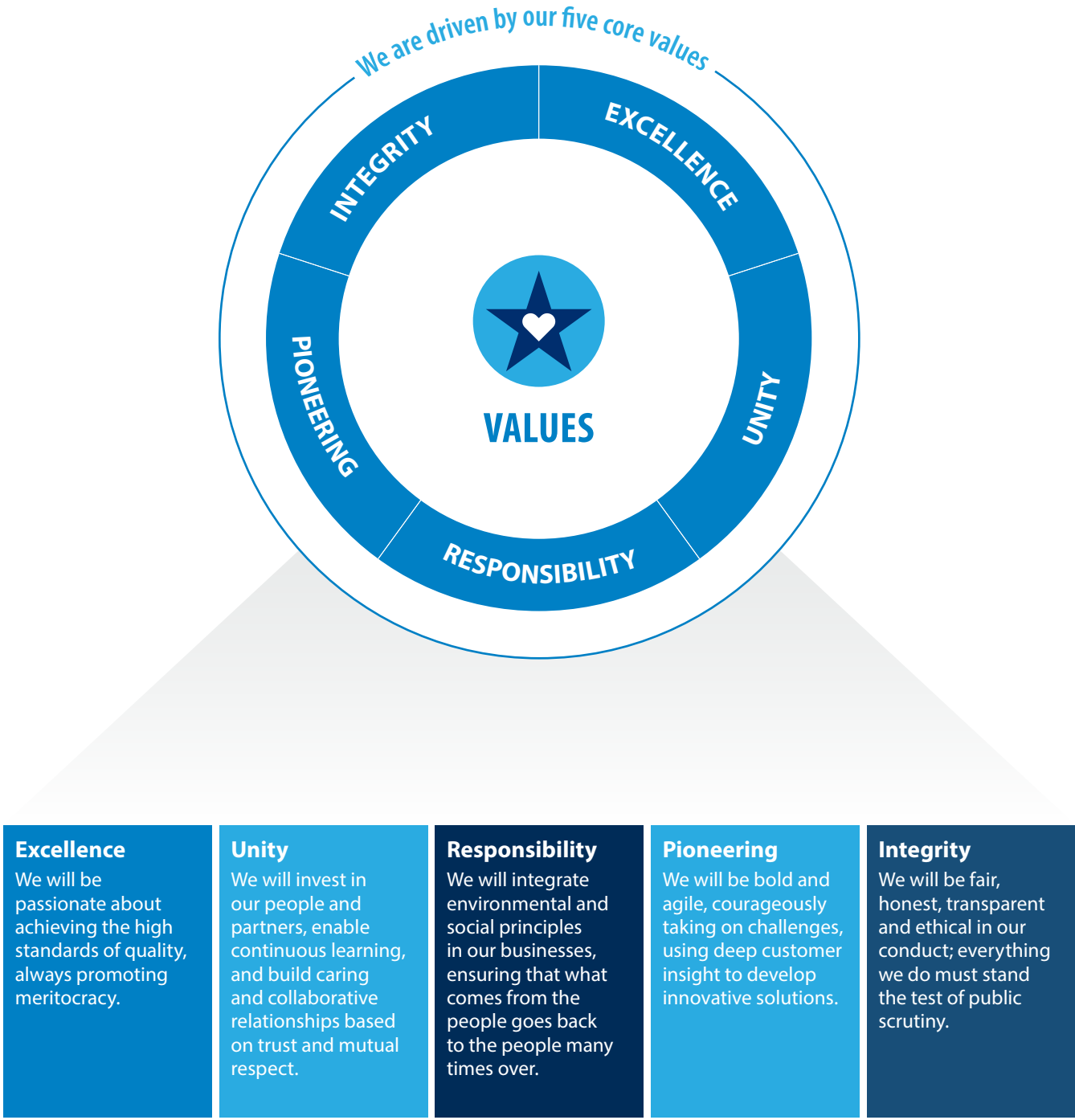
LONG-STEEL CAPACITY



MISSION
Tata Steel Long Products strives to attain sustainable growth by actively pursuing quality products, services and setting best-in-class practices to emerge as the partner of choice for all our stakeholders

1 MnT
Crude steel capacity

2 MnT
Post completion of NINL integration on consolidated basis



ABOUT US contd...

STRONG PARENTAGE

As a subsidiary of Tata Steel, we draw synergies from our strong parentage to build a diversified portfolio and transform our processes and procedures to build a future-ready sustainable organisation. Our excellence journey is empowered by the expertise of our parent Group and we are co-implementing the Tata Business Excellence Model to guide our activities. Synergies with Tata Steel help us optimise our input costs and strengthen our realisations by bringing in economies of scale for purchase of ferro alloys and fluxes, along with syndication for refractory, industrial gases, consumables and graphite electrodes.

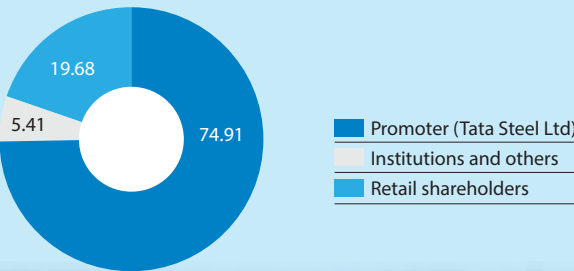
Tata Group

Tata Group is a global conglomerate with interests across ten verticals, from salt to software. It operates in 100+ countries across six continents, employs 750,000+ people and has a revenue of \$100 billion+.

Tata Steel

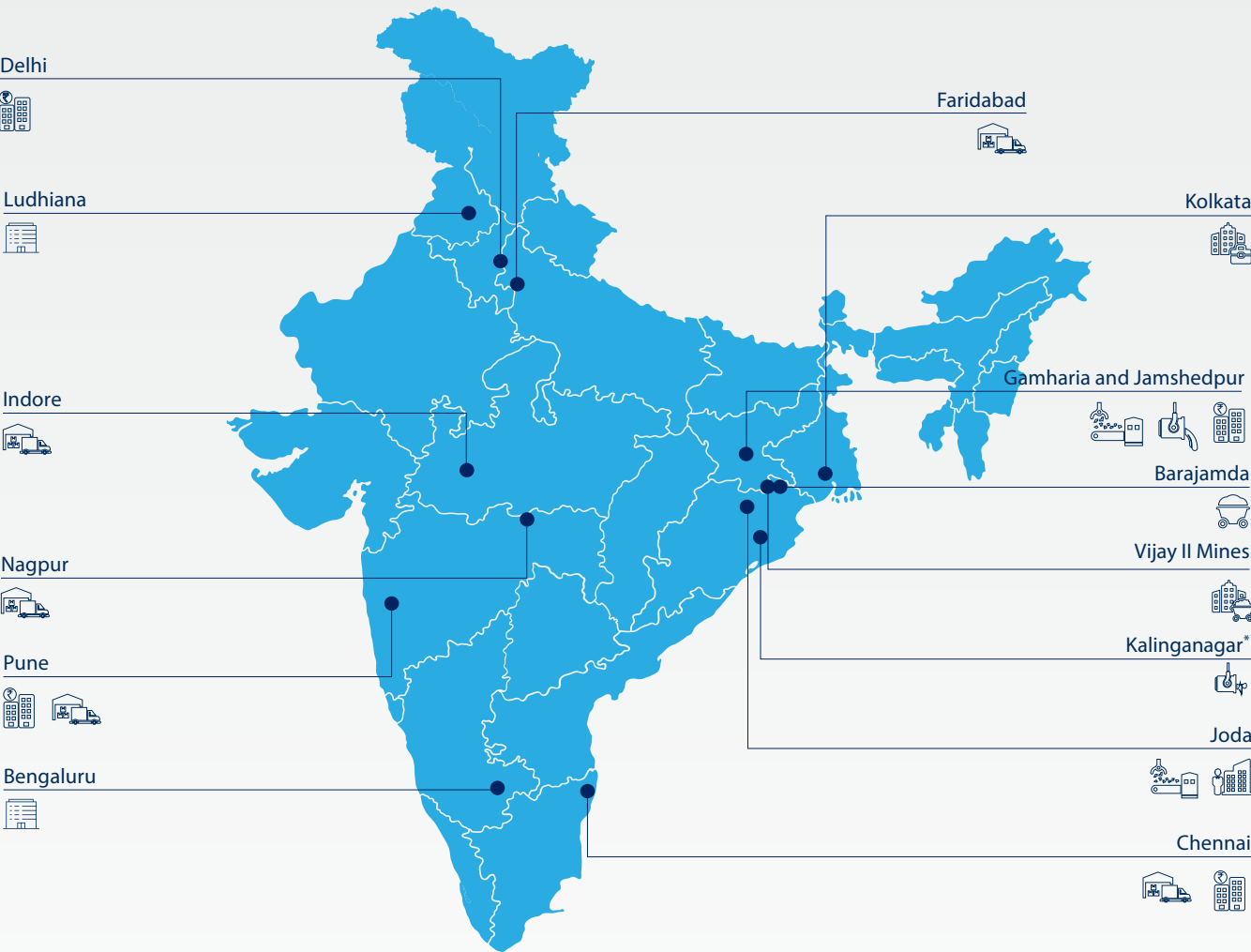
Tata Steel is among the top global steel producing companies, with fully integrated operations, from mining to manufacturing and marketing of finished products. It is also one of the world's most geographically diversified steel producers, with operations and commercial presence across the world.

Ownership (%)



Figures as of 31st March 2022

OPERATIONAL FOOTPRINT












- Sales office
- Registered office
- Steel plant
- Corporate office
- Mining office
- DRI Plants
- Warehouse
- Iron ore mine
- Satellite office

*Under acquisition

ABOUT US contd...

INTEGRATED PRODUCTION

ASSETS AND CAPACITY			
CAPTIVE MINES	→	<ul style="list-style-type: none">65 MT reserve of iron ore	<div>Iron ore</div> <div></div> <div>72%</div> <div>Captive iron ore sourcing (for Gamharia)</div>
AGGLOMERATES	→	<ul style="list-style-type: none">1.2 MTPA pellet plant80 m² sinter plant0.4 MnTPA coke plant	<div>Pellet</div> <div></div> <div>Sinter</div> <div></div> <div>Coke</div> <div></div>
IRON MAKING	→	<ul style="list-style-type: none">0.65 MnTPA blast furnace (280 m³ and 380 m³)1 MnTPA DRI plant (5 kilns at Gamharia and 3 kilns at Joda)	<div>Sponge iron</div> <div></div> <div>Hot metal</div> <div></div>
STEEL MAKING	→	<ul style="list-style-type: none">1 MnTPA steel (EAF + LF + VD + CCM)* EAF size: 40T (2) and 70T (1)Number of facilities: 5 LF, 2 VD and 4 Casters	<div>Crude steel</div> <div></div>
ROLLING MILLS	→	<ul style="list-style-type: none">0.1 MnTPA bar mill0.36 MnTPA wire rod mill0.24 MnTPA bloom mill24,000 tonnes PA wire mill	<div>Wire rod</div> <div></div> <div>Special bar quality (SBQ) steel</div> <div></div>

* (EAF: Electric arc furnace, LF: Ladle furnace, VD: Vacuum De-gasser, CCM: Continuous casting machine)

AUXILIARY CAPABILITIES

160 MW

Power plant

240+ wagons/day*

Handled through 3 tracks of own railway siding

345 TPD

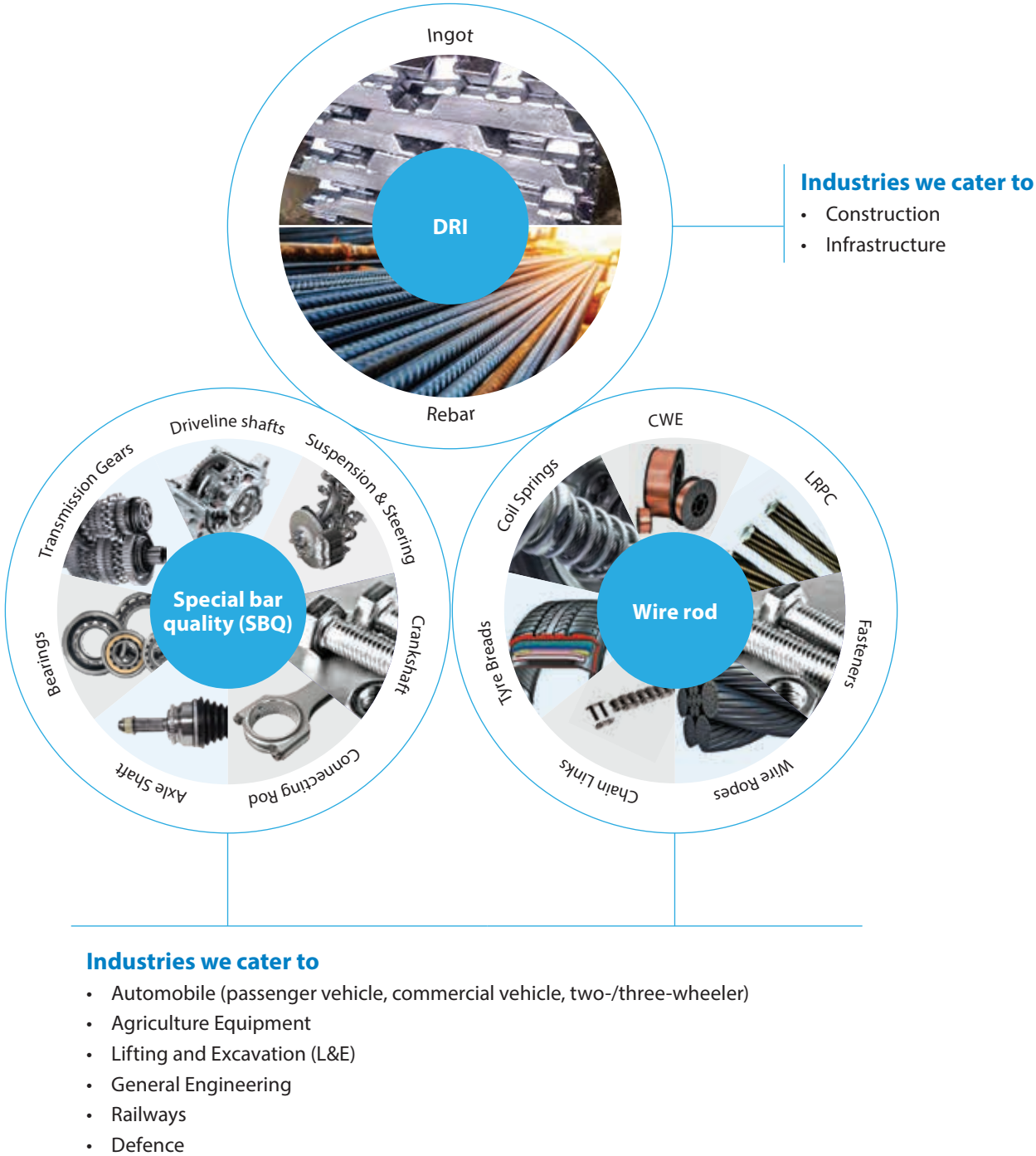
Total capacity of 3 oxygen plants

200 TPD

Total capacity of 3 lime kiln plants

*At Gamharia

PRODUCT PORTFOLIO



VALUE PROPOSITION

WELL-POISED TO DELIVER EXCELLENCE

We leverage our core competencies to sustain and nurture a state-of-the-art integrated steel value chain. Our holistic approach to achieving financial robustness is matched by our steadfast investments in minimising environmental impact, paving the way for a sustainable future. We believe our structural, financial and cultural strengths are the essential pillars of our value-creation process.



STRUCTURAL

Drive value maximisation through enriched product mix and capacity expansion

- Market leadership in chosen segments of automotive and construction
- Diversify customer base and product portfolio with focus on customer acquisition in high-end bearings and fasteners
- Leverage synergies and expertise of Tata Steel ecosystem to enable faster turnaround of the NINL acquisition

FINANCIAL

Deleveraged balanced sheet with improved efficiency

- Focus on mix enrichment towards high-end rolled products
- Drive operational excellence to become low-cost producer
- Leaner working capital model delivering promises
- Strengthen balance sheet and reduce interest burden with pre-payment of debt and proactive capital management
- Faster execution of high value-generating projects with our Agile Way of Working approach
- Generate good returns for shareholders

CULTURAL

Agile, digital and proactive work environment

- Active participation in various external assessments to enhance brand image
- Build a culture of customer obsession to provide benchmark-levels of convenience and experience
- Create excellence at every-touch point across the organisation and at all levels
- Build a culture and capability of breakthrough innovation
- Build agility leveraging digital technology to enhance efficiency and enable business transformation
- Attract top talent by becoming an employer of choice with focus on diversity and inclusion, and safety leadership



BOARD OF DIRECTORS

Our Board comprises of industry experts from diverse backgrounds with domain specialisations, who play a pivotal role in steering key decisions. The primary focus has always been on ensuring long-term sustainable value creation for all our stakeholders.

- Audit Committee

Nomination and Remuneration Committee

Stakeholders Relationship Committee


Risk Management Committee

Corporate Social Responsibility Committee

Committee of Board

Safety, Health and Environment Committee
- Chairman

Member




T.V. Narendran

Chairman

C

M



Sougata Ray


Non-Executive - Independent Director

C

M

M

M




Srikumar Menon

Non-Executive - Independent Director

C

C

M



Shashi Kant Maudgal

Non-Executive - Independent Director

C

C

M

M


Ansuman Das

Non-Executive - Independent Director

C

M


M



Neeta Karmakar

Non-Executive - Independent Director

M




Koushik Chatterjee

Non-Executive - Non-Independent Director

M

M



Ashish Anupam

Managing Director


M

M

M

M

M




Debashish Bhattacharjee

Non-Executive - Non-Independent Director

M


M



Meena Lall

Non-Executive - Non-Independent Director

M



Ashish Anupam

Managing Director

M

M

M

M

M

Tenure (%)

10

30

60

0-5 years

9+ years

5-9 years

20

80

50-60 years

Below 50 years

50% Independent Directors

20% Women Directors

Key Managerial Personnel:
Ashish Anupam, Managing Director
Sanjay Kumar Shrivastav, Joint Chief Financial Officer
Sankar Bhattacharya, Company Secretary and Compliance Officer

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BOARD OF DIRECTORS contd...

T. V. NARENDRAN

Chairman, Non-Executive

CEO & Managing Director of Tata Steel Limited. He has over 34 years of experience in the Metals and Mining industry and has been a thought leader on complex, strategic and operational matters relating to steel industry. He spearheaded the Company in acquiring the Steel Business of Usha Martin Limited during 2019 and has recently overseen the acquisition of Neelachal Ispat Nigam Limited. He is a Member of the Executive Committee and the Board of the World Steel Association and President of the Indian Institute of Metals. He served as the President of the Confederation of Indian Industry (CII) from 2021 to 2022.

SOUGATA RAY

Non-Executive, Independent Director

He is a Thomas Schmidheiny Chair, Professor of Strategy and Entrepreneurship Practice, and Executive Director of the Thomas Schmidheiny Centre for Family Enterprise. He was earlier a Professor of Strategic Management, Faculty Member on the Board of Governors and former Dean of the Indian Institute of Management, Calcutta. He specialises in strategy, sustainability, corporate governance, innovations, corporate entrepreneurship, digital transformation, and international business. Perhaps the most prolific and cited strategic management scholar in India, he has written over 150 research papers, monographs, book chapters, case studies and published in top tier international journals and has served in editorial positions of leading management journals. He has been an advisor to many companies, entrepreneurs and business families and conducted scores of executive education programs in India as well as abroad for entrepreneurs, owner-managers and CXOs.

SRIKUMAR MENON

Non-Executive, Independent Director

He is a Chartered Accountant and a Commerce Graduate from Hindu College, Delhi University and has more than 40 years of experience in business management, leadership and finance. He commenced his career in October 1978 with Balmer Lawrie, where he devoted 16 years in finance functions holding various positions at a pan-India level and, thereafter, joined a joint venture of Balmer Lawrie, as CFO in 1994. In 1998, he joined Linde India Ltd (previously BOC India), then Pidilite Industries in 2000 and again joined Linde India Ltd. in October 2001 as Finance Director and took over as the Managing Director of the Company in October 2008 and continued to hold the position until July 2013. He took over the responsibility for the South Asia cluster comprising India, Bangladesh and Sri Lanka in January 2012 and was formally designated as the Managing Director, South Asia of the Linde Group in August 2013. He retired in December 2014 as the Managing Director, South Asia for the Linde Group.

SHASHI KANT MAUDGAL

Non-Executive, Independent Director

Shashi Kant Maudgal is a Chemical Engineer from IIT Delhi and an MBA from IIM Calcutta and has also completed the Advanced Management Program from Harvard University. Mr. Maudgal had been on the Board of Hindalco Almex Aerospace Ltd (2007-12), Novelis Asia, Seoul (2012-16), Aluminium Company of Malaysia Ltd, Kuala Lumpur (2012-16), Tata Steel BSL Ltd (2018-21) and is presently also on the Board of The Tinsplate Company of India Limited. Mr. Maudgal's past assignment was in Seoul, where he was President and CEO from 2012 till retirement in 2016. Thereafter, he was

on a project assignment with UltraTech Cement of the Aditya Birla Group from 2017 to 2020. His areas of expertise include General Management, Strategy, Structures and Sales and Marketing.

ANSUMAN DAS

Non-Executive, Independent Director

Ansuman Das graduated in Mechanical Engineering from NIT, Rourkela and has an MBA Degree from the University of Hull, UK with a British Council Scholarship under the Colombo Plan.

He has rich experience in the Mines, Metals and Power sector. He started his career in Hindustan Aeronautics Limited as a Management Trainee and served 6 years in the Aeronautical production sector. Subsequently, he joined National Aluminum Company Limited (NALCO) and served the company in many key functions. As Chairman-cum-Managing Director, NALCO a Navratna Central Public Sector Enterprises (CPSE), he has made substantial contributions in areas of Project management, Operations, Sustainability, Marketing, Human Resources, Corporate Governance and others. In August 2015, he was appointed as the Member; subsequently the Chairman of Public Enterprises Selection Board (PESB), Government of India primarily engaged in the selection of CMD's and Functional Directors of CPSE. He has also served the Government of India as Chairman and Member of various search cum selection committees for top Government appointments including regulatory bodies and Government-led SPVs.

NEETA KARMAKAR

Non-Executive, Independent Director

Neeta Karmakar has rich experience of over 33 years across various sectors. She has significant experience in dealing with policy advocacy both at State and

Central Government levels. She recently superannuated from the Confederation of Indian Industry as Regional & Senior Director (East and North-East). Prior to this, Ms. Karmakar served as Secretary General, Indian Paints Association and Secretary General, Indian Fan Manufacturers Association. She has worked with companies like Larsen & Toubro Limited and Bharat Heavy Plates & Vessels Limited. She has completed her Post Graduate Diploma in Business Management (Finance) from IIM Calcutta and holds a Bachelor's degree in Chemical Engineering from National Institute of Technology, Surathkal. She is also a Director on the Board of Quadra Medical Services Pvt limited.

KOUSHIK CHATTERJEE

Non-Executive, Non-Independent Director

As the Executive Director and CFO of Tata Steel, he leads financial stewardship across the company and its subsidiaries, including growth and M&A strategy, financing strategy and balance sheet management, investor relations, enterprise risk management, financial operations control and reporting, taxation, and people development. Over the last two years, he has implemented Tata Steel's deleveraging strategy, reducing its consolidated debt by more than ₹50,000 crores and a return to investment grade rating. As a Director on the Board of Tata Steel Long Products, he has closely overseen the acquisitions of the Steel Business of Usha Martin Limited in 2019 and the ongoing transaction involving Neelachal Ispat Nigam Limited. He is a thought leader on sustainable finance and reporting and is a member of the UN Global Compact CFO Taskforce on Sustainable Development Goals, the board of the Value Reporting Foundation, the global Task Force on

Nature Related Financial Disclosures (TNFD) and the IIF Washington DC sponsored Taskforce on Scaling Voluntary Carbon Markets.

DEBASHISH BHATTACHARJEE

Non-Executive, Non-Independent Director

Debashish Bhattacharjee completed B.E. in Metallurgical Engineering from Jadavpur University (1986); M. Tech in Metallurgy from IIT Kanpur (1989) and PhD in Materials Science & Metallurgy from University of Cambridge, UK (1993). Subsequently, he carried out two post-doctoral research engagements – one at the Rolls Royce University Technology Centre at Cambridge between 1993 and 1996 and the second at the University of Birmingham between 2000 and 2002.

He joined Tata Steel R&D in 1996 and headed the function as Chief Research & Development and Scientific Services till 2009. In 2009, he was seconded to Tata Steel Europe as Group Director Research, Development & Technology for Tata Steel Group. Dr Bhattacharjee is an expert in development of materials and associated technologies, fracture and fatigue of materials, physical metallurgy of rolling and, application of artificial neural networks in industry. He has over 50 international peer-reviewed journal publications and over 20 patents.

He is the Chairman of Expert Committee on Industry Academia Connect Task Force, Bengal Chamber of Commerce. He is also a Member of Technology Advisory Group for Empowered Technology Group, Government of India; Member of National Accreditation Board for Testing and Calibration Laboratories (NABL); Mentor of the Expert Committee on Metals, Bengal Chamber of Commerce and Industry

MEENA LALL

Non-Executive, Non-Independent Director

Meena Lall is the Chief Legal Officer (Industrial & Litigation) at Tata Steel. She has done her Bachelors in Science followed by LLB from Rani Durgavati Vishwavidyalaya, Jabalpur. She comes from a family of judges and lawyers. After practicing in Jabalpur High Court, she joined Tata Steel in 1990 in the Legal Department. In recent past, she has cleared a specialised course on Cyber Law and Cyber Forensics. In Tata Steel, she has handled complex issues and has gained experience in diverse fields of law, interacted and worked with several counsels in India & abroad. She was a director on a subsidiary of Tata Steel, before coming on the Board of Tata Steel Long Products Limited.

ASHISH ANUPAM

Managing Director

Ashish Anupam is the Managing Director of the Company since November 2019. He is a B.E. in Mechanical from BIT, Mesra, Ranchi and has also completed a General Management Programme from CEDEP (INSEAD, France). He joined Tata Steel Limited as a Graduate Trainee in the year 1991. During his career in Tata Steel, he has worked in various functions in different capacities/roles including Operations, International Trading, Marketing & Sales and overall general management within India & overseas. He was the President and CEO of NatSteel Holdings Pte. Ltd., Singapore from July 2015 till March 2019. He was also the Chairman of SEAISI (South-East Asia Iron & Steel Institute) for a period of two years (2016-2018). Currently, he is also on the Boards of Tata Steel Thailand Ltd and the Chairman of The Siam Industrial Wire Co., Ltd., TSN Wires Co., and Indian Steel & Wire Product Ltd.