

MANAGEMENT DISCUSSION AND ANALYSIS 2025-26

I. OVERVIEW

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY2025-26. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in this 11th Integrated Report and 119th Annual Accounts of the Company for FY2025-26. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

II. External Environment

1. Global Economy

In 2025, the global economy grew at an estimated rate of 3.4% despite significant turbulence. The year was marked by record increases in U.S. tariffs and heightened trade policy uncertainty, a raft of trade deals the impact of which is yet to play out, and a surge in AI linked investments. Key factors impacting economic activity included the weaponisation of trade, and the ongoing transition towards technology-driven growth, particularly in North America and Asia.

Geopolitical risks intensified during the year, with escalating conflict in the Middle East. These developments heightened uncertainty across energy markets and global trade corridors, increasing volatility in commodity prices and disrupting cross-border logistics.

These challenges and uncertainties are continuing into FY2026-27.

Economic Outlook

Global economic growth is projected to slow down with a growth rate of 3.1% in 2026 before recovering to 3.2% in 2027. Advanced economies are expected to grow by 1.8% in 2026, while growth in emerging market and developing economies is projected at 3.9%. Global headline inflation is projected to increase to 4.4% in 2026 and 3.7% in 2027, pausing its previous decline due to higher energy and food prices.

However, these forecasts assume an early end to the disruptions caused by the Middle east conflict. In reality, the pace of disinflation remains vulnerable to energy price shocks. Elevated oil and gas prices could reintroduce cost-push inflationary pressures, complicate monetary easing paths and increasing input cost volatility for industrial sectors.

In the United States, growth is projected at 2.3% in 2026, supported by fiscal stimulus from the 'Big Beautiful Bill' and an AI-related capex surge. However, high public debt (125% of GDP) remains a critical risk; such elevated debt levels may constrain future global infrastructure spending as fiscal space tightens, bring about upward pressure on long-term interest rates, and dampen the investment appetite for capital-intensive sectors. The Euro area is expected to see a 1.2% growth in 2026, driven by German fiscal easing, though structural drags like aging demographics persist. The United Kingdom is forecast to grow by 1.1% in 2026, supported by rate cuts amidst a softening labour market. The Chinese economy is projected to grow by 4.4% in 2026, aided by a 'trade truce' with US and domestic stimulus measures. This truce represents a stabilisation of broad bilateral relations, yet it coexists with rising 'sector-wise protectionism' as nations seek to protect domestic industries from surplus capacity. Global trade volume growth is projected to reach 2.8% in 2026 and 3.8% in 2027, reflecting adjustments in trade linkages.

2. Indian Economy

India remained one of the fastest-growing major economies, with a growth rate of 7.5% in FY2025-26. For FY2026-27, real GDP is projected to expand by 6.7%. Headline CPI inflation is projected to rise to the RBI's target of 4% in FY2026-27 from a record low of 2.2% in FY2025-26. Despite this rise, the RBI is expected to maintain current policy with the repo rate settling at 5.0%. This suggests that while nominal rates may stay low to support growth, the narrowing gap between inflation and interest rates will require careful management to ensure real interest rates continue to stimulate consumer spending in the auto and housing sectors.

Public capex remains high at over 5% of GDP, focusing on infrastructure and defence. The sustained investment in steel-intensive projects, such as those under the National Infrastructure Pipeline (NIP 2.0), ensures positive steel demand.

Continued blockades at the Strait of Hormuz, shortages of fuel and elevated energy costs are a key risk to the Indian economy. Given its import reliance, India risks a widening current account deficit, pressure on public finances, consequent tightening in fiscal spend, higher than anticipated consumer inflation and eventual demand erosion, if the blockade continues.

3. Global Steel Industry

Steel demand remained subdued across major developed markets, particularly due to prolonged weakness in housing construction in China, Europe, Japan and parts of North America. The automotive sector also experienced uneven momentum amid cost pressures and cautious consumer spending. At the same time, sustained public infrastructure spending across several major economies provided some support to steel demand, partly offsetting weakness in traditional consumption segments.

Significant divergence persists across regions. While steel demand in China is expected to continue declining in the near term—albeit at a slower pace—developing economies excluding China are projected to record robust growth. India, in particular, is expected to remain a key growth driver, supported by broad-based expansion across infrastructure, construction and manufacturing. Emerging regions such as parts of ASEAN, MENA and Africa are also witnessing renewed momentum in steel consumption.

Meanwhile, elevated excess capacity and high exports from China have intensified competitive pressures in global markets, resulting in rising trade protection measures across geographies. Overall, while medium term demand prospects show early sign of stabilisation, the global steel industry continues to be marked by structural imbalances, trade tensions and uneven regional recovery.

Demand Outlook

Total global crude steel production for 2025 amounted to 1.8 billion tonnes, decreasing by 2.0% year-on-year. Once again, growth in India partially offset losses in other Asian and European countries. Crude steel production in China, the world's largest steel producing country, declined further by 4.4% to 961 MT. India's growth in steel production accelerated, with total crude steel production rising by 10.4% to 165 MT; while the EU contracted 2.6% to 126 MT.

Domestic demand in China continued to weaken, evident from the country's rising finished steel exports which hit an all-time high of 119 MT in 2025 (up 7.5% year-on-year),

leading to increased protectionist measures across the globe to protect domestic steelmaking industries.

According to the World Steel Association, global steel demand in 2025 was at around 1,749 MT, reflecting a balance between continuing structural headwinds and supportive demand drivers. A modest recovery of 1.3% is anticipated in 2026, with demand rising to approximately 1,773 MT, supported by easing financing conditions, resilient public infrastructure spending and a gradual improvement in investment sentiment.

The outlook remains shaped by divergent regional trends. In China, steel demand is expected to continue declining in 2026, albeit at a slower pace than in recent years, as the downturn in the real estate sector persists. While government support measures may help avoid a sharper contraction, risks remain tilted to the downside given pressures on the manufacturing sector and constraints on local government finances. However, the gradual moderation in the rate of decline suggests that China's steel demand may be approaching a cyclical bottom.

In contrast, steel demand in developing economies excluding China is expected to remain robust, driven by strong infrastructure development, urbanisation and manufacturing growth. Demand in these regions grew by over 3% in 2025 and may accelerate further in 2026, with India, parts of ASEAN, MENA and Africa acting as key growth engines. India, in particular, is expected to deliver sustained high single-digit demand growth, supported by broad-based expansion across steel-using sectors.

Steel demand in developed economies remained under pressure in 2025, marking a fourth consecutive year of muted demand, as high production costs and affordability pressures persist. However, a recovery is anticipated in 2026, supported by infrastructure and defence spending, easing inflation and an improvement in real household incomes.

Overall, while the near-term outlook remains cautious, global steel demand is expected to stabilise and gradually improve, underpinned by structural demand growth in emerging economies and a tentative recovery in key developed markets, subject to an early resolution of the US-Iran conflict.

4. Indian Steel Industry

India continues to be a global leader in steel demand growth, with consumption expected to grow at a healthy rate of 7-8% in FY2026-27. Apparent Steel Use is projected to reach 176-178 MT in FY2026-27, driven by the National Infrastructure Pipeline and emerging segments like data

centres, defence, and renewable energy. Government commitment remains strong, with public infrastructure spending remaining robust. While production is expected to outpace demand growth due to massive capacity, India is transitioning toward becoming a sizeable net exporter.

This growth trajectory is underpinned by several powerful domestic factors:

- › **Infrastructure Investment:** Ongoing massive investments in roads, railways, urban infrastructure (metros), ports, and power generation continue to create significant demand for steel.
- › **Urbanisation:** Rapid urbanisation and associated housing and commercial construction activities fuel sustained demand.
- › **Manufacturing Expansion:** A growing manufacturing sector, supported by government initiatives and increasing domestic consumption, drives steel usage across various downstream industries.

Despite this buoyant domestic outlook, the Indian steel ecosystem will need to navigate an increasingly complex global operating environment. Excessive exports out of China and distortions in trade flows due to protectionist measures will influence domestic price cycles. Furthermore, with the roll out of carbon border mechanisms in Europe and increase in customer demand for low-emission steel, Indian export competitiveness will be impacted.

To maintain its cost competitiveness and sustain export capabilities, the Indian steel industry will require continued policy support in terms of infrastructure build, access to competitively priced energy and raw materials, and an accelerated adoption of cleaner production technologies in India. Strategic focus on enhancing productivity, upgrading product mix to higher value-added segments, and fostering innovation will be crucial for the industry to maintain its competitiveness in the evolving global steel landscape.

5. Global Raw Material Market

The steel raw materials market (primarily iron ore, coking coal and steel scrap) was largely shaped by subdued demand for most part of the year despite some outages at coking coal mines. Seasonal weather-related operational disruptions in Queensland and a rebound in steel demand in India led to a surge in coking coal prices in the final quarter.

Demand & Supply

Despite lower steel production in China, iron ore imports in 2025 hit a record high, rising 1.8% year-on-year to 1.26 BT, leading to a large build-up of material at ports. On the other hand, coking coal imports to China fell 2.7% to 119 MT, reflecting trade tensions with US and a surplus in domestic production. Imports from the US plunged to 2.91 MT from 10.7 MT due to 15% retaliatory tariffs while those from Australia also fell to 8.86 MT from 10.3 MT.

Shipments of iron ore from Australia and Brazil continued to expand, increasing by 3% and 7% year-on-year to 925 MT and 416 MT respectively in 2025. The cyclone season in Western Australia in 2025 was much weaker than 2024, leading to stable supply. From the Simandou mine in West Africa, China received the first shipment of iron ore in January 2026. Simandou has a planned yearly production capacity of 120 MT and produces high-grade ore that is 65% Fe.

Australia's Department of Industry, Science and Resources projects coking coal exports for their FY2025-26 and FY2026-27 to be 150 MT and 161 MT respectively. Resumptions of operations at some major mines (e.g. Centurion and Moranbah North) may increase output from Australia but higher mining costs and royalties are a risk to further supply growth.

Prices

Seaborne Iron ore prices in 2025 were lower year-on-year and exhibited less volatility amid the growing market surplus. The 62% Fe CFR China index prices ranged between \$92.75/dry metric tonnes (dmt) and \$109.50/dmt in 2025, compared to \$89.35/dmt and \$143.95/dmt in 2024. Average iron ore prices stood at \$102.37/dmt for the year, lower than \$109.44/dmt for 2024.

The market was rangebound throughout the year amid a lack of market moving events. Prices were supported by China's 'anti-involution' campaign which led to expectations of reduction in steel output and better prices. However, persistently weak downstream steel demand especially from the contracting real estate sector and expanding supply from new iron ore mines and expansions placed downward pressure on prices.

Seaborne Coking coal prices were rangebound at lower levels in 2025 due to slow demand from both China and India. Prime Hard Coking Coal ('PHCC') FOB Australia prices ranged between \$166/t to \$218/t in 2025, compared to \$180/t and \$338.1/t in 2024. The cyclonic weather conditions in Australia continued wet season well up to March 2026, the rising thermal coal prices

due to energy shortage owing to Middle East conflict had an impact on coking coal prices with average PHCC price touching upwards of \$250/MT in the last quarter. The market continued in contango towards the end of financial year in anticipation of higher coking coal prices.

In China, strong domestic coking coal production and imports from Mongolia reduced seaborne requirements and led to reselling of cargoes. As such, Chinese CFR prices were below Australian FOB + freight for much of the year. In India, the expansion of crude steel production led to higher coking coal and coke consumption but the expected increase in steel demand was slow to materialise.

Strategic Initiatives in Raw Material Sourcing at Tata Steel

- › **New coal & iron ore trials:** Tata Steel has successfully conducted 8 new coal trials in FY2025-26. From the previous year's trials, 2 coals were added into our portfolio ensuring competitive and diversified sourcing. On iron ore, Tata Steel has successfully conducted two new Iron Ore trials in FY2025-26, potential of being added into the portfolio for FY2026-27.
- › **Blend optimisation:** Initiatives were undertaken for leaner blend through additives, weaker coals, Value-In-Use accretive coals for each basket. Initiatives were undertaken for a more cost-efficient blend, combined with Value-In-Use improvement for iron ore as well.
- › **Supplier Engagement:** Tata Steel continues to strengthen met coal supplier connect through organised meets in Australia, long-term contracts, supplier visits to our manufacturing sites etc.
- › **Domestic Sourcing:** The volume under Long- term & spot contracts have been enhanced with Coal India Limited and its subsidiaries enabling us to marginally reduce dependence on imported material.
- › **Strategic Usage of Low & High ash coals:** Optimisation of cost through usage of low and high ash coals as per internal and market opportunities.
- › **Price Prediction Model:** Tata Steel has developed in-house model (NIRN-AI) to project coking coal index with 3 months forecasting period, generating data points enabling Tata Steel to anticipate market movement for better sourcing strategy. This is presently under trial period of 6 months.

- › **Other improvement initiatives:** Value creation through fixed price deals; engagement with Price Reporting Agencies to share feedback on supply/ demand situation, spot offers etc.
- › **Iron ore Value creation:** Leveraging commercial landscape (buyers' market) for fixed long term price deals; engagement with Price Reporting Agencies to share feedback on supply/demand situation, combined with short term spot offers / market opportunities, etc.
- › **Fluxes sourcing:** Value-in-use ('ViU') sourcing for multiple grades of fluxes, largely from overseas market, with some sourcing from neighbouring countries and domestic sources. Demand consolidation across all plant locations was done to maximise volume discount through unified sourcing approach. In the last quarter of FY2025-26, geopolitical tensions escalated in the Middle East on account of act of war affecting Strait of Hormuz. This led to supply chain disruption for the entire industry. The challenges are being addressed through maximising domestic flux buy, sourcing from alternate geographies, sourcing from existing Middle East ports, as and when allowed and possible.

III. Strategy

Tata Steel's strategy is anchored by its Vision—'to be a global steel industry benchmark for value creation and corporate citizenship'. This vision has been shaped through a collaborative, enterprise-wide process involving leadership across all geographies. It provides a single point of strategic anchoring and reflects Tata Steel's long-term aspiration to balance superior business performance with responsible and sustainable practices.

Value Creation is driven through a multi-pronged approach that includes sustained volume growth in India, expansion of downstream products and solutions, and the pursuit of global cost leadership initiatives. These efforts enable Tata Steel to enhance competitiveness, strengthen market presence, and deliver long-term value to all stakeholders.

Aligned with its aspiration to be the most respected organisation, Tata Steel continuously works towards strengthening its safety culture across operations and fostering a zero-harm mindset. In parallel, the Company remains committed to inclusive growth by uplifting communities through focused and impactful Corporate Social Responsibility ('CSR') initiatives. These efforts reinforce Tata Steel's long-standing legacy of ethics, responsibility, and societal contribution.

The following define the strategic objectives of the organisation:

Market Leadership

Tata Steel remains focused on attaining and retaining leadership positions in its chosen segments through scale, product differentiation and deep customer engagement. The Company continues to prioritise this by optimising product mix towards value-added offerings, improving asset utilisation and strengthening customer-linked solutions capabilities. This is supported through digital adoption, innovation and creating a culture of organisation-wide customer centricity. The ramp-up and stabilisation of expanded capacity at Kalinganagar has strengthened the Company's ability to serve growing demand across infrastructure, automotive and manufacturing sectors, while improving operating leverage. In parallel, during the year, Tata Steel consolidated its stake in the colour-coated steel business through Tata Steel Colors Private Limited, strengthening downstream presence.

Profitable Growth

Profitable Growth in India is centred on ambition to significantly expand our production capacity while ensuring that this growth directly translates into financial performance and strengthens our global market standing. This target is coupled with a critical focus on the monetisation of iron ore from existing sources, ensuring optimal utilisation of our captive raw material assets to drive cost efficiencies and enhance profitability. To strengthen this, Tata Steel received in-principle approval to expand Neelachal Ispat Nigam Limited by 4.8 MT per annum, and acquired a controlling stake in Thriveni Pellets Private Limited, securing pellet capacity to support growth reinforcing its long-term capacity growth platform in India and significantly contributing to our overarching ambition of achieving a global standing in both operational excellence and sustainable value creation.

Global Cost Leadership

Raw materials security has always been critical for steel owing to the significant share of raw material cost in the overall steel manufacturing process. In India, Tata Steel remains focused on securing low-cost raw material to maintain supply security while optimising production costs and ongoing value chain optimisation across procurement, logistics, energy and operations have reinforced Tata Steel India's position as a cost leader. The Company is also working on cost reduction initiatives in the UK and the Netherlands to ensure that the

performance is at benchmark levels in the geographies that they operate. Structural cost reduction through optimisation initiatives and continuous improvement programmes have enabled operating performance to benchmark against global peers.

Strategic partnerships, including a collaboration with Lloyds Metals & Energy Limited across iron ore mining, logistics, pellet production and steelmaking in the Gadchiroli region, are expected to further strengthen raw material security, supply chain efficiency and cost competitiveness.

Industry Leadership in ESG

Tata Steel continues to advance its sustainability agenda with a strong focus on zero harm, environmental stewardship and the transition to low carbon steelmaking. Safety remains a core value, with the Company continuing to strengthen systems, processes and behaviours.

Alongside safety, Tata Steel India is focused on achieving benchmark environmental performance across carbon emissions, water stewardship and air quality, supported by investments in scalable low-carbon technologies, increased renewable energy usage and circularity initiatives, aligned with its Net Zero target of 2045.

A key pillar of this strategy, Tata Steel India has inaugurated a 0.75 MTPA scrap-based Electric Arc Furnace at Ludhiana, Punjab, designed to achieve carbon emissions of less than 0.3 tonnes of CO₂ per tonne of steel, representing a important step in reducing the carbon intensity of domestic steel production.

In parallel, Tata Steel continues to invest in breakthrough ironmaking technologies. The Company has been operating the Hlsarna pilot plant at IJmuiden for over a decade and, following successful joint trials, is working towards a ~1 MTPA demonstration plant at Jamshedpur. Tata Steel holds the global intellectual property rights for the Hlsarna technology, positioning it as a critical element of its long-term strategy.

Further strengthening its technology portfolio, Tata Steel has entered into definitive agreements with Paul Wurth S.A. (SMS group) for the first in the world implementation of EASyMelt® technology in India, which is expected to reduce carbon emissions by over 50% compared to baseline blast furnace operations.

Beyond carbon, Tata Steel is focused on improving water efficiency and air quality performance across its operations through sustained reductions in specific

water consumption, enhanced recycling and reuse, and continuous improvement in dust and particulate emission controls, aligned with global benchmark practices.

Tata Steel Nederland ('**TSN**') continues to be in discussion with the Netherlands government in relation to the proposed phase I of its decarbonisation journey replacing one out of the two blast furnaces with a Direct Reduced Iron plant and an Electric Arc Furnace. TSN executed a non-binding Joint letter of Intent with the government, and the local Province. It is presently working with the government and local stakeholders to resolve various regulatory issues and other conditions precedent which require completion prior to a final investment decision on the project.

TSUK is executing a comprehensive transformation to achieve a sustainable profitable business model centred on low-carbon steelmaking. The transition towards scrap-based electric arc furnace operations with a step change in the Company's cost structure, emissions profile and product offering underpinning a more resilient, competitive and lower risk operating model. Site demolition work has been largely completed, orders for critical equipment packages have been placed and construction work are proceeding well. TSUK is also engaged with National Grid UK to mitigate impacts of potential delays to the high voltage connection.

Strategic Enablers

To achieve its strategic objectives across geographies, Tata Steel has identified the following strategic enablers that underpin execution, resilience and long-term value creation.

Customer Centricity: In an increasingly competitive and dynamic market environment, Tata Steel continues to deepen a culture of customer centricity by prioritising customer interests and long-term relationships. The Company is focused on embedding customer-centric decision-making across the value chain, from product development and manufacturing to sales, logistics and after-sales support.

This approach is supported through closer customer engagement, differentiated solutions and stronger collaboration to address evolving requirements across key end-use segments.

Technology Leadership: Among the top 5 technology leaders in the global steel industry: Technology led differentiation has been one of the cornerstones for Tata Steel in bringing value to the customers. Being a pioneer in the steel industry, the organisation is dedicated to leveraging technology to grow and overcome business

challenges. While technology will play a pivotal role in its sustainability journey, it will also enable Tata Steel to become future ready for evolving customer needs. The Company through its ecosystem of R&D and technology partners are working on several low technology readiness level programmes in utilisation of low-quality raw materials, sustainable generation and usage of Hydrogen, Carbon Capture and Utilisation, among others.

Digital and AI: Tata Steel continues its accelerated Digital Transformation towards a data- and AI-enabled, future-ready enterprise, strengthening Industry 4.0 through large-scale AI Adoption and Engagement, enhanced data governance, and integrated operations. In FY2025-26, 860 AI models including 300 agents were deployed across the value chain, improving productivity, automation, and customer and employee experience. The upgraded Tata Steel Digital Assistant ('**TDA**') enables secure, AI-enabled decision support. AI-driven Remote Operations advanced manufacturing excellence, while digital platforms enhanced customer experience. Functional excellence and 'One Tata Steel' integration were strengthened through unified systems, cybersecurity, and global data standardisation, driving operational resilience and sustained value creation.

Employer of Choice, Best retention of critical talent; driving One Tata Steel through a 4C culture: In an evolving work paradigm, it is important for Tata Steel to stay competitive by being an employer of choice. The organisation utilises process intervention and technology for developing best-in-class infrastructure, future ready policies, and ensuring a safe and healthy work environment for its employees. Several measures including creating a culture of collaboration, diversity & inclusiveness, capability development & engagement of employees lies at the forefront of the organisational goals. The One Tata Steel transformation programme continues to strengthen alignment, collaboration and cohesion across the global organisation, anchored in a shared 4C culture of Change, Connect, Contribute and Care.

Financial Prudence: Financial discipline remains a foundational enabler of Tata Steel's strategy. The Company continues to focus on prudent capital allocation, disciplined cost management and strong cash flow generation to ensure balance sheet resilience and achieve and sustain benchmark returns on invested capital across cycles.

Strategic decisions are guided by a robust evaluation of risk, return and long-term value creation, with an emphasis on maintaining financial flexibility to support growth and transformation through business cycles.

IV. Human Resource Management and Industrial Relations.

Tata Steel's true strength lies in the people who shape the organisation with their collective spirit, passion, and values. Guided by this philosophy, we have nurtured a workplace where learning, inclusion, and collaboration define everyday experiences. We have embarked on the One Tata Steel journey through which we are transforming our diverse global footprint into a truly integrated entity, harnessing the unique strengths of varied geographies to enhance operational excellence and reinforce competitive advantage.

We amplified our people ecosystem to shape a culture anchored in agility, digital mindset, and responsible growth. As we look toward 2030, we remain focused on seizing emerging opportunities while continuing to build a workplace that is both highly productive and deeply human.

Driving Unified Culture: We have begun this journey by launching our Culture Code, which serves as the social glue connecting our people across geographies and uniting us under a shared way of working. It has been cocreated by more than 1,000 employees through a series of workshops conducted across our global locations. Built around four pillars-Connect, Change, Contribute, and Care, the Culture Code articulates the behaviours that define how we work every day.

Workforce Capability Development: Building on the foundation of excellence, we anchored structured development architecture designed to deepen functional and technical expertise across all domains through enterprise frameworks such as the Schools of Excellence, the Employee Capability Building System, and the Functional Competency Framework in Tata Steel. TSN shifted to rolebased learning; introduced FGO+ to map learning paths directly to roles and tasks with personalised learning and job relevant modules. Aligning to our long-term vision, Gyan Setu, a CXO-led learning series, was introduced in India to provide employees deeper insights into strategic priorities and leadership perspectives.

We also accelerated digital adoption this year by leveraging technology-enabled platforms for self-directed learning, driving productivity gains via process optimisation. This culture of continuous improvement extends to our safety-first ethos, where behavioural training has been significantly augmented by targeted interventions like URJA 2.0 and SASS (Skill Augmentation of Safety Supervisors). Tata Steel Thailand ('TSTH') also

created interactive microlearning modules for employees on values and ethics courses (TCoC, POSH, ABAC) to make understanding encouraging. Furthermore, we are investing in the next generation of professionals through strategic collaborations, such as Tata Steel Business Delivery Centre Limited partnered together with Institute of Chartered Accountants of India to formalise experiential learning for emerging finance talent.

Diversity, Equity & Inclusion: At Tata Steel, we believe that a diverse and inclusive workforce is at the heart of our people philosophy. It fosters innovation and inspires every employee to contribute meaningfully. We have achieved a milestone with the introduction of three-shift deployment of women in India at Tata Steel Jamshedpur, Tata Steel Kalinganagar and one of our mining location. By investing in supportive infrastructure and by introducing seamless integration practices, we have ensured that talent, rather than traditional constraints, dictates career progression on the shop floor.

The paternity benefit policy in India was revamped to promote shared caregiving responsibilities and encourage a more balanced domestic environment for employees. Going beyond compliance, maternity benefits will now be available from the first day of employment, reinforcing our peoplefirst commitment and our promise to support all women employees equitably.

Initiatives like 'Prerna Bazaar' has further embedded social inclusion by sensitising the employees to promote community-led enterprises. Efforts were also put in March of Inclusion, our initiative that translated intent into action, driving inclusive behaviours across locations and functions. By prioritising accessibility and challenging stereotypes, we are forming a workplace that drives every individual to thrive.

Inclusion practices are advancing across all geographies. TSN introduced guidance for gender transition at work, put efforts in LGBTQIA+ inclusion and increased participation in Pride events to support the communities. At TSUK, a clear roadmap led to sustained focus on DE&I priorities. At Tata Steel Thailand, a Women's Committee has been established to strengthen voice of its people representing contract workforce and employees of all levels.

Leadership and Talent Growth: We are strategically pivoting toward a skill-based talent ecosystem to accelerate career mobility and strengthen leadership acumen to ensure we remain future-ready. As part of our

journey to nurture a strong pipeline of global leaders, we have reintroduced the Global Leadership Development Programme. This cohort brings together 30 High potential leaders from across our geographies to deepen their strategic capabilities, broaden their global exposure, and strengthen their leadership impact. Through immersive learning, cross functional collaboration, and curated development experiences, the programme is designed to equip them to lead with agility, vision, and a shared One Tata Steel mindset.

Launch of StepUp: Role Marketplace and Skill Passport in India, has opened new opportunities for employees. High-potential mid-level managers participated in the Building Leaders for Tomorrow programme, while 'The Art of Development Conversation' was launched to equip leaders with the nuances of handling complex growth and performance discussions.

Employee Wellbeing

We believe that the holistic wellness of our employees is the cornerstone of building a balanced, productive, and purpose-driven workforce. This year, we institutionalised a multidimensional wellness framework structured around five strategic pillars: physical, emotional, occupational, social, and financial wellbeing. By integrating these pillars into our organisational fabric, we are focusing on culture that supports employees to be healthy and efficient.

Employee participation in wellbeing programmes was actively promoted through exciting experiences such as Wellness Retreats, Wellness Week activities, and recognition platforms in Tata Steel. In TSUK, a volunteered Mental Health First Aiders network has gained traction providing early support, reducing stigma, and embedding mental health awareness. At TSTH, enterprise wide wellness campaign such as Let's Walk, nutrition discussions, and mental health talks were conducted to drive participation through rewards and sustained engagement. At TSN, confidential counsellors offer trusted advice, helping colleagues feel safe and supported at work.

This commitment was further seen at NINL, where community spirit and fitness were championed by observing International Olympic Day and the promotion of localised wellness campaigns. By embedding these measures into our daily rhythm, we are ensuring our people possess the sustained focus and energy required for long-term value creation.

Transformation Journey at TSN

In TSN, efforts on change management gained momentum via SCALE programme aimed at restoring competitiveness and positioning the organisation among the best-performing steel companies in the region. This is underpinned by a consultative approach with unions and transparent employee communications through town halls and podcasts.

Workforce Transition at TSUK

At TSUK, the Cross Match Committee was constituted as a testament to our responsible workforce management. By systematically matching the skills and preferences of employees, we successfully redeployed most of our workforce identified for transition, enabled through targeted workshops and collaborative mapping.

Industrial Relations and Workforce Management

Industrial harmony and organisational agility remain the twin pillars of our operational stability. This year, we fortified our long-standing culture of collaboration by fully implementing the revised Three-Tier Joint Consultative System in Tata Steel, creating a unified and transparent channel for dialogue across the enterprise. Extending these efforts, we launched the Contract Workers Social Index ('CWSI') in FY2025-26. As a first-of-its-kind metric, the CWSI allows us to objectively track the work experience of our contractual workforce, and ensure they feel inclusive, secure, and aware of welfare schemes.

To remain adaptive of evolving business needs, we established the Workforce Placement Cell, which facilitates strategic internal redeployments and provides employees with the necessary resources for smooth transitions into new roles.

Agile Policy Enhancements

We are leveraging digital transformation to redefine the people practices, moving toward a more intuitive approach, engineered to expedite the resolution of employee queries and democratise access to enabling information. A standout initiative this year was the deployment of AI agents within the Tata Digital Assistant in Tata Steel, complemented by the rollout of Agile Workday Planning that has empowered teams to do efficient resource planning across the organisation. These tools allowed people to focus on high-value work by significantly reducing administrative friction. Alongside our digital advancements, we refined key policies to

streamline everyday employee benefits, enhancing the overall employee experience and ensuring greater consistency across the organisation.

Awards and Recognition: Reflection of our People-First Approach

For Tata Steel, recognition is not merely measured in awards but in the enduring values and practices that define our workplace culture. For the fifth consecutive year, Tata Steel secured the Gold Employer Award at the India Workplace Equality Index ('IWEI'), highlighting our progressive policies that support the LGBTQIA+ community. Complementing this, TSN recently received positive recognition in the Workplace Pride Global Benchmark, underscoring our inclusive practices across Europe. Our commitment to responsible and compliant operations was showcased by receiving the CLRA registration for the Kalamang Mines, reinforcing our dedication to ethical labour practices. Our dedication to cultivating talent and advancing vocational capability was acknowledged when we received the Best Establishment Award at the 35th CII National Work Skills Competition 2025. The enduring Tata ethos of service was recognised when TRF Limited received appreciation from the Tata Sustainability Group for recording the highest volunteering hours in the small-scale industries category, a first within the Tata Group.

By nurturing a purpose driven growth with a deep-rooted emphasis on wellbeing, inclusion, and agility, Tata Steel continues to transform its human capital into a distinct success lever. Our people remain the primary catalysts of our courage, upholding that as we produce the steel of tomorrow, we are guided by the values that have defined us for over a century.

V. TATA STEEL GROUP OPERATIONS

1. Major Highlights

During the year under review, the consolidated crude steel production for Tata Steel Group ('TSG') was 31.67 MT which was higher by 2% (FY2024-25: 30.92 MT), primarily on account of ramp-up of BF#2 at Tata Steel Kalinganagar during the year. Production at the Netherlands was marginally lower due to planned maintenance in FY2025-26.

The production increased at Tata Steel Standalone to 22.47 MT which was higher by 8% (FY2024-25: 20.72 MT) attributable to ramp-up of BF#2 at Tata Steel Kalinganagar during the year. NINL produced 0.95 MT, in line with last year (FY2024-25: 0.95 MT).

Tata Steel Netherlands ('TSN') maintained production level of 6.69 MT which was marginally lower compared with previous year (FY2024-25: 6.75 MT). This was attributed to the planned maintenance stops at TSN in the current year resulting in lower production. Production at South-East Asia ('SEA') stood at 1.55 MT (FY2024-25: 1.43 MT) which was higher by 7% due to improved market sentiments.

The consolidated steel deliveries of TSG at 31.97 MT in FY2025-26 is showing an increase of 3% (FY2024-25: 30.96 MT), primarily at Tata Steel Standalone (1.58 MT) mainly on account of ramp-up of BF#2 at Tata Steel Kalinganagar. Deliveries decreased at TSN by 0.10 MT due to lower production and despatches to TSUK.

The Turnover of TSG in FY2025-26 was higher over FY2024-25 by ₹13,597 crore (6%) on account of increase in deliveries at the Indian operations and South East Asian operations attributable to increase in production, despite subdued realisations across geographies.

The EBITDA in FY2025-26 was higher over FY2024-25 by ₹9,046 crore (35%) driven by cost transformation savings initiatives across geographies. Increase in EBITDA at Tata Steel Standalone was due to lower coal cost and higher deliveries which were partly offset by lower average net realisation, at TSN due to reduction in raw material cost partly offset by lower deliveries and higher cost of emission rights, lower EBITDA loss at UK operations due to closure of blast furnace and reduction in its related expenses partly offset by lower margins.

Tata Steel Group on a consolidated basis reported a profit after tax of ₹10,886 crore as compared to ₹3,174 crore in FY2024-25 primarily on account of improvement in EBITDA across locations mainly due to higher deliveries and cost take out initiatives taken across the group.

2. Tata Steel Limited (Standalone)

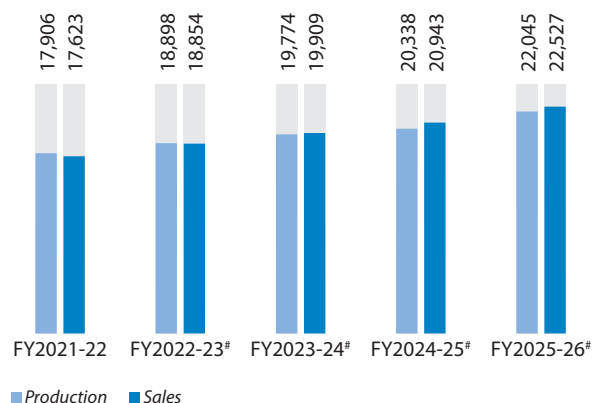
a) Operational Review

	(mn tonnes)		
	FY2025-26	FY2024-25	Change (%)
Hot Metal	22.65	20.89	8
Crude Steel	22.47	20.72	8
Saleable Steel	22.04	20.34	8
Sales	22.53	20.94	8

The saleable steel production and sales trend over the years is as follows:

Production and Sales of Steel Division

(k tonnes)



*Production and sales from FY2022-23 onwards include TSG post-merger.

The combined saleable steel production of FY2025-26 stood at 22.04 MT which was higher than that of FY2024-25 (20.34 MT) by 8% attributable to higher production post ramp-up of BF#2 at Tata Steel Kalinganagar. The combined steel sales of FY2025-26 stood at 22.53 MT, higher by 8% over FY2024-25 (20.94 MT), primarily on account of higher production.

Plant wise review

i) Tata Steel Jamshedpur ('TSJ')

Tata Steel Jamshedpur, the Company's flagship site and India's only steel plant producing continuously at the same location for over a century, continued to deliver strong operational, sustainable and innovation-led performance during FY2025-26. The plant currently operates with an annual crude steel capacity of 11 MTPA.

Year in review

Business Performance

- › The G Blast Furnace successfully commenced its 3rd campaign on August 14, 2025 after relining, achieving the fastest ramp-up among all Tata Steel furnaces, surpassing its rated capacity within just 36 days.
- › Achieved an all-time low Specific Lime Consumption of 58.2 kg/tcs, setting a benchmark across Tata Steel.
- › Delivered a record automotive-grade steel production of 1,975 KT, the highest ever from the flat product mills.

- › Achieved the best-ever GA (Galvannealed) production at 230 KT.
- › Record strike rates at Continuous Annealing and Processing Line: GA Skin Panel: 70.5% and CRCA Skin Panel: 71.4% strengthening supplies for automotive outer-body applications.

New Product & Technology Development

- › As a learning from TSN, Wonderkar technology was deployed for the first time in India at the H Blast Furnace, enabling extended furnace operation during tuyere failure.
- › Successfully produced the first-ever domestically manufactured pure iron 'Midhani Grade', under the Make in India initiative, for specialised defence applications.

Sustainability & Strategic Initiatives

Decarbonisation & Energy Efficiency

- › Introduced biofuel as an alternative to Low Sulphur Fuel Oil for blast furnace operations, contributing to CO₂ emission reduction.
- › Commissioned a Waste Heat Recovery System (Kraft Block) at SP#3, reducing solid fuel rate by 2.5 kg/t.
- › Installed two microturbines at the TSJ By Product Plant (BPP), generating 8000+ kWh of green power daily.
- › Enhanced circularity by utilising 670 KT of scrap in LD converters, lowering the carbon footprint.

Water Conservation & Zero Effluent

- › Commissioned Phase 1 of Tertiary Treatment Plant ('TTP'), a step towards achieving Zero Effluent Discharge ('ZED') status.
- › Adoption of Reverse Osmosis (RO) permeate from Tertiary Treatment Plant reduced fresh water consumption at the Coke Plant by over 50%.

Asset Reliability & Protection

- › Implemented Cathodic Protection for the Chimney of Lime Plant Kiln #7 – a first-of-its-kind initiative within Tata Steel to prevent corrosion and enhance asset life.

Awards and Recognitions

- › Received the Safety & Health Recognition Award 2025 from World Steel Association for pioneering the safety-instrumented system at HML to prevent loss of containment during rail-based hot-metal transportation.

- › The Blast Furnaces received the BEE Award for Excellence in Energy Conservation for the 6th consecutive year, reinforcing Tata Steel's leadership in energy-efficient steelmaking.

ii) Tata Steel Kalinganagar ('TSK')

Tata Steel's Kalinganagar plant has one of the world's most advanced factories, recognised by the World Economic Forum as a 'manufacturing lighthouse'. Phase 1 commissioned in FY2015-16 and Phase 2 commissioned in FY2025-26, Kalinganagar plant is ramping up to production levels to its rated capacity of 8 MTPA (Phase I and 2). The plant is dedicated to manufacture Flat Product steel. FY2025-26 has been a pivotal year for TSK, marked by the commissioning of new facilities, production ramp up, and improvements in operational KPIs. Almost all operating units have achieved their highest-ever annual production.

Year in review

- › Achieved record production volumes: Coke Plant: 2.59MT (FY2024-25: 1.65MT) with commissioning and ramp up of Coke Plant#2, Sinter Plant - 6.30MT (FY2024-25: 5.33 MT), Pellet Plant - 6.05 MT (FY2024-25: 4.75 MT), Blast Furnace - 7.33 MT of Hot Metal (FY2024-25: 4.82 MT) with ramping up of Blast Furnace#2 to its rated capacity, Steel Melting Shop - 6.57 MT of Crude Steel (FY2024-25: 4.39 MT) with commissioning of BOF#3 and Caster#3, and Hot Strip Mill - 5.60 MT of Hot-Rolled Coils (FY2024-25: 4.09 MT) with commissioning of RHF#4.
- › Approximately 756 KT of slabs have been exported to TSUK and other customers and domestic sales of 115 KT.
- › Key milestones in Phase II expansion: Commissioning and ramp up of BOF#3 in April 2025, CP#2 in May 2025 battery 3B, Re Heating Furnace #4 ('RHF') in June 2025, Caster#3 in August 2025, Continuous Galvanising Line #1 ('CGL') in June 2025 and Continuous Galvanising Line #2 in February 2026.
- › The Cold Rolling Mill ('CRM') with ramp of CAL and commissioning of CGL#1 has enabled us to produce Advanced high-strength Steel ('AHSS') in CRCA and Coated products for automotive applications as well as high strength steel for skin panel application. Continuous Galvanising Line #2 has started and will be value added coating (AluSi, and ZnAlMg) will be produced.

- › Continued focus on developing innovative products both Hot rolled and Cold rolled, Hot rolled grades including ship building grades like American Beuro of Shipping ('ABS') and Det Norske Veritas ('DNV') grades (AH36 and DH36), X52 sour grade for API, SA516 Gr60 for boiler application and JSH440BN for automotive control arm application were developed and Cold Rolled products like BH220 skin panel was developed for the first time in Tata Steel for passenger vehicle, AHSS up to DP980 has already been developed and DP 1180 has been attempted at Continuous Annealing Line ('CAL') TSK.

iii) Tata Steel Meramandali ('TSM')

Tata Steel's Meramandali plant is one of India's largest flat product steel production facilities, equipped with steel making and finishing mills.

Year in review

- › Best ever production in FY2025-26:
 - a) Crude Steel Production: During FY2025-26, crude steel production was 5.21 MTPA which is the highest ever - reflecting production efficiency and optimised utilisation of resources.
 - b) Downstream Production: Downstream operations showed continuous improvement in production on y-o-y basis and achieved the highest ever production and crossed 2 MTPA for the first time (previous best: 1.95 MTPA).
- › Coke Plant Efficiency: Enhanced production level has enabled transfer of Coke to Tata Steel Kalinganagar & Tata Steel Jamshedpur reducing the external coke buy, increased CDQ utilisation at Coke plants helped in reducing moisture load at Blast furnaces enabling reduction in fuel rates and reduced steam venting increased power production respectively. Record usage of domestic coal reflects the substantial shift towards domestic coal usage further strengthened input cost optimisation and supply reliability.
- › Process Solid Waste ('PSW') maximisation at Sinter plant by increasing PSW (LD sludge, DRI by product and LD slag etc) by 36% over last year thereby enhanced circularity, reduced waste disposal and better utilisation of internal secondary resources.
- › Power plant cost efficiency: Reduction of power cost by optimising thermal coal usage, conversion of Coal based Boiler to Gas based ('COG') Boiler leading to reduction of overall gas flaring, dependence on thermal coal usage and improved overall energy efficiency.

- › Stores, Repairs and Maintenance ('SRM') Cost Reduction: Achieved significant SRM Cost reduction through various initiatives by optimisation of resources and reducing specific consumption.
- › DRI Production and Cost efficiency: Increased throughput to ~1.31 MT of DRI production (12% increase over last year: 1.17 MTPA) by optimising annual shutdown, debottlenecking of Raw Material handling Coal Circuit, reliability improvement of Kiln and boiler. Reduction of Coal consumption by process improvement achieved lowest ever fuel rate (764 kg/t DRI), previous best (783 kg/t DRI).

Green Initiatives & Sustainability & Employee wellbeing initiatives:

- › Commissioned a centralised Zero Effluent Discharge ('ZED') Plant to treat all process effluents within the facility, enabling complete recycling of treated water, thereby eliminating effluent discharge outside and significantly reducing freshwater consumption. This marks an important step toward strengthening, enhancing circularity and advancing the Company's long-term sustainability commitments.
- › To effectively control fugitive emissions from the junction houses, 11 Dust Emission systems (out of 19 planned) are currently being installed, which will significantly reduce fugitive emissions and contribute to a noticeable improvement in the ambient air quality of the workplace area.
- › TSM has established an integrated sports and recreation complex at Meramandali, featuring indoor badminton, table tennis, carrom, snooker, chess and squash facilities. The initiative enhances employee wellbeing, promotes a fitness oriented culture, and strengthens overall workforce engagement.
- › In line with the Company's sustainability agenda, Air-Conditioned Electric Vehicles ('EVs') are being introduced for employee commuting undertaken for company business at Meramandali. The EV based travel system helps to enhance operational efficiency and reinforce the organisation's commitment to lowcarbon and environmentally responsible mobility solutions.
- › TSM, in partnership with IBMD and Corporate Services, has initiated the compliant disposal of End of Life Vehicles ('ELVs') through Government authorised Registered Vehicle Scrapping Facilities ('RVSF'). 86 vehicles have been deregistered for auction

marking this as the first ever RVSF based ELV disposal from Odisha, executed from TSM Angul, ensuring environmentally sound scrapping, and advancing the organisation's circular economy goals.

- › TSM Sahibabad Unit became the first downstream unit in India to use low-carbon solar-energy-based zinc (Ecozen), reducing zinc carbon footprint by ~84% and Scope-3 emissions by ~400 kg CO₂ per ton.

Awards:

- › TSM has been recognised as the 2nd best in India for the National Energy Conservation Award ('NECA') by the Ministry of Steel, reaffirming the plant's leadership in energy efficiency and sustainable operations.

Customer Centric:

- › TSM achieved a major product milestone with the CR2 PPCR Global White Polysteel grade receiving approval from M/s Godrej for refrigerator door panels, an industry first for both Tata Steel and the Indian steel sector.

iv) Tata Steel Gamharia

Tata Steel Gamharia ('TSGh') plant located near Jamshedpur, is equipped with steel making and finishing facilities dedicated to Long Product Steel of Special Bar Quality. TSGh has a capacity of 0.80 MTPA. TSGh became a part of Tata Steel post-merger of erstwhile Tata Steel Long Products Ltd merged into the Company.

Year in review

- › Commissioning and start-up of state-of-the-art Combi Mill to enable increased presence in strategic Automotive segments of Passenger vehicles and Two-wheeler with higher product range and superior dimensional tolerance. Changeover to Natural Gas from Light Diesel Oil ('LDO') in Reheating Furnace (1st Time in Eastern India).
- › Major projects completed to strengthen the steel-making capacity: Continuous Casting Machine -4 ('CCM') revamping (speed increase by 14%), Ladle Refining Furnace -5 ('LRF') revamping (time reduction by 8%), Fume Extraction System -3 ('FES') commissioning (ppm reduction by 50%).
- › New product grades were developed for the welding electrode segment including EA2TiB, S3TiB, ER70S2 enabling ~11% year on year increase in sales in the technology critical segment. The EA2TiB (low N₂) grade was developed for the first time in India.

- › Achieved the highest ever annual Coke production of 379 KT in FY2025-26. (Previous best: 374 KT in FY2022-23).
- › Recorded all-time high Scrap usage of 8.6% in the SMS charge mix, significantly higher than the previous best of 4.7% in FY2022-23, contributing to lower overall metallic cost.
- › Sponge Iron Unit, Gamharia achieved its best-ever performance: Production: 0.524 MTPA (Previous best: 0.521 MTPA in FY2024-25), Specific Coal Consumption: 0.776 t/t DRI, a substantial improvement over the earlier best of 0.805 t/t DRI in FY2024-25.
- › Successfully implemented the Ferro-alloy optimisation model in SMS, delivering a 10% reduction in alloy cost through improved process efficiency.
- › Achieved a record low Prime Hard Coking Coal ('PHCC') blend of 29.8% enabled by the highest-ever domestic West Bokaro coal usage at 15.6%, driving significant cost optimisation while effectively managing high-ash coal inputs.
- › Operation of New Transport Park with capacity of ~100 Heavy Vehicle parking & 800 Bike parking for decongestion of internal and external roads implementation of VTS to reduce the VIVO time (16% reduction).
- › Obtained the Stabilisation certification for the legacy ash mound from the Jharkhand State Pollution Control Board ('JSPCB'), first of its kind in Jharkhand and within the Tata Steel ecosystem.

Recognitions:

- › Pellet Plant won the Tata Innovista award in the category of Implemented Innovation for the project 'Eye on Accretion'.
- › TSGh received the 'Best Supplier Award 2025' from CIE India formerly known as CIE Automotive India Ltd. for supplies of SBQ from Bloom Mill.
- › TSGh won the CII SHE Excellence Eastern Region & Jharkhand State Level Awards for the second consecutive year (assessment year 2024-25) in the large manufacturing category.
- › TSGh won the Gold Certificate in 7th Indian Chamber of Commerce National Occupational Health and Safety Awards 2025 for the assessment year 2024-25.

Profit Centres review

a) Tubes Division

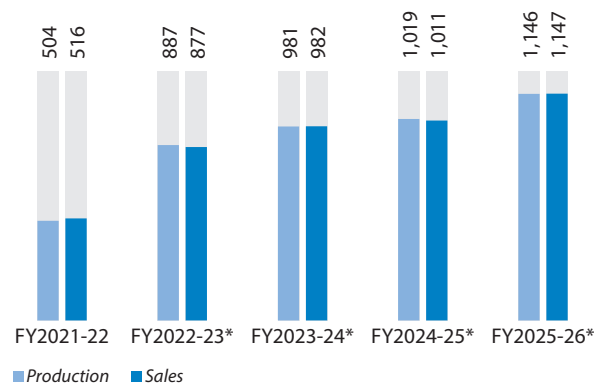
Tata Steel's Tubes Strategic Business Unit holds a leading position in India's tubes and pipes manufacturing sector. With a substantial installed capacity of approximately 1.8 MTPA, the division operates four manufacturing facilities strategically located in Jamshedpur, Khopoli, Sahibabad, and Hosur. This is further augmented by a network of Tube Manufacturing Partners ('TMPs') across eastern and northern India, extending its reach and production capabilities.

The business is organised into four broad offerings: Structural Tubes ('**Tata Structura**'), Conveyance Tubes ('**Tata Pipes**'), Precision Tubes (for boiler, automotive, and general engineering applications), and American Petroleum Institute ('**API**') pipes for the oil and gas sector. Furthermore, the Tubes division has expanded into the services and solutions segment with offering of **Tata Ezyfit** (Door & Window Frames), High Aspect ratio Tubes and the newly launched 40 NB hand railing sections.

The production and sales performance of Tubes division is as below:

Production and Sales of Tubes Division

(k tonnes)



*Tubes division represents Jamshedpur tubes division and Tube manufacturing partners. From FY2022-23 onwards, it represents Jamshedpur, Khopoli, Sahibabad and Hosur along with Tube manufacturing partners.

Year in review

- › The Tubes Division has achieved a remarkable milestone in FY2025-26, setting a new benchmark with production and sales exceeding 1.14 MT. Despite a challenging business environment, the division not only sustained growth but also successfully delivered on profitability targets through operational excellence, disciplined cost management, and a sharp focus on market execution.

- › The Tubes Division was awarded with the 'Best New Model Part Development' award at the Annual Supplier Conference 2025 of Suzuki Motorcycles India Pvt. Ltd. ('SMIPL'), held on May 19, 2025, in Gurgaon. This recognition follows the commencement of supplies to SMIPL for their new ACCESS-125 Model from Q4 FY2024-25, achieving a 100% share of business, delivering 1,500 MT in Q4 FY2024-25 and planning to supply 6,000 MT in FY2025-26.
- › Tata Steel Tubes SBU has secured a 205 MT (YST 355) order for the new domestic express cargo shed at GMR Hyderabad International Airport. This was outcome of the Early Vendor Involvement ('EVI') collaboration with KPC Projects Limited, with a total project requirement of approximately 500 MT in two phases and a current 60% share of business ('SOB') in the first phase.
- › BMW JMT in Jamshedpur, a Tubes manufacturing partner of Tubes Division has successfully commissioned two new mills for Standard Tubes, enhancing their production capacity by 90 KT per annum to 130 KT per annum. This expansion increases the overall Tubes Division's capacity to 1.8 MTPA. This will enable to expand the product basket for increasing needs of Retail & Projects customers.
- › Tubes Division has successfully secured an order of 2,319 MT for the Hassan Railway Goods Shed project in Karnataka. This achievement stems from our early vendor involvement strategy in collaborating closely with key stakeholders. By integrating Tata Structura LDP sizes into the design, we provided a customised solution that specifically addressed the requirements for large span trusses in the goods shed thus attaining 100% SOB for this project.
- › Tubes Division has successfully secured an inaugural order of 210 MT (YST 355) for the Maintenance, Repair & Overhaul ('MRO') shed project at Bangalore International Airport Limited. This accomplishment is a direct result of the Tubes team's effective EVI and their collaborative efforts with Tata Projects Limited ('TPL') and SIA Engineering Limited. The overall project is anticipated to require approximately 2,500 MT across three phases, and we take pride in maintaining 100% Scope of Supply to date for the first lot order.
- › Tata Steel Tubes Division has secured 3rd lot order of 330 MT of Tata Structura from JSSL for Chennai Airport Phase 2 project. This success is the result of the Tubes team's EVI with the PMC, AECOM, which facilitated the acceptance of YST 355 grade Tata Structura sections in the design of roof truss of this project. Notably, we have maintained a 100% Share of Business with overall supplies of 1,800 MT of Tata Structura in current financial year.
- › In a significant capacity expansion drive, Tubes Division inaugurated two new Structural mills – one Tube Line and one Galvanising Line – at our Tubes Manufacturing Partner ('TMP') in Dhanbad, enhancing normal line capacity from 10K to 16K MT/month and adding 4K MT/month galvanising capacity. Additionally, a new mill at NCR has been commissioned, increasing capacity from 6KT to 10KT /month. With these expansions, the Tubes Division's overall capacity now stands at ~1.8 MTPA, strengthening our ability to serve growing market demand.
- › Tubes division successfully supplied around 669 MT of Tata Structura for new terminal of Lokapriya Gopinath Bordoloi Airport, Guwahati. The airport was officially inaugurated on December 20, 2025, by Prime Minister Narendra Modi, marking another iconic infra project where Tata Steel has cemented its leadership. Through early involvement and strategic collaborations with L&T, we achieved a 70% Share of Business in this marquee project.
- › Tata Steel Tubes Division has successfully secured orders of 2,400 MT of Tata Structura in the 1st phase of Ahmedabad Railway Station Redevelopment Project which is India's first 16-story modern vertical railway station supporting multi level transport, including future integration with bullet train project besides modern amenities. This success is the result of the Tubes team's Early Vendor Involvement (EVI) with the executing agency Dineshchandra R. Agrawal Infracon Pvt. Ltd., enabling us to maintain a 100% SOB in the first phase. This order was also bagged by the joint initiative of Tubes and IPP where 60 MT of box section is being supplied through plate fabricated route.
- › Tubes Division has successfully supplied high-strength YST 310 grade Tata Structura material for India's longest cantilever glass skywalk bridge in Kailasagiri, Visakhapatnam. This remarkable 55-meter-long, 3-meter-wide skywalk is a testament to our capabilities, designed to bravely face wind speeds of up to 250 km/hr. Notably, Tata Steel Tubes division has secured 100% Share of Business in this project.

Recognitions:

- › Tata Structura has been recognised with two prestigious awards that highlight its excellence in steel infrastructure. The first is the Prestigious Brands of India 2025 award, presented at the Goalfest Conclave 2025 by Herald Global and BARC Asia. Tata Structura was selected in the category of Infrastructure – Steel Hollow Section Tube, evaluated by BARC Asia's research process and jury panel.

- › The second recognition came from the 7th Edition of the Rail Analysis Innovation & Excellence Summit 2026, held on January 30, 2026 at Le Méridien Hotel, New Delhi, India. At this summit, which celebrates innovation and excellence in the Rail and Metro Industry, Tata Structura was presented with the prestigious honour for 'Excellence in Development & Design of Infrastructure for Railways and Stations.'
- › The SGA team HF#2 Warrior of the Tubes Division achieved the highest prestigious category award, 'Par Excellence,' at the National Convention on Quality Concepts (NCQC 2025) held in Greater Noida. This top-tier recognition highlights the team's exceptional commitment to quality and operational excellence on a national stage.

b) Wires Division

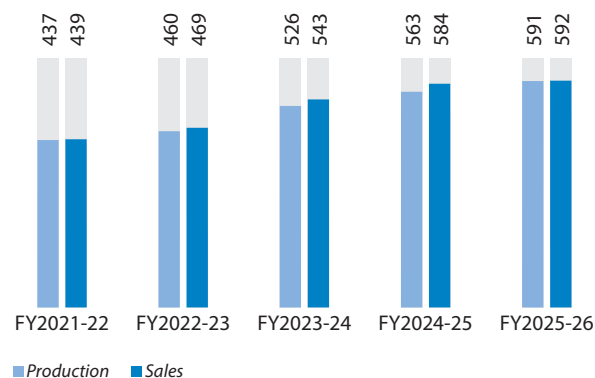
Global Wires India ('GWI') stands as one of the world's largest steel wire manufacturers. It functions as a key Profit Centre of Tata Steel, delivering specialised wires to sectors like automotive, construction, infrastructure, engineering, retail and Service & Solutions. With an annual capacity of 630 KTPA, it leads the Indian market under the Tata Wiron brand and growing at ~7% CAGR in last 10 years. Employing over 2,000 people, GWI operates plants at Tarapur (Maharashtra), Pithampur (Madhya Pradesh) and Jamshedpur (Jharkhand).

GWI enjoys leadership position and dominant market share in Automotive and Infrastructure segments with safety critical applications such as MTB (Motor Tyre Bead) for tyre making, IHT (Induction Hardened and Tempered), Spring Steel wire for shock absorber, LRPC (Low Relaxation and Prestressed Concrete) for High-Speed railway/ Metro corridors, Bridges etc. Similarly, GWI leads Retail Segments with innovative fencing products e.g.: Knotted Fence, 3D welded mesh, Anti Cut Anti Climb etc. Also, GWI has developed inhouse innovative products e.g. 'Aayush' coated wire for various fencing (Barbed wire, Chain link) and farming (Grape, Poultry etc.) applications. 'Aayush' is a special secondary coating which is applied on Galvanised wire substrate to enhance life significantly (~10 years). GWI continues to grow in chosen segments and aspires to become 1 MTPA by 2030.

The production and sales performance is as below:

Production and Sales of Wires Division

(k tonnes)



Year in review

GWI achieved a record sales volume of 592 KTPA in FY2025-26, reflecting a 1.4% increase over FY2024-25. During the year, focus was on increasing the sales of value-added products.

- › Successfully completed Zinc Bath replacement in Tarapur Wire Plant 2 in 45 days (with safety and injury free against a plan of 60 days) resulting in additional volume of 2KT.
- › Successfully commissioned LRPC line of capacity 42 KTPA in Pithampur Wire Plant at Pithampur, Madhya Pradesh which will augment the LRPC capacity of 14,000 TPM.
- › GWI has successfully restarted production of high value product PE coated LRPC at Tarapur (15.2mm thickness) with a capacity of 450 MT/month.

Recognition:

- › Won the Corporate Excellence Award 2025 from 'Rural Marketing Association of India' for: a) WhatsApp chatbot-based retail assistant, 'TAARA'. and b) QR code-based product authenticity initiative through 'Checko Label'.
- › Received highest 'GOLD' awards by 2 SGA teams i.e., Indradhanushya QC of Tarapur Wire Plant 1 and Agnee QC of Wire Rod Mill -West at 39th annual Chapter Convention on Quality Concepts (CCQC-2025) held in September 2025 at Mumbai.
- › Received highest 'GOLD' award to 2 SGA teams i.e. Pragati QC of Tarapur Wire Plant 2 and

Indradhanushya QC of Tarapur Wire Plant 1 at 50th International Convention on Quality Control Circles (ICQCC-2025) held in November 2025 at Taiwan.

- › Received highest 'Par Excellence' awards by 2 teams i.e., Indradhanushya QC of Tarapur Wire Plant 1 and Agnee QC of Wire Rod Mill-West at 39th annual National Convention on Quality Concepts (NCQC-2025) held in December 2025 at Noida.

c) Tinsplate Division

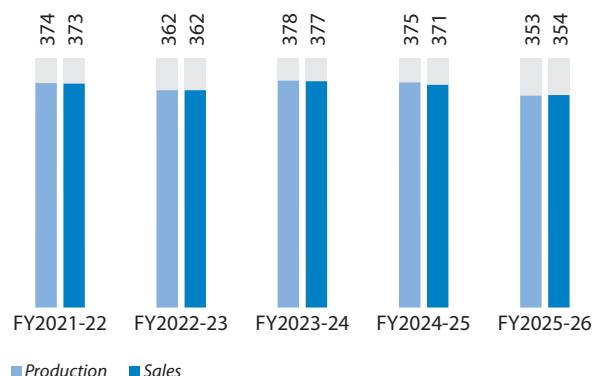
The Tinsplate plant is located in Jamshedpur and has been operational for more than 100 years and continues to have leadership position in the domestic market in FY2025-26 and a preferred choice for customers. The Division operates at its full rated capacity of 380 KTPA at its Jamshedpur facility. Work is ongoing for new facility (Capacity of 300 KTPA) to be operative by FY2027-28. In addition to focusing on expansion efforts, the Division has also been working on increasing its downstream footprint, through sales of branded cans (Paxel) manufactured at Steel Processing Centres. FY2025-26 has witnessed highest ever sales of Paxel CANS with added footprint in South.

Tinsplate is a preferred eco-friendly packaging medium utilised for edible oil, processed foods, and aerosol cans. In FY2025-26, domestic sales grew by approximately 10% year-on-year. This growth trajectory is expected to sustain into FY2026-27.

The production and sales performance is as below:

Production and Sales of Tinsplate Division

(k tonnes)



During the FY2025-26, the Division achieved a production of 353 KT, and deliveries of 354 KT. While domestic sales recorded growth, overall volumes declined y-o-y, primarily due to a reduction in export shipments. Export

volumes were impacted by restricted supplies to the EU following the imposition of a 25% duty beyond quota limits and were further affected in Q4 by cargo movement disruptions to certain export markets amid geopolitical tensions arising from the US-Israel-Iran conflict.

Year in review

- › During FY2025-26, the domestic market grew by 6-7%, driven primarily by increased consumption in the edible oil, processed food and aerosol segments, while the paints segment showed early signs of recovery despite ongoing challenges.
- › Ongoing operational improvements and infrastructure upgrades for long-term efficiency.
- › Active work on a 300 KTPA expansion and Zero Effluent Discharge.
- › Initiatives to enhance cost efficiency and explore new product development to broaden market reach.

Recognition:

- › On World Standards Day, observed annually on October 14th, the Tinsplate Division was recognised by the Bureau of Indian Standards with the award 'Role Model in Maintaining Standards over a Long Term'.
- › In FY2025-26, The Tinsplate Division underwent a scheduled surveillance audit of Integrated Management System (consisting of ISO 9001:2015 Quality Management System, ISO 14001:2015 Environment Management System and ISO 45001:2018 Occupational Health and Safety Management System and ISO 22000:2018 Food Safety Management Systems) and received a recommendation for continued certification.
- › Team 'Akarshan' from Tinsplate Division has bagged the 'Excellence' Award at the 39th National Convention on Quality Concepts ('NCQC') held in Greater Noida on December 21, 2025.

d) Metaliks & Ductile Iron (DI) Pipes Division

The Metaliks Division operates in Kharagpur, West Bengal, with an annual installed capacity of ~ 600 KT of Hot Metal, producing Pig Iron under the brand name 'Tata eFee' and value-added Ductile Iron Pipes ('DIP') branded as 'Tata Ductura'. Pig Iron serves foundries for ferrous castings, while DI Pipes are key items for water transportation, sewage and irrigation projects.

Pig Iron

Demand for Pig Iron was subdued for much of FY2025-26 due to reduced demand in key segments and increased supply, leading to high stock levels and downward price pressure. The export market remains sluggish, which in turn has impacted the domestic market.

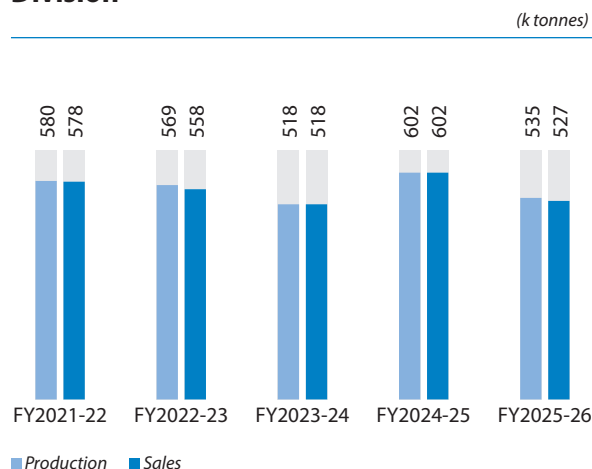
However, since December 2025, there has been an increase in Pig Iron prices which can be attributed to demand pull in key segments and significant jump in raw material prices. Despite these challenging conditions, the division delivered a ~85% increase in sales during FY2025-26 over the previous year, while maintaining over 90% market share in the specialised Foundry Grade segment of Pig Iron, in its focused eastern market in India.

Ductile iron Pipe (DIP)

DIP industry witnessed a decline in demand of ~27% with respect to FY2024-25. This was due to non-release of funds by Central Government for the flagship 'Jal Jeevan Mission' program. This resulted in idle capacity across industry leading to sharp drop in prices. Short-term demand outlook is projected to be weak due to delays in new orders, but the medium-to long-term outlook is optimistic due to higher budgetary allocation towards Jal Jeevan Mission 2.0 approved in March 2026.

The production and sales performance is as below:

Production and Sales of Metaliks & DI Pipes Division



Year in review

- › FY2025-26, the division produced ~546 KT of Hot Metal, marking a ~7% decrease from FY2024-25. Production of DI Pipes ~253 KT and Pig Iron at ~282 KT decreased by 44% and increased by ~86% over FY2024-25 respectively.

- › Pig Iron deliveries at 277 KT rose by ~85% over FY2024-25, while DI Pipe deliveries at 250 KT, decreased by ~45% versus the previous year.

e) Industrial By-Products and Management Division (IBMD)

The primary business model of Industrial By-products and Management Division ('IBMD') of Tata Steel pivots on Circular Economy principles while focusing on creating wealth from the by-products generated across the Company's value chain, from raw materials to finished products. This is enabled through adoption of newer technologies, leveraging global best practices, introducing new product and services through active R&D collaborations and sustainable application development in related industries. The IBMD product portfolio comprises 25+ product categories with more than 250 Stock keeping units ('SKUs'). These by-products serve as key raw materials for industries like Cement, Chemical, Construction, Infrastructure, and Thermal Power plants.

Year in review

- › FY2025-26, the division handled ~18 MT of by-products across locations. Through a focus on value creation initiatives, the division witnessed a ~10% y-o-y business growth. In line with the decarbonisation initiative of the organisation, the division supplied ~1.9 MT of scrap to Steel Melt Shops at TSJ, TSK, TSM and TSGh. The best-ever internal scrap supply of ~1.6 MT was achieved by strengthening the supply chain and developing storage capacity, resulting in reduction in external scrap procurement.
- › The division focused on value addition in Prime 2 (Flat Products Seconds), the current year focused on ramp-up through the development of processing capacity in Cut-to-Length across multiple locations and the establishment of a supply chain to reach a larger customer base along with Test Certificate based sales. The division achieved its best-ever sales of 389 KT in the current year. (Previous best was 351 KT in FY2024-25).
- › ACBF (Air Cooled blast furnace slag) crushing and screening facility commenced at TSJ to enable the supply of finished product in road and cement making application as value addition in initiative in By-products.
- › Tata Dureco (Ground Granulated Blast Furnace Slag - GGBS), a downstream value-added product, recorded ~50% growth in sales with robust construction demand in FY2025-26. GGBS, a green product for

construction applications is extensively utilised in national infrastructure projects, including the Sualkuchi-Palashbari Bridge over the Brahmaputra River in Assam, the Manihari-Sahibganj Bridge over the Ganga River, and various other landmark projects across region.

- › The sales of Tata Aggreto and Tata Nirman from both TSJ & TSK saw further growth. These products have been extensively used in National Highways and PMGSY (Pradhan Mantri Gram Sadak Yojana) projects in Jharkhand and Odisha.
- › The division ventured into a new market for Blast Furnace Slag, executing shipments via the coastal route to Southern India for the first time and achieved milestone of 3.85 lakh tonnes sales.
- › Strategic collaboration with cement manufacturers for the utilisation of various by-products like dolochar and hazardous waste in the cement production process, aligning with the Company's zero waste to landfill goal.

Recognition:

- › Tata Steel was honoured with the ACE Award 2025 in the 'Large Enterprise' category by the International Council for Circular Economy. The recognition highlights the circular innovations driven by IBMD, with flagship sustainable products like Tata Aggreto, Tata Nirman and Tata Dureco exemplifying by-product reuse in national infrastructure development.
- › Tata Dureco declared Winner at the RASTHA Awards for being the Most Innovative Material, reaffirming our commitment to developing sustainable product offerings for infrastructure and nation-building projects.
- › Great Indian Net Zero Pathfinder award by Transformance at the 2nd ESG & Cleantech Summit & Awards 2025.
- › Prestigious Brands of India award by Herald Global for Tata Dureco, recognising its contribution to national infrastructure.
- › Best Environmental Responsibility Initiatives award by World CSR & Sustainability at the 12th National Awards for Excellence in CSR & Sustainability.

f) Ferro Alloys and Minerals Division

The Company's Ferro Alloys and Minerals Division ('FAMD') is one of India's leading producers of Ferro

Chrome and Manganese Alloys, supported by an integrated network of production facilities across three states and a strong global customer base.

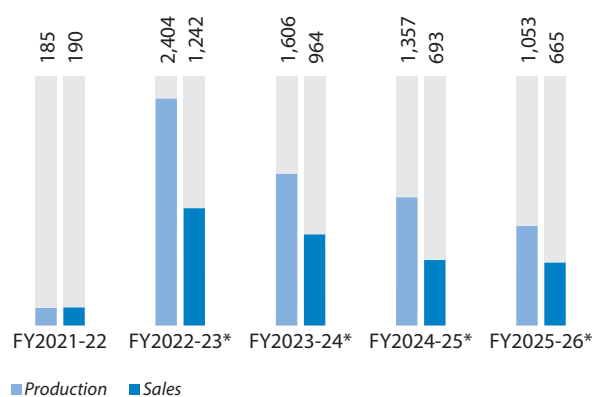
FAMD operates captive Ferro Chrome plants at Athagarh, Bamnipal, and Gopalpur, along with Manganese Alloy plants at Joda and Balasore. In addition, it partners with Ferro Processing Centres ('FPCs') through business collaboration agreements to produce both Chrome and Manganese alloys. FAP, Jajpur was divested to Indian Metals and Ferro Alloys Limited through Asset Transfer Agreement and the process of transfer was completed on February 27, 2026.

The division manages three chromite mines—Saruabil, Kamarda and Sukinda—and four manganese mines—Joda West, Bamebari, Tiringpahar, and Khondbond. At present, FAMD has submitted applications to the Government of Odisha seeking the surrender of its Sukinda Chromite Mines and Kamarda Chromite Mines.

The production and sales performance is as below:

Production and Sales of FAMD

(k tonnes)



*Production and sales from FY2022-23 onwards include Tata Steel Mining Limited post-merger.

During FY2025-26, the FAMD focused on developing the Value-Added Ferro Chrome market across both domestic and export segments. The division continued to scale up the sales of value-added ferrochrome products to improve margins and realisations. FAMD also supplies Silico Manganese and Ferro Manganese alloys to Tata Steel for internal consumption as well as sells surplus Low grade Manganese ore in the domestic market. The overall production and deliveries was lower primarily on account of reduced operations at mines and planned shutdown at one of the plants.

Year in review

- › FAMD obtained Stage-II forest clearance for the remaining 80.826 hectares of forest land at the Tiringpahar Iron and Manganese Mine.
- › FAMD completed its 5th year MDPA compliance for Saruabil and Kamarda chromite mines.
- › FAMD successfully executed its first multimodal, containerised rake movement of ferrochrome for domestic customers in collaboration with TSK, aimed at freight optimisation and promoting greener logistic.
- › Aligned with our Value Added Product (VAP) growth strategy, FY2025-26 VAP volumes increased ~18% Y-o-Y to 40 KT (~20% of total sales vs. 12% in FY2024-25).
- › Commissioning of Sand Jig plant of 10 TPH at FAP Gopalpur to recover metal from hatch fines and commissioning of Dry Density separator for metal recovery at FAP Joda.
- › FAMD executed Tata Steel's first-ever sustainable disposal of obsolete vehicles by scrapping 75 vehicles through a Registered Vehicle Scrapping Facility ('RVSF') under Tata Motors' Re.Wi.Re program. This initiative generated revenue through an eco friendly process and also resulted in obtaining of Certificates of Deposit, which can be utilised for discounts and motor vehicle tax savings on new vehicle purchases by Tata Steel.

Recognition:

- › FAMD has won the 'Best Integrated Water Management Project' category in the Water Digest World Water Awards 2024-25.
- › FAMD's Saruabil Chromite Mine and Ferro Alloys Plant Athagarh have been conferred with the Kalinga Environment Excellence Award 2024 organised by Institute of Quality and Environment Management Services (IQEMS).
- › Saruabil Chromite Mine bagged 3rd prize in A-5 category and Bamebari Iron & Mn Mines bagged 2nd prize in A-4 category at the 42nd Metalliferous Mines Safety Week 2024.
- › Joda West Iron & Manganese Mines bagged the State Level and Regional Level Winner Awards in the Mining category at the CII SHE Excellence Award.
- › FAP Gopalpur was conferred the State Level Winner Award and Regional Level 1st Runner Up Award in the Large-Scale Manufacturing category at the CII SHE Excellence Award.
- › Manganese Group of Mines won the FICCI Gold award for Excellence in Safety Systems.

- › Saruabil Mine received the 'Kalinga National Safety Excellence award in the Platinum Category' at National Safety Conclave-2025.
- › FAP Balasore has won its first Kalinga safety award in Gold category.
- › Manganese Group of Mines has bagged 6 prizes including one overall First Prize to Joda West Mn. Mines in Mine Environment & Mineral Conservation Week Celebration 2025-26 under the aegis of IBM, Bhubaneswar Region and Saruabil and Kamarda received one each.
- › FAMD won 22 awards at the 43rd Annual Metalliferous Mines Safety Fortnight Observance, held under the aegis of the Directorate General of Mines Safety ('DGMS'), Bhubaneswar Region-1 and 2.

g) Bearings Division

Our Bearings Division is one of India's quality Bearing manufacturers, having its manufacturing facility located at Kharagpur, West Bengal with an annual production capacity of ~ 40 million numbers bearings. The division is foremost in the manufacturing of a wide variety of Bearings, and the product range includes Ball Bearings, Taper Roller Bearings and Magneto Bearings. The division is the first Bearings manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.

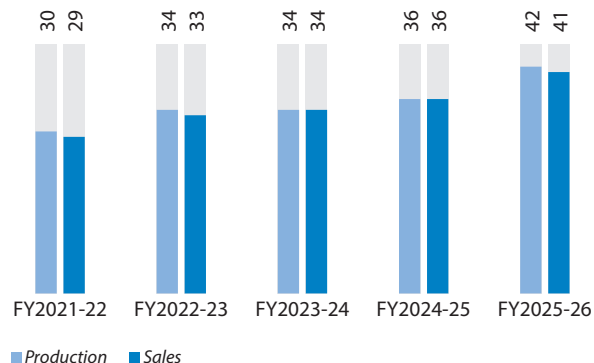
This Division primarily caters to the Automotive and Tractor industries, which together constitute the majority of its sales volume and revenue. The two-wheeler ('2W') industry recorded a strong production growth of 12%, increasing from 23.88 million units in FY2024-25 to 26.66 million units in FY2025-26. FY2025-26 saw revival of segments of Scooter and Premium Motorcycle, which together registered a combined year-on-year growth of 11%. With this performance, 2W production in FY2025-26 surpassed the industry's previous peak achieved in FY2017-18.

Tractor production in India witnessed a strong growth of 23%, rising from 10.07 lakh units in FY2024-25 to 12.43 lakh units in FY2025-26, which is the best industry performance till date. Supported by a favourable monsoon and positive rural sentiment, the tractor industry remains on a strong growth trajectory.

The GST reforms introduced by the Government of India have had a significant impact on industry demand patterns, particularly in the post-festive season. As a result, a majority of original equipment manufacturers ('OEMs') ramped up their production plans in the second half of the FY2025-26.

The production and sales performance is as below:

Production and Sales of Bearing division (k tonnes)



During the year under review, the division produced ~42 million numbers and achieved deliveries of ~41 million numbers, marking an increase of ~5 million over FY2024-25. The division focused on enhancing productivity and boosting retail sales while maintaining tight control over costs.

Year in review

- › The Bearings Division achieved its all-time best sales volume of 41 million numbers in FY2025-26.
- › The Bearings Division has developed and commercialised new products for Electric Vehicles, Commercial Vehicles and Aftermarket space.
- › The Bearings Division aims to sustain its market positioning with respect to share of business with key OEMs, while also focusing on FY2026-27 as a pivotal year to revitalise and strengthen its channel positioning.
- › Division continued its innovative skill transition program, 'Kriyaveer', a specially curated skill development initiative designed to elevate the technical and operational capabilities of our shop floor workforce by leveraging the deep experience of our retired employees, who serve as expert trainers known as Dronacharya.

b) Marketing and Sales

FY2025-26 marked a year of structural strengthening and disciplined growth for the Company's Marketing & Sales function. Against a backdrop of steady domestic demand and global economic turmoil, Tata Steel delivered total sales of 22.53 MT, a growth of ~8% over FY2024-25, making FY2025-26 the highest-ever year for domestic sales volumes.

This performance was an outcome of value maximisation, driven by downstream capability expansion, brand-led retail penetration, and deeper participation in national infrastructure and industrial growth. Domestic deliveries including transfers increased to 20.49 MT, while exports rose sharply to 2.04 MT, reflecting improved market access and competitiveness while reinforcing Tata Steel's leadership across diversified end-use segments.

	(mn tonnes)	
	FY2025-26	FY2024-25
Automotive & Special products	3.40	3.11
Branded Products, Retail & Solutions	7.31	6.98
Industrial Products & Projects	7.21	7.25
Domestic	17.92	17.34
Exports	2.04	1.22
Domestic + Exports	19.96	18.56
Transfers (Tinplate*, Wires, Tubes, IBMD, Agrico)	2.57	2.38
Total Deliveries	22.53	20.94

* Tinplate sales volume has been included in Transfers instead of IPP in FY2025-26.

Automotive and Special Products (19% of Domestic sales) : Localising and Strengthening India's Automotive Backbone

In FY2025-26, India's automotive sector sustained its growth momentum supported by favourable policy frameworks, improving rural demand and rising export momentum. Passenger Vehicles grew by 9% Y-o-Y, while Commercial Vehicles expanded 10% Y-o-Y, driven by fleet replacement and robust demand from infrastructure, mining and construction activities. Within this evolving industry landscape, Tata Steel strengthened its leadership position in the automotive segment, delivering 3.39 MT during the year (9% Y-o-Y growth) which reflected a clear alignment between market demand, rapidly expanding customer requirements, and the growing contribution of its Downstream capabilities.

A defining milestone was the scale-up and stabilisation of the Continuous Annealing Line ('CAL') and Continuous Galvanising Line ('CGL') at Kalinganagar and Gamharia. These assets significantly enhanced Tata Steel's ability to localise high-value automotive steels, reduce import dependence, and deliver consistent quality and application-specific solutions across vehicle platforms.

The downstream ecosystem enabled accelerated new product development in Advanced High Strength Steels ('AHSS') and Ultra High Strength Steels ('UHSS'), enabling stronger participation in new model introductions across both Passenger and Commercial Vehicle segments. During the year, CAL secured 17 OEM approvals, including outer panel grades for newly launched Utility Vehicle and high strength structural AHSS and UHSS grades for multiple Passenger Vehicle platforms. CGL achieved 9 OEM approvals, covering

wide-width outer panel grades for Commercial Vehicles and high-strength structural grades for Passenger Vehicles.

During the year, Tata Steel also commenced commercial supplies of Hot Rolled AHSS, enabling OEMs to progress their lightweighting initiatives while maintaining structural integrity and cost competitiveness.

Complementing flat products, the Combi Mill at Gamharia strengthened Tata Steel's presence in high performance automotive applications that demand precision tolerances and mechanical reliability. During the year, the facility supplied high end speciality steels for Passenger Vehicles, two wheelers and bearing applications, reinforcing relationships with customers embedded in the engineering and component ecosystem.

As part of its digitisation drive, Tata Steel has implemented a real time customer support experience for automotive customers using a mixed reality solution. This allows Tata Steel experts to remotely support customers, review issues in 3D, and collaboratively develop solutions within the customer's production environment, resulting in quicker problem resolution.

Beyond products, Tata Steel continued to invest in relationship capital, expanding service centre coverage, deepening Early Vendor Involvement, and collaborating through Value Analysis-Value Engineering models. Multiple Supplier Excellence awards reaffirmed the Company's ability to convert innovation and partnership into sustained value for customers and stakeholders.

The Company's outstanding achievements have been recognised through an array of prestigious awards, including Value Excellence award from multiple customers, an Overall Performance Award for dedication and commitment to excellence, and a Supplier Excellence Award, amongst others. Additionally, the Company has celebrated joint milestone achievements with key OEMs, reinforcing its longstanding relationships and superior performance in the automotive sphere.

Branded Products and Retail (41% of Domestic sales): Scaling Reach & Deepening trust

FY2025-26 was a landmark year for the Branded Products and Retail ('BPR') business, which now contributes 41% of domestic sales. The portfolio delivered record sales of 7.31 MT, reflecting a 5% Y-o-Y growth, anchored by brand strength, strategic capacity expansion, product innovation, enhanced customer engagement and digital transformation. A strategic milestone during the year was the inauguration of the Electric Arc Furnace ('EAF') at Ludhiana, Punjab, India adding 0.75 MTPA of low emission steelmaking capacity. This development underscores

Tata Steel's commitment to sustainable growth and its transition toward greener steel manufacturing technologies.

Branded Flat Products reached an all-time high of 4.89 MT, growing 7% Y-o-Y. The commissioning of the CAL at Kalinganagar enabled Tata Steelium to surpass 1 MT in annual sales for the first time since its launch in 2003. The introduction of branded Zero Spangle Galvanised Steel from the new CGL further strengthened the value proposition. Retail engagement deepened considerably through focused rural outreach and channel engagement efforts, strengthening connections across farming communities, dealers, and fabricators, and reinforcing brand affinity and partner motivation nationwide.

Tata Tiscon recorded its highest-ever retail sales at 2.42 MT, supported by continued expansion of its distribution footprint and deepened market penetration, reinforcing its strong nationwide presence. The Urja dealer finance program sustained its upward trajectory and continued to scale as a strategic enabler to improve capital efficiency and support sustained growth across the distribution ecosystem.

Product innovation continued to remain a defining theme with the launch of Tata Tiscon SDCR (Super Ductile Corrosion Resistant), a corrosion-resistant rebar designed specifically for Individual Home Builders ('IHBs') in coastal districts, addressing critical durability challenges in high salinity environments. Tata Tiscon launched Easy EMI - first ever Consumer Finance Initiative in construction sector, designed for the underserved consumers. In FY2025-26, Tata Steel reached the milestone of extending loans to Individual Home Builders across territories, expanding affordability in retail steel consumption.

Digital transformation gathered momentum with the rollout of the Tisca Chatbot, enhancing lead management for 22,000+ influencers and dealers. The Consumer Champion programme was scaled across key markets, acting as a strategic lever to drive incremental demand and strengthen Tata Tiscon's overall sales performance, through proactive and personalised customer support. Meanwhile, the deployment of the Techlab mobile testing unit enhanced customer assurance by strengthening awareness on product selection and enabling transparent, on-site quality validation, thereby reinforcing trust and credibility at the consumer interface.

The brand celebrated its 25th anniversary and secured the Superbrand distinction for the eighth consecutive year, reinforcing its leadership position in the market. Skill development initiatives—including the Samarth program in collaboration with leading technical institutions, further strengthened stakeholder capabilities across the construction ecosystem.

In FY2025-26, Tata Steel acquired the residual stake in Tata BlueScope Steel, now renamed Tata Steel Colors Private Ltd.

(‘TSCPL’), which now operates as a subsidiary of the Company, strengthening its downstream value-added solutions portfolio. TSCPL achieved its highest-ever sales volume of 0.52 MT in FY2025-26, representing a robust growth of approximately 10% over the previous fiscal year. Integration has enabled innovation in roofing and wall cladding solutions, supporting key infrastructure projects across sectors.

Industrial Products, Projects and Exports (40% of domestic sales): Partnering India’s Infrastructure and Industrial Growth

The Industrial Products, Projects & Exports (‘IPPE’) business delivered 9.25 MT in FY2025-26, with a strategically balanced mix of domestic deliveries (7.21 MT) and exports (2.04 MT).

Tata Steel remained deeply embedded in India’s infrastructure transformation, supporting ~771 km of oil & gas pipelines, 56 million sq. ft. of PEB structures, 20,000 construction equipment units, and 5.9 GW of solar mounting structures. Plate-fabricated construction solutions scaled to serve 11+ major infrastructure projects, supported by an expanded network of fabrication centres at Faridabad, Purnia, and Nagpur, augmenting the existing Jamshedpur facility. These strengthened capacities improved responsiveness to demanding project requirements, reinforcing customer confidence and positioning the Company as a trusted partner for high-value infrastructure and industrial developments, such as data centres, airports and power plants.

Engineering segments achieved its highest-ever sales of 980 KT, driven by enriched product mix, strong customer engagement, new product introductions and new customer acquisitions across Railways, Construction & Projects, and PEB segments. Certifications from ABS (American Bureau of Shipping) and DNV (Det Norske Veritas) strengthened the shipbuilding portfolio, while exports to key Middle Eastern Oil & Gas projects expanded international presence.

Downstream flat products grew 9% Y-o-Y, supported by capacity expansion at TSK and strong demand in consuming segments for Cold Rolled, Galvanised, and Colour-coated products. Customer experience was further elevated through enhanced service capabilities and the commissioning of new high-end service centres for colour-coated steel.

Downstream long products recorded 7% Y-o-Y growth with 404 KT of sales. Flagship solutions continued to gain strong market traction, with Tiscon ReadyBuild achieving its highest-ever sales of 372 KT (3% Y-o-Y) and Sm@rtFAB growing 80% Y-o-Y to 32 KT, reflecting increasing preference for solution-led, execution-ready offerings.

Tata Steel further strengthened its downstream footprint by achieving a dominant share in critical infrastructure projects across domestic and international regions. This was anchored

by securing dominant share in high-value infrastructure projects such as Prayagraj Railway Station Redevelopment Project, Mumbai - Ahmedabad Bullet train project and Hanimaadhoo International Airport project in the Maldives.

Customer engagement was strengthened through targeted initiatives such as ‘Converse to Construct’, enabling closer collaboration with channel partners and end-users. The commissioning of a state-of-the-art Construction Service Centre in Guwahati further expanded last-mile delivery capabilities, taking Tata Steel’s Downstream network to across multiple centres, and supporting large-scale semiconductor, power, industrial, and public infrastructure projects.

Innovation and execution excellence remained at the forefront with the launch of the Mobile Bore Pile Cage in Guwahati. A significant milestone was achieved in bridge construction technology with the dispatch and successful installation of the first InQuik bridge components for the Varanasi–Ranchi–Kolkata Highway vehicular underpass—marking Tata Steel’s first proof-of-concept project and advancing the transition towards faster and more efficient infrastructure development.

Service & Solutions: Integrated Value Creation

The Services & Solutions business delivered a strong performance in FY2025-26, led by Nest-In’s exceptional growth and Tata Pravesh’s continued expansion of service excellence. Nest-In recorded over 98% Y-o-Y growth in its order book, driven by accelerated project execution, customer centric delivery models, and the adoption of advanced construction technologies.

A series of landmark projects underscored Nest-In’s execution strength. These included the completion of over 100 Anganwadi centres using Light Gauge Steel Frame (‘LGSF’) technology, enabling rapid, durable, and scalable construction for community infrastructure. A notable highlight was the fabrication of a Zero Energy Building (‘ZEB’)—a steel based prefabricated facility engineered to produce as much energy as it consumes. Completed in record time, the ZEB stands as a testament to Nest-In’s capability in delivering sustainable, future ready infrastructure characterised by a low carbon footprint, high durability, and modular design flexibility.

Tata Pravesh, the Company’s steel doors and windows solutions brand, further strengthened its market position, achieving an NPS of 82 in FY2025-26, up from 74 in FY2024-25. This improvement was enabled by the expansion of the ‘SmartCare’ Authorised Service Centre network across multiple locations, ensuring enhanced service coverage and faster response times. In addition, the brand introduced the SMART TRACK application for ten key accounts, designed to streamline project management and elevate the overall customer experience. By enabling execution partners and

installers to update real time project progress, the platform enhances transparency, operational discipline, and delivery efficiency across the value chain.

Digital Initiatives:

Digital transformation remained central to Tata Steel's customer centric strategy, with integrated platforms enhancing transparency, convenience, and service quality across the value chain.

Aashiyaana, India's leading home building content to commerce platform, strengthened its reach by serving 1.2 lakh homebuilders through dealers. New tools—including the Building Cost Estimator, Project Planner, Expense Diary, and an expanded design library empowered customers to plan their home building journey with greater precision. Enhanced digital touchpoints such as WhatsApp and chatbot support elevated user experience, reflected in an improved NPS of 81 (up from 78).

For institutional and SME customers, Tata Steel advanced its digital ecosystem through Compass, its real time supply chain visibility platform, onboarding key B2B customers. DigECA accelerated digital adoption among ECAs by offering end to end transparency, integrated financing, technical support, and real time order tracking, achieving ₹2,507 crore GMV with 4,500+ customers onboarded.

TSL Cares, Industry's first GenAI-enabled complaint management platform, achieved 90% digital adoption, setting new benchmarks in responsiveness and transparency. It has become the preferred customer interface, reinforcing Tata Steel's commitment to seamless, technology led service delivery.

c) Engineering & Projects

FY2025-26 has been a remarkable year for the Engineering & Projects ('E&P') Division, marked by the successful completion and approval of several critical, high-impact and strategically important projects across Tata Steel's locations. This year represented a major milestone for Tata Steel with the ramp-up of key facilities under the 5 MTPA Kalinganagar expansion project, the Company's largest project set up till date.

During FY2025-26, the division successfully achieved following milestones across various projects such as:

Raw Material & Others:

- › 60 rooms bachelor accommodation at West Bokaro (April 2025).
- › 4.6 MTPA Iron Ore Processing Plant at Joda (June 2025).
- › Noamundi Railway Station New Building (September 2025) and Line 6 at Noamundi Railway Station (December 2025)
- › Noamundi NOPR Colony Phase II – 288 flats (December 2025) (Total 576 flats in Phase I and Phase II constructed)

Tata Steel Jamshedpur:

- › Sub-lance System at Basic Oxygen Furnace ('BOF') 1&2
- › Cold Rolled Mill Pickling and Tandem Cold Mill upgrade
- › Sakchi New Sub-station
- › Captive Power Plant (Powerhouse 7) new substation
- › Various cranes replacement
- › HSM Furnace-2 skid system revamping (May 2025)
- › F7 mill stand at LD-3 TSCR (July 2025)
- › New Air Separation Unit (July 2025)
- › G-BF relining (August 2025)
- › 0.5 MTPA (bar & wire) Special Bar Quality Combi Mill (October 2025)

Tata Steel Kalinganagar:

- › Cold Rolled Downstream Slitter line (April 2025)
- › Coke Dry Quenching 2 (200 TPH) (April 2025)
- › Steel Melt Shop 3rd converter (April 2025)
- › Coke Oven Battery Plant Battery 3B (1.5 MTPA) (May 2025)
- › 0.47 MTPA Continuous Galvanising Line -1 (June 2025)
- › Reheating Furnace 4 at Hot Strip Mill (June 2025)
- › Blast Furnace#2- 36 MW Top Pressure Recovery Turbine (August 2025)
- › 3 MTPA Twin Slab Caster#3 (August 2025)
- › Air Separation Unit 2 at Plot-2 (August 2025)
- › Lime Calcining Plant 4 (August 2025)
- › Solar Plant, total 19.2 MW (August 2025)
- › Cold Rolled Downstream Wide Cut to Length (October 2025)
- › Coke Dry Quenching (CDQ) 3 (200 TPH) (December 2025)

Tata Steel Meramandali:

- › 220 KV Gas Insulated Switchgear Bay at Main Receiving Sub Station 2 at Meramandali;
- › Hot Strip Mill Furnace#2 Skid system Revamp at Meramandali (December 2025);
- › 390 Cu.Mtr./Hr. Zero Effluent Discharge at Meramandali (December 2025);
- › 7 nos. DE System commissioned at RMPP & RMHS at Meramandali.

Alongside delivering key projects, this year also witnessed final investment approvals for several high-priority projects across Tata Steel such as: New Coke Oven Battery 6A & 6B, Tinsplate 0.3 MTPA expansion, West Bokaro Sustenance project to unlock 8 MT of clean coal, 1st in the world commercialisation of 'EASyMelt' technology towards decarbonisation, 1st reline of 'H' Blast Furnace and Hot Rolled Pickling and Galvanising Line, Front End Load study approval for TSM Growth. TSL Board has also granted in-principle approval for NINL Mega Expansion project subject to the receipt of necessary regulatory approvals. This year, the Company also strengthened the institutionalisation of benchmarked Front-End Loading ('FEL') practices into its project development framework, ensuring enhanced rigor and readiness prior to Final Investment Decision.

VI. FINANCIAL PERFORMANCE

Standalone Performance

1. Tata Steel Limited

During the Financial Year 2025-26, the Company recorded a profit after tax of ₹16,065 crore (previous year ₹13,970 crore). The increase is primarily on account of higher operating profit due to higher sales volume and lower raw material costs due to decrease in prices mainly of coking coal and cost transformation savings initiatives undertaken during the year. The increase in operating profits were partly offset by higher Finance cost due to higher debt in the standalone balance sheet while part of the debt in subsidiaries was repaid. Depreciation and amortisation charge increased due to additional capitalisation of facilities during the year. The basic and diluted earnings for the FY2025-26 were at ₹12.87 per share (previous year: basic and diluted: ₹11.19 per share).

The analysis of major items of the financial statements is given below:

a) Revenue from operations

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Sale of products	1,36,445	1,29,304	6
Sale of power and water	1,518	1,562	(3)
Other operating revenue	1,757	1,651	6
Total revenue from operations	1,39,720	1,32,517	5

During the year under review, sale of products was higher by ~6% as compared to the previous year, primarily due to higher steel deliveries by 1.58 MT owing to higher production partly offset by slightly lower average realisation compared to last year. Sale of power and water decreased in line with decrease in demand. Other operating revenue increased by ~6% compared to previous year.

b) Purchases of stock-in-trade

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Purchases of stock-in-trade	5,076	9,826	(48)

During the year under review, Purchases of stock-in-trade was lower as compared to the previous financial year primarily due to lower purchase value of traded rebars from group companies (NINL and TSTH).

c) Cost of materials consumed

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Cost of materials consumed	47,979	44,089	9

During the year under review, cost of materials consumed increased primarily due to increase in production. This is partly offset by decline in imported coking coal prices despite higher quantity.

d) Employee benefits expense

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Employee Benefits Expense	7,756	8,010	(3)

During the year under review, the employee benefits expense decreased primarily due to reduction in employees count and actuarial gain partly offset by salary revisions and its consequential impact on retirement provisions.

e) Depreciation and amortisation expense

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Depreciation and amortisation expense	7,069	6,253	13

The depreciation charge during the year is higher as compared to the previous year due capitalisation of major facilities for Tata Steel Kalinganagar phase-II expansion.

f) Other expenses

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Other expenses	46,803	42,396	10

Other expenditure represents the following expenditure:

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Consumption of stores and spares	6,062	6,477	(6)
Repairs and maintenance	5,135	5,858	(12)
Relining expenses	178	204	(13)
Power, fuel and gases	7,527	7,111	6
Conversion charges	2,440	2,410	1
Freight and handling charges	7,739	7,702	0
Rent and hire charges	526	463	14
Mining premium and Royalties	5,449	5,137	6
Rates and taxes	3,099	1,884	64
Insurance charges	210	229	(8)
Commission, discounts and rebates	290	339	(14)
Allowance for credit losses/ provision for advances	18	(5)	436
Other expenses	8,481	5,361	58
Less :-Expenditure (other than interest) transferred to capital & other accounts	(351)	(774)	(55)
Total Other expenses	46,803	42,396	10

Other expenses were higher as compared to the previous financial year primarily due to increase in other expenses on account of write back of liabilities no longer required in FY2024-25, decrease in foreign currency exchange gain. Increase in rates and taxes due to increase in Jharkhand Mineral Bearing Land Cess in FY2025-26 and reversal of old liability for water charges during FY2024-25. Increase in Royalty charges mainly due to increase in quantity and rate. Moreover, there was decrease in repair and maintenance cost mainly on account of major planned shutdowns in FY2024-25 which was not in FY2025-26.

g) Finance costs and net finance costs

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Finance costs	5,117	4,238	21
Net Finance costs	3,515	2,343	50

During the year under review, finance costs increased primarily on account of higher interest on Debentures owing to fresh draws towards end of FY2024-25 along with higher interest on term loans owing to fresh utilisation during the year. Higher interest on commercial papers attributable to higher balances during the year. The increases were partly offset by lower interest on other loans on account of lower bank discounting charges.

Net finance charges were higher in line with higher finance cost and lower interest income.

h) Exceptional items

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Exceptional items	(1,099)	(902)	N.A.

The details of exceptional items for the current year and previous year are as follows:

- › Provision for Impairment of non-current assets ₹120 crore on partially retained assets as part of sale of Jajpur Ferro Chrome Plant. (previous year: Nil)
- › Provision for Impairment of loan/investments/interest receivable - ₹828 crore (previous year: ₹75 crore).
- › Restructuring and other provisions – ₹109 crore (previous year: Nil).
- › Contribution to Electoral Trust Nil (previous year: ₹173 crore).
- › Statutory Impact of New Labour Code amounting to ₹73 crore (previous year: Nil)
- › Provision for Employee Separation scheme ('ESS') under Sunehere Bhavishya Ki Yojana ('SBKY') scheme and other schemes amounting to ₹317 crore (previous year: ₹671 crore).
- › Profit on sale of non current assets ₹322 crore on Jajpur Ferro Chrome Plant (previous year: Nil)
- › Fair valuation gain on investments classified as fair value through profit and loss (net) amounting to ₹26 crore (previous year: gain of ₹17 crore).

i) Property, plant and equipment ('PPE') including intangibles and right of use assets

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Goodwill	13	13	-
Property, Plant and Equipment	1,09,060	93,204	17
Capital work-in-progress	19,220	34,189	(44)
Intangible assets	843	920	(8)
Intangible assets under development	795	671	18
Right of use Assets	5,976	5,343	12
Total PPE including intangibles & right of use assets	1,35,907	1,34,340	1

The movement in total PPE including intangible is higher primarily on account of capitalisation of major facilities for Tata Steel Kalinganagar and mines, which was offset by depreciation and amortisation charge during the year.

j) Investments

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Investment in Subsidiary, JVs and Associates	85,307	64,214	33
Investments - Non current	9,222	8,485	9
Investments - Current	0	0	(12)
Total Investments	94,529	72,699	30

The increase in investments was predominantly on account of fresh investment made during the year in T Steel Holdings Pte. Ltd., Tata Steel Colors Private Ltd. and Thriveni Pellets Private Limited. Increase in non-current investments is mainly due to interest accrued on preference shares of Neelachal Ispat Nigam Limited, partly offset by decrease in the market value of quoted investments.

k) Inventories

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Finished and semi-finished goods including stock in trade	8,243	7,878	5
Work-in-progress	0	0	N.A.
Raw materials	10,329	10,385	(1)
Stores and spares	4,487	4,671	(4)
Total Inventories	23,059	22,934	1

Finished and semi-finished inventory increased as compared to previous year mainly due to increase in scrap inventory and semi finished inventory. Finished goods inventory is at par with previous year.

Raw materials have decreased over previous year due to decrease in inventory of chrome ore, imported coking coal inventory partly offset by increase in Iron ore inventory.

Stores and spares inventory decreased over the previous year as a result of structured drive to reduce inventory.

l) Trade receivables

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Gross trade receivables	1,861	1,796	4
Less: allowance for credit losses	229	230	(1)
Net trade receivables	1,632	1,566	4

Trade receivables increased marginally as compared to that of the previous year inline with increase in sales.

m) Gross debt and Net debt

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Gross debt	69,049	63,223	9
Less: Cash and Bank balances (incl. Non-current balances)	3,299	4,250	(22)
Less: Current investments	0	0	(12)
Less: Foreign currency hedges against borrowings	664	149	343
Net Debt	65,086	58,824	11

Gross and Net debt was higher due to utilisation of various term loans and debentures during the year for funding capital expansion projects and investments, along with net borrowings of short-term loans during the year.

n) Cash Flows

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Net Cash from/(used in) operating activities	31,961	23,506	36
Net Cash from/(used in) investing activities	(25,663)	(34,232)	25
Net Cash from/(used in) financing activities	(6,497)	9,281	(170)
Net increase/(decrease) in cash and cash equivalents	(199)	(1,445)	86

Net cash flow from/(used in) operating activities

During the year under review, the net cash generated from operating activities was ₹31,961 crore as compared to ₹23,506 crore during the previous year. The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹32,458 crore as compared to inflow of ₹25,681 crore during the previous year due to increase in operating profits. Cash inflow from working capital changes in FY2025-26 is mainly due to increase in financial liabilities / provisions ₹4,564 crore partly offset by increase in current/non-current financial assets by ₹606 crore and increase in inventory by ₹225 crore. The income taxes paid (net of refund for earlier years) during the current year was ₹4,230 crore as compared to ₹2,688 crore during previous financial year.

Net cash flow from/(used in) investing activities

During the year under review, the net cash outflow from investing activities amounted to ₹25,663 crore as compared to ₹34,232 crore during the previous year. The outflow during the current year broadly represents purchase of investments in subsidiaries ₹24,166 crore and capex of ₹8,814 crore. Further cash inflow during the year represents repayment of loans given amounting to ₹5,116 crore, sale of capital assets ₹1,186 crore, dividend income received ₹567 crore and interest received ₹467 crore.

Net cash flow from/(used in) financing activities

During the year under review, the net cash outflow from financing activities was ₹6,497 crore as compared to an inflow of ₹9,281 crore during the previous year. The outflow during the current year broadly represents repayment of long-term borrowings ₹9,385 crore, interest paid ₹6,067 crore, dividend paid ₹4,494 crore. The outflow was partly offset by proceeds from long-term borrowings ₹8,245 crore and net proceeds from short-term borrowings ₹5,338 crore.

o) Changes in Key Financial Ratios

The change in the key financial ratios as compared to previous year is stated below:

	FY2025-26	FY2024-25	Change (%)
Inventory Turnover (days)	62	67	(7)
Debtors Turnover (days)	4	4	0
Current Ratio (Times)	0.58	0.69	(16)
Interest Coverage Ratio (Times)	8.08	9.94	(19)
Debt Equity (Times)	0.53	0.47	11
Net Debt Equity (Times)	0.50	0.44	13
EBITDA Margin (%)	23.64	21.29	11
Net Profit Margin (%)	11.50	10.54	9
Return on average Equity (%)	12.25	10.43	17

2. Neelachal Ispat Nigam Limited ('NINL')

Neelachal Ispat Nigam Limited, located at the Kalinganagar Industrial Complex in Odisha, continued to strengthen operational stability and performance improvement during FY2025-26. As an important part of Tata Steel's long-products ecosystem, NINL contributes to the Group's downstream value creation while leveraging captive iron ore resources to support long-term raw material security. During the year, NINL delivered strong improvements across safety, operational excellence, sustainability and financial performance, reinforcing its commitment to responsible growth and operational efficiency.

The turnover and profit/(loss) of NINL for FY2025-26 are as follows:

	(₹ crore)	
	FY2025-26	FY2024-25
Turnover	5,282	5,701
EBITDA	1,236	1,067
Profit before tax (PBT), before exceptional	184	(13)
Profit before tax (PBT)	66	(14)
Profit after tax (PAT), before exceptional	185	(166)
Profit after tax (PAT)	68	(167)

The production and sales performance of NINL is given below:

	(mn tonnes)		
	FY2025-26	FY2024-25	Change (%)
Crude Steel	0.95	0.95	0
Saleable Steel	0.91	0.90	0
Sales	0.91	0.90	0

During FY2025-26, NINL produced 955 KT of crude steel (FY2024-25: 953 KT) and 908 KT of rebars (FY2024-25: 904 KT). Steel deliveries were 907 KT (FY2024-25: 903 KT) due to stable operations during the current year.

Turnover decreased over FY2024-25 by ₹419 crore primarily due to lower net realisation of steel and decrease in coke sales during the year. EBITDA improved significantly by ₹169 crore mainly due to decline in input costs. The profit after tax of FY2025-26 at ₹68 crore against a loss of ₹167 crore in FY2024-25 is primarily due to better operational performance during the year.

Year under Review

FY2025-26 witnessed several operational milestones reflecting improved plant stabilisation and process optimisation. Operational performance was achieved

despite challenges such as Blast Furnace outage and heavy rainfall affecting mining and logistics activities during parts of the year.

- › Steel Melting Shop achieved best ever annual crude steel production of 955 KT against the previous best of 953 KT in FY2024-25.
- › Sinter Plant achieved best ever annual net sinter production of 1.34 MT against the previous best of 1.32 MT in FY2024-25.
- › The plant achieved lowest-ever internal rejection of 0.12%, reflecting improved process control and quality management practices.
- › Achieved lowest ever annual PHCC Coal percentage use in Coal blend i.e. 26% in FY2025-26 against the previous best of 38% in FY2024-25 resulting in a significant reduction in coke cost.
- › Key reductions in raw material consumption were also achieved, including lowest lime consumption of 73.1 kg/tcs and lowest ferro-alloy consumption of 23.87 kg/tcs.
- › Operational reliability was further strengthened with a record BOF vessel life of 8,023 heats, significantly higher than the previous benchmark of 6,153 heats.
- › Process innovations implemented during the year included the Fly Tundish concept in billet casting, which improved casting sequence length and productivity.

Strategy:

NINL will play a critical role in Tata Steel's long product growth aspirations as it gets transformed into a state-of-the-art long products complex.

NINL has captive mine to meet the Group's Iron ore requirements.

Safety and Sustainability:

- › NINL was honoured with the 'Ispat Suraksha Puraskar' by the Joint Council on Safety, Health & Environment in the Steel Industry ('JCSSI') for achieving Zero Fatal Accident performance in an Integrated Steel Plant for calendar years 2023 and 2024. This recognition highlights the organisation's strong safety culture and alignment with Tata Steel's goal of eliminating workplace injuries.
- › NINL Mine has bagged 1st Prize in Overall Performance & four prizes in different categories in B3 group of

mines at the 43rd Annual Mines Safety Fortnight observance 2025.

- › A Mini Safety Leadership Development Centre (Mini SLDC) with the objective of strengthening and promoting in house training of workforce was established at the Mines.
- › During the year, the Know your threat programme was introduced to strengthen hazard identification and risk awareness. Around 700 employees and contractor workforce participated in the initiative.
- › To improve workforce engagement and welfare, NINL launched 'Shram Sampark', a grievance redressal platform for contract workers, aimed at addressing workplace concerns and strengthening trust across the extended workforce.
- › Health and wellness initiatives included blood donation camps, collecting 112 units of blood, and health and eye check-up camps covering more than 240 drivers and vendor employees.
- › During the year, the plant received Environmental Clearance ('EC') and Consent to Establish ('CTE') for 6.2 MTPA capacity, an important milestone supporting long-term expansion plans.
- › Plant received enhanced Consent to Operate ('CTO') of 1.16 MTPA Production for FY2026-27 against the last CTO of 0.981 MTPA production.
- › NINL Mine has successfully secured approval for the renewal of its Mining Plan for 2026–31 from the Indian Bureau of Mines, Bhubaneswar marking an important regulatory milestone.
- › NINL achieved 100% utilisation of Process Solid Waste, including Blast Furnace and LD slag, supporting circular economy principles and reducing environmental impact.
- › Extensive plantation initiatives were undertaken to enhance the green cover. Under the 'Ek Ped Maa Ke Naam 2.0' campaign, more than 6,000 saplings were planted across plant and mining areas. In addition, three-tier plantation along transportation and dispatch routes was initiated to control fugitive emissions and improve environmental conditions.
- › NINL Mine bagged 2nd Prize on May 25, 2025 in Environmental Monitoring on the eve of 26th Mines Environment and Mineral Conservation ('MEMC') Week Celebration organised by Indian Bureau of Mines ('IBM'), Bhubaneswar.

- › FY2025-26 performance reflects continued focus on sustainability, achieving reductions in specific fresh-water consumption and stack emissions, and full solid waste utilisation, while CO₂ emissions intensity witnessed a marginal increase and remains an area of focused improvement.

3. Tata Steel Downstream Products Limited ('TSDPL')

TSDPL is a leader in the Flat Products Steel Service Centre business & acts as a bridge between steel producers and end-customers. It is in the business of processing Steel coupled with services like Just-in-time delivery, small lot supplies, inventory management, credit facilities, inspection, packaging and distribution.

The turnover and profit/(loss) figures for the Financial Year 2025-26 are as follows:

	(₹ crore)	
	FY2025-26	FY2024-25
Turnover	8,134	7,374
EBITDA	425	348
Profit before tax (PBT)	(22)	255
Profit after tax (PAT)	(57)	215

Turnover increased over FY2024-25 by ₹760 crore primarily due to higher deliveries on account of higher demand during the year. EBITDA has increased by 22% compared to last year mainly due to improved deliveries. The loss after tax of FY2025-26 at ₹57 crore compared to profit after tax ₹215 crore was lower due to higher exceptional charge due to non-cash provision for impairment of investment in 50% equity shares of Tata Steel Colors Private Ltd. This impact was reversed in Tata Steel Consolidated accounts.

Against the backdrop of a dynamic macroeconomic environment, fluctuating steel demand, and cost pressures, TSDPL remained focused on strengthening its downstream leadership position. By prioritising value-added offerings, deepening customer engagement, and driving operational efficiencies, TSDPL continued to reinforce its role as a key enabler in the value chain of Tata Steel. The year was marked by disciplined execution, digital acceleration, and a continued emphasis on sustainability and people-centric growth which helped TSDPL achieve both its highest ever despatches as well as highest-ever EBITDA levels. TSDPL's performance for FY2025-26 can be summarised under its 6 strategic priority framework.

Safety & Sustainability: FY2025-26 witnessed intensified efforts towards achieving a zero-harm workplace through robust behavioural safety programmes, contractor safety management and enhanced mechanisation controls to improve material handling. Regular training, and leadership line-walks strengthened awareness and accountability at all levels. On the sustainability front, TSDPL focused on various initiatives w.r.t increased usage of renewable energy, recycling of consumables and circular economy practices.

Customer: Strong emphasis was placed on reliable, consistent and faster deliveries as well as resolution to customer complaints. TSDPL strengthened relationships with key accounts through engagement initiatives such as Elevate and Milaap, technical support, and solution-driven approaches. Additionally, digital platforms were leveraged to improve order visibility, communication, and customer feedback mechanisms, thereby improving overall satisfaction and loyalty.

Growth: TSDPL added ~1.3 MT processing Capacity through its new Steel Service Centres ('SSCs') at Sanand and Kalinganagar. These new SSCs have state-of-the-art facilities capable of processing hi-tensile steel. TSDPL also installed new processing lines within its existing SSCs at Jamshedpur and Ranjangaon.

Operational Excellence: TSDPL continued to grow sales (~10%) across sectors such as automotive, appliances, construction, and infrastructure which resulted in a strong performance in FY2025-26. Continuous improvement initiatives on enhancing productivity, yield and horizontal deployment of TQM principles under Company's flagship 'Lakshya' program delivered highest-ever EBITDA savings for TSDPL. Efforts were also made to strengthen supply chain synergies with TSL. Better Credit Risk Management, customer-financing initiatives and inventory management contributed to improved operational stability.

Digital & Innovation: TSDPL implemented Enterprise-level Projects such as Connected Operations Platform (CoP) to capture real time production data to drive productivity, quality, predictive maintenance and enhancing overall plant performance. TSDPL leveraged robotics, automation and digital tools to improve operational efficiency, quality control, and decision-making. Cybersecurity coupled with strong IT infrastructure continued to remain a strong focus area to enable TSDPL to stay agile and competitive in an evolving industry landscape.

People: FY2025-26 witnessed structured initiatives aimed at enhancing employee capabilities through training, upskilling, and leadership development programmes. TSDPL fostered an inclusive and performance-driven culture, encouraging collaboration, innovation, and accountability. Employee engagement initiatives, recognition programmes, and well-being measures contributed to higher morale and productivity. Focus on safety, diversity, and work-life balance strengthened the organisation's ability to attract and retain talent.

4. Tata Steel UK Operations ("TSUK")

The turnover and profit/(loss) figures of TSUK are given below:

	(₹ crore)	
	FY2025-26	FY2024-25
Turnover	23,333	24,990
EBITDA	(2,569)	(4,134)
Profit before tax (PBT), before exceptional	(3,586)	(5,548)
Profit before tax (PBT)	(3,678)	(5,591)
Profit after tax (PAT), before exceptional	(3,314)	(5,143)
Profit after tax (PAT)	(3,405)	(5,186)

The production and sales performance of TSUK (continuing operations) is given below:

	(mn tonnes)		
	FY2025-26	FY2024-25	Change (%)
Liquid Steel Production	0.00	1.07	(100)
Deliveries	2.21	2.51	(12)

Liquid steel production at the Port Talbot Steel Works, Wales, during FY2025-26 was nil, compared to 1.07 MT produced in the first half of the previous year prior to the complete closure of the primary steelmaking facilities. The Port Talbot Steel Works ceased operation of its two blast furnaces and ancillary steelmaking assets in FY2024-25 as part of the planned transition to a ~3 MTPA Electric Arc Furnace (EAF) steelmaking route. Through this transition period, TSUK has continued to work closely with its global supply chain partners to ensure uninterrupted production of high quality differentiated strip steel for construction, automotive, packaging and engineering customers.

Following the agreement with the UK Government on support for the funding of the EAF and the receipt of full planning approval, the UK business has progressed preparations for the installation of the EAF, which is expected to reduce direct CO₂ emissions by 50 MT over the next decade. To secure stable operations during the

interim phase, TSUK maintained contracts for the supply of coil and slab from the wider Tata Group and trusted international mills, ensuring continued availability of substrate for downstream operations and preventing disruption to customers.

Deliveries during FY2025-26 were 2.21 MT, lower than 2.51 MT in the previous year, reflecting subdued demand and a challenging market environment. TSUK recorded an EBITDA loss of £(218)m, primarily due to weak market conditions. Announcements of trade measures in the USA and EU led to increased imports into the UK, with tariff free quotas exceeding domestic demand for several TSUK product categories. This resulted in a decline of TSUK's market share and a significant reduction UK steel selling prices. Historically aligned with North European prices, UK selling prices experienced a sustained and substantial discount of up to approximately £86/t during the year. The trade measures announced by the UK Government in March 2026 are expected to narrow this disparity during FY2026-27, supporting the business's path to profitability.

Responding to these market headwinds, TSUK continued its turnaround plan during FY2025-26 and implemented additional fixed cost savings to improve efficiency. These efforts have resulted in structural cost savings of approximately £220m compared to FY2024-25, and around £450m since the cessation of primary steelmaking in FY2023-24.

The EAF project represents the largest transformation undertaken in the UK steel industry in a generation. The new furnace is expected to reduce Port Talbot's carbon emissions by around 90%, equivalent to 5 MT of CO₂ annually, while ensuring sustainable, high quality steel production and supporting approximately 5,000 UK jobs. As one of the world's largest EAF installations, it will melt UK sourced scrap steel to produce 3 MT of steel per year and will be supported by new ladle metallurgy facilities, significant site infrastructure upgrades and advanced steelmaking technologies.

FY2025-26 was marked by several important milestones in TSUK's transition journey. TSUK broke ground on the EAF site, formally commencing major construction activity and signalling the beginning of a new phase in sustainable steelmaking in Wales. Additional progress was made across the supply chain and supporting infrastructure, including the advancement of new processing facilities, major upgrades to site logistics and handling areas, and the commencement of large scale civil works to prepare for the installation of next generation steelmaking equipment.

Further development continued across the Port Talbot site through the construction of new facilities to accommodate up to 1,000 workers engaged in the EAF project, the commencement of refurbishment of key downstream assets, the development of a new scrap receipt and processing area, and preparation of foundations for advanced conveying and materials handling systems. These activities collectively reinforce TSUK's long term commitment to the transformation of its UK operations and its ambition to establish Port Talbot as a hub for low carbon, resilient and future ready steelmaking.

5. Tata Steel Netherlands Operations ('TSN')

The turnover and profit/(loss) figures of TSN are given below:

	(₹ crore)	
	FY2025-26	FY2024-25
Turnover	61,355	56,889
EBITDA	2,722	825
Profit before tax (PBT), before exceptional	(1,054)	(3,411)
Profit before tax (PBT)	(2,415)	(3,441)
Profit after tax (PAT), before exceptional	(765)	(3,569)
Profit after tax (PAT)	(2,127)	(3,599)

The production and sales performance of TSN (continuing operations) is given below:

	(mn tonnes)		
	FY2025-26	FY2024-25	Change (%)
Liquid Steel Production	6.69	6.75	(1)
Deliveries	6.14	6.25	(2)

The European steel market continued to face challenging conditions during the financial year. Economic growth in the EU remained subdued, constrained by high energy costs, inflationary pressures and weak industrial demand. Steel using sectors experienced uneven activity, with continued pressure in construction and engineering markets, where demand remained soft. Trade flows were affected by elevated import levels and ongoing uncertainty around international trade measures, including US tariff policies, which contributed to increased volatility and competitive pressure in global steel markets relevant to TSN. The operating environment was further influenced by heightened geopolitical uncertainty, with ongoing conflicts, including the war in Ukraine and instability in parts of the Middle East, contributing to volatility in energy markets and raw material supply chains and reinforcing concerns around security of supply and economic confidence.

At the same time, steel retained strong strategic importance for Europe's industrial base, energy transition and security considerations. Policy developments at EU and national level increasingly recognised the need for a competitive and resilient European steel industry, reflected in trade measures, carbon pricing mechanisms and the progressive implementation of the Carbon Border Adjustment Mechanism ('**CBAM**').

TSN is at a structural turning point. TSN strategy is anchored in the SCALE transformation programme, which integrates three interdependent priorities:

- › strengthening financial performance and resilience;
- › delivering the Green Steel Project; and
- › reinforcing license to operate through improved environmental performance, governance and compliance.

During the year, TSN made tangible progress in operational improvements, organisational restructuring and preparation for the next phase of transformation. TSN continued to reinforce its competitive positioning through portfolio optimisation, product market focus and operational efficiency initiatives. As part of the SCALE programme and organisational transformation, TSN recognised restructuring costs, including provisions related to the agreed Social Plan. These measures are aimed at transitioning towards a leaner, functionally led operating model and strengthening long term competitiveness.

A key strategic milestone was the signing of the non-binding Joint Letter of Intent (JLoI) with the Dutch State and the Province of North Holland. The JLoI outlines the pathway towards a Tailor Made Agreement, intended to support Phase 1 of TSN's Green Steel Project. This phase envisages the construction of a Direct Reduced Iron (DRI) plant and an Electric Arc Furnace ('**EAF**'), the closure of one blast furnace and one coke and gas plant, and the application of Carbon Capture and Storage ('**CCS**'). The Green Steel Project is designed to materially reduce CO₂ emissions, nitrogen oxides, particulate matter and other emissions, while safeguarding the long term future of steel making in the Netherlands. The Joint letter of Intent is an important step in the progress towards a final agreement which requires satisfaction of conditions on both the Government and TSN's side. The final investment decision will be subject to resolution of regulatory issues, implementation of policy conditions precedent and a viable business case including affordability. Progress during the year included engineering activities,

permitting processes, environmental impact assessments and continued engagement with stakeholders.

TSN maintained a strong focus on liquidity and cash flow management. Net cash flow from operating activities was supported by improved EBITDA performance and continued working capital optimisation. Capital expenditure during the year focused on sustenance investments, environmental improvement projects under the Roadmap Plus programme, selected business driven upgrades, and preparatory investments related to the Green Steel Project. In addition, TSN completed the acquisition of LAG Velsen B.V., consolidating ownership of strategic power generation assets supporting energy integration and transition readiness. At year end, TSN maintained access to committed revolving credit facilities and additional uncommitted overdraft facilities, providing adequate liquidity headroom. Improved cash generation enabled further deleveraging of the balance sheet.

TSN continues to be deeply engaged with the local regulatory bodies on addressing the issues related to the IJmuiden operating site. Based on the local Environment Agency's measurements of exceedances of emissions of substances versus certain prescribed limits, TSN has received multiple notices alleging non-compliance and has paid more than €20 million of penalties in FY2025-26 in relation to the coke and gas plants. Many of these penalties relate to exceedances where no technically and operationally feasible best practices are currently available globally to address the issue in a time frame acceptable to the Environment Agency given the design and vintage of these coke ovens (40 – 50 years old). The Environment Agency and the local Province have also on 23rd April, 2026 issued a letter to TSN indicating their intention to revoke operating permits and trigger an early closure of the coke and gas plants. TSN has made a detailed assessment and shared with the Agency and the Province a timeline which is necessary to ensure a safe, responsible and controlled closure process. TSN is also exploring all options including legal recourse to ensure that the closure process is managed with due care and prudence. However, pending assurance on a feasible timeline, the financial statements of TSN have been prepared taking into account a material uncertainty to going concern in discussion with its auditors. TSN is also engaged with the regulators on evolving standards relating to classification and disposal of steel slag, where local requirements in the Netherlands now not only exceed EU standards but are threatening to become infeasible.

TSN operates in a highly competitive and regulated environment. Key risks include market and price volatility, competitive positioning, execution risk related to large scale transformation projects, regulatory and environmental compliance, energy price volatility, and financing risk associated with the Green Steel Project. TSN continues to strengthen its integrated Risk & Compliance framework under the TSN In Control Programme, improving governance, transparency and oversight across financial, operational, environmental and compliance domains.

Looking ahead, market conditions in the European steel sector are expected to remain challenging in the near term, with gradual recovery anticipated as monetary conditions normalise and demand stabilises. While the path forward involves execution, policy and market dependencies, Management believes that the strategic direction, improving operational performance and strengthened governance provide a robust basis to navigate the transition and support the long term sustainability and competitiveness of TSN.

6. Tata Steel Thailand ('TSTH')

Industry and Market Situation

Thailand's GDP growth in CY 2025 ultimately expanded 2.4%, a marginal deceleration from 2024's 2.5%. Despite continued recovery in tourism and private consumption, overall sentiment remains cautious amid structural challenges such as high household debt and slower-than-expected investment activity. Global headwinds—including U.S. trade policy shifts and softer global trade—continue to weigh on Thailand's export performance and private sector confidence. Domestic political transition has also contributed to delays in public investment disbursement, further limiting growth momentum in 2025.

According to the Iron and Steel Institute of Thailand, Thailand's total steel consumption reached approximately 16.6 MT in 2025. Imports amounted to approximately 11.9 MT, representing 64.6% of the country's steel demand and growing 4.7% year-on-year.

The surge in bar demand was driven by renewed activity in key sectors—particularly construction—supported by the Cabinet's late-June approval of THB 115 billion (USD 3.5 billion) in stimulus spending aimed at boosting the economy. The program included investments in transport, water infrastructure, and tourism-related projects. Meanwhile, wire-rod imports continued to grow, rising 8.5% year-on-year, largely due to increased supply from China.

Thai economy is projected to expand in the range of 2.0% year-on-year in CY2026, supported by the sustained expansion of domestic private demand, an increase in the government budget framework, and the continued recovery of the tourism sector along with related service industries.

It is expected that the domestic steel demand will be stable at last year level of 16.7 MT in CY2026. Growth is expected to remain subdued, consistent with Thailand's projected GDP expansion for the year. The steel sector will continue to face economic pressures from both external and internal factors, contributing to slower growth across key industrial segments in 2026 and weighing on overall steel demand.

The turnover and profit/(loss) of TSTH for the FY2025-26 are as follows:

	(₹ crore)	
	FY2025-26	FY2024-25
Turnover	7,198	6,055
EBITDA	714	106
Profit before tax (PBT), before exceptional	642	38
Profit before tax (PBT)	642	101
Profit after tax (PAT), before exceptional	517	18
Profit after tax (PAT)	517	81

The production and sales performance of TSTH is given below:

	(mn tonnes)		
	FY2025-26	FY2024-25	Change (%)
Saleable Steel	1.33	1.19	11
Sales	1.32	1.19	11

During FY2025-26, the saleable steel production increased by 0.14 MT and sales improved by 0.13 MT over FY2024-25. Turnover increased by ₹1,143 crore primarily due to increase in deliveries and favourable exchange rate movement. The profit after tax was higher by ₹436 crore on account of higher margins owing to operational efficiencies.

Year in Review

- › Delivered outstanding safety performance with LTIF of 0.2 incidents per million employee-hours, significantly better than the World Steel benchmark.
- › Deployed AI and automation technologies (e.g., 138 AI Cameras at all the 3 plants) to reduce human error in critical operations such as billet charging into Re-Heating Furnace and superheat control during casting, strengthening preventive safety controls.

- › Achieved best-ever run factor across all 3 steel plants and 5 rolling mills over the past five years.
- › Delivered a 45% reduction in overall product claims vs. FY2024-25, driven by the TPM 'Figure of Eight' continuous improvement concept.
- › Maintained zero plant outage (>24 hours) across all plants, reinforcing operational stability and reliability.
- › Delivered strong sales volume 1,325 KT, significantly exceeding both ABP and prior-year results which are highest ever finished steel sale.
- › Domestic Rebar sales grew by 35% Y-o-Y.
- › Best-ever sales: High Value Product Rebar & CAB - 432 KT
- › Accelerated new product and market development, with NPD contribution increasing 37% Y-o-Y.
- › Best-ever sales 95 KT for Tire-Bead/Cord serving both domestic and international customers (45 KT (Domestic) and 50 KT (Export)).
- › Successfully delivered 128 completed innovation projects through TSTH-Steel AI & Analytics Minds 2025 and Tata InnoVerse challenges.
- › Applied AI solutions in production and quality processes, including error-proofing and automated MTC (Mill Test Certificate) issuance systems.
- › Cloud based AI system for predictive maintenance at SCSC and SISCO plants helped in achieving Zero Gearbox failure.
- › Progressed on SAP S/4HANA implementation, strengthening digital backbone and data-driven decision-making.
- › Achieved Industry 4.0 recognition, including external funding support for AI projects from DPIM.

Recognitions:

- › Multiple national awards across TCOC, innovation, and quality, including:
- › Industry 4.0 Recognition award 2025 (SISCO plant)
- › Thailand Kaizen 'Silver award' (SISCO plant) and QCC (Quality Control Circle) Thailand awards across all 3 plants
- › Recognised for strong governance and ethics through CAC (Thai Private Sector) certification (4th renewal) and 5-Star Corporate Governance Award 2025 by IOD (Thai Institute of Directors).

- › TSTH received the Sustainability Disclosure Award (Highest Level).
- › All 3 plants received Corporate Social Responsibility – Department of Primary Industries and Mines Continuous Award 2025 from Department of Industrial Works.
- › NTS plant received 'IEAT Sustainable Network Factory' Program for the year 2025.

Safety/Health/Environment:

- › All 3 plants received 'Green Mining Award' 2025 from Department of Primary Industries and Mines (DPIM), Ministry of Industry.
- › All 3 plants received Safety Excellence Award in National Level (National Safety Award).
- › SCSC and NTS plants received 'White Flag-Green Star Award'.
- › All 3 plants received the certificates of Carbon Footprint for Organisation (CFO) 2025.
- › NTS and SISCO plants received the certificates of Carbon Footprint for Product (CFP) 2025.
- › NTS plant receive 'ECO World Class' Certificate.
- › SCSC plant receive 'Green Label' & 'EcoAdvance Project'.

7. The Siam Industrial Wire Co. Ltd. ('SIW') and TSN Wires Co. Ltd. ('TSN Wires')

Siam Industrial Wire Co., Ltd (SIW) is Thailand's leading manufacturer of prestressed steel wire, commanding a dominant 35% share of the domestic PC products. SIW is a truly global enterprise, with international exports representing over half of our sales volume across more than 60 countries, including the US, Europe, and the ASEAN.

From standard PC Strand to sophisticated High-Value Products by integrating customers' needs to product, service and decarbonisation development, SIW remains at the forefront of transition in prestressed steel construction industry to sustainable growth with lower environmental impact.

TSN Wires, a subsidiary of SIW and an indirect subsidiary of Tata Steel Limited, is the clear leader in the Thai galvanised wire market (more than 69% of total sales are from Thailand), holding a 42% market share. TSN Wires provides high-quality solutions for the Perimeter

protection, Agricultural, and Industrial segments by focusing on key growth areas such as Fencing, Gabion, and Poultry applications.

In FY2025-26, the market for prestressed steel has softened due to slower spending on government infrastructure projects in Thailand. Looking ahead, we are likely to face multiple challenges in international markets:

Trade Barriers: Regulations such as carbon taxes (CBAM – Carbon Border Adjustment Mechanism) to restrict imported steel to Europe, import duty and tax (Section 232 – Tax rate moving from 25% to 50% in 2025) for imported steel from Thailand to the United States, are making international trade more complex.

Regional Competition: In Southeast Asia (ASEAN), we are facing intense competition from local and Chinese steel mills and who are also establishing manufacturing facilities in Vietnam.

Sustainability Demands: Global customers, particularly in Europe & Australia now require products with lower carbon emissions.

The galvanised wire business is currently facing 'headwinds' from lower demand in fencing, gabion and construction segments. This has been made more difficult by low-priced imports coming from China. Next year, the outlook for Galvanised wire business will face more aggressive prices from foreign and domestic players. Leveraging business among the challenges, TSN wires has pinned the growth in:

Higher Value Products: We are moving away from basic products to focus on specialised, high-value items like ZnAl 10%, Ground wires, Wire products and Project business. These products and project business offer better profit margins.

Export Growth: We will use our reputation for superior quality coupled with our strong regional relationships to find new growth opportunities outside of Thailand.

The turnover and profit/(loss) of SIW for the FY2025-26 are as follows:

	(₹ crore)	
	FY2025-26	FY2024-25
Turnover	1,473	1,431
EBITDA	47	20
Profit before tax (PBT)	33	8
Profit after tax (PAT)	24	7

The production and sales performance of SIW is given below:

	(mn tonnes)		
	FY2025-26	FY2024-25	Change (%)
Saleable Steel	0.19	0.20	(3)
Sales	0.22	0.23	(3)

The turnover and profit/(loss) of TSN Wires for the FY2025-26 are as follows:

	₹ crore)	
	FY2025-26	FY2024-25
Turnover	283	275
EBITDA	14	5
Profit before tax (PBT)	(1)	(10)
Profit after tax (PAT)	(1)	(10)

The production and sales performance of TSN Wires is given below:

	(mn tonnes)		
	FY2025-26	FY2024-25	Change (%)
Saleable Steel	0.04	0.04	(0)
Sales	0.04	0.04	5

During FY2025-26, the combined saleable steel production (SIW & TSN Wires) and deliveries decreased marginally by 3% due to subdued demand. The combined turnover increased marginally by 3% due to favourable exchange. Profits have increased mainly due to lower operating cost.

Year in Review

- Strong growth in Vietnam for the premium imported PC Strand, holding 20% market share.

Recognitions:

- Environmental Impact Assessment in Thailand, EIA awarded the outstanding level to SIW on the 'EIA Monitoring Awards 2025' for the steel wire Manufacturing plant project reinforcing commitment to environmental responsibility and sustainable development.

8. Tata Steel Minerals Canada ('TSMC')

TSMC mines and processes mid & high-grade iron ore (63-66% Fe) from multiple hematite deposits straddled over 30 km in the Menihék region of Labrador Iron trough (Schefferville). Processing infrastructure includes a 4 MTPA rated processing complex, enabling quality improvement (through beneficiation) and moisture reduction, with TSMC currently producing ~3 MTPA of

Iron ore fines & lumps. This sinter fines product is then railed to port of Sept-Iles (city in Quebec) for shipping to customers worldwide.

In FY2025-26, the iron ore market daily indices for Platts 62% CFR index recovered from the lows of US\$ 93/t in Q1 to highs of US\$ 110/t in Q3, while the average for the year is expected to remain at similar levels of last year at ~102 US\$/t. The primary drivers for the inter quarter price swings were attributed to contraction in global steel demand due to weak construction & housing activity in China, tariffs and protectionist measures from major economies and subdued steel demand in Europe. The elevated levels of freight continue due to geopolitical unrest in middle east and continue to support US\$ 105/t+ levels of prices in March 2026.

While the dry bulk oceanic freight (Brazil to China) remained rangebound Q2 & Q3, Q4 saw a sudden spike albeit increased trade flows of bauxite from West Africa to China and the escalating fuel costs due to closure of strait of Hormuz. The unavailability of Suez Canal has led to further increase in ton-miles distance and associated costs.

TSMC recorded the highest ever shipments in FY2025-26 of ~2.9 MT (~12% higher Y-o-Y basis) with maiden shipment to Tata Steel India. TSMC commenced excavation from Howse pit (high grade) in time and within budget, thereby uplifting the overall quality of product. TSMC achieved highest ever production from Concentrator ~1.3 MT (~23% higher Y-o-Y basis), thereby ensuing shipments in all 12 months with the desired quality (zero quality penalties).

The turnover and profit/(loss) figures for the FY2025-26 are as follows:

	₹ crore)	
	FY2025-26	FY2024-25
Turnover	1,795	1,422
Profit before tax (PBT)	(1,792)	(1,457)
Profit after tax (PAT)	(1,792)	(1,457)

In FY2025-26, TSMC recorded highest ever turnover of USD ~204 Mn (~20% higher Y-o-Y basis) due to higher volume and higher realisations despite CFR index remaining at similar levels.

Consolidated Performance

The consolidated profit after tax of the Company was ₹10,886 crore as against ₹3,174 crore in the previous year. The increase was primarily on account of increase in operating profits at Tata Steel Standalone and

Netherlands Operations and decrease in EBITDA loss at the UK Operations during the year. The basic and diluted earnings for the Financial Year 2025-26 were at ₹8.65 per share each (previous year: basic and diluted: ₹2.74 per share each).

The analysis of major items of the financial statements is given below.

a) Revenue from operations

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	1,39,720	1,32,517	5
Tata Steel UK Operations	23,333	24,990	(7)
Tata Steel Netherlands Operations	61,355	56,889	8
NINL	5,282	5,701	(7)
South East Asia	8,954	7,761	15
Others	54,371	57,347	(5)
Eliminations & Adjustments	(60,875)	(66,662)	9
Total revenue from operations	2,32,140	2,18,543	6

The consolidated revenue from operations was higher by 6% as compared to the previous year on account of increase in deliveries mainly at Tata Steel Standalone, partly offset by lower average realisation across geographies.

Revenue increased at Tata Steel Standalone, primarily due to higher deliveries by 1.58 MT owing to higher production partly offset by marginally lower realisation.

Revenue declined at Tata Steel UK operations attributable to lower deliveries and reduction in average revenue per tonne, partly offset by favourable exchange rate movement.

Revenue increased at Tata Steel Netherlands operations mainly due to favourable exchange rate movement partly offset by lower deliveries and lower average revenue per tonne.

Decrease at NINL was due to lower rebar and pig iron prices and decrease in coke sales volume. This was partly offset by increase in Iron ore sales which was largely eliminated on consolidation (inter-company). Others primarily include decrease at TS Global Procurement which are largely eliminated on consolidation (inter-company).

b) Purchases of stock-in-trade

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	5,076	9,826	(48)
Tata Steel UK Operations	13,278	11,195	19
Tata Steel Netherlands Operations	4,300	3,461	24
NINL	0	0	N.A.
South East Asia	4,362	4,276	2
Others	7,956	6,497	22
Eliminations & Adjustments	(16,813)	(17,237)	2
Total purchases of stock-in-trade	18,159	18,018	1

Expense was higher significantly at UK operations due to increase in external steel purchases post shut-down of Blast Furnaces for transition. Higher at TSN on account of higher custom duties and adverse exchange translation difference. Increase in billet production at Tata Steel Thailand led to higher purchases of scrap during the year. Tata Steel (Standalone) expenses decreased due to lower purchases of traded rebars from NINL (which was largely eliminated on consolidation) and lower scrap purchases.

c) Cost of materials consumed

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	47,979	44,089	9
Tata Steel UK Operations	2,053	6,489	(68)
Tata Steel Netherlands Operations	21,473	23,166	(7)
NINL	2,224	2,752	(19)
South East Asia	1,393	1,421	(2)
Others	40,409	45,616	(11)
Eliminations & Adjustments	(41,062)	(46,453)	12
Total cost of materials consumed	74,469	77,080	(3)

Consumption declined across at group level mainly due to lower cost of consumption of imported coal and other raw materials owing to lower prices. TSUK reported decrease in GBP terms primarily due to lower consumption owing to Nil production as a result of closure of heavy end facilities at UK. Decrease at the Netherlands operations was due to lower iron ore cost. Increase at TSL (Standalone) was mainly due to higher external pellet consumption and iron ore purchases from NINL and other materials due to increase in production.

Others primarily reflect decrease in transactions at T S Global Procurement due to decrease in coal prices, which are largely eliminated on consolidation (inter-company).

d) Employee benefits expense

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	7,756	8,010	(3)
Tata Steel UK Operations	4,050	4,288	(6)
Tata Steel Netherlands Operations	12,262	10,956	12
NINL	242	231	5
South East Asia	428	293	46
Others	1,137	1,006	13
Eliminations & Adjustments	124	105	18
Total employee benefits expense	25,999	24,889	4

Increase in expenses was mainly at Tata Steel Netherlands due to depreciation of rupee and adverse impact of foreign exchange translation partly offset by lower cost due to reduction in employees count; at South East Asia operations due to higher provision for bonus partly offset by lower expense at Tata Steel Standalone primarily due to reduction in employees count offset by salary revisions and its consequential impact on retirement provisions and lower expenses at UK operations due to reduction in employees count post closure of heavy end operations and redundancies during previous year.

e) Depreciation and amortisation expense

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	7,069	6,253	13
Tata Steel UK Operations	462	415	11
Tata Steel Netherlands Operations	3,194	2,660	20
NINL	418	493	(15)
South East Asia	104	93	12
Others	759	544	39
Eliminations & Adjustments	(51)	(37)	(36)
Total depreciation and amortisation expense	11,955	10,421	15

Expense was higher than the previous year mainly on account of increase in depreciation charge at Tata Steel Standalone due to capitalisation of major facilities on account of Tata Steel Kalinganagar phase-II expansion.

Increase at Netherlands due to higher charge post BF6 reline, partly offset by decrease in GBP terms at UK post shut down of Blast Furnaces, offset by depreciation of rupee and adverse impact of foreign exchange translation. Increase at Others is mainly at Tata Steel Minerals Canada due to higher charge attributable to increase in production quantities.

f) Other expenses

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	46,803	42,396	10
Tata Steel UK Operations	6,110	8,287	(26)
Tata Steel Netherlands Operations	20,396	18,142	12
NINL	1,654	1,583	4
South East Asia	1,889	1,743	8
Others	4,557	4,707	(3)
Eliminations & Adjustments	(3,238)	(3,504)	8
Total other expenses	78,171	73,354	7

Other expenditure represents the following expenditure:

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Consumption of stores and spares	10,428	10,979	(5)
Repairs and maintenance	9,616	10,717	(10)
Relining expenses	283	305	(7)
Power, fuel and gases	14,333	13,125	9
Conversion charges	3,213	3,054	5
Freight and handling charges	13,946	13,646	2
Rent and hire charges	3,099	3,462	(10)
Mining premium and Royalties	5,682	5,340	6
Rates and taxes	3,492	2,288	53
Insurance charges	756	681	11
Commission, discounts and rebates	320	366	(13)
Allowance for credit losses/ provision for advances	107	9	1,049
Other expenses	13,864	10,728	29
Less :-Expenditure (other than interest) transferred to capital & other accounts	(968)	(1,346)	28
Total Other expenses	78,171	73,354	7

Expenses increased at Tata Steel Standalone primarily due to increase in other expenses due to write back of liabilities no longer required in FY2024-25 and decrease in foreign currency exchange gain. Increase in rates and taxes due to increase in Jharkhand Mineral Bearing Land Cess in FY2025-26 and reversal of old liability for water charges during FY2024-25. Increase in Royalty charges mainly due to increase in quantity and rate. Moreover, there was decrease in repair and maintenance cost mainly on account of major planned shutdowns in FY2024-25 which was not in FY2025-26.

Expenses at UK operations were lower primarily due to lower stores and maintenance cost at UK post shut down of Blast Furnaces during the year along with lower rent, hire and leasing cost due to impairment and disposal of leases relating to heavy end operations. This was partly offset by adverse exchange rate movement.

Expenses at the Netherlands operations were higher mainly due to higher legal and compliance cost, higher cost of emission rights as FY2024-25 included free allocated surplus credits which was not available in FY2025-26.

Expenses increased at NINL mainly due to higher royalty due to increased iron ore sales partly offset by lower freight and handling charges.

Increase at South East Asia mainly due to adverse exchange rate movement partly offset by lower power & fuel expenses due to lower power rates and lower freight due to lower export volumes.

Decrease in Others was mainly at T S Global Holdings Pte. Ltd. mainly due to higher cost in FY2024-25 on account of adverse impact of exchange rate movement and lower at T S Global Procurement due to higher gain on derivatives assets partly offset by higher cost at Tata Steel Minerals Canada due to provision on account of Asset Retirement Obligation.

g) Finance costs

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	5,117	4,238	21
Tata Steel UK Operations	610	1,050	(42)
Tata Steel Netherlands Operations	670	1,592	(58)
NINL	701	630	11
South East Asia	16	16	(2)
Others	2,197	3,591	(39)
Eliminations & Adjustments	(2,144)	(3,776)	43
Finance costs	7,167	7,341	(2)

h) Net Finance costs

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	3,515	2,343	50
Tata Steel UK Operations	556	999	(44)
Tata Steel Netherlands Operations	608	1,587	(62)
NINL	635	587	8
South East Asia	(3)	2	(228)
Others	962	800	20
Eliminations & Adjustments	(12)	(14)	10
Net Finance costs	6,261	6,304	(1)

Finance cost decreased marginally by 1% primarily at the Netherlands operations due to repayment of debt, at UK operations due to reduction in debt levels compared to previous years and at others due to repayments of external borrowings during the year at ABJA Investment Co. Pte. Ltd. and at T S Global Procurement. These were partly offset by increase in interest cost at Tata Steel Standalone due to higher interest on debentures owing to fresh drawls towards end of FY2024-25 along with higher interest on term loans owing to fresh utilisation during the year and higher interest on commercial papers attributable to higher balances during the year. The increases were partly offset by lower interest on other loans on account of lower bank discounting charges.

Increase at NINL was due to higher charge on capitalised interest on Non-Convertible Redeemable Preference Shares, eliminated on consolidation (inter-company).

Net finance charge was lower in line with decrease in finance cost along with lower interest income during the year compared to previous year.

i) Exceptional items

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	(1,099)	(902)	N.A.
Tata Steel UK Operations	(91)	(44)	N.A.
Tata Steel Netherlands Operations	(1,362)	(30)	N.A.
NINL	(117)	(1)	N.A.
South East Asia	0	63	N.A.
Others	(1,102)	(9,266)	N.A.
Eliminations & Adjustments	2,739	9,325	N.A.
Total exceptional items	(1,032)	(855)	N.A.

Exceptional items during the FY2025-26 primarily represents:

- Provision for impairment of non-current assets ₹120 crore, for partly retained assets as part of sale of Jajpur ferro chrome plant at Tata Steel Standalone.
- Net Provision for Employee Separation Scheme ('ESS') amounting to ₹485 crore under Sunehere Bhavishya Ki Yojana ('SBKY') and other scheme at Tata Steel Limited Standalone, TSDPL and NINL.
- Provision for Statutory Impact of New Labour codes at Tata Steel Standalone, NINL and other Indian subsidiaries ₹85 crore.
- Provision for demands and claims at TSUK & TSN ₹379 crore.
- Provision for redundancy charges at TSUK & TSN ₹994 crore.
- Impairment of Property Plant and equipment and Capital work in progress at TSUK, TSN, TSMC and NINL ₹204 crore.
- Loss on sale of non-current assets at Tata Steel Advanced Materials Limited ₹14 crore.

Partly offset by,

- Fair valuation gain on non-current investments amounting to ₹26 crore at Tata Steel Standalone.

- Profit on sale of Jajpur Ferro Chrome plant at Tata Steel Standalone ₹322 crore.
- Fair value gain on existing stake in Tata Steel Colors Private Ltd. ₹901 crore.

The exceptional items in Financial Year 2024-25 primarily represents:

- Provision for impairment of non-current assets ₹81 crore, which primarily includes impairment of Property, plant and equipment, intangibles (including capital work-in-progress) at TSUK.
- Provision for impairment of non-current assets ₹39 crore, which primarily includes impairment of Property, plant and equipment, intangibles (including capital work-in-progress) at TSN.
- Net Provision for ESS amounting to ₹692 crore under SBKY and other scheme at Tata Steel Limited (Standalone), Tata Steel Downstream Products Limited and at NINL.
- Contribution to Electoral Trust ₹173 crore at Tata Steel Standalone.
- Loss on sale of non-current investments at TSUK amounting to ₹7 crore.

Partly offset by,

- Gain on sale of non-current assets at TSTH amounting to ₹62 crore on sale of land.
- Fair valuation gain on non-current investments amounting to ₹17 crore at Tata Steel Standalone.
- Credit of ₹58 crore under restructuring and other provisions mainly at TSUK & TSN.

j) Property, plant and equipment (PPE) including intangibles and right of use assets

	(₹ crore)		
	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	1,35,907	1,34,339	1
Tata Steel UK Operations	6,859	3,848	78
Tata Steel Netherlands Operations	34,858	28,691	21
NINL	10,953	11,105	(1)
South East Asia	1,141	1,022	12
Others	12,481	8,316	50
Eliminations & Adjustments	(1,315)	(730)	(80)
Total PPE including intangibles & right of use assets	2,00,884	1,86,591	8

PPE including intangibles and right of use assets increased by 8% primarily at the Netherlands operations mainly on account of foreign exchange movement and due to acquisition of LAG – Velsen at UK operations on account of increase in capital work in progress and foreign exchange movement and at Tata Steel India on account of increase in capital work-in-progress mainly at Kalinganagar Phase-II and Ludhiana EAF, which was offset by depreciation and amortisation charge during the year.

k) Inventories

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Finished and semi-finished goods including stock in Trade	18,189	17,679	3
Work-in-progress	6,621	5,436	22
Raw materials	15,375	14,662	5
Stores and spares	7,064	6,813	4
Total Inventories	47,249	44,590	6

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	23,059	22,934	1
Tata Steel UK Operations	5,089	5,095	(0)
Tata Steel Netherlands Operations	15,262	13,047	17
NINL	916	881	4
South East Asia	1,118	1,106	1
Others	2,038	1,673	22
Eliminations & Adjustments	(233)	(146)	(60)
Inventories	47,249	44,590	6

Increased by 6% primarily at the Netherlands operations on account of exchange translation impact.

Increase in others is mainly on account of acquisition of Tata Steel Colors Private Ltd. and Brahmani River Pellets Private Ltd. partly offset by lower raw material inventory at Tata Steel Minerals Canada.

l) Trade receivables

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Tata Steel (Standalone)	1,632	1,566	4
Tata Steel UK Operations	533	958	(44)
Tata Steel Netherlands Operations	2,310	2,737	(16)
NINL	1,281	88	1,356
South East Asia	1,117	1,118	(0)
Others	9,544	6,742	42
Eliminations & Adjustments	(11,500)	(7,949)	(45)
Net trade receivables	4,917	5,260	(7)

Decrease was primarily at the UK and the Netherlands operations due to securitisation of receivables. Increased at NINL mainly due to change in credit terms (eliminated on consolidation). Increase in Others was primarily due to acquisition of Tata Steel Colors Private Ltd. and Brahmani Rivers Pellets Private Ltd.

m) Gross debt and Net debt

(₹ crore)

	FY2025-26	FY2024-25	Change (%)
Gross debt	92,382	94,801	(3)
Less: Cash and Bank balances (incl. Non-current balances)	10,570	11,779	(10)
Less: Current investments	1,004	443	127
Less: Foreign currency hedges against borrowings	664	149	343
Net debt	80,144	82,430	(3)

Net debt was lower by ₹2,286 crore over previous year.

Gross Debt at ₹92,382 crore was lower by ₹2,419 crore as compared to the previous year. Decrease in Gross Debt was mainly due to net repayment of borrowings of ₹9,105 crore mainly at UK operations, at the Netherlands operations and at Tata Steel Minerals Canada offset by increase in debt at Tata Steel Standalone. This was partly offset by increase in rupee value of foreign currency bonds and loans due to adverse exchange movement and addition of new leases.

The decrease in Net Debt was in line with decrease in gross debt.

n) Cash Flows

	FY2025-26	FY2024-25	Change (%)
Net Cash from/(used in) operating activities	35,064	23,138	52
Net Cash from/(used in) investing activities	(14,905)	(13,799)	(8)
Net Cash from/(used in) financing activities	(21,387)	(7,002)	(205)
Net increase / (decrease) in cash and cash equivalents	(1,228)	2,337	(153)

Net cash flow from/(used in) operating activities

During the year under review, the net cash from operating activities was ₹35,064 crore as compared to ₹23,138 crore during the previous year. The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹34,219 crore as against ₹23,929 crore during the previous year reflecting increase in operating profits during the current year. Cash inflow from working capital changes during the current period was ₹5,442 crore primarily due to increase in current/non-current financial assets by ₹447 crore, increase in financial liabilities/provisions ₹4,599 crore and decrease in inventory by ₹1,290 crore. The payment of income taxes during current period was ₹4,597 crore as compared to ₹2,998 crore in previous period.

Net cash flow from/(used in) investing activities

During the year under review, the net cash outflow from investing activities was ₹14,905 crore as against an outflow of ₹13,799 crore during the previous year. The outflow during the year broadly represents capex of ₹14,559 crore primarily at India and at Europe and on account of acquisition of subsidiaries/undertakings ₹2,846 crore during the current period (previous year: 6 crore). Fixed/restricted deposits with banks placed during the year ₹1,147 crore (previous year ₹952 crore), net purchase of current investments ₹298 crore during the current period (previous year sale of: ₹531 crore) and purchase of non-current investment ₹255 crore during the current period (previous year: ₹393 crore). Further, cash inflow during the current period represents sale of capital assets ₹863 crore (previous year: ₹514 crore), sale of business undertakings ₹611 crore (previous year: ₹28 crore), Fixed/restricted deposits realised ₹1,090 crore (previous year: ₹467 crore), interest received ₹650 crore (previous year: ₹616 crore), grant received on acquisition of property, plant and equipment ₹533 crore (previous year: nil) and dividend income received ₹408 crore (previous year: ₹294 crore).

Net cash flow from/(used in) financing activities

During the year under review, net cash outflow from financing activities amounted to ₹21,387 crore as against outflow of ₹7,002 crore during the previous year. The net outflow primarily represents repayment of long-term borrowings ₹23,897 crore (previous year: ₹16,079 crore), interest paid ₹8,066 crore (previous year: ₹8,119 crore), dividend paid ₹4,490 crore (previous year: ₹4,489 crore) and payment of lease obligations ₹1,162 crore (previous year: ₹971 crore). Further, cash inflow during the current period represents proceeds from long-term borrowings ₹12,092 crore (previous year: ₹23,893 crore) and proceeds from short-term borrowings ₹3,861 crore (previous year repayment: ₹1,518 crore).

o) **Changes in Key Financial Ratios**

The change in the key financial ratios as compared to previous year is stated below:

	FY2025-26	FY2024-25	Change (%)
Inventory Turnover (days)	73	80	(8)
Debtors Turnover (days)	8	10	(17)
Current Ratio (Times)	0.80	0.90	(11)
Interest Coverage Ratio ¹ (Times)	4.72	3.12	51
Debt Equity (Times)	0.99	1.07	(8)
Net Debt Equity (Times)	0.82	0.90	(8)
EBITDA Margin ² (%)	15.01	11.81	27
Net Profit Margin ³ (%)	4.69	1.45	223
Return of average Equity ³ (%)	11.16	3.45	223

¹ **Interest Coverage Ratio:** Increased primarily on account of increase in operating profits along with lower finance cost.

² **EBITDA Margin (%):** Increased primarily on account of increase in operating profits for the year as compared to previous year.

³ **Net Profit Margin and Return on average equity:** Increased primarily on account of higher profit during the year mainly attributable to higher operating profits and lower net finance charge partly offset by higher exceptional charge as compared to previous year.

VII. Corporate Finance**Central Banks and Monetary Policy:**

FY2025-26 was expected to see supportive global financial conditions, driven by a gradual moderation in inflation. The IMF's January projections reflected this outlook, with global inflation expected to ease from 4.1% in 2025 to 3.8% in 2026, and 3.4% in 2027, indicating an accommodative monetary environment. This baseline has since been challenged by escalating geopolitical tensions in the Middle East, which triggered a sharp energy shock following the closure of the Strait of Hormuz, a critical transit route for nearly 20% of global oil shipments. As

a result, global inflation is now forecast to rise to 4.4% in 2026, before easing to 3.7% in 2027, assuming the conflict does not protract. These developments have heightened inflationary risks and increased uncertainty around the pace of monetary policy normalisation, necessitating closer monitoring and potential recalibration of central bank policy measures globally.

Key Benchmark Policy Rates – FY2025-26

Central Bank	Rate at Apr 2025	Rate at Mar 2026	Policy Outlook
US Federal Reserve	4.25 – 4.50%	3.50 – 3.75%	Data-dependent hold; tariff & energy risks monitored
European Central Bank	2.50%	2.00%	Extended pause; energy prices on watch
Bank of England	4.50%	3.75%	Limited easing room; Elevated inflation, driven by the Middle East conflict
Bank of Japan	0.50%	0.75%	Continued normalisation
Reserve Bank of India	6.25%	5.25%	Neutral stance; No preset course
PBOC (China)	3.10%	3.00%	Moderately accommodative; continued stimulus

Advanced Economies

The US Federal Reserve implemented three 25 bps rate cuts during FY2025-26, reducing the federal funds rate to 3.50% - 3.75%, before pausing at its January 2026 meeting. While headline CPI had eased to 2.4% in January, renewed geopolitical tensions in the Middle East disrupted supply chains, leading to a surge in oil prices and pushing inflation back up to 3.3% in March. This resurgence has increased uncertainty around earlier expectations that policy normalisation would stabilise labour market conditions and guide inflation sustainably toward the 2% target. Any further rate cut decisions will depend on the scope and duration of the Middle East conflict, expectations around AI led productivity gains, and the impact of renewed global trade tensions.

The European Central Bank (ECB) reduced its benchmark rate to 2.00% by mid-2025 and maintained an extended pause thereafter, with inflation returning to target ranges. However, performance across member states remained uneven: Germany continued to face weak industrial demand and elevated energy costs, although expansionary fiscal measures are expected to support a growth recovery, while France contended with rising fiscal pressures. More recently, a sharp increase in energy prices has raised concerns about pressure on consumer spending, prompting the ECB to closely monitor the macroeconomic outlook, particularly inflation risks, as it assesses potential policy adjustments in 2026.

In the United Kingdom, the Bank of England (BoE) cut its policy rate by 100 bps in 2025 to bring it down to 3.75% to support economic activity. Inflation eased from 3.8% to 3.4% by December 2025 but remained above the 2% target, limiting further monetary accommodation.

Japan and China

Bank of Japan continued its normalisation journey, raising its policy rate to 0.75%; its highest in three decades as policymakers grew more confident in achieving sustainable inflation.

China maintained a moderately loose monetary policy, supported by interest rate cuts, and targeted fiscal measures to counter deflationary pressures. Growth remained uneven, with weak domestic demand, particularly in the housing sector continuing to lag, while strong exports provided key support. Export momentum strengthened as shipments were redirected from the United States toward other Asian markets and Europe, driving a record trade surplus in 2025.

India

During the period from February 2025 to March 2026, the RBI reduced the repo rate by a cumulative 125 basis points, bringing it down to 5.25%. The easing cycle was supported by lower headline CPI falling in first half of FY2025-26 and strong GDP growth estimate of 7.6% in FY2025-26. At its last meeting, the RBI retained a neutral stance to support the transmission of past cuts, while acknowledging that the external backdrop had become less benign. The evolving conflict in the Middle East, higher crude prices, and the resulting uptick in global risk aversion along with related currency and financial-market movements have the potential to complicate policy choices for emerging markets. Against this backdrop, the RBI will calibrate its stance carefully, balancing renewed inflation risks against the possibility of expected growth moderation.

India remains Tata Steel's largest and fastest-growing market. The accommodative rate environment continues to support steel demand across infrastructure, construction, automotive, and consumer sectors. Concurrently, The Company's strategic transition toward rupee-denominated financing aligns borrowing costs more closely with domestic market conditions.

Policy Outlook & Key Risks:

Ahead of the escalation in geopolitical tensions, monetary policy across advanced economies was broadly accommodative/neutral and data dependent, with central banks closely monitoring inflation and growth trends. Central banks across major economies adopted a wait and watch approach, keeping policy rates unchanged as they assessed evolving macroeconomic conditions and policy transmission. However, the intensification of the Iran related conflict in February 2026 caused supply chain disruptions, particularly in energy markets, leading to higher pressure on oil and other commodity prices. Brent crude rose above USD 100 per barrel, from around USD 70 earlier in the year, increasing inflation uncertainty and reducing the likelihood of near term rate cuts. These developments have added volatility to input costs and demand conditions, which the Company continues to monitor closely.

Balance Sheet Management

Tata Steel follows a disciplined and dynamic capital allocation framework, balancing investments in India's capacity expansion, transition programmes in the UK and the Netherlands, shareholder returns, and continued deleveraging.

Despite sizable capex during FY2025-26, net debt declined to ₹80,144 crore, supported by robust operating cash flows. Net Debt to EBITDA improved to 2.3x from 3.2x in FY2024-25. Net debt declined from ₹82,430 crore in March 2025 to ₹80,144 crore in March 2026, as EBITDA generation and working capital release more than offset capex outflows.

Debt Composition & Maturity Profile

During FY2025-26, the Company proactively refinanced financial obligations at competitive terms, capitalising on favourable credit markets and maintained investment-grade status. Tata Steel continued to repay overseas debt and progressively replaced foreign currency borrowings with Rupee-denominated instruments. This reduced exchange rate exposure and optimised the blended cost of debt. Tata Steel's debt maturity profile remains well-distributed, to avoid near-term concentration risk.

Liquidity Position

Tata Steel closed FY2025-26 with cash and bank balances (including current investments) of ₹11,573 crore, supplemented by undrawn credit facilities of ₹33,664 crore, providing adequate

headroom for operational requirements, scheduled maturities, and ongoing capex. During the year, the Company broadened banking relationships through the onboarding of new lenders, further diversifying funding base.

Working Capital Management

Proactive engagement with customers and suppliers on payment terms, combined with disciplined inventory management, reduced Company's inventory days from 80 days in FY2024-25 to 73 days in FY2025-26, contributing a net working capital cash inflow of ₹5,442 crore during the year.

Growth & Acquisition Capital

FY2025-26 marked the successful completion of several organic growth initiatives, highlighted by the final stage ramp up of the 5 MTPA expansion at Kalinganagar, along with the commissioning of the 2.2 MTPA Cold Rolling Mill (CRM) complex and inauguration of the ~0.75 MTPA Electric Arc Furnace (EAF) facility at Ludhiana, Tata Steel's first scrap based steelmaking unit in India. These investments are expected to enhance free cash flow generation from FY2026-27 onward as volumes scale and the product mix shifts toward higher-value automotive and special grades.

On the other hand, inorganic initiatives included acquiring full ownership of Tata Steel Colors Private Ltd., a controlling stake in Thriveni Pellets Private Limited and acquiring full ownership in LAG Velsen B.V. (Vattenfall Power Plant). Together, these strengthen downstream integration, secure pellet availability, diversify raw-material sourcing and reduce structural working-capital intensity across cycles.

Green Transition & Decarbonisation Capital

Tata Steel remains committed to achieving net-zero steelmaking by 2045. In India, the inauguration of the Ludhiana EAF plant marks the Company's first low-emission steelmaking route, supported by higher scrap utilisation and substitution of coal with biochar and natural gas in BOF operations.

Tata Steel continues to advance breakthrough technologies including HIsarna and EASyMelt, alongside expanded CCUS pilots in collaboration with leading R&D institutions. The Board has approved a 1 MTPA HIsarna demonstration plant in India - one of the most significant green-steel commitments globally.

Tata Steel UK's decarbonisation project is at an advanced stage with site demolition works largely completed, orders placed and construction work on track.

Tata Steel Netherlands' plans for a decarbonisation and environmental improvement project were documented under a non-binding Joint Letter of Intent with the Dutch Government and the local Province in September 2025. The joint letter of intent is an important step towards finalisation of the detailed agreement conditional upon on completion of conditions precedent on both sides, resolution of regulatory challenges and viability of the business case.

Credit Ratings:

Tata Steel remains the only Indian steel producer with dual international investment-grade ratings from S&P Global Ratings and Moody's Investors Service, placing Company at par with India's sovereign rating.

International Ratings

S&P affirmed Tata Steel's 'BBB' Stable rating in December 2025, noting that growth capex will temporarily weigh on leverage, but that higher India volumes and cost reductions are expected to restore metrics within 12–18 months. Moody's reaffirmed 'Baa3' Stable in July 2025, citing Company's vertically integrated Indian operations, structural improvement in European assets post the UK upstream transition, and prudent financial policy.

Domestic Ratings

India Ratings reaffirmed Tata Steel's 'AAA / Stable' rating, making it the only Indian steel company rated AAA domestically; while CARE Ratings maintained 'AA+ / Stable', the highest among domestic steel peers. Both agencies cited Tata Steel's strong business risk profile, robust liquidity, and consistent deleveraging progress.

Credit Rating Summary – FY2025-26

Rating Agency	Rating	Outlook	Key Remarks
S&P Global Ratings	BBB	Stable	Sovereign-level rating; metrics expected to strengthen
Moody's Investors Service	Baa3	Stable	Sovereign-level rating; Strong India operations; balanced growth and leverage profile
India Ratings & Research	AAA	Stable	Only Indian steel company with AAA domestic rating
CARE Ratings	AA+	Stable	Highest among domestic steel peers

VIII. Risks and Concerns

Tata Steel operates in a dynamic global environment characterised by evolving regulatory and environmental

requirements, heightened geopolitical uncertainty, and rapid technological advancements. These factors pose material risks across the organisation's value chain. Tata Steel maintains a robust Enterprise Risk Management (ERM) framework to holistically assess and manage these exposures, supporting informed decision-making.

A robust governance structure has been developed across the organisation, in its journey towards Risk Intelligence, with a Risk Management Committee at the Board level and an Apex Risk Committee ('ARC') at Senior Management level, driving the ERM process across the Tata Steel Group.

Information regarding Key Risk facing Tata Steel and their mitigation strategies is given below:

Financial Risk

Tata Steel's strategic objective is to scale its capacity in India sustainably, capitalising on the country's growth trajectory while progressively advancing downstream India expansion to reinforce long-term growth and competitiveness. Tata Steel UK is undergoing transition to economically and environmentally viable operations through the Electric Arc Furnace ('EAF') route, and TSN is also planning to undergo decarbonisation in the coming years by implementing its green steel production plan. The transition involves substantial upfront costs and potential decommissioning expenses.

As of March 31, 2026, Tata Steel had a net debt of ₹80,144 crore. The Company plans to manage its debt levels and fund its growth through internal accruals and external capital raising from banks and capital markets. However, the cost of borrowings remains sensitive to global and domestic financial market dynamics and prevailing interest rate environments, as well as Environmental, Social and Governance ('ESG') factors.

Fluctuations in commodity markets due to trade uncertainties, exacerbated by geopolitical instability, currency exchange rate volatility also significantly influences the cost of capital and overall financial performance.

Mitigation Strategies

Tata Steel's mitigation strategies centre on robust cash flow generation and working capital optimisation. Continuous cost improvement programmes and portfolio restructuring are implemented across geographies to enhance operational efficiency. Tata Steel prioritises projects with high return on invested capital and short payback periods. The Company continues to focus on optimising its capital structure,

including onshoring foreign currency debt where appropriate. The Company is actively diversifying its funding sources, including exploring government grants for green initiatives, accessing diverse capital pools, and pursuing longer-term debt with flexible terms.

Tata Steel has also implemented the concept of 'One Treasury', which efficiently manages treasury operations for the entire Tata Steel Group including its subsidiaries. This comprehensive approach, combined with skillful management of cash flows, currencies, interest rate and commodity hedging, delivers better financial stability in a dynamic market environment. The Company continues to strengthen margin resilience through disciplined capital allocation to improve product mix and operational excellence across its Indian operations.

To address ESG-related financial risks, the Company is committed to collaborating with international partners and bodies like the Task Force on Climate-Related Financial Disclosures (TCFD) to enhance ESG disclosures, meet evolving standards, and establish a robust and sustainable financing framework. The Company actively engages with investors on the ongoing and planned initiatives to green its operations.

Macroeconomic and Market risks

In FY2025-26, the global economy operated in a challenging environment shaped by persistent geopolitical tensions and heightened trade policy risks. Ongoing conflicts, particularly in the Middle East, contributed to volatility in energy and freight markets, elevated supply-chain risks, and shifts in cross-border trade flows. A more restrictive trade regime, including wider use of tariff measures and the initial implementation of the European Union's Carbon Border Adjustment Mechanism (CBAM), further increased compliance complexity and costs for steel producers.

The global steel market continued to face pressure from structural imbalances, most notably the prolonged weakness in China's property sector, which constrained domestic steel consumption and resulted in elevated export volumes. Increased steel availability in seaborne markets intensified competition and weighed on benchmark prices across regions.

Global geopolitical instability including the escalating Middle East conflict and ongoing Russia-Ukraine tensions continues to impact energy markets, freight routes, and trade flows, contributing to volatility in steel prices and input costs.

In India, steel demand remained resilient in FY2025-26, supported by automotive production, government-led infrastructure spending, and steady construction activity, coupled with policy measures such as GST 2.0 that continued to strengthen formalisation, compliance, and supply-chain efficiency. However, domestic capacity additions increased supply and intensified competition, particularly in flat steel, where pricing was further impacted by competitively priced imports. Safeguard measures introduced from April 2025 helped moderate under-priced flat steel inflows, with import pressure easing and export opportunities improving through the year. In Long products, demand continued to be driven by infrastructure and urban development projects, although realisations were influenced by project execution timelines, regional demand phasing, and volatility in scrap and energy prices.

In Europe and the UK, prolonged weakness in end-use demand across construction, automotive and manufacturing sectors, coupled with elevated energy and carbon input costs, continued to weigh on operating leverage and price realisation. Especially in UK, these pressures were exacerbated by structural deficiencies in steel safeguard quota mechanisms, including misalignment of quota volumes with market demand, which led to continued high imports. Collectively, these factors impaired cost competitiveness and margin sustainability for Tata Steel's European operations, with quota-driven surges of lower-priced imports posing a particularly pronounced and recurring risk in the UK market until the introduction of quota changes and tariffs in line with the rest of the world in March 2026 by the UK Government.

In Thailand, billet imports rose significantly in 2025 to supply to the rerolling and electric furnace mills impacting domestic markets. Additionally, many induction furnace mills have an unfair cost advantage through lower pricing due to lower quality control and standards compliance, impacting TSTH competitiveness.

Mitigation Strategies

To address these market dynamics in India, the Company has predominantly strengthened its focus on the domestic market by enhancing its product portfolio and deepening its participation across automotive, branded offerings, and value-accretive industrial products. This strategy focuses on differentiated products, localisation, deeper customer engagement and portfolio diversification across structurally resilient end user segment.

- › **Automotive Leadership:** Tata Steel continued to strengthen its leadership position by commissioning and scaling up new downstream facilities that are enabling localisation of high-value automotive steels. The Continuous Annealing Line (CAL) and Continuous Galvanising Line (CGL) at Kalinganagar expanded domestic availability of advanced high-strength steel grades, while the Combi Mill at Gamharia enhanced dimensional precision and consistency for automotive applications. Collectively, these capabilities expand market addressability especially in the passenger vehicle segment, support evolving OEM requirements in safety, lightweighting, and formability, and improve product mix and margin resilience.
- › **Construction Solutions:** Tata Steel strengthened its construction solutions portfolio by expanding ready-to-use reinforcement capabilities through a digitally integrated network of 35 service centres, while adding innovative offerings such as Mobile Bore Pile cages and InQuik bridge solutions. This integrated model enhances service reliability through improved availability, faster turnaround times, and consistent product quality. The Company also scaled up Plate Fabricated Sections and increased participation across major industrial, commercial, and infrastructure projects, while expanding its presence in pre-engineered buildings and project-based businesses to diversify demand exposure.
- › **Growth in Value Added Segment:** Tata Steel continued to build momentum in its Engineering and Downstream segments by focusing on high-potential applications across railways, lifting and excavation, solar, shipbuilding, and oil & gas, while selectively entering emerging high-growth segments. Capacity ramp-ups at downstream facilities, new customer acquisitions, and approvals from global certification agencies supported higher value realisations and progressively reduced dependence on commoditised volumes.
- › **Culture of Continuous Improvement:** Across all geographies, the Company continues to implement structured improvement programmes to strengthen its position in value-added segments and lower cost-to-serve. These initiatives emphasise disciplined execution of improvement opportunities, with a clear focus on enhancing EBITDA and competitiveness through better operational performance, reduced process variability, higher yield and throughput, and improved service levels.

- › **Retail & Branded Sales:** Tata Steel strengthened its retail and branded play during FY2025-26, with Tata Tiscon, the Company's flagship B2C rebar brand, achieving its highest-ever annual retail volumes, reflecting sustained brand strength and deeper market penetration. Tata Steelium, catering to the SME segment, recorded strong growth of ~28%, supported by expanding applications and customer reach. The Company continued to address market white spaces through enhanced physical distribution and digital platforms such as Aashiyana 3.0 and DigiECA 3.0, improving customer engagement, ease of access, and stickiness across retail and SME segments.

Tata Steel Netherlands is implementing a focused set of actions to enhance its competitive position in EU-oriented markets by increasing the share of innovative, high-value products and progressively reducing exposure to commoditised segments that are more susceptible to import pressures. The business is optimising its portfolio by aligning long-term contracts with targeted product and market mixes, strengthening customer partnerships, and improving the quality of earnings through a more resilient order book.

In parallel, TSN is aligned with the EU Steel Action Plan in force, which strengthens trade defence, supports CBAM implementation, mitigates energy and carbon cost disadvantages, and reinforces a level playing field for European steel producers. The new tariff-rate quota (TRQ) system designed to address structural global overcapacity in the steel sector, including a significant reduction of import quotas and higher duties for imports exceeding those quotas.

Tata Steel UK (TSUK) is executing structural fixed-cost rationalisation measures aimed at lowering breakeven levels and reducing operating leverage under conditions of weak demand and price volatility.

TSUK is also aligning its transformation and decarbonisation roadmap with the UK Steel Strategy now in place, which provides a supportive policy framework covering trade remedies, energy-cost competitiveness, decarbonisation support, and supply-chain resilience.

TSTH strengthened performance through targeted actions. Retail and high-value rebar growth was driven by stronger partnerships, improved service and availability, selective project development, and better production planning. Price competitiveness was supported by market monitoring and advocacy on Thai Industrial Standards, while resilience was reinforced through expanded scrap sourcing and value-in-use cost efficiency.

Regulatory Risk

Tata Steel operates within a complex and rapidly evolving regulatory environment across India, the Netherlands, the UK, Europe and South-East Asia. Its diverse activities spanning mining, manufacturing, logistics, and international trade exposes it to key risks related to environmental regulation, ESG disclosures, competition law, labour and safety compliance, and cross-border trade controls.

Among these, environmental and climate-related regulations represent the most significant global risk. Critical areas include air emissions, water pollution, hazardous waste management, mine closure and rehabilitation, climate transition requirements, and community health impacts.

In the Netherlands, Tata Steel has come under increased scrutiny from regulators and local communities regarding emissions from its IJmuiden plant. This has resulted in legal action, including a €1.4 billion class action lawsuit filed in December 2025, along with the likelihood of stricter emission standards, potential operational constraints, financial penalties, and mandatory decarbonisation commitments linked to state support. Tata Steel Netherlands is already seeing significant regulatory risks related to the IJmuiden operating site play out. Based on the local Environment Agency's measurements of exceedances of emissions of substances versus certain prescribed limits, TSN has received multiple notices alleging non-compliance and has paid more than €20 million of penalties in FY2025-26 in relation to the coke and gas plants. Many of these notices and penalties relate to exceedances in connection with the legacy coke and gas plant infrastructure, designed and commissioned 40-50 years ago. The unavailability of technically and operationally feasible solutions limits our capability to address the issue within the expected time frame. The Environment Agency and the local Province have also on 23rd April, 2026 issued a letter to TSN indicating their intention to revoke operating permits and trigger an early closure of the coke and gas plants. TSN is also engaged with the regulators on evolving standards relating to classification and disposal of steel slag, where local requirements in the Netherlands now not only exceed EU standards but are threatening to become infeasible. TSN has also received regulatory notices in relation to dust emissions and other exceedances at its sinter plant and steel casters.

The steel sector is also highly impacted by global carbon pricing mechanisms. The EU's Carbon Border Adjustment Mechanism (CBAM) is particularly significant, affecting the cost structure, compliance requirements, and strategic positioning of carbon-intensive steel exports to Europe.

In India, Tata Steel's mining operations face extensive regulatory oversight. Key risks include mining lease renewals, environmental and forest clearances, royalty and District Mineral Foundation (DMF) disputes, allegations of illegal mining, land acquisition challenges, rehabilitation obligations, and water usage permissions. The regulatory landscape is highly litigation-driven and enforcement-focused, involving multiple authorities, with changes in taxation or auction frameworks directly influencing profitability.

On the disclosure front, the Company must comply with expanding ESG reporting requirements under SEBI's BRSR framework, IFRS sustainability standards, EU regulations, and TNFD/TCFD-aligned frameworks. As disclosures become more assurance-driven, there is an increasing risk of liability for directors and management, along with potential reputational implications.

Steel manufacturing and mining are inherently high-risk industries from a safety perspective. Regulatory exposure arises under occupational safety laws, the Factories Act, environmental health regulations, and criminal liability provisions. Key risks include workplace accidents, exposure to hazardous substances, contractor safety issues, and potential prosecution of management.

Additionally, the global steel industry is subject to extensive trade regulations, including safeguard duties, anti-dumping actions, import quotas, and tariffs. Tata Steel's European and UK operations are particularly vulnerable to shifts in import quotas, excess global supply (especially from China), and trade defence investigations.

Competition law poses a significant risk for Tata Steel, with the steel sector closely monitored for practices such as price coordination, market allocation, procurement collusion, and abuse of dominance. Exposure spans procurement, distribution, trade associations, and joint ventures, with potential consequences including substantial penalties, director liability, and reputational damage. In India, Tata Steel is currently under investigation following a 2021 criminal petition by the Coimbatore Corporate Contractors Welfare Association

alleging coordinated pricing, supply restrictions, and market manipulation. Acting on directions from the Hon'ble Madras High Court, the Director General of the Competition Commission of India initiated the probe. Originally focused on Thermo-Mechanically Treated ('TMT') bars, the investigation has since expanded to include Hot Rolled Coils ('HRC') and Cold Rolled Coils ('CRC'). Tata Steel is among 32 steel producers under investigation before the Competition Commission of India.

Tata Steel's global footprint exposes it to broader geopolitical and trade-related risks, including sanctions, export controls, logistics disruptions, and supply chain constraints. Key concerns include energy price volatility, shipping disruptions, compliance with sanctions regimes, and restrictions on raw material sourcing.

Risks for TSTH included the non-renewal of Anti-Dumping/Anti-Circumvention measures, while the Thai government's five-year ban on new steel bar factory establishment and capacity expansion (2025–2030), aimed at addressing oversupply, also limited investment opportunities.

Mitigation Strategies

To address these challenges, Tata Steel India actively collaborates with relevant ministries and regulatory authorities to strengthen policy frameworks promoting fair trade, infrastructure development, and efficient logistics. Tata Steel closely monitor global trade trends and regulatory changes to proactively assess their implications and ensure timely, informed policy and strategic responses. Strategic engagement with policymakers and industry bodies remains a key approach to enabling a stable and predictable operating environment for the sector.

Tata Steel is aware of the recent allegations regarding cartelisation in the steel sector and denies any wrongdoing or involvement whatsoever. The Steel industry is a global industry with 1.5 billion tons produced annually and driven by international macro factors with very long supply chains. In India, there are no barriers to entry for setting up capacities in the country and the pricing of steel products operates within a transparent, market-based framework shaped by industry dynamics, supply-demand factors, unique customer needs that require pre-approvals, global commodity prices and supply chain trends and global & local competitive

structures. Tata Steel determines its prices independently, based on prevailing market conditions, and other relevant commercial considerations including customer needs. The matter is presently under consideration before the Competition Commission of India. Tata Steel will place its detailed response and submissions before the Competition Commission of India in accordance with due process.

At the Netherlands, health and a clean-living environment remain key priorities, as they do for local residents and stakeholders. Through substantial investments outlined in Roadmap+, TSN has achieved significant improvements in areas of concern for the neighbouring community over the past five years. Additionally, TSN is ranked among the leading global blast furnace-based steel producers in terms of CO₂ efficiency, with performance metrics well below both European and global averages. TSN continues to invest and work on initiatives to enhance the healthy living environment and to reduce impact of operations on the surrounding community in IJmuiden. As part of the Green Steel Plan, developed through a non-binding Joint Letter of Intent with the Dutch Government, Tata Steel Limited and TSN have engaged with stakeholders to define additional targeted measures that extend further beyond legal requirements.

Alongside decarbonisation initiatives intended to promote a healthier living environment, TSN is dedicated to minimising its contributions to coarse and fine particulate matter (PM10) emissions, as well as reducing annual releases of substances of very high concern, NOx, SO₂, odours, and noise. Through these initiatives, TSN seeks to enhance the living environment in the IJmond region. TSN continues to work collaboratively with the local residents and remains committed to improving the environmental standards even further. TSN is committed and will continue to focus on environmental preservation and addressing community concerns through collaboration with the Government and other stakeholders towards a sustainable future for all stakeholders.

Further, TSN and TSUK continue to manage evolving regulatory expectations, closely tracking import trends and working with EUROFER to assess the need for additional trade defence measures amid continued dumping pressures, while uncertainties around CBAM remain a key focus area for both entities.

Both TSN and TSUK monitor EU and UK policy developments to optimise decarbonisation capex and adjust commercial strategies (redirected affected volumes away from the US towards European and other alternative markets), in response to global protectionism, including exposure to U.S. Section 232 tariffs.

TSUK is advancing its EAF based decarbonisation transition at Port Talbot, supported by government approvals and environmental impact processes, helping ensure future regulatory alignment.

TSUK is operating in line with the recently announced UK Steel Strategy, which strengthens trade remedy protections, addresses energy cost competitiveness, supports decarbonisation, and helps mitigate quote-driven import volatility

TSTH measures include engagement with authorised bodies to strengthen Anti-Dumping/Anti-Circumvention enforcement and expand the Thai Industrial Standards Institute ('TISI') scope to enhance trade protection, supported by extending AD coverage to High Carbon Wire Rod ('HCWR') and reporting circumvention cases to the government.

Operational Risks

The steel sector is increasingly exposed to a broad spectrum of risks. Extreme weather events disrupt global supply chains, while shifting regulations and persistent logistics challenges strains operational efficiency. Cybersecurity vulnerabilities pose serious threats to digital infrastructure, amplifying the need for robust defence. Internally, aging equipment, unexpected breakdowns, and delayed maintenance heighten the risk of costly downtime. Moreover, interruptions in critical utilities—such as electricity, water, and gas—can significantly impede production processes, reducing output and impacting overall performance.

TSUK faces operational risk from its transition away from blast-furnace operations, leading to temporary disruptions, reduced operating levels, and restructuring-related downtime at Port Talbot, along with execution risks tied to EAF construction, commissioning, and scrap-supply adaptation.

TSN is exposed to operational challenges such as meeting strict environmental-compliance requirements, reduced LD-slag disposal options and implementing dust - and emissions-reduction measures at its current operations to structurally resolve outstanding Health and Environment concerns.

Mitigation Strategies

The maintenance functions have been consolidated to bring synergy across locations in India. The Company has adopted real-time asset monitoring for both preventive and predictive maintenance, ensuring regular upkeep and the reliability of machinery. An Integrated Maintenance Excellence Centre (i-MEC) has been established to maintain the availability, reliability, and integrity of all critical assets, including safety. Additionally, a smart indenting system is being deployed to drive site-specific efficiencies, with accelerated vendor discovery through reverse auctions, planned De-Prop and digitally enabled condition-based maintenance as key value drivers.

Standardising maintenance practices and utilising integrated asset digital analytics bolster predictive maintenance, enabling accurate asset health predictions via the Internet of Things (IoT) and Condition-Based Maintenance. The focus is on optimising costs through synergistic collaboration which strengthens the vendor partner ecosystem and promotes seamless cross-locational synergy. Periodic upgrades to key facilities at Jamshedpur are planned as part of efforts to replace aging equipment.

To improve the structural integrity and safety of gas lines, the Company is utilising drone-based technologies for condition monitoring and thermography to detect potential blockages. The Power system is being restructured to ensure continuous power availability while optimising grid isolating protection settings. Geopolitical situations and supply chain disruptions have heightened the uncertainty regarding the availability of spare parts, especially those dependent on limited geographic vendors. The Company thus emphasises indigenisation of spares to achieve self-reliance and digitisation of processes for optimised inventory management, aligning with the 'Make-in-India' initiative to encourage vendor partners to supply high-quality spares along with benchmark lead times.

Recognising the increasing unpredictability of weather patterns, including extreme heat and heavy rainfall, the Company has developed a comprehensive disaster response plan. This plan includes clear standard operating procedures to effectively address natural disasters, epidemics, pandemics and extreme weather events, ensuring the safety of the Tata Steel workforce and the continuity of business operations across geographies.

TSUK continues to mitigate operational risks by integrating best practices in asset management, improving process safety, targeted capital expenditure and focused asset risk management. Additionally, TSUK is also progressing its government-supported EAF transition at Port Talbot, following an approved planning and environmental-impact framework and a phased construction and commissioning plan to stabilise operations during the shift.

TSN is mitigating risks through its structured decarbonisation program under the non-binding Joint Letter of Intent, executing phased DRP-EAF deployment, and strengthening current operations with environmental-compliance upgrades such as dust, noise, and odour-reduction measures to maintain continuity while transitioning.

Safety Risk

The steel industry operates in an environment where workforce health and safety remain critical priorities. Hazards are inherent to processes, and risks often stem from lapses in compliance with safety protocols, regulatory standards, or operational guidelines posing threats to business continuity. As companies expand geographically, the complexity intensifies with diverse, location-specific safety laws and requirements that demand rigorous adherence and proactive management.

Mitigation Strategies:

Tata Steel sustains its zero-harm ambition through clearly defined leadership accountability and embedded safety management systems across the organisation. Risk is mitigated through role-based and site-specific training programmes, supported by periodic safety inspections and risk-based audits. AI-enabled CCTV surveillance is deployed at prioritised high-risk locations and Safety Alert Command Centres identify these alerts, trigger actions and monitor faster closures. In parallel, digitised risk registers and structured risk mitigation methods such as HIRA, HAZOP, bow-tie and LoPA keep high-consequence scenarios in focus and verify the health of critical safeguards.

Focused approach on process safety and asset integrity protects the hazardous operations. During the year, early-warning alerts are introduced for critical parameters in LD Shops and Blast Furnaces. Pre-Startup Safety Review (PSSR) standard has been strengthened with structured

checklists and clear accountability. New guidelines for explosion-proof control rooms and flare-stack operations are implemented. Project Hazard Studies are digitally linked with PSSR to embed learnings and assure safe start-ups of new facilities.

Rigorous contractor governance manages risk through parity of protection via a redesigned Vendor Star Rating for cadence and transparency, a common PPE platform, and digitised sub-vendor onboarding process for traceability. Safety in logistics operations have improved through targeted traffic-management measures, paperless weighbridge processes and focused surveillance at vulnerable areas.

Emergency readiness, structured incident learning, and holistic well-being including the Employee Assistance Program and Mental Health First Aiders reinforce resilience, ensuring risks remain well-controlled and business continuity is sustained.

Community Risk

Tata Steel remains committed to enhancing community well-being, with a strong focus on improving the quality of life for vulnerable groups near its operations. The Company actively aligns resources to meet evolving societal expectations, recognising that failure to do so could impact reputation, social license to operate, and business continuity.

In the Netherlands, rising concerns around noise, dust, and emissions have intensified pressure to accelerate decarbonisation and implement impactful social programmes. Additionally, in Thailand there are risks due to potential environmental non-compliance and deteriorating structures, posing safety and legal concerns. Addressing these issues is critical to maintaining stakeholder trust, preventing protests, and ensuring uninterrupted operations.

Mitigation Strategies

Tata Steel continues to engage proactively with communities, with a focused emphasis on vulnerable and underserved groups, to respond to evolving social and developmental priorities. These engagements enable the Company to maintain an ongoing, contemporary understanding of community expectations, local realities, and emerging needs.

In India, the Company is further strengthening the Tata Steel Foundation (TSF) as a purpose-led institution with benchmark capabilities for designing and delivering strategic social impact programmes. TSF implements a portfolio of intervention models that collectively:

- (i) address development challenges aligned to both national imperatives and community priorities;
- (ii) are built on ambitious and well-defined theories of change;
- (iii) have demonstrated measurable, population-level outcomes; and
- (iv) are scalable, with initiatives being replicated across India and offering learning potential in global contexts.

During FY2025-26, TSF directly impacted over 6.9 million lives, with key outcomes including:

- › **Strengthened leadership and economic participation** by enabling 1,789 women to complete structured leadership programmes, with 878 placed in decision-making roles, while supporting 2,716 out-of-school children to re-enter formal education and connecting 22,000 persons with disabilities to assistive and inclusion-focused services.
- › **Health, Nutrition, and Well-being:** Improved community health outcomes by achieving a 94.3% redressal rate for high-risk pregnant women and children through early identification, referrals, and follow-up care, alongside continued focus on holistic well-being.
- › **Sustainable Livelihoods and Resource Security:** Enabled 144,973 households to adopt climate-resilient agricultural practices, strengthened water security through creation of 235 water storage capacities, and facilitated access to ₹4,213 crore of public entitlements via last-mile outreach and documentation.
- › **Community Development and Social Capital:** Enhanced social infrastructure and identity through completion of 750 community assets, engagement of 29,438 youth in grassroots sports, and documentation of 61 tribal intellectual properties to preserve and promote indigenous knowledge systems.

TSUK is mitigating community risks through a substantial support package for affected employees and local communities, including over £130 million in transition assistance and additional UK-Welsh Government funding to ease socio economic impacts of the Port Talbot transformation.

TSN is addressing community and health concerns by implementing dust, noise, and emissions reduction measures such as windbreaks, covering ore fields, and environmental upgrades under its decarbonisation and health program for the IJmuiden region. TSN has also signed the Dutch Government-backed non-binding Joint Letter of Intent (JLoI), which commits to improving the living environment around IJmuiden. TSN also has instituted a community outreach programme where local people are invited to come and visit the steel plant to actually see the site, understand the work being done and allay some of their concerns.

TSSTH prioritises efficient resource use and environmental management to minimise community impact, with ferrous scrap as its main fully recyclable raw material. It monitors emissions and air quality in compliance with Environmental Impact Assessment (EIA) and regulatory requirements, while applying water efficiency and a zero-discharge principle. These efforts are supported by training to enhance environmental awareness and waste management among employees and contractors, alongside proactive community engagement.

Supply Chain Risk

In FY2025-26, Tata Steel India efficiently managed one of the industry's most complex value chains, moving approximately 82 MT of raw materials and 22.6 MT of finished goods. Our robust, multi-site network, comprising 12 ports, 25 stockyards, and 37 Steel Processing Centres, underpinned this extensive operation. With planned capacity ramp-ups at Kalinganagar, the strategic importance and scale of our supply chain will continue to expand in FY2026-27 and beyond.

For coal & flux, Tata Steel India is heavily dependent on imports (~80% of its requirement is met through imports). Persistent Red Sea hostilities since late-2023 have driven widespread diversions around the Cape of Good Hope, typically adding 10–14 days on Asia–Europe lanes and elevating war-risk insurance premiums.

Continued conflicts and hostilities (Russia-Ukraine, Iran-US-Israel) have significantly increased transit times, insurance premiums, and fuel costs, impacting flux sourcing and finished good exports. Sometimes despite the war risk premium, vessel owners may not be willing to go to war risk area and hence placing a vessel becomes a challenge.

Further, the Freight Policy of Indian Railways (Busy Season Surcharge waiver) has become cost adverse impacting the supply chain spend. Additionally, there are intermittent disruptions in railways and ports due to myriad of reasons including accidents, regional strikes, cyclones, and unpredictable monsoons. These disruptions may impact quality and reliability of raw material supplies and also disrupt movement of finished goods. The continuous tariff wars and ever increasingly stringent statutory norms akin to CBAM are posing threat to steel sale & movement further.

Thus, supply chain faces a multi-faceted risk of business discontinuity due to disruption in infrastructure, geopolitical scenario, changing policies and statutory norms. Accordingly, mitigation strategies have been planned and are dynamically updated to cover all these aspects.

Supply-chain risks for TSN and TSUK stem from reliance on global sourcing, logistics and energy volatility, and trade-policy-driven import disruptions, with TSUK particularly exposed due to quota volatility. Whereas for TSTH, there is a potential supply chain risk for Silico Manganese due to vessel availability constraints and logistics disruptions related to the Middle East conflict, along with an increase in raw material costs driven by higher freight and logistics expenses.

Mitigation Strategies

Shipping & Ports: Tata Steel has long term partnership agreements with major ports like Dhamra and Paradip (KICTPL- Kalinga International Coal Terminal Private Ltd.) to de-risk import supply chain. Further, new supply chain route for flux is being developed through Salalah, Dibba, and Khanom ports. Alternate flux sourcing from Bhutan, Nagpur, Jaisalmer via railways is also in progress. The bunker and daily hire hedging strategies are helping to keep the shipping freight in control.

Strengthening Inland Logistics Infrastructure: The existing railroad infrastructure at TSK steel plant has been strengthened to meet logistics requirement for 8 MTPA plant. The upcoming Angul Sukinda Rail Link will augment the supply chain capabilities further. In addition, for the expansion of the Neelachal complex, a long product manufacturing site, work has commenced to secure crucial railway approval for the Baghuapal Rail Connectivity to the plant. Dedicated rake assets (112 in Nos) under GPWIS & SFTO schemes continue to operate and ease out the scarcity of rolling stocks.

Sustainability Initiatives: In FY2025-26, Tata Steel executed 39 biofuel voyages and 5 LNG fuelled vessels, representing ~16% of imported shipments. The alternative fuel (CNG/LNG/EV) based fleet has been continuously augmented with finished goods road transportation in India now operating approximately 623 such vehicles. The team is also working to ensure CBAM readiness for EU shipments (installation-level data pack, verification pathways, and commercial pass-through clauses).

Tata Steel Netherlands and Tata Steel UK are strengthening supply-chain resilience through supplier diversification, increased use of local and regional sourcing, and closer strategic partnerships with key vendors and customers.

For Tata Steel UK, supply-chain resilience is further supported by the UK Steel Strategy in force, which promotes domestic and regional sourcing, prioritises UK steel in public procurement, strengthens trade-remedy enforcement, and reduces reliance on volatile import flows.

TSTH has implemented contingency sourcing plans for Silico Manganese, maintained close monitoring of logistics and vessel availability, and strengthened supplier coordination to ensure supply continuity, while also managing cost pressures through ongoing freight and procurement optimisation.

Cyber and Information Security Risk

The Company's operations continue to significantly rely on IT and digital infrastructure, with sustained investments in digital transformation for critical and complex processes across its diverse operating footprint.

The accelerated digitisation of the value chain offers opportunities for efficiency and growth but also introduces risks associated with emerging technologies such as Artificial Intelligence (AI), Robotic Process Automation (RPA), and Machine Learning (ML). Generative AI, in particular, is reshaping customer engagement and operational decision-making globally. However, these integrations heighten exposure to cyber and privacy risks, regulatory non-compliance across multiple jurisdictions, inaccurate or biased data outputs, and potential system instability.

Safeguarding organisational data for confidentiality, integrity, and availability remains paramount under established data governance norms. The Digital Personal Data Protection Act, 2023, along with evolving international data privacy frameworks, enforces stringent requirements for data privacy and protection. Any deviation from IT and cybersecurity regulations could result in financial penalties and reputational harm. Adherence to defined privacy policies is therefore critical.

While technology platforms are maintained at current and supportable standards, proactive management of technology obsolescence is essential to mitigate cyber vulnerabilities and ensure business continuity across all operations.

Mitigation Strategies

The Company has established a robust and comprehensive cybersecurity framework grounded in globally recognised standards and leading practices, including ISO/IEC 27001:2022, with formal certifications.

Cybersecurity governance is operationalised through clearly defined roles, responsibilities, and accountability frameworks, supported by a robust maker-checker mechanism that ensures segregation of duties with effective oversight, independent validation, and assurance over the design and execution of security controls.

A layered security architecture, reinforced by continuous monitoring mechanisms ensures timely detection, escalation, and effective response to potential security incidents to protect critical systems and information assets. Security considerations are embedded early in the technology lifecycle through structured architecture and design assessments, ensuring that security requirements are incorporated during the planning and development of new digital initiatives. These controls are further strengthened through periodic security testing and independent assessments conducted from an attacker's perspective to identify and address potential vulnerabilities. Additionally, continuous oversight of cloud environments is maintained to identify configuration risks and ensure that appropriate security controls are consistently implemented and operating effectively.

An integrated IT and OT Security Operations Centre (SOC) provides near real time visibility into security events across enterprise and operational environments, enabling prompt identification of anomalies and immediate initiation of mitigation actions. Advanced monitoring technologies support continuous tracking of unusual behaviours and suspicious communication patterns, facilitating timely and effective threat detection. A 24x7x365 external attack surface management capability has been established to continuously identify internet facing vulnerabilities and assess potential exploit paths from an attacker's perspective, enabling proactive and timely mitigation of risks before they can be discovered or leveraged by threat actors. Advanced scanning and continuous monitoring tools further enhance the vulnerability management framework by enabling near real time identification of security gaps.

Threat intelligence and risk monitoring mechanisms help identify emerging cyber risks and support prioritised mitigation actions.

The adoption of AI introduces new data, security, and governance risks, which are mitigated through controlled environments, enhanced security controls, and ongoing oversight within the enterprise risk framework.

The Company has established comprehensive policies and governance mechanisms to ensure compliance with data protection and privacy requirements. Data governance frameworks ensure that organisational data is appropriately protected and managed throughout its lifecycle. With the increasing adoption of advanced digital technologies, including generative AI and agentic AI, the Company ensures that such technologies are deployed within secure and controlled environments to mitigate risks related to unintended exposure of sensitive information.

Periodic cybersecurity assessments, security audits and technology refresh initiatives are undertaken to strengthen cyber resilience and address risks associated with technology obsolescence. These cybersecurity practices are progressively being extended across Tata Steel Group Companies to strengthen enterprise-wide security maturity.

Through this governance, monitoring and continuous improvement mechanisms, the Company continues to enhance the resilience of its digital ecosystem and maintain reliability of its operations.

Commodity Risk

Coal and other bulk commodities accounted for ~63% of the Company's procurement expenditure. During FY2025-26, the global demand for steel and its vital raw material viz. metallurgical coal, iron ore and natural gases. This was influenced by reduced import volumes from key consuming markets, a tempered growth in steel production, and augmented supply originating from nations like China and Indonesia. Ongoing trade tensions and sanctions involving major global players such as the USA, China, Canada, Europe, and Russia introduced market volatility and periodically impacted supply availability. While, Chinese steel prices experienced continued softening, iron ore prices remained stable, receiving minimal uplift from typical seasonal weather-related disruptions or inventory restocking efforts. At the end of FY2025-26, the escalating tensions and direct engagements in the Middle East, primarily involving Israel, Iran, and the USA, posed a significant and immediate threat to global commodity markets. The primary concern is the potential for severe disruption to critical shipping lanes, notably the Strait of Hormuz, and direct attacks on regional energy infrastructure.

The Company operates within a complex global risk landscape shaped by concentration in key raw material supply chains. Availability of several critical steelmaking inputs, including seaborne metallurgical coal and certain consumables, remains dependent on a limited number of geographies. This concentration increases exposure to supply disruptions arising from origin-specific challenges, including infrastructure limitations and force majeure events.

Supply chain reliability is also influenced by external factors such as extreme weather events and evolving geopolitical conditions, which can disrupt mining, transportation, and trade routes. In addition, shifts in domestic sourcing mechanisms and transportation dynamics may affect inventory management, particularly where regulatory or administrative restrictions are introduced with limited notice.

Pricing volatility presents another area of exposure, as global trends for steelmaking process consumables are significantly influenced by production and market sentiment in major manufacturing regions. While prices have remained relatively stable in recent periods, changes in demand, policy, or trade dynamics could lead to increased volatility.

The Company continues to navigate an evolving regulatory environment. Changes in trade regulations, statutory requirements, and sustainability standards across import and export markets require ongoing monitoring and adaptation to ensure supply continuity, operational resilience, and compliance.

The Middle East accounts for approximately 30% of global oil production, and the Strait of Hormuz is a chokepoint for one-fifth of global oil shipments. Recent escalations have driven Brent crude prices above \$100 per barrel, with peaks at \$120.

The Strait of Hormuz is crucial for LNG flows (one-fifth of global LNG), and recent attacks have led to a 17% reduction in Qatar's LNG export capacity. LPG also got severely affected with nearly 30% of global exports passing through the Strait of Hormuz. Price increases to the tune of 40% in LNG and 60% in LPG were observed during recent attacks. Price volatilities were similarly observed in other key commodities such as Ammonia, Fluxes (Limestone, Dolomite & Pyroxinite).

Mitigation Strategies

Over the long term, steel prices exhibit a strong correlation with underlying raw material costs. Movements in key inputs such as coal and iron ore are, over time, transmitted into steel prices, thereby providing a degree of natural economic hedging. Within the Tata Steel Group, a comprehensive suite of measures is implemented to proactively manage price volatility, enhance cost predictability, and strengthen resilience across the value chain.

A Group-wide smart hedging framework is deployed for key raw materials. Hedging is executed in financial markets to improve price certainty and to lock in spreads between purchased ore and confirmed steel orders, thereby improving margin stability and reducing exposure to adverse price movements.

Advanced commodity price forecasting tools are utilised to interpret market signals, anticipate price trends, and support data-driven procurement decisions. These insights enable the optimisation of purchase timing, contract structures, and inventory strategies to improve overall cost efficiency.

Reverse auctions are leveraged as a structured mechanism for efficient price discovery and competitive sourcing for commodities such as coal, ferro alloys, refractories, and other critical inputs.

A number of initiatives have been taken to diversify sourcing of coal from different countries apart from Australia. While Australia continues to be a geography of choice with availability of all grades of coals, zero import duty, relatively shorter voyage time for India etc, however, new sources have been developed in USA, Canada, Mozambique and Indonesia, with the objective of mitigating concentration risk and reducing over-dependence on specific regions and supplier bases, particularly in periods of elevated market uncertainty.

Potential sources in additional domestic geographies—such as Odisha and Chhattisgarh—are evaluated to enhance supply security for non-coking thermal coal. This assessment supports strategic optionality, strengthens procurement resilience, and reduces vulnerability to localised disruptions.

Indigenisation remains a key lever for de-risking the supply chain while enabling local suppliers and MSMEs to upgrade their technological and quality capabilities in and around Jharkhand and Odisha. Strengthening OEM facilities in India through collaboration and alternate product development continues to safeguard continuity against geo-political disruptions.

We have adopted the Sustainable procurement framework for bulk material wherein we are engaging with our suppliers to take initiatives in the areas of reduce, recycle, and reuse.

IX. Opportunities

Please refer to the section on 'Opportunities' under Strategic Roadmap forming part of this Integrated Report.

X. Internal Control Systems and its Adequacy

The Company has a robust Internal Financial Controls ('IFC') framework that aligns with its operational size, scale, and complexity. The Board of Directors holds the responsibility for ensuring that the IFC is adequate and operating effectively. This framework has been designed to provide reasonable assurance regarding the accuracy of financial and operational reporting, compliance with applicable laws, safeguarding of assets against unauthorised use, proper authorisation of transactions, and adherence to corporate policies. Furthermore, this internal control framework complies with the requirements set forth in the Companies Act, 2013.

Tata Steel has established Standard Operating Procedures (SOPs) and policies to guide its operations, with business leaders responsible for ensuring compliance. The Company employs continuous internal monitoring to identify risks promptly. Management has prioritised internal financial controls through IFC Standardisation and Rationalisation, streamlining control testing processes and enhancing automation. The focus has been majorly on automation of implemented controls. This approach has reduced manual intervention and improved data analysis through avoidance of biasedness, thereby aiding in increased effectiveness of IFC framework. With expansion and foray in new businesses in FY2025-26, the control library has grown to address these new business areas and their associated risks. To tackle these challenges, the Management has reassessed internal financial controls and updated the risk control matrix, ensuring a robust control ecosystem that aligns with best practices. This effort provides assurance of operational efficiency and timely detection of control lapses as Tata Steel navigates its growth initiatives. The Management aims at enhancing IFC maturity through adoption of automation & advanced analytics for control monitoring and conducting regular awareness sessions for the respective team.

The Management, along with statutory and internal auditors, has conducted thorough due diligence of the Company's control environment through comprehensive testing to ensure its effectiveness. The Company employs the SAP Governance, Risk, and Compliance Module and other IT platforms to maintain a robust IFC framework, governed by an Information Management Policy. The internal financial controls have been documented and integrated into business processes, and based on evaluations carried out during the year, the Company's IFC are adequate and operating effectively, with continuous improvements driven through automation, analytics and revealed no material weaknesses.

XI. Statutory Compliance

The Company has in place adequate systems and processes to ensure that it is in compliance with all the applicable laws. The Company Secretary and Chief Legal Officer is responsible for implementing the systems and processes for monitoring compliance with the applicable laws and for ensuring that the systems and processes are operating effectively. The Chief Executive Officer and Managing Director, places before the Board, at each meeting, a certificate of compliance with the applicable laws. The Company Secretary and Chief Legal Officer also confirms compliance with Company law, SEBI Regulations and other corporate laws applicable to the Company.