Dear Friends,

Having embarked on 2013, I am happy to reflect upon the activities that took place in our business sphere in 2012. The year saw challenging market situations with the Indian rupee depreciating once too often, resulting in low investment moods nationally. Rise in fuel prices and FDI occupied much media space over the year resulting in speculations and protests.

In Q2 & Q3 of FY13, Tata Steelium has seen many ups & downs with the overall demand shrinking and creating a liquidity crunch in the market. However, I cannot thank our Customers, Channel Partners and the team at Tata Steel enough for their untiring efforts to jointly overcome this lean phase. We are positive that Q4 of FY13 will see a revival in sales figures with demand expected to rise.

We are happy to announce that Tata Steel has won the prestigious Deming Grand Prize (DGP) in 2012. The company has also launched its first ever branded range of hot rolled products, Tata Astrum. To know more read our Tata Steel News section.

The current edition of Steelium Voice highlights the marketing initiatives undertaken by our Channel Partners in the three months. Many Links activities were conducted across the country which includes Steelovation, Vijeta Awards, Suraksha Meets & Customer Meets among others. Our Channel Partners have also conducted many CSR activities touching the lives of the underprivileged sections of society. Our Champion Customer for this edition is SMP Engineers & Electricals Pvt. Ltd from Nashik. You can read about the company’s progress in this issue.

As I sign off, I would like to thank all of you for your consistent support. I am confident that together we will scale greater heights in 2013. Wishing you and your families a happy, safe and a prosperous new year.

Regards,

Amit Agarwal
Head Marketing - Steelium & Galvano
Flat Products, Tata Steel
Tata Steel now a proud recipient of the Deming Grand Prize

Tata Steel was conferred the Deming Grand Prize at a glittering ceremony held in Tokyo on November 14, 2012. Mr H.M Nerurkar, Managing Director, Tata Steel, accepted the award on behalf of the Company. Senior officials from various departments were also present at the ceremony. Tata Steel has become the first integrated Steel Company in the world to win the Deming Grand Prize (DGP). The Deming Prize Committee instituted by JUSE (Japanese Union of Scientists and Engineers), the apex body spearheading the quality movement, notified the Company of its achievement.

DGP is the highest honour in quality, awarded to a company for excellence in TQM. The award is given by JUSE to companies for demonstrating practice of TQM in the areas of production, customer service, safety, human resource, corporate social responsibility and environment. Tata Steel has pursued the TQM journey for over two decades now which has helped the Company to conduct its business in an effective and efficient way.

Tata Steel launches a new brand, ‘Tata Astrum’

‘Tata Astrum’, the latest brand name from Tata Steel for its range of Hot Rolled Products was launched on 5th Nov’12 at an event in Faridabad. It was attended by prospective customers, channel partners, Tata Steel’s top management and members of the press. This is the first time that the company has made a foray into the branding of HR products. The initiative is aimed at de-commoditising steel and offering the best-in-quality product to customers. Tata Astrum follows the success in the market of other Tata Steel brands, such as Tata Tiscon, Tata Shaktee, Tata Steelium, Galvano, etc.

Tata Astrum’s product range will find application in the Automotive, Earth Moving Equipment, Railways, Fabrication, Construction and Industrial Machinery segments.

The launch of the new brand is in line with the new HR facility that has been commissioned at the Jamshedpur works with a capacity of 2.4 MTPA of HR Steel. Tata Astrum HR coils and sheets will be produced from two of Tata Steel’s mills at Jamshedpur and will be available in the 1.6 mm to 16 mm thickness range.

Additionally, the brand brings with it unique features such as Process Improvement Support and Knowledge Sharing Sessions for its customers.

For further details please visit – www.tataastrum.com

*ECA: Tata Steel has the re-christened the Small & Medium Enterprises (SME) as Emerging Corporate Accounts (ECA)

For further communications Tata Steel shall use the term ECA in place of SME
STEEL INDUSTRY UPDATES

Global Economy

In the US, consumer sentiment index grew from 83.1 in Oct to 104.3 in Nov, bringing cheer to the economy. Economic activity has remained buoyant with improved consumer spending due to the festive season. European economies contracted again for the third consecutive quarter.

The Purchasing Managers Index in all leading countries continues to contract at a higher pace than in September.

Indian Economy

- The hike in fuel prices infused by the government made headlines across the media apart from impacting the Wholesale Price Index (WPI). However, effects of the price rise were negligible on the consumer price index which grew, mainly on the back of rising food prices.
- RBI announced a CRR decrease by 25bps and is expected to announce its first rate cuts in almost 2 years in Jan, ’13. This has resulted in a marginal improvement of liquidity in the market and participants are expecting a 50-75bps cut in prime rate from Jan, ’13.
- FII inflows have continued in the economy despite predictions of a gloomy outlook for India driven by economic and corporate promise. Marginally improved net trade position saw the exchange rate improving in India from Rs. 55 per USD in Aug & Sep, ’12 to Rs. 53.02 per USD in Oct, ’12. However, this trend did not last for long and the exchange rate was back up to Rs. 55 per USD in Dec, ’12.

Industry News

- Japanese steel output to decrease in Q4: China’s boycotts of Japanese cars over a territorial dispute will cut down about 550,000 tonnes, or about 2%, off Japan’s fourth quarter steel output.
- Essar Steel has launched branded plates to cater to the needs of various industry segments. As per report by Economic Times, Essar Steel has decided to brand its plates by focusing on customer segments. The company has widened its product range with Essar Fluidor for Oil and gas pipelines (sweet), Essar Locomotor for railway wagons, coaches and freight containers, Essar Fanor for industrial fans segment, Essar Thermor for Boiler and pressure vessels and Essar Shipor for the shipbuilding industry.
- RINL and JSW Steel have raised prices by Rs 500 - Rs 750 per tonne. Essar Steel too, has increased prices by 3-4 %. The move was led by expectations of an improvement in the overall steel market with signs of increased demand and a firming up of domestic and global steel prices. The decision is led mainly by cost push factors. Seasonal pickup in demand, during the Jan-March quarter is likely to support the price increase. Analysts tracking the sector said that the price hike was largely anticipated, due to a sharp rise in international prices of iron ore.
- SAIL is to expand their output capacity to 18 million tonnes by the end of present financial year by commissioning two new blast furnaces. Currently, SAIL’s capacity is at 14 million tonnes per annum. According to SAIL Chairman Mr. C. S. Verma, two new blast furnaces will be commissioned in Rourkela and Burnpur over the next few months, which will increase SAIL’s capacity. The company is carrying out modernisation and capacity expansion and has already spent Rs 39,000 crore of the targeted Rs 72,000 crore.
- The draft National Steel Policy has pegged the country’s steelmaking capacity in the range of 244 - 281 MT by 2025-26. The policy, being finalised by a committee headed by the Steel Secretary, also projects the country’s steel demand at 202 MT (at 7% GDP growth) and at 233 MT (at 8% GDP growth) by 2025-26.
STEEL INDUSTRY UPDATES

Demand
Automobile Sector
The lack of liquidity in the market has resulted in significant drop in Passenger Vehicle sales. Mini and compact, the largest car segments, has seen a drop due to 6.5% reduction y-o-y in H1 FY13. However, Super Compact and Mid-size segments have seen a 36% growth. The sector is expected to gain momentum post the festive season.

Capital Goods Sector
The sector is plagued with slowdown in investments and capex freezes at various companies, and the trend is expected to continue. Unfortunately, the capital goods sector is expected to post no growth in FY13.

Consumer Durables Sector
In the consumer durables sector, high interest rates had acted as a deterrent even in the pre-festive season. However, initial reports of Diwali season sales indicated a healthy return for the consumer electronics segment in Q4. The trend is continuing in the post-festive period.

Steel Use - Flat Products

<table>
<thead>
<tr>
<th>Flat Products</th>
<th>Apr-Oct’11</th>
<th>Apr-Oct’12</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIL</td>
<td>2290</td>
<td>2492</td>
<td>9%</td>
</tr>
<tr>
<td>TSL</td>
<td>3713</td>
<td>3823</td>
<td>3%</td>
</tr>
<tr>
<td>ESSAR</td>
<td>2255</td>
<td>1873</td>
<td>-17%</td>
</tr>
<tr>
<td>JSW Ispat</td>
<td>2939</td>
<td>3480</td>
<td>18%</td>
</tr>
<tr>
<td>JSW</td>
<td>1449</td>
<td>1495</td>
<td>3%</td>
</tr>
<tr>
<td>Bhushan</td>
<td>662</td>
<td>966</td>
<td>46%</td>
</tr>
<tr>
<td>Others</td>
<td>2150</td>
<td>2919</td>
<td>36%</td>
</tr>
<tr>
<td><strong>Total Production for Sale</strong></td>
<td><strong>15458</strong></td>
<td><strong>17048</strong></td>
<td>10%</td>
</tr>
<tr>
<td>Imports</td>
<td>2262</td>
<td>3000</td>
<td>33%</td>
</tr>
<tr>
<td>Exports</td>
<td>2048</td>
<td>2297</td>
<td>12%</td>
</tr>
<tr>
<td>ASU</td>
<td>15672</td>
<td>17751</td>
<td>13%</td>
</tr>
<tr>
<td>Change in stock</td>
<td>-104</td>
<td>108</td>
<td></td>
</tr>
<tr>
<td><strong>Apparent Consumption</strong></td>
<td><strong>15568</strong></td>
<td><strong>17859</strong></td>
<td>15%</td>
</tr>
</tbody>
</table>

Flat Product Prices
Despite prediction that CRC prices worldwide will not recover until Feb, ’13, the offer prices for cold rolled coil (CRC) to India, mainly of Chinese origin, have increased by at least $20 in Jan, ’13. India however continues to be the most attractive sheet market even though overall global trends are not expected to show any real demand pickup in the near future.
Eye Safety

The human face is structured such that the eyes remain relatively protected from injury. However, injuries can damage your eye, sometimes severely enough for you to lose your vision. Most eye injuries are preventable. Physical or chemical injuries of the eye can be a serious threat to vision if not treated appropriately and in a timely fashion.

The most obvious symptoms of ocular (eye) injuries is redness and pain of the affected eyes. The most common type of injury happens when something irritates the outer surface of the eye. Certain jobs in the industrial sector or hobbies such as carpentry make this type of injury more likely.

Facts about eye injury:
• Eye injuries of all types occur at the rate of about 2000/day, 10% to 20% of these injuries result in temporary or permanent vision loss
• Three out of five people who receive sustainable eye injuries do not wear the provided eye protection gear
• Flying objects – A survey conducted by the Bureau of Labor Statistics, found that about 70% of eye injuries were caused by flying debris or falling objects

Reasons for Eye injury:
• Scrap materials, waste, and windblown dust
• Flying material particles or slivers from wood, metal, plastic, and cement
• Chemicals or chemical product

Basic first-aid techniques include the following:
Specks in the eye
• Do not rub the eye
• Wash the eye with a large amount of water.
• See a doctor if the speck does not wash out, or if pain or redness continues

Cuts, punctures, or objects stuck in the eye
• Do not wash out the eye
• Do not try to remove an object stuck in the eye

Chemical burns
• Rinse the eye immediately with water for at least 15 minutes. For caustic or basic solutions, continue flushing while en route to the doctor
• Wash the eye even if it has a contact lens. Flushing over the lens may dislodge it

Blows to the eye
• Apply a cold compress without pressure
• Tape a plastic bag containing crushed ice to the forehead and let it rest gently on the injured eye
• See a doctor at once in cases of continued pain, reduced vision, blood in the eye, or discolouration, which can mean internal eye damage

The Occupational Safety and Health Administration require that employers provide workers with suitable eye protection such as:

Eye Safety Glass:
Glass lenses provide good scratch resistance, they can withstand chemical exposure and accommodate a large number of prescriptions.

Plastic and Polycarbonate Glasses:
Light weight, protects against welding splatter, less likely to fog up, not very scratch resistant, will not accommodate prescriptions, protection of eye from dust & dirt.

Face Shields:
Face shields are used where you have a very high chance of exposure to an airborne substance. A face shield is not enough to protect your eyes by itself; it should be worn with approved safety glasses.
**KAC Milestone Celebrations**

Bhagwati Steel Sales, Chandigarh celebrated the milestone of their KAC, International Switchgear Pvt. Ltd at Mohali in September, to commemorate 25 years of manufacturing excellence by the customer. Having a turnover of about 40 crores, the customer is a Part one vendor for Rail Coach Factory, Kapurthala and makes AC coach panels for the Indian Railways.

CAM North, congratulated the entire team of ISG on achieving this milestone and spoke about the importance of celebrating success together and being a part of the Tata Steelium family.

**Suraksha Meets**

**SKM Steels**, Mumbai in conjunction with Tata Steel organised three Suraksha Meets in Nashik. The programme guided the audience on making their workplace safe and hazard free. The participating dealers were Neelay Metal Industries, Padma Enterprise and Paras Auto Industries. Tata Steel was represented by Mr. Sandip Satpathy, CAM West and Mr. Madhukar Thakur, Channel Manager Galvano. PPE items like safety gloves and helmets were distributed by Tata Steel.

**M/s Kummenchery Steels**, Kerala conducted Suraksha Meets at the premises of three different KAC customers; M/s Kondody Autocrafts, Kottyam, M/s Hessel Controls, Kalamassery and at M/s R. V. Enterprises, Angamaly.

Mr. Rajiv Seth, Safety Champion, TSL conducted an interactive session with the customers which educated them about following higher standards of safety at work.

**Rohit & Co.** conducted a safety training programme at Ahmedabad in Dec, '12. The session helped to create awareness on safety practices. Among other things, they guided the work force on how to prevent unsafe incidents, fire accidents and about other emergency measures to save lives, minimize injuries and reduce damage to property.

**Naresh Steels** conducted safety awareness programmes in Dec at three of their customer premises: M/s Electroplast India Pvt. Ltd. at Daman, Jhunkam Lighting Systems Pvt. Ltd. at Daman, and Sterling Generators Pvt. Ltd. at Silvassa.

At all venues, the importance of safety was discussed and PPE gears were distributed.

**KAC Milestone Celebrations**

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Tata Steel’s Mr. V. R. Swaminathan, CAM North, congratulated the entire team of ISG on achieving this milestone and spoke about the importance of celebrating success together and being a part of the Tata Steelium family.
Vijeta Awards

North

Sangeeta Steel Corporation conducted Vijeta Awards at Ludhiana in Nov, ’12 for three of their customers: British Trading Corporation, Bhurjee Machine Tools, Pabla Bearings Ltd.

Bhagwati Steel Sales, Chandigarh organised Vijeta Awards at two of their KAC’s: M/s UPS International and M/s Precision Metal Fab on 24th Dec, ’12.

South

Thirupathy Steels organised Vijeta Awards Ceremonies at M/s D.P. Industries & M/s. Hi Precision Tools and Dies at Chennai in October.

Tata Steel officials Mr. Vijay Dara, CAM South and Mr. V. Ravichandran, CSM South, were present at the occasion. Six winners were awarded with trophies, certificates and gift vouchers.

East

TSPDL, Kolkata, organised a Vijeta award ceremony in November at A C Power System, Winners were awarded in the gold, silver and bronze categories by Mr Bibek Mukherji, CAM East and Mr. Samir Ganguli.
Steelovation

Punjab Agro Implements Works, Sangeeta Steel Corporation & Bhagwati Steel Sales organised a Steelium Knowledge Sharing Session on 'Sheet Metal Forming and Troubleshooting' for OE customers at Ludhiana on 20th and 21st Dec, '12. Guest speaker, Prof. K. Narasimhan from IIT, Bombay was invited to the event to share his expertise on the subject of Sheet Metal Forming.

Rakesh Steels conducted a session on Electrical Systems & Thermal Utilities at Faridabad. Their expert panel of speakers included various eminent people such as, Mr SP Garnik who spoke about Electrical Energy conservation, Mr Prashant Verma on Automotive Industry and Future Challenges, Mr Sudhir Kumar on Industrial Design. Also present was Ms Gayatri Singh from Design Council Clinic for MSME.

FGD's, Customer Meets & Plant Visits

Various Focus Group Discussions, Customer Meets and Plant Visits were organised by distributors of different regions. A glimpse of some of the key activities conducted are given below:

TSPDL, Kolkata at PAN IIT Exhibition

TSPDL, Kolkata participated in the PAN IIT Exhibition held in Kolkata between 7th- 9th Dec, '12. The event was inaugurated by honourable chief minister of Bengal, Smt. Mamata Banerjee. TSPDL showcased Tata Steelium at their stall and the event received ample media coverage.
Kisan Mela Participation

M/s Punjab Agro, Ludhiana participated in the Kisan Mela held at Ludhiana in September. Kisan Mela is a bi-annual event which showcases the developments in the fields of agriculture and modern farming. All major agricultural equipment manufacturers from India participate in this 2-day event showcasing their products. The Mela also provides opportunity to the farmers to acquaint themselves with new innovations in agriculture and its allied sectors. Punjab Agro put up a stall to attract potential CR and HR users. Their stall saw a footfall of over 100 visitors each day which has culminated into some sales leads.

Udaan Launch

Mr. Saurabh Shah of Naresh Steel and Mr. Sandip Satapathy, CAM West, launched an Employee Training & Motivation programme called 'Udaan' in Oct, '12. This is a 2 year programme for the employees of Naresh Steel crafted by M/s Liberation Coaches Pvt. Ltd. who have expertise in Management Consultancy and Customised Training Solutions. The programme is designed for service centre employees, ASO team, office marketing and sales team, finance & accounts and the owners.

Kaizen Competition

Sangeeta Steel Corporation along with the Chamber of Industrial and Commercial Undertaking (CICU), Ludhiana organised the 4th Kaizen Competition on the 21st Dec, '12.

32 teams including emerging corporates from in and around Ludhiana participated. Tata Steelium was showcased at the event and was much appreciated by the audience. The event also served as a platform for all major industrial houses to share views on the latest technologies and process improvements taking place in the manufacturing industry. The winners were chosen by a panel of eminent judges and awarded.

Sports Meets

Rohit & Company participated at the Annual Sports Day organised by Bihani Group of Companies on 23rd Dec, '12 in Ahmedabad. Employees actively participated in the event which included a cricket, volleyball, table tennis, badminton and tug of war tournament. Tata Steel officials including Mr. Harshender Garg, CAM West, also actively participated in the activities. Their presence and participation in the games motivated all participants.

Punjab Agro implements Works sponsored a corporate cricket event at Ludhiana in Dec, '12. Teams from renowned corporate organisations participated at the event. The venue was branded with Tata Steelium communications and the event received good coverage across the local media.
Sangeeta Steel Corporation continued its long association with ‘Theatre Age’, a self supported NGO that works towards the upliftment of slum children.

To support the NGO in their motive to rehabilitate children by putting them in schools where they are occupied by education and various other extra-curricular activities, giving them a new perspective towards life, Sangeeta Steel Corporation helped organise a Raddi drive to raise funds through the sale of old newspapers.

They also donated text books to some of the children and conducted coaching for students appearing for the board exams. Steel containers for storage of ration were also donated.

Rohit & Company celebrated Diwali in Ahmedabad with children of the underprivileged section of society. Sweets and cracker boxes were distributed to them. They also spent the occasion at an old age home ‘Jeevan Sandhya’. The activity brought smiles to many faces on a festival which should aptly light hope in people’s hearts. At another occasion, the company also undertook a cancer awareness campaign in Gujarat. Posters were displayed at all their dealer outlets.

The activity helped increase awareness about the subject in a state that has maximum number of Tobacco related Cancer patients in India.

SKM Steels

SKM Steels, Mumbai contributed to the society by making generous contributions to save two individual lives.

A sum of Rs 25,000 was donated to a child at Kokilaben Dhirubhai Ambani Hospital, Mumbai who was in a coma following an accident and required surgery. In another gesture, a sum of Rs 50,000 was donated to a person for cancer treatment at Tata Memorial Hospital, Mumbai.
We are pleased to announce that SMP Engineers & Electricals Pvt. Ltd. has been chosen as the Champion Customer for this issue of Steelium Voice. The company was established in 1994 manufacturing sheet metal parts and assemblies like manual mechanisms of air circuit breaker, rotary handle & SDF mechanisms. The company’s milestones are as follows:

1998 - Starts manufacturing plastic injection moulded parts.

2000 - Establishes Company in the name of M/s Divine Precision Components Pvt. Ltd. as a trau shop to cater to internal requirement of assemblies.

2003 - Divine Precision Components Pvt. Ltd. starts CNC Machining to cater to the requirement of export market in machining area. It started exporting 100% components to various countries like USA, France, UK and China.

2005 - SMP shifts base to its new location at Sinnar and expands its Press Shop and plastic injection moulding facilities.

2007 - Starts its modern Tool Room facilities along with standard room at Divine Precision Components Pvt. Ltd.

At present, both these companies combined have around 14,400 sq. m. land at 4 different locations in Nashik and Sinnar with built up area of 27,600 sq. ft. Currently, Divine Group in addition to the local market, exports to USA, New Zealand, UK, Spain, Norway & Dubai. Its major customers are from the shock absorber, electrical & pump sector.

Divine Group has in-house manufacturing facilities like press shop, plastic injection moulding shop, CNC machining shop & tool room to manufacture press tools, plastic injection moulds, fixtures, jigs & gauges. It has in-house design facilities like CAD, CAM & FEA software.

Mr. Shrikant Padhye, CMD & founder of the Group is a Mechanical Engineer having tool room background and expertise in operating CAD, CAM & FEA software. He has 28 years of experience in the engineering field and has successfully executed several challenging projects in sheet metal components.

Divine Group is associated with SKM Steel’s CR sheet division and rods division for the last 10 years. Mr. Sandeep Satpathy of Tata Steel, who visited SMP plant at Sinnar, was impressed by the systems implemented at their plant. In 2012, SMP has received a Vijeta Award from Tata Steel & the President Award from M/s Gabriel India Ltd.

The SMP team credits its success to the suppliers & customers who have supported them for so many years in their dynamic journey.