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PRESENTATION

Operator:

Ladies and gentlemen, good day, and welcome to the Tata Steel analyst call. Please note that this meeting is being recorded. The attendees' audio and video has been disabled from the back end and will be enabled subsequently. I would now like to hand the conference over to Ms. Samita Shah. Thank you, and over to you ma'am.

Samita Shah: VP CFTRM – Tata Steel Limited

Thank you, Kinshuk. Good afternoon, good morning, and good evening to participants listening to the call, . On behalf of Tata Steel, I'm delighted to welcome you to this call where we will discuss our results for the first quarter of FY2026. The call is being led by our CEO & MD, Mr. TV Narendran, and our ED & CFO, Mr. Koushik Chatterjee. As is the norm, we will make some opening comments before we open the floor for questions. Before I hand it over to them, I just wanted to remind all our participants that the entire discussions will be governed by the Safe harbour clause, which is on page 2 of the presentation. Thank you, and over to you, Naren.

T. V. Narendran: CEO & MD - Tata Steel Limited

Good afternoon to everyone. As Samita mentioned, I'll make a few comments and then pass on to Koushik. At an overall level, US policy, geopolitical tensions and macroeconomic situations in China are shaping steel trade flows leading to volatility in regional prices. Steel prices increased in April in India aided by expectations around safeguard measures but with China Steel exports averaging between 9-10 million tons per month, the pricing trend softened a bit by June and in July as well. More recently, in China, we've seen the prices go up in the last few days, but the impact of that is yet to be seen. While the raw material prices continue to moderate steel spot spreads peaked mostly in April and since then have

faced some pressure. Amidst this Tata Steel has delivered a strong improvement in 1Q performance on a QoQ basis as well as on a YoY basis.

I'd like to now make some comments on the performance in each geography. In India, crude steel production was at 5.24 million tons, while deliveries stood at 4.75 million tons. This is lower than the previous quarter due to the seasonality as well as maintenance shutdowns. And while the ramp-up at Kalinganagar is as per plan, one of our large furnaces at Jamshedpur has been down for relining for the last few months and should come back on track over the next few days. We did have an issue with one of our furnaces in Neelachal Ispat Nigam Limited (NINL), which had undergone a maintenance shutdown, and we didn't have much production from there in April. As a result, the crude steel production was down 4% QoQ. Further in fourth quarter, seasonally strong deliveries led to inventory drawdown, which has been replenished in 1Q to normal operating levels. This coupled with the drop in production led to a decline in overall deliveries, NINL is back at normal operating levels and the relining in Jamshedpur, as I mentioned, is at its last stages and the blast furnace G, which is being relined should come back in the next few days. We could offset the impact of volumes by an increase in net steel realisations to the tune of about Rs 2,600 per ton on QoQ basis in India. This is despite an early onset of the monsoons. Higher net realisations are partly on the back of increase in broader market prices in April and partly led by our ability to maximize volumes in certain chosen segments. We also drove a number of initiatives, which helped us achieve the planned cost takeouts. This has helped us deliver an EBITDA margin of around 24%, which is close to the 10-year average.

At a business vertical level, the deliveries to the automotive segment were aided by 4% YoY growth in high-end products. We remain focused on new product development and within six months of the continuous annealing line being commissioned in Kalinganagar, we have successfully established grade approvals for high strength and ultrahigh-strength steels, including for skin panel applications. We expect to make further progress with the commissioning of the state-of-the-art continuous galvanizing line at Kalinganagar. The first coil from the new continuous galvanizing line was produced in June, and we are in the process of getting the approvals for the CGL products as well. Our retail business is shaping up well and Tata Tiscon is growing systematically aided by deep consumer connect and reach. Based on consumer insights, we launched Tata Tiscon SDCR, which is super ductile corrosion-resistant steel to meet the demand for corrosion resistant steel in the coastal areas of Andhra Pradesh, Tamil Nadu and Kerala. In terms of reach, our dealer & distributor network is now over 25,000 and is ably complemented by our e-commerce platforms, Aashiyana and DigECA. Together, they witnessed a gross merchandise value of about Rs 1,350 crores in 1Q, which is up 39% YoY and works out to around Rs 5,400 crores on an annualized basis. The Industrial Products and Projects deliveries were aided by value-accretive segments such as engineering and ready-to-use solutions. The engineering segment grew 5% YoY on improved volumes to oil and gas and railways. Further enhanced product mix [inaudible] to solar (i.e. the steel that we supply for the solar panel supports) increased by 4 times the volume compared to 1QFY25. We will continue to strengthen our downstream portfolio, and our color coated volumes have been steadily ramping up through our joint venture with BlueScope Steel, the Tata BlueScope JV that we have. This JV now sells around 300,000 tons of color coated steel, a large part of which is through the high-margin Durashine retail brand. During the quarter, we had also commissioned 100KTPA tubes mill, which utilizes an innovative direct forming technology that offers productivity and quality benefits over conventional mills.

Moving on to UK, deliveries stood at around 0.6 million tons and were marginally lower on QoQ basis. UK steel prices are still 6% below a year ago due to the subdued demand and import pressures despite safeguard quotas being in place. Quotas for some products are more than the prevalent domestic demand in the UK. As such a sustained focus on controllable cost continues to yield results and has aided our 1Q performance. This quarter also marked a significant

milestone in UK's transformation journey with the groundbreaking ceremony on 14th July at Port Talbot, marking the official start of construction for scrap based Electric Arc Furnace.

In Netherlands, liquid steel production stood at 1.7 million tons and deliveries were at 1.5 million tons. Our performance was aided by favourable sales mix as well as moderation in controllable costs. We are committed to 35% - 40% reduction in carbon emissions and are engaged with the government team on support for the integrated decarbonization and environment measures project. Thank you, and with this, I hand over to Koushik for his comments.

Koushik Chatterjee: ED & CFO – Tata Steel Limited

Thank you, Naren. Good afternoon, good evening to all those who have joined in. I will begin with the consolidated performance provided in Slide 22 of the presentation. As you would be well aware, the market conditions and trade tensions across geographies remain pretty complex. However, the steel spot spreads over raw materials have improved primarily aided by moderation in coking coal prices and iron ore prices during the last quarter. This, along with our progress on internally focused cost takeout initiatives, which we have discussed in our May'25 call, have led to an improved consolidated performance on QoQ as well as on YoY basis.

Let me give the headline financial performance. The consolidated revenues for the quarter stood at Rs 53,178 crores, and the EBITDA was about Rs 7,480 crores. 1Q EBITDA increased by 11% on QoQ basis, translating to a margin improvement of about 200 basis points and per ton EBITDA improvement of around Rs 2,400. I would like to point out that our consolidated EBITDA is now broadly similar to the India EBITDA and our intent is to continue the transformation process in UK and Netherlands, such that this trend continues and is sustained even though we are faced with volatile market conditions due to trade and tariff-related issues.

Now let me talk about the global cost transformation program of Tata Steel that I had spoken in our earlier call. Firstly, this is a cross geography cross functional efficiency initiative that goes deep on the structural review and looks at to push the bar towards further efficiencies. During the quarter, we have delivered a traceable improvement of about Rs 2,900 crores across the three main geographies with India at about Rs 1,100 crores, Netherlands at about Rs 1,400 crores, and UK delivering about Rs 400 crores of cost transformation across supply chain, spares, repairs and maintenance, raw material efficiency, energy management, logistics and freight, broader productivity areas, and fixed cost. The efforts continue to realise the full gains in the future quarters. As mentioned on Slide 12, this translates to about 98% compliance to our own first quarter plan. Therefore, we are in a good position to continue this program. In India, we achieved about 100% compliance to the plan and the initiatives or focus areas that yielded results were leaner coal mix, optimisation of stores, repairs and maintenance, reduced scrap consumption and operating KPIs relating to freight & handling and power & fuel. In UK, we are better than plan on account of further reduction in maintenance costs, hire & leasing and other operating charges. In addition, we are also focused on optimising the cost of purchased substrate or the feedstock that goes in for conversion. In the Netherlands, we were marginally below plan basis the pace of consultation with the Central Works Council. Excluding the employee relating costs, we were at about 100% compliance with the plan and this was driven by better product mix or downstream sales, optimization of supply chain and procurement costs, along with other controllable costs.

Let me now provide a deeper understanding of India, UK, and Netherlands performance individually. Tata Steel standalone revenues for the quarter ended Jun'25 was about Rs 31,014 crores and EBITDA was Rs 7,263 crores, which translates to

a margin improvement of about 275 basis points or Rs 2,600 per ton on QoQ basis. As Naren mentioned, our volumes were sequentially lower in the first quarter due to maintenance shutdowns. As a result, the total revenue from operations declined by about Rs 3,400 crores QoQ despite higher realisations to the tune of about Rs 2,600 per ton. However, this was more than offset by the improvement in the controllable costs, leading to an increase in the first quarter EBITDA by about Rs 158 crores or 2% vs. 4QFY25 on reported basis. Within costs, material costs declined by about Rs 2,900 crores, primarily driven by decline in coking coal consumption cost by about \$12 per ton as well as leaner coal mix and inventory management. To elaborate on inventory, there was marginal inventory buildup in the first quarter vis-a-vis the drawdown in the fourth quarter, which is a seasonally stronger quarter. Conversion costs decreased by about Rs 700 crores, primarily aided by decline in stores, repairs & maintenance and power & fuel related expenses as a result of the cost transformation program, despite having an adverse operating leverage on account of lower volumes.

I would like to mention a few comments about our subsidiary, Neelachal Ispat Nigam Limited or NINL. The EBITDA for NINL was about Rs 220 crores for the quarter, and this translates to a margin improvement from 23% in 4Q to about 24% in 1Q. On 24th July, 2025, we successfully completed the residual acquisition to make NINL now a 100% subsidiary. Looking ahead, the blast furnace operations have resumed in NINL, as you heard from Naren, and we expect the production to pick up in the subsequent quarters.

In the Standalone P&L, depreciation for the quarter was Rs 1,627 crores, which was up by about 7% YoY. We have capitalised about Rs 5,500 crores during the quarter, primarily on account of Kalinganagar expansion and the remaining will be capitalised during the course of the financial year.

Coming to the European operations, I would like to elaborate about the local market dynamics before moving on to the performance. The UK and the EU have been impacted by steel imports, which has impacted the demand conditions as well as the supply-demand balance. The capacity utilization of the European steel industry currently is about 60% to 65%. As such, both the UK and the EU have undertaken measures to safeguard the local industry with varying impact across the two regions. In Germany, the HRC prices are up 4% compared to a year ago, while in the UK, the HRC prices are still 6% below the year ago levels. UK steel safeguard quotas by product have been liberalised every year and are now a larger proportion than even in 2018, when it was started, even as the UK demand has contracted. This meant that quotas for selected products are higher than the demand. The EU has already reworked the country quotas and the UK government is currently working to intervene in respect of the quotas. These initiatives are expected to stabilize the price regime in the future with a lag effect. We are also keenly following the details of the trade deals that are being finalized between the EU and the US as also between the US and the UK.

Given these dynamics, Tata Steel UK has focused on fixed cost and strategic initiatives to aid performance. In the first quarter, Tata Steel UK has managed to halve its EBITDA loss despite the challenging market conditions and the uncertainty on tariffs. UK revenues for the quarter stood about £536 million and declined by 3% or £15 million on QoQ basis due to marginal drop in volumes. At the same time, total costs have declined by about 9% or £55 million, leading to an improvement in the EBITDA by about £40 million or £58 per ton. Within costs, fixed costs have improved by about £17 million and first quarter fixed cost base on an annualized basis reflects a reduction of more than £200 million in FY2026 versus FY2025. Apart from fixed costs, a decline in substrate cost, power & fuel, bulk gases related expenses have also aided the performance.

Moving on to Netherlands. Revenues for the quarter were about €1.5 billion, and were down 6% or €105 million on a QoQ basis. Realisations improved and better sales mix with a drop in volumes led to the revenue movement. At the same time, total costs have declined by about 10% or €155 million, leading to an improvement in EBITDA of about €50 million or €35 per ton. Material costs declined by about €184 million but were partly offset by the marginal increase of about €30 million in conversion costs. Improvement in material costs were largely driven by inventory movement and decline in coking coal consumption cost despite the incidence of US customs duty on select volumes. The US business of Tata Steel Netherlands is very profitable, and the material is shipped from Netherlands to the US for further processing before selling to the customers in the US. These shipments incurred about 25% duty until early June and 50% thereafter. Tata Steel Netherlands had negotiated with customers and some of them have agreed to bear some of the additional costs and tariffs. Net adverse impact on EBITDA in the quarter was around €14 million. We are hoping to get more clarity of the EU-US trade deal on the final tariff principles and export of steel to the US. Overall conversion costs rose by about €30 million QoQ, primarily on account of two factors. One was a noncash actuarial adjustments and employee benefit provisions reversals that we had in 4Q to the tune of about €27 million, and the other was the increase in emission rights costs to the tune of about €6 million primarily on account of improved production and marginal increase in the EU ETS prices. Excluding these, our conversion costs have actually moderated on QoQ basis.

Moving to the cash flows, we spent about Rs 3,829 crores on capital expenditure during the quarter, majority of this was in India. There was working capital buildup primarily due to replenishment of stocks in India and in Netherlands after a strong 4Q. As the production improves in India, we expect that the optimisation on working capital in the next quarters. Net debt was at about Rs 84,835 crores, and our group liquidity remained strong at about Rs 43,578 crores, which includes about Rs 14,118 crores of cash and cash equivalents. While net debt has witnessed a marginal increase vs. end March, we are committed to deleveraging and with a slightly stable trade environment, increased volumes on account of completion of Kalinganagar project and the benefits of cost transformation in the second half of the current financial year, we will endeavour to continue the deleveraging process.

On capital expenditure and projects, the Board of the company has yesterday approved the expansion of the tinplate business to almost double the capacity of the existing facilities in Jamshedpur and also invest to ensure sustainability of our captive coking coal mining capacity. In the UK, the EAF project is progressing well and in Netherlands, we continue to be engaged with the government about the support of decarbonisation and the environmental measures impact. Lastly, moving to our disclosures, we're committed to transparent and responsible business practices and also actively engaging and embracing the global frameworks. We have recently adopted the TNFD's LEAP approach and published our inaugural TNFD report, which is on nature related financial disclosures, which is up on our website. It marks an important milestone in our journey towards becoming more conscious of the risk of nature loss and also demonstrates our commitment to continue to be a responsible organization. With this, I'll end my presentation and open the floor for questions. Thank you.

QUESTIONS AND ANSWERS

Operator

We will now begin the Q&A session, and the first question is from Sumangal Nevatia of Kotak Securities.

Sumangal Nevatia, Kotak Securities

Good afternoon, everyone, thanks for the chance. I'll start with the bookkeeping one. If you can share what is the price and cost outlook in the coming quarter vs. what we've seen in 1Q in India, UK and Netherlands?

T. V. Narendran: CEO & MD - Tata Steel Limited

Sumangal, as far as the price is concerned, the guidance we're giving for India is that the net realisations will be about Rs 2,000 per ton less in 2Q as compared to 1Q. As far as UK and Netherlands are concerned, it will be flat or slightly higher. As far as cost is concerned, the coking coal costs are expected to be about \$10 per ton lower in each of these geographies from a consumption point of view. And in Netherlands, the iron ore cost is also expected to be about \$7 to \$8 per ton lower from a consumption point of view for 2Q compared to 1Q.

Sumangal Nevatia, Kotak Securities

The next question is on the cost transformation. Congratulations on delivering on 1Q. I just wanted to understand, one, how is the breakup between India, UK and Netherlands in 1Q. And when we're saying breakeven in UK if you can share what's the latest thoughts by when? Is it still 2Q? And this cost transformation, is it in addition to breakeven in terms of we going into positive in UK as well? Or this is basically, including the cost transformation, we will be approaching breakeven?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

I gave the breakup in the cost transformation between regions in my narrative, but I can repeat it again. It's about Rs 1,100 crores in India, Netherlands at about Rs 1,400 crores, and the UK at about Rs 400 crores. See, when we chase breakeven, I presume you're talking about UK. Fundamentally, you cannot have breakeven and then something else, something else then leads to the breakeven. So, this cost transformation is also a very important part to achieve the breakeven. The goal of getting the breakeven is very important for us as a company and we continue to chase that. The market has been very volatile, and you understand that, including the uncertainties on tariffs, because the tariffs affect not just us directly, but also indirectly our customers. Therefore, in UK, there has been a 15% reduction in the automotive sales or automotive demand in the last quarter. We're seeing multiple elements to that. But there is an effort to ensure that we get to the breakeven by the end of this year, for sure.

Sumangal Nevatia, Kotak Securities

Last question on expansion. We have not yet announced or taken Board approval for NINL expansion. So just want to understand what is holding us back, given we are already ramping up Kalinganagar and maybe in 18 - 24 months, we will be running at a rated capacity. So, when do we expect some announcement on expansion?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

One of the things which is important for us, what we do now is we do the front-end work a lot more than what we used to do earlier. Earlier, we used to announce and then do the environment clearance, then the basic engineering and all the approvals, etc. Currently, we are in the engineering part and its very advanced as well as the environment clearance process. There is a public hearing that has already happened. So, the process for the EC is getting completed, it will take a couple of months more and once we are done with all this, when we go for FID or the final investment decision, that time, we are execution ready. That's our approach, which was not the case earlier and which we used to suffer from time delays

as well as cost delays. So, we've changed the process and that is what is happening in the NINL process. Naren, you want to add something?

T. V. Narendran: CEO & MD - Tata Steel Limited

I think you articulated it. Basically, once we get the FID, we are ready to move to order placement and construction. I think that's what we're looking for. Whereas earlier, once you've got the Board approval, you waited for another year, 1.5 years to get the work started until you got all the approvals. So that's a shift in our approach. Neelachal is at a very advanced stage. I think we are ready to go to the Board maybe by October, November as soon as we get the environment clearance. What you will see over the next 12 months is, of course, the Ludhiana plant coming into action that will add another 0.75 million tons and the Combi mill in Jamshedpur, which is 0.5 million tons, which converts some of the extra billets we have in the Gamharia plant into steel. So, you'll see a lot more value addition and some volume growth in long products before the Neelachal one comes in.

Operator

The next question is from Prateek Singh of DAM Capital Advisors

Prateek Singh, DAM Capital Advisors

The first question is largely on prices. Indian steel prices seem to be at a 10% discount to China prices despite safeguard duty and we have not yet seen any improvement in trade prices. So, does this mean that the seasonal impact this time is quite bad and as a corollary, how are we seeing the government spending, especially state governments. Some states are facing fiscal pressure. So, can we see some price hikes happening or would it happen once monsoon is behind us? That's the first question.

T. V. Narendran: CEO & MD - Tata Steel Limited

I think Prateek what's happening is a lot of capacities which were down because of maintenance shutdowns because pretty much most of the major steel companies are doing shutdowns and maintenance work in 1Q. So that is back by end of June, and that coincided to some extent with the onset of early onset of monsoons. That's why there was some sort of pressure. Internationally, if you look at it, [inaudible] China domestic prices have gone up about \$35 to \$40 per ton in the last few days with the announcements that they made on 1st July. So, we are seeing internationally a bit more stability on the pricing. Domestic demand is traditionally weak in this quarter, as you said, but we expect it to pick up once the monsoon ends for two reasons. One is, it looks like a good monsoon year and secondly, once monsoon is over, construction activity will start, and thirdly, the festival season is on to us. So, we are more optimistic about the prices going forward. This will be a slightly difficult quarter because of what I just described. The other thing you should keep in mind is because international prices are low, the exports out of India is much less. So, earlier from India we use to export anything between 7 to 10 million tons of steel, that's not happening, because international prices are not great. So pretty much all Indian producers are selling most of what they produce in the domestic market. And that's why we say there's enough supply in the domestic market, leading to some price pressures as we felt last month, but I think we see things improving from next quarter.

Prateek Singh, DAM Capital Advisors

The second one is for Koushik. Koushik, you mentioned in UK, we are optimising on the cost of substrate. If you can elaborate a bit more on that. Given it's a commodity, what else are we thinking about? Is it going better? So, [inaudible] what is the measure that you have in mind?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

The model in UK, obviously has changed since last September because we are buying substrate, which is slabs and then converting it to downstream products. Some part of it or a large part of it goes from India and some of it from Netherlands, but there are also external purchases that we do from our peers across the globe. Given where the price points are, we also want to ensure that our model on pricing spreads and the stock levels are correct so that we do not have a mismatch in terms of the price at which the substrate comes in, and the price at which we convert and sell it to the customers. That optimisation model took some time, and it is still maturing and that is something that we need to do right, which also means that how we plan for the supply chain in terms of procurement of substrate, the grades at which we buy, vs. the grades that we sell, ensuring that the product mix that is done during the planning and during the actual sales is similar so that we don't downgrade the product at any point in time just to ensure that we have to get the volumes out. So, those are the kind of initiatives which we are currently doing, and it is backed by investments in the IT platform so that we have real-time data for the decision makers at the time of procurement and sales.

Operator

The next question is from Satyadeep Jain of Ambit Capital.

Satyadeep Jain, Ambit Capital

Two questions. First question is on the profitability of mini mills in general in UK and Ludhiana. If we look at Ludhiana and UK during the transition period and once the EAF comes up, it would be a state-of-the-art plant and I would believe at par with any mini mill in Europe. During this transition, we are obviously importing substrate and running it through, the only constraint being the safeguard quota in UK, which is pulling the overall profitability down and maybe not realising the breakeven EBITDA in the near term. Is that the only constraint? And if that is not solved, could that maybe a structural constraint. Just trying to understand in the UK and Ludhiana which is again on EAF, as we don't really have a lot of cases of EAF profitability. So, if you can maybe guide as to how do we look at profitability of Ludhiana, once it comes up? So that's the first question on profitability of mini mills.

T. V. Narendran: CEO & MD - Tata Steel Limited

Satyadeep as far as UK is concerned, there are 2-3 issues. What we are facing currently is the tariffs that have been announced by President Trump on the UK, not only on us but on our customers and as that settles, there's been some disruption and some reduction in production forecast of automotive manufacturers in UK, etc. The second is that, even today, there is a discussion between US and UK on the melt and pour issue because today, the US is insisting on melt and pour in UK, whereas our point is till 2027, we are going to be bringing the slabs from Netherlands or India. And so that's a part of the US - UK discussion. The third part is the quotas in the UK was set at a point in time when the demand was much more. Since then, the demand has shrunk, but the quotas have not. As a consequence, imports into the UK which are allowed, sometimes exceeds the requirement. So, UK has seen a divergence of prices as compared to Germany

and other such places, as Koushik mentioned. So, these are the issues which we've taken up with the government, and the government is addressing them. I think on the quotas, they've already announced some changes. Some of it will take effect over the next few months because it's not just, as you know, the UK government is now running what was earlier British steel. So, they are themselves feeling the pinch. We do expect that some of these policy issues will get sorted out. Going forward, when the EAF is there, we are going to use locally available scrap which is one of the reasons why we set up the EAF where UK is a big exporter of scrap. So that's a big part of the cost, and we believe we will be much more competitive buying local scrap than importing scrap or the earlier model of bringing in iron or coal and running it in the UK and we had guided earlier that we expect the cost to decline by at least £150 per ton once we shift to the EAF. The second part is energy cost in the UK. Here again, the UK government has recently announced some more concessions, and that's going to help us as well. That was one of our asks. So, by the time the EAF comes up, we will have the benefit of energy costs, which are lower than it is today. These are the reasons why we believe that the UK business during the transition as well as once the EAF is up, should be EBITDA positive. And obviously, we have a much smaller footprint. So, the maintenance requirements of a new state-of-the-art EAF, as you mentioned, will be much less than the maintenance costs that we were incurring in an old sinter plant, old coal ovens, and old blast furnace. Already the cost takeout is visible in the numbers that we have and that's why we believe UK will be in a much better position than we were prior to it, and some of these issues are getting addressed. And the last point I want to make is you'll have the carbon border adjustment mechanism as well. The carbon footprint of Port Talbot is down from 6 to 1 million tons. So, in the earlier context, you would have been paying carbon cost for those free allowances, which would go away once CBAM rolled out. So, there again we will have some support for the domestic market. This is as far as the UK is concerned.

As far as Ludhiana is concerned, we know that the cost of producing steel through the EAF will be higher than the cost of producing steel through the blast furnace route. But the model here is slightly different. Firstly, we are targeting the retail markets where our realizations are much higher. We are also looking at setting up these furnaces in places where there is scrap and hence, the scrap processing facility in Rohtak and the steel plant in Ludhiana. Thirdly, we are also looking to sell all the steel that we produce within 300 kilometres of where we have produced it. So, we will also save Rs 2,000-3,000 per ton on transportation, which we incur today in shipping the steel from Jamshedpur or NINL to some of these markets. So, we believe that these mitigation actions will bring down the cost disadvantage of EAF vs. the regular routes of production. And of course, it'll have a emission of less than 0.3 per ton of crude steel and with the government's new policy on giving advantage to what the government calls Green Steel, we will have an advantage in Ludhiana, even over the rebars that we make in Jamshedpur or NINL. So, these are the multiple reasons why we believe this model can work for us. We also have a state-of-the-art long product mill that we are setting up, which is very energy efficient and has good manpower productivity as well. So, if this model works, we want to replicate this in other geographies as well and the other advantage is you can set it up in 2-3 years. You can set it up by spending about Rs 2,000 - 3,000 crores. You need only about 100 acres of land. So, you're not limited by acquiring a lot of land and doing lots of things like that. So, it's an opportunity for us to focus on iron ore-based production in East, where we have three big sites, Jamshedpur, Kalinganagar and NINL (as one site) and Meramandali, and in other parts of the country leverage scrap, leverage the other advantages of being close to the market to do scrap-based production. We are starting with bars. It could also be special steels that we could produce.

Satyadeep Jain, *Ambit Capital*

Just a follow-up on this quota. This decision on the transition in UK company took some time back and the safeguard quotas were already in place at that time also the argument could have been the quotas exceed demand. But now going

to government when you've already started the entire process, would it not have been prudent to do it before going into the entire transition? Would you slow down since you're already committing capital before there is a review of safeguard?

T. V. Narendran: CEO & MD - Tata Steel Limited

Satyadeep, the issue at that time was that we did not have the actions that the US is taking now. So, the issue is because of the trade actions being taken for the US and the increased exports from China, you have a lot more trade flows looking for markets and EU has changed its quotas once this has happened. So, we're telling the UK government to what the EU has done. So, they are sensitive to that and they are open to that. So, the situation has changed and hence, we ask of them to look at the quotas. So that's where it is. Nothing changes from our point of view because in the long term, we don't expect this to be a big issue. Koushik, do you want to add to that?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

I think the quota discussion was there, and it has been on the table for the UK government. The previous government when we signed the term sheet and then the new government. The trade related authorities, the UK TRA, was fully involved in that. In fact, they allowed us bespoke import of slabs and for HR coil because there was import duty on the HRC earlier, which they kind of created for the transition. So, it has been on the table. It's that, as Naren mentioned, the trade dynamics did change significantly post January 2025 and it needs to be addressed more in a customized manner, which is what the UK government is currently doing. It takes process. It's not that we were blindsided by this. It was there, it just took the government a longer period of time to intervene in the manner in which it needs to be done because just now the way in which the imports have been flooding all over was significantly different than what it existed one year back.

Satyadeep Jain, Ambit Capital

The second question is on the expansion. You mentioned environmental impact study, hopefully available in the next couple of months. Given there is a different process, now you're starting construction after approvals, how should we, let's say, the company does get approval by October. What is the timeline we should be looking at for actually commissioning of 5 million tons in the first phase, 24 months or 24 to 30 months from the date of construction, is that the timeline we should look at? And how should we look at the letter of intent in Netherlands? Any maybe update on discussions and timeline we can get there?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

As far as the timeline is concerned, just wait for the FID because, I wouldn't want to pre-empt the Board during the discussion, the site is in our control. It is not land acquisition, etc. But 24 months, I don't know if any steel plant gets erected on an integrated basis. We will come and give you the specific details. I think it will be longer than 24 months. It will not be 24 months. It is one of the reasons why we have changed our process is to ensure that we do. One is cash to cash cycle is compressed as much as it is can be done. Secondly, there is a lot of replicability between our Kalinganagar expansion and NINL [inaudible] and do it quickly. Third is to ensure that we are able to execute the projects in a parallel basis rather than sequential. So, there are a lot of project management efficiencies being added to. When we do the FID, I think we will come and give you a more specific answer that will stand. As far as Netherlands is concerned, as you may be aware that the government has fallen, and they are currently in the pre-election phase. However, our project has been endorsed by the parliament. In Netherlands, they classify major decisions into two parts. One is what they call as controversial, which essentially means that needs government in power with a mandate to agree and the other one is the normal course of

business. We are not in that controversial zone because it has been parliament blessed. So, we are in the normal course of the business. That's why we are continuing to engage with the government in Hague as well as with the local provinces in Netherlands where we are located. There are multiple issues that will happen. The letter of intent is also to be placed before the current parliament before it goes for recess for election. So, we'll see as to how we can do it. There's also an EC angle to it because the EC has to bless it in some ways before that letter of intent goes. Thereafter, the negotiations for the binding agreement will happen with the new government and the new parliament. So that's how the sequence is done. We spend a lot of effort in getting what we think is an important transition project for Netherlands and for Tata Steel. And we are also looking at the capital cost, engineering, all of that, which is in our control, which is also what we've been focused on.

Operator

The next question is from Amit Murarka of Axis Capital.

Amit Murarka, *Axis Capital*

I wanted to know a bit about the rollout of CBAM. We are now only five months away, like I was reading some reports that the government has exempted up to 50 million tons of annual imports by any customer, which exempts 90% of the customers from the obligations of CBAM, and that's what I was reading. Could you just throw some light about how do you think the rollout is shaping up to be and are we on track for a timely rollout of January 2026?

Koushik Chatterjee: *ED & CFO – Tata Steel Limited*

I think, CBAM for January rollout, which is currently a reporting stage. There is no single government as it is decided by EC and all the other (27 EU countries) actually sign for the CBAM. I presume you're talking about Europe and not about another geography or UK, because EC is very clear it will be done. There is a consultation process, they are initiating in order to make CBAM more watertight. That is something that has been one of the ask from the players because in Europe, we do not want to see CBAM where there is a work around CBAM regulations and imports into Europe. [inaudible] I think EC is currently working on it and in the next couple of months, will be opening up for a consultant. But the current CBAM anyways is scheduled to get online for 1st Jan 2026 implementation.

T. V. Narendran: *CEO & MD - Tata Steel Limited*

In fact, if I were to add to that, across European countries and in UK, the government is putting money into this transition. So, they're putting taxpayers' money into this transition on the assumption that there is a CBAM and all that. So, it's in the government's interest also to be consistent on the policy based on which these investments are being made. So, I don't think there's going to be any deviation. If at all, then the government will allow you to continue with the free allowances etc, but we don't see anything specific on that.

Koushik Chatterjee: *ED & CFO – Tata Steel Limited*

I think what is there, is a 50 thousand tons and not 50 million tons of the minimum import into EU because that's like first 50,000 for any importer will get an exempt, it's like the trial ball in a cricket match.

Amit Murarka, Axis Capital

I didn't mean million, sorry, yes. But exempts, I believe 90% of importers was what some of the articles are suggesting?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

Well, for the first 50,000 tons, it will be imported, but it's also backed up by the quotas. So you have a quota then the CBAM and then this so when you gross up the numbers it will not be significant and that is exactly what the current review of the CBAM is being done because the players are basically saying that it needs to be much more watertight than to have these kind of leakages [inaudible] and as Naren mentioned that with governments participating all across Europe with public money, they will want to ensure that the CBAM effectiveness is very high.

Amit Murarka, Axis Capital

And just a bookkeeping question. Like in 1Q, like how much cost did you book for the Jamshedpur relining cost on the relining expense?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

I think it was about Rs 600 crores or thereabouts somewhere half around it because bulk of it is between 1Q and the previous year 4Q and that will be capitalised in this quarter once the furnace gets up and running.

Amit Murarka, Axis Capital

Nothing is expensed in the P&L. It's all Capex.

Koushik Chatterjee: ED & CFO – Tata Steel Limited

No, that's how we do.

Operator

The next question is from Ashish Jain of Macquarie.

Ashish Jain, Macquarie

My first question is on this cost savings that you have spoken about and thanks for quantifying that. But if I just look at the EBITDA movement for QoQ, it's kind of up marginally, and this is in spite of pricing being higher, and we're also talking of eleven billion rupees of savings. How will we triangulate this? And where do we see these cost savings really getting reflected. Can you elaborate a bit more on this? Because I would think without cost savings, our EBITDA would have been actually down. Is it as simple as that to give it or there's some other way that one can view this?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

Without the cost savings, EBITDA would be down because we are low on the volume so that is for sure. One of the reasons is cost savings and second one is in relation to the prices. I think the visibility of cost savings would be on a YoY basis when we get in the 4Q of this year because what I gave the numbers was in relation to the averages of last year [inaudible],

because we started this initiative effectively somewhere in the early second quarter of last year. And it has been tracing down. When we close financial year 2026 and then compare it with the FY2025, it will be more prominent. We do a traceability exercise and I think about 85% of the cost benefits are traceable to the general ledger and that is very important for us to ensure that you can see on the face of it. But fundamentally, and it will also be reflecting, if you see on the cost of goods sold & despatch cost. [inaudible] But effectively, from an average to average for FY yearly basis, you will find that more traceable.

Ashish Jain, *Macquarie*

Right. But Koushik, just to understand this a bit better. So let's say, coking coal is down by \$50 per ton hypothetically, that will not be counted in this number, right?

Koushik Chatterjee: *ED & CFO – Tata Steel Limited*

No, price effects are not taken into account. The raw material efficiency elements are taken into account, leaner blends are taken into account, but not the price. So, the contracting on fixed volume, fixed contract vs. spot buying, all those are into account, but not the base prices, neither on steel, nor on raw materials.

Ashish Jain, *Macquarie*

Secondly, but let's just say, for NINL, whenever we announced, can you at least given the preparedness, we're talking about at the time of announcing the Capex, shall we think that the execution timeline could come down to between 2 to 2.5 years or that's too aggressive in terms of the execution period?

T. V. Narendran: *CEO & MD - Tata Steel Limited*

So normally, if you've seen a typical integrated plant, like Koushik said, you would say 3 to 5 years. So that would include at least 1 year and 1.5 years of all the approvals, etc. So that's the one you will save. So, that will be for an integrated steel plant. If you look at the Ludhiana plant, we're building it within two years because that's a simpler plant. In an integrated plant, it's not just a steel plant, you have to plan all the logistics, raw material movement, and in NINL, we're talking of moving it from 1 million to 4.5 million. So, there's a lot of work and like we do it in Jamshedpur, it is being constructed as an operating plant. So, there are some complexities related to that. So that's why we would typically look at a time in that range, around 3 to 3.5 years is what we think is realistic. But if we had started from scratch, it would have been 4 to 5 years for sure.

Operator

The next question is from Vibhav Zutshi of JP Morgan.

Vibhav Zutshi, *JP Morgan*

Just one question on the FX side. So given the debt-to-equity refinancing, is FX volatility expected to reduce because this quarter had a lot of adverse movements in both pound and euro, but it looks like we didn't have impact.

Koushik Chatterjee: ED & CFO – Tata Steel Limited

Yes. So, with more and more onshoring of FX debt into rupee debt that will certainly show up as a benefit and the volatility will certainly be lower in the future. The trade-related FX are different.

Samita Shah: VP CFTRM – Tata Steel Limited

He is referring to the intercompany FX variations.

Koushik Chatterjee: ED & CFO – Tata Steel Limited

That we have converted into equity. So therefore, that doesn't come into our account.

Operator

The next question is from Amit Dixit of Goldman Sachs.

Amit Dixit, Goldman Sachs

The first one is on the sales volume. So, if I look at FY2026, the start has been relatively subdued, of course, due to the maintenance shutdowns and all. What kind of volume do we expect in FY2026? And what will be the contribution of KPO II in this volume?

T. V. Narendran: CEO & MD - Tata Steel Limited

We guided at the beginning of the year about 1.5 to 1.6 million tons more this year compared to last year. This is despite the fact that you have one of the biggest blast furnaces in Jamshedpur down for relining, and so we are losing volumes there. If you look at Kalinganagar, I think the forecast is around 6.7 to 6.8 million tons of crude steel production this year, which is at least 2 million tons more than last year. So that's broadly the numbers. Kalinganagar like we said, it's ramping up. So, the third vessel is up in May. The third caster is up next month. So, at least from a steelmaking point of view, we will have all the facilities up during this quarter. The cold rolling mill is up and that continuous annealing line and one of the galvanizing lines are also up. So, you will see not only the volumes growth in Kalinganagar, but the mix also improving over the next few months.

Amit Dixit, Goldman Sachs

In TSUK, we expected some of the benefits to come from the employee cost restructuring. Does this number that you mentioned include that? Or we will see some more benefit of the employee cost restructuring going ahead? Also related one is that do we expect, provided things remain where they are, TSUK to become EBITDA level positive from next quarter?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

On the employee cost restructuring, we had about 400 people leaving the company in 1Q. So, we are releasing the provisions that we had made based on the people leaving. There is going to be the full year impact of the employee leaving which will mostly be seen from H2 because that's when we started last year. So, you will see some of the full year impact

in FY2026. The program that we had looked at was 1,800 people leaving the company is almost done, and there are some natural attritions, which also happen anywhere. The employee part is largely done. There are some tail end of it that will continue to happen in 2Q. As far as the breakeven, if I take the market conditions average of last year, we would have certainly looked at maybe second quarter or third quarter changes. But the market has been really tough especially as we discussed earlier in the call, what Naren mentioned, and I talked about. But we still want to ensure that the FY2026 exit in 4Q is on a breakeven. That's actually the focus there. We see ways to do it in terms of areas to look at it. Cost takeout is fundamentally the most important. We're talking about, as I mentioned in May'25 call, £200 million from UK. But more importantly, we're looking at how do we manage the spreads now that we are on a conversion model on substrates and therefore, to get some more work to be done on the supply chain side, which will get us there. But I think that's a clear pathway to get there.

Operator

The next question is from Ritesh Shah of Investec.

Ritesh Shah, *Investec*

How should one look at the Tata Steel BSL taxation part. I think the debt, which was waved off, it will have some implication on taxes. Is it something that one should worry about if you could quantify numbers would be great?

Koushik Chatterjee: *ED & CFO – Tata Steel Limited*

Ritesh, my counter question is if your banks waive off the debt, is it an income in our hands? That's fundamentally the question that if as an arrangement, if the banks have agreed to waive the debt voluntarily as part of the transaction. And that we said that we will apply 25% tax on that because that's your income.

Ritesh Shah, *Investec*

Logically, I'm with you, but law is law.

Koushik Chatterjee: *ED & CFO – Tata Steel Limited*

So, law is also the same. That's the point. So, since its subjudice, I don't want to talk more about it, that's why I said [inaudible] the framing is the most fundamental bid. And sometimes these kinds of things happen, you have to fight it out legally and logically in the court of law. But essentially, I would have told is fundamentally the question to answer.

Ritesh Shah, *Investec*

But would it possible for you to quantify, if at all, or is it a pass?

Koushik Chatterjee: *ED & CFO – Tata Steel Limited*

No, I don't think we should get into that zone because on the fundamentals of the argument that if there is a waiver, it cannot be deemed to be an income in somebody's hand then the whole IBC will fall off. Because IBC is a process whereby the creditors in the interest of the industrial organization or any entity for its continuation [inaudible]. On the other side of the line, it has to be sustainable and that's why the past dues to the extent not based on fundamentals is a waiver that is

done by the creditors but that cannot be held to be an income or a taxable benefit in the eyes of the buyer. I'll leave it at that.

Ritesh Shah, Investec

In annual report, there was a contingent liability with respect to ORISED, which was around Rs 16,500 crores, it has been taken off. How should one read into this?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

Fundamentally, there was a basis when it was first demanded, and we were also disclosing it as in a manner in which that was transparent. However, it is important to understand that the principles of ORISED has been interpreted differently by the courts. It is still in the courts, and we will see what is more applicable also in context of the fact beyond 2015 when the MMDR act came in with a new format. These issues relate to regulatory dues from the mining activity, which have also been articulated pretty clearly. We have complied with that, and we will continue to comply with that because it's part of our mining operations. So, in the prudence of not being speculative till the courts and the governments decide, it was important to mention about it but not continue on a mechanical basis a number which is becoming more theoretical.

Operator

The next question is from Tarang Agrawal of Old Bridge Capital.

Tarang Agrawal, Old Bridge Capital

Your target to contain debt by Rs 6,000 crore to Rs 8,000 crores for FY2026, that remains?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

Indeed, yes. If I were to reword your question, our enterprise strategy to contain debt by about Rs 6,000 to Rs 8,000 crores is not getting deprioritised. But markets being where they are and honestly, last couple of years we could have achieved that. However, on the other side, we wouldn't have had the ability to invest in Kalinganagar. So sometimes, we look at what comes ahead to get us more cash. For example, there were a lot of questions today on NINL. When NINL comes in, in the initial years, the spends will be lower, but there will be a year or two when it will be peak year where the construction has to be completed. At that point of time, if markets are good, the deleveraging will also continue. If markets have softened and moderated, our interest and priority is to complete the project first, because we can always do that deleveraging in the year after when the commissioning is done. So that's how we look at it, honestly. But from a structural point of view, the fact that we will keep our balance sheet derisked through deleveraging, does not change by the season.

Tarang Agrawal, Old Bridge Capital

Couple of questions on the European business. In 4Q, you had commented that the gross spreads in the Europe market have been at a multi-quarter low. Has that trend continued? My sense is it has, so I just wanted your comment on that. How has that played out in 1Q? Because what we see, these are fairly illiquid prices. So, they're generally not representative of what's really happening on the ground. So that's one. I mean when I say the prices, the prices that we see from publicly available sources, they may not be representative of the prices at which the contracting activity is happening in the market. Secondly, Europe has been fairly sluggish now for almost two years, right, this entire operating

environment, specifically for the steel industry coupled with the fact that there's significant transition expenditure that the industry is to undertake. Has there been a change in the structure of the industry in terms of participants in the industry or the financial health of the industry?

T. V. Narendran: CEO & MD - Tata Steel Limited

The spreads improved during the last quarter, partly because the prices improved a bit as well as the costs came down, not only in terms of conversion costs which is more relevant to us, but more in terms of input costs when you look at the spreads. So, iron ore and coal came down and steel prices stabilised a bit, and that's why the spreads improved last quarter. This quarter also, we expect the spreads to be around that level, maybe dip a bit, but largely okay. There is not much of a concern and it's moving closer to the €225 to €250 per ton which, is a long-term average, whereas when Koushik commented last time, it was we had gone down to even €150 to €160 per ton levels which was very low.

The second part is, yes, when we look at spreads, we are always looking at base HR and compared with iron ore and coal, etc. Whereas when you look at the realised value, you will look at the product mix. We have a significant downstream presence in Europe, and we leverage that and also we leverage the fact that we are a big supplier to the auto industry, to the packaging industry, so on and so forth. The team always looks at how, despite given HR, how can I manage a better mix, and that's how you improve on that. Third part of what you said is, obviously, Europe is one geography where the steel consumption today is still lower than what it was in 2008 and hence, all the challenges that we've had in the last 15 years. In 2008, it was maybe about 160 million tons and it's stuck at 130 million. It's around that 130 million tons level, which has been quite stable, not growing, but not shrinking either.

What we see in Europe is over the last one year, certainly there is a lot more interest in preserving the steel industry in Europe because of the issues that Europe is facing with Russia, which used to be a supplier of substrate before. More recent focus in Europe is to build a defence industry. And also, the focus to try and become self-sufficient in some sense of the term and not depend on other geographies for critical inputs. And steel being a base industry feeding into all critical industries across European countries, we are seeing a lot more interest in preserving the steel industry in Europe and hence, the support that they're willing to give, and the safeguards and all that. So, we are seeing that there's more support for the industry in Europe. What we are also seeing is that while the auto industry demand may shrink a bit because of tariffs because of other things, we are seeing the steel consumption in defence go up a bit over the next 8 to 10 years. On the supply side, as you said, there is restructuring going on. Not everyone will survive this transition, because if the CBAM happens as we expected to, I don't think anybody will reline a blast furnace and hence forth in Europe we probably did the last relining a couple of years back. If that is so, when blast furnaces have come to end of life, they will close. And only the financially healthier companies can invest to build new capacity. So, you do see a Voestalpine, Salzgitter, thyssenkrupp, Tata Steel, SSAB, and ArcelorMittal relooking at investment plan, but focusing just on EAFs and not going beyond that. So, there will be a restructuring of the supply side, for sure. Not everyone who's producing steel today will be there 10 years from now. So, we do expect this restructuring of the steel industry to help the demand-supply equation more than the fact that demand is going to take off certainly. So, demand may be stable. There may be some shrinkage in auto, which will be made up by defence, etc. But the supply side will certainly get restructured a bit, and that is something we expect. Koushik, you want to add to that?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

No, that's perfect. And I think just to add one data point. Currently, the utilization levels have gone down to about 60% - 65%. We see some mothballing also because of the response to price. Hopefully, with CBAM coming in and quotas being

implemented actively and with some stabilisation on tariffs with the US, expect the stabilisation as far as pricing is concerned. And I think the point that Naren mentioned on the structure of the industry will change because it's also dependent on which governments will prioritise its own NDC outcomes to fund how much and through which energy source in the next two decades. So, I think that will also determine who will get that viability gap funding to make that investment.

Operator

Thank you, sir. I would now like to hand over the conference to Ms. Samita Shah for chat questions. Over to you ma'am.

Samita Shah: VP CFTRM – Tata Steel Limited

Let's start with Europe and then maybe we will move to India. So, many of the questions on Europe have been addressed. I think the only incremental question I can see is, do we have any visibility on which green steel projects are actually progressing and in terms of timelines, commissioning etc.

T. V. Narendran: CEO & MD – Tata Steel Limited

I think maybe the investments by Salzgitter, Voestalpine are going more or less as per schedule thyssenkrupp is progressing, but I'm not so sure if it's on schedule. The Scandinavian projects are all delayed that you must have read about. I think whether it's to green steel, SSAB etc. SSAB has already announced, I think a 1-1.5-year delay. So, that's what we see, and parallelly ArcelorMittal has called off some investments, and in some investments, they will build the EAF and not the DRI. So, there is obviously a bit of a mix bag there. I think future progress I see most are Voestalpine and Salzgitter.

Samita Shah: VP CFTRM – Tata Steel Limited

We'll move on to India. I think there are some questions in terms of Kalinganagar forecast for FY2026 and FY2027. I think you've already answered for FY2026. And as we all know, we typically give guidance once a year in May, and we'll do that in six months from now for FY2027. But if you just want to talk about broader volume growth, over the next couple of years.

T. V. Narendran: CEO & MD – Tata Steel Limited

So Kalinganagar will ramp up and the exit rate at the end of the year will be at the max rate. So that's not the issue at least as far as steelmaking is concerned, and that allows us to send slabs to the UK as we are doing today because the hot strip mill will produce about 6 - 6.2 million ton, and so you will have some slabs extra. And one of the other projects which we look at once the UK starts or around the same time is how do we add more value to the slabs with a plate mill or something like that. So that's one track. The cold rolling mill will certainly ramp up, and it's one of the most advanced cold-rolling mills in the country along with galvanizing lines. So, you'll have a very good product coming out of that and already auto companies have approved the products out of continuous annealing line, and we are working with them on the galvanising lines. So I think the volume side is up, I think the part which you need to factor in, like in this year and for next few years is that we have a few blast furnace relining coming up in Jamshedpur. So, you have the G furnace happening this year. You have the H furnace, which will happen sometime in the next financial year. We're still working out what would be the right schedule. There will be some offset from the volume side because of the relining in Jamshedpur. But like I said, you will have some 0.8 million tons of steel coming onstream next year from Ludhiana and 0.5 million of value-

added product coming out of Jamshedpur from the combi mill. So, these are some of the additional volumes that we expect to get.

Samita Shah: VP CFTRM – Tata Steel Limited

There's a question on Sukinda in terms of the surrender and what is the view going forward for FAMD?

T. V. Narendran: CEO & MD – Tata Steel Limited

I think the surrender of Sukinda mines, was planned and we had already submitted it last year and we were waiting for the government approvals. The process is going on. It's at a very advanced stage.

We are recalibrating the ferrous alloys business because we are looking at it, more as to how do we optimise the capacities that we have, given the mines that we will retain and how do we bring this business back to profitability and not be subjected to the various demands that we get from the government on various regulations. We are simplifying the business and recalibrating it so that it's profitable. There will be some more developments related to this business, which we will announce at the right time.

Samita Shah: VP CFTRM – Tata Steel Limited

There are some questions on our iron ore strategy post 2030 and how we will sort of manage without the captive mines.

T. V. Narendran: CEO & MD – Tata Steel Limited

Captive mines make sense from a cost efficiency point of view, if it adds value, if it's value accretive. Some of the premiums that are being bid, it really doesn't make sense to have iron ore available at that cost just, so that you can say you have a captive mine. So, we believe that it's worth having a captive mine if it's value accretive to the business. In the past, we used to be 70% captive for coal. Today, we have 20% captive coal. So we have gone through this journey for another critical input, and we believe we can go through this journey, and we will optimise around the costs, whether it is signing up with merchant players in India or looking at imports because at very high premiums, it actually makes sense to import the iron ore. You get better quality iron ore sometimes lower alumina iron ore, which is going to be very important for the future. So, we are looking at it from that point of view. We'll continue to bid for the mines that are coming up. We've already got, as we mentioned in the past, more than 500 - 600 million tons of ore in mines post 2030 available with us, based on what we already have. So, it's not that we don't have anything. But at the same time, we will keep adding to that bank based on the financial viability of the new mines that we would bid for.

Samita Shah: VP CFTRM – Tata Steel Limited

Some questions on Neelachal (NINL). So essentially, in terms of capacity utilization and whether we see the profitability of Neelachal moving in line with India profitability over a period. And, I think some questions about whether Neelachal is just selling pig iron. So, if we could just clarify.

T. V. Narendran: CEO & MD – Tata Steel Limited

No. Basically, Neelachal (NINL), as you saw last year delivered more than Rs. 1,000 crores of EBITDA. This year also, we expect it to deliver similarly. What Neelachal doesn't have is a rolling mill. So, what we do is we take the billets from

Neelachal. The blast furnaces are running full out. We make the billets, and we convert it into finished products, like Tata TISCON at our accredited conversion agents who produce for us and the product is in the market. So, to some extent, the value will accrue to Neelachal more once we expand and build a rolling mill there. But as of now, pig iron is not on a planned basis, but if there is some extra material which comes out of some imbalance temporarily, of course, we try to use it in some of our other plants rather than sell it in the market. So that's where it is. But Neelachal is running full out. We lost production in April, but we would make up those volumes. In fact, the limit on Neelachal is pretty much our current EC, which limits the production to where it is today. We could have produced maybe a little bit more if we had a higher EC. But with the approvals that we have sought, which is around 9.5 million tons approval from the EC so that we don't keep going back. And once we have the 9.5 million approval, then we can expand to the pace at which we have the appetite.

Samita Shah: VP CFTRM – Tata Steel Limited

There's a specific question on Kalinganagar Air separation unit. Maybe we have some common shareholders with Linde India as well. But there are a couple of questions actually in terms of when the second air separation unit will get operational at Kalinganagar?

Koushik Chatterjee: ED & CFO – Tata Steel Limited

I think there is a process in which both from a finishing point of view, completion of the project and the contracting etc. So sometime in the 2nd or 3rd quarter of this year, we should be in that zone. And the agreements are in place between Tata Steel and Linde. I think, in commercial interest, this is all that I can talk about.

Samita Shah: VP CFTRM – Tata Steel Limited

I think the last question was on cost savings. It says that out of the Rs. 11,500 crores of cost savings which you have announced. Is half of that in FY2025? I think you mentioned earlier, Koushik, that we had started doing this from the previous year, and maybe that's caused a little bit of confusion.

Koushik Chatterjee: ED & CFO - Tata Steel Limited

[inaudible] We said in May'25 that Rs 11,500 crores is over the next 12 to 18 months. And whatever has happened in FY2025 is banked already. The baseline is from FY2025. I just wanted to ensure that we understand that this process started not after the new financial year started. We had started it last year but got more structured and built into our annual plans and been followed up vigorously on that basis.

Samita Shah: VP CFTRM – Tata Steel Limited

Thank you. With that, I think we've answered all the chat questions. Thank you, everyone, for your participation, and I hope you got better visibility in terms of our results. Look forward to connecting with you again next quarter. Thank you.

T. V. Narendran: CEO & MD - Tata Steel Limited

Thank you.

Koushik Chatterjee: ED & CFO – Tata Steel Limited

Thank you.