Operator: Ladies and gentlemen, good day and welcome to the Tata Steel earnings call. Please note that this meeting is being recorded. All attendees' audio and video have 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.

Management: Thank you, Shovan. Good afternoon, everyone, and welcome to this call to discuss our results for Q1 FY27. We declared our results yesterday, and I hope you have had a chance to go through the numbers. There is also a presentation that explains the details. To explain and walk you through the results and answer any questions you may have, we have with us our CEO and Managing Director, Mr. T.V. Narendran, and our ED and CFO, Koushik Chatterjee. We will share some opening comments and then proceed to the Q&A. Before I hand it over to them, I just want to remind you all that today's discussions will be governed by the Safe Harbor Clause on page 2 of the presentation. Thank you, and over to you, Naren.

Management: Thank you. Thanks, Samita, and good morning and good afternoon, everyone. Let me share some of my thoughts with you and then hand over to Koushik. Tata Steel delivered a resilient performance in Q1 despite the challenging operating environment. The developments in West Asia continue to disrupt the supply chain, and Chinese steel exports of about 9-10 million tons a month have also impacted international prices. Of course, this has also led many countries to take action to protect themselves, which, in turn, has consequences for steel supply chains and for Tata Steel. Our performance is, in some sense, a result of our ability to respond to these situations and of having a business model that can adapt to these changing conditions. Of course, the continued performance of our India operations has also helped shore up the numbers.

I would now like to make some comments on our performance in each geography. In India, crude steel production was about 5.76 million tons. This was lower than the previous quarter because we had some scheduled shutdowns and some operational issues, which are behind us now. In Q4, strong deliveries also led to an inventory drawdown, and some of the production therefore went into rebuilding inventory to optimal levels across our supply chain. Hence, deliveries in India were about 5.17 million tons in Q1. We were able to offset the impact of lower volumes through an increase in realizations of about 6,000 rupees, {? 5,990 ?} to be more precise, over Q4. The higher net realizations were partly due to improved market prices and partly due to our ability to maximize volumes in the chosen segments. This helped us deliver an EBITDA margin of 27%, which is higher than the 10-year average.

Some of the segmental highlights are what I would like to describe now. The automotive and specialty business delivered its best-ever Q1 volumes. It recorded 21% year-on-year growth in high-end sales. We also developed cold-rolled ultra-high-tensile steels, DP 980, for those of you who understand the technical details, for commercial vehicles, as well as galvannealed steel and secondary coatings for passenger vehicles and tighter-tolerance specialty steel bars for transmission gears. These developments further strengthen our position as a preferred partner in the automotive sector. As you know, we have a market share of about 50% in the auto sector.

Our well-established brand, Tata Tiscon, grew volumes by 33% year-on-year, supported by our extensive distribution network, which today covers 97% of India's districts. Steelium volumes, also

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supported by the cold rolling mill in Kalinganagar, grew by 34% year-on-year. Our digital platforms, Ashiyana and DigEca, continue to scale, with a combined GMV of around 2,200 crores for the quarter, up 61% year-on-year. We continue to strengthen our presence in the construction solutions business through differentiated offerings that improve project efficiency. In fact, this is also addressing a trend that we see today: construction workers are not easily available to work at construction sites. Hence, our move toward delivering construction solutions is really helping many of our customers.

During the quarter, we also commissioned India's first Superflux weld mesh line at Cuttack in Odisha. This is a first-of-its-kind facility that can produce engineered weld mesh up to 3.3 meters in width, significantly higher than the industry standard of 2.4 meters. All these initiatives are aligned with what we want to do: go further downstream and move toward more services and solutions, in addition to the products that we provide. We want to deliver convenience and an experience to many of our customers that are aligned with their expectations.

Our efforts to diversify into new end-use segments are also yielding encouraging results, including shipbuilding, where we have now received a number of approvals. Shipbuilding, like automotive, is an approval-based business, and this has broadened our addressable market opportunities. The other area we are looking at is data centers. We are also strengthening our position in the oil and gas sector through international certifications that enable participation in competitive and high-specification projects. In essence, we are pursuing more high-value, approval-based businesses as well as emerging consumption sectors such as data centers.

Our downstream portfolio continues to build momentum, with the tubes and tinplate businesses delivering their strongest-ever first-quarter performance. Our wires business also expanded its market reach through innovative solutions such as 3D welded mesh for railway applications and GajaMitra, a high-tensile knotted fencing system featuring specially designed tubular structural posts. These are being used in the south by forest departments, particularly in areas where there are elephant corridors. The Tata Colors business, which was previously Tata BlueScope, continues to benefit from infrastructure-led demand by supplying roofing and cladding solutions for projects under the Amrit Bharat Station Scheme.

As you must have heard, the Board yesterday approved the 4.8 million-ton expansion at Neelachal Ispat. This is central to our strategy of deepening our presence in high-margin and branded long products. This is the first phase of growth at Neelachal, and it will expand the total capacity at Neelachal to about 6.2 million tons.

As far as the UK is concerned, our deliveries stood at 0.5 million tons. We welcome the recent revisions to the safeguard measures, including a 51% reduction in tariff-free quotas and higher duties. However, there are some categories, such as galvanized steels, tubular sections, and some packaging steels, where the current quota allocations are not fully aligned with what we believe is fair because, in many cases, the quotas represent a significant 70-80% of demand. They used to be higher than demand; they have now been brought down, but they are still at a very high level. We are therefore working with the relevant authorities to provide industry inputs and support a calibrated approach that balances market requirements with the policy intent.

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In the Netherlands, liquid steel production was 1.55 million tons, while deliveries were 1.4 million tons. The temporary shutdown of our direct sheet plant has weighed on operational performance because the direct sheet plant, or DSP as we refer to it, accounts for about 20% of our production in the Netherlands, and it has been closed since the first week of April. We have just received approval to run it for 4 weeks starting August 5, and hopefully the data generated through that production will help us obtain permission to run it beyond that. Q1 was impacted by this shutdown, but we hope to address this issue in Q2.

Finally, as far as West Asia is concerned, developments in the region continue to impact energy, freight, and some of the raw materials and consumables that we use. We are closely monitoring the situation and taking appropriate action to mitigate the effect on our operations. With this, I hand over to Koushik for his comments. Thank you.

Management: Thank you, Naren. Good afternoon to those who have joined. During Q1 of financial year 27, the global steel industry continued to navigate a complex and volatile landscape. Geo-economic shifts, persistent supply chain disruptions, and the ongoing developments in West Asia have continued to exert pressure on input costs, energy prices, and logistics. Despite these headwinds, Tata Steel delivered a resilient performance anchored by robust steel realizations, the improved product mix that Naren discussed, and ongoing cost-transformation initiatives. In today's presentation, I will cover, first, the performance for the quarter; second, the strategic decisions taken by the Board; and third, a commentary on the disclosures that you would have seen in the SEBI release.

I will begin with the consolidated performance provided on slide 25 of the presentation. Consolidated revenue for the quarter stood at about {? 60,794 crores ?}, and EBITDA stood at {? 9,370 crores ?}. On a per-ton basis, Q1 EBITDA improved by about 2,400 rupees per ton year-on-year and by about 1,490 rupees per ton quarter-on-quarter. It is presently tracking close to about 13,000 rupees per ton on a consolidated basis, which effectively represents a 15% margin. It is important to emphasize that this is after unplanned cost increases of about 1,200 crores on a consolidated basis directly due to the West Asia war. We have witnessed price spikes in energy, freight and insurance, natural gas, and logistics costs. With alternative sources and mitigation plans, we expect the impact to taper down in the coming quarters.

Let us now provide a deeper understanding of the performance of India, the UK, and the Netherlands individually. Our India business continues to be our growth engine and continues to account for 75% of Tata Steel's total crude steel production. In Q1 FY27, India EBITDA was higher by 32% year-on-year at about 9,900 crores. India continues to deliver industry-leading margins. EBITDA margin improved significantly from about 15,907 rupees per ton in Q4 to about 19,162 rupees per ton in Q1.

I think there is an echo here. You can all put your microphones on mute. Tata Steel's standalone revenue for the quarter stood at 36,897 crores, and EBITDA was 9,409 crores, which translates to a 26-27% EBITDA margin and reflects a margin improvement of about 95 basis points quarter-on-quarter. Total revenue was up by about 9,212 rupees per ton. However, this was partly offset by an increase in costs of about 6,700 rupees per ton due to lower volumes during the quarter as a result of annual shutdowns and operational issues, which are now mostly resolved.

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Within costs, material costs were up by about 1,330 rupees per ton, and conversion costs were up by about 5,400 rupees per ton quarter-on-quarter. Material costs were higher due to higher coking coal consumption costs and increased purchases of rebars from Neelachal Ispat and Tata Steel Thailand, as we optimized value-chain opportunities in the marketplace. Conversion costs moved higher due to increased iron ore royalty-related expenses and the adverse impact of lower volumes, which will see better coverage through fixed-cost absorption in the coming quarters.

Moving to NINL, first-quarter EBITDA performance was strong at about 498 crores, translating to a margin improvement from about 27% in Q4 to about 29% in Q1.

Management: ...about 29% in Q1, leveraging operational excellence and the commercial strategy of the Tata Steel ecosystem.

Moving now to the European operations, I would like to comment on the local market dynamics before moving on to the performance. Steel prices in the UK have moved higher in the last few months on the back of policy developments. The UK reduced tariff-free import quotas by about {? 3.3 to 3.4 million tons ?} effective July 1 and applied a 50% tariff on imports beyond quota levels. While this provides near-term support to domestic supply chains, as Naren mentioned, we have highlighted to the UK government that the measures fall short of their initial proposals. We have requested that the quotas be revisited to reflect prevailing market demand and market conditions across product categories, rather than being based only on total steel volumes.

In the EU, the tightened EU safeguard system announced last year and effective July 1 is designed to complement the CBAM. Together, these measures have helped reset European steel prices and will improve preference for local steel supply over the next few quarters and going forward. However, near-term market momentum remains somewhat subdued, partly because inventory levels are higher than average and underlying demand remains subdued. In July, the European Commission reviewed the EU ETS and opted for a slower phase-out of CO2 emission allowances. The proposal remains aligned with the EU Climate Law, targeting about 90% net reduction in GHG emissions by 2040, but it has slowed the pace of industrial decarbonization over the next decade. We continue to monitor developments in both geographies and are engaging with the authorities on safeguards and the upcoming EU CBAM framework.

Moving to the financial performance for the quarter, the UK business continued its steady progress in improving its performance. EBITDA losses narrowed from 48 million in Q4 to 27 million in Q1, marking the fourth consecutive quarter of improvement. UK revenue stood at about 484 million and increased by 3%, or 15 million, quarter-on-quarter despite a drop in volumes. The improvement was driven by higher net realizations of about 91 pounds per ton. This was partly offset by an increase in total costs of about 54 pounds per ton, leading to an EBITDA improvement of about 36 pounds per ton.

On June 3, 2026, there was a major fire at the Port Talbot pickle line. All personnel were safely evacuated, with no injuries, reflecting strong safety protocols. We are preparing for the insurance recovery process to recover some of the damages caused by the fire. To mitigate the impact, Tata Steel UK expedited the restart and ramp-up of alternative facilities, including the Llanwern cold mill and the pickle line. In Q1, the volume impact on account of the fire was about 10,000 tons, with an EBITDA impact of about 5 million pounds. There is a ramp-up process for the Llanwern mill, with

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new shifts being added to offset some of the volume impact. We hope to ensure that by Q3 or Q4, operations will be back to normal levels.

With regard to the 3 million-ton scrap-based electric arc furnace, site-work construction and equipment sourcing are largely on schedule. We have completed the groundworks, 35% of the piling, and the ordering of all major OEM packages. Nearly half of the equipment to be delivered has already been manufactured and is being prepared in parts for delivery. We have previously said that there will be some delay in the delivery of the new high-voltage connection by National Grid, and we are continuing to work very closely with them and the other authorities to mitigate the delay.

Moving to the Netherlands, we were affected by the loss of finished steel production due to the shutdown of the direct sheet mill plant, which Naren mentioned, for almost the full quarter because of the exceedance of chrome emissions in the line beyond the specified levels. The direct sheet plant's annual capacity is about 1.4 million tons, which, as Naren also mentioned, represents 20% of our total volumes. This disruption impacted overall volumes and fixed-cost absorption during the quarter and, consequently, profitability as well. The plant is expected to start an extended 4-week trial early next week after completion of the remediation process in close coordination with the regulators. Trial results have been promising so far, and this extended run should provide sufficient information to allow the line to return to full production in the ordinary course.

Revenue for the quarter was about 1.4 billion euros. On a per-ton basis, revenue was up by about 87 euros per ton, but this was more than offset by an increase in costs of about 118 euros per ton quarter-on-quarter, largely due to the volume loss coupled with the increase in raw material costs. EBITDA for the quarter was about 4 million euros.

Our business in the Netherlands continues to navigate certain uncertainties relating to environmental, regulatory, and legal issues. The difficulty we see is that, being the only steel company in the Netherlands, there are often no relevant reference points, and sometimes the local regulatory standards are set beyond the EU norms or those applicable elsewhere in the industry.

Since 2020, we have implemented substantial, measurable improvements at our IJmuiden operations. The number of so-called undercooked coke incidents, which are subject to, for example, the criminal investigation involving TSN, has been reduced by 98%. The occurrence rate now stands at less than 0.011% of total pushes, which is below the industry average. TSN's CO2 intensity stands at approximately 1.66 tons of CO2 per ton of crude steel, placing us among the lowest-CO2 integrated steel producers in the world. Therefore, while some compliance issues are being addressed and mitigated, certain technical standards and requirements are both technically challenging and without precedent. We are working with all stakeholders, including the province, regulators, communities, and the Netherlands government, to address these challenges.

Moving now to cash flows, we spent about 3,579 crores on capital expenditure during the quarter, the majority of which was in India. Our recently completed capacity expansion in Phase 2 of Kalinganagar, with 5 million tons, and the 0.75 million-ton EAF in Ludhiana are ramping up well. They are being complemented by the previously announced focused investments in downstream facilities that Naren mentioned, further strengthening our product mix and reinforcing our leadership in the chosen segments.

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In line with the growth strategy indicated earlier, the Board yesterday accorded final investment approval for the 4.8 million-ton expansion in long-products capacity, covering wire rods and rebars, including solutions beyond that, at the NINL site. The investment is {? 33,873 crores ?} toward the core steelmaking and steel-capacity expansion project. This will take the site to 6.2 million tons at the end of the first phase of the expansion, as part of the overall strategy to build 10 million tons at that site.

We are also expanding our iron ore mining capacity at the MKB mines, which are part of NINL, by 15 million tons per annum of iron ore in phases. The merger process of NINL with Tata Steel is also progressing as planned and is expected to be completed by the end of the current financial year. Our previously announced expansions in downstream capacity are progressing well. The 300-kiloton capacity expansion in tinplate and the 0.74 million-ton hot-rolled pickling and galvanizing project are both on track for completion within the next 30 months. The 0.5 million-ton combi-mill in Jamshedpur has been commissioned and is midway through its ramp-up. We also plan to add about 0.42 million tons of tube capacity during FY27 through an asset-light model.

On the balance sheet, net debt stands at about 84,000 crores, and net debt to EBITDA is a comfortable 2.3x, which is within our stated range of 2.5-3x through the cycle. The stated net debt-to-EBITDA range factors in the funding requirements for all ongoing and recently announced expansion projects. Our group liquidity remains strong at about 45,950 crores, including about 13,200 crores of cash and cash equivalents. This provides significant financial flexibility to fund our growth and upcoming projects. Our annualized return on invested capital for this quarter was about 27% in India and about 15% on a consolidated basis. With this, I will end my presentation and open the floor for questions. Thank you.

Operator: We will now begin the question-and-answer session. We will be taking questions on audio and chat. To join the audio questions queue, please mention your full name and email ID in the chat box. Kindly limit yourself to a maximum of 2 questions per participant and rejoin the queue if you have a follow-up question. We will unmute your microphone so that you can ask your question. To ask questions on chat, please type your question along with your full name and email ID in the chat box. To use the chat box, if you have logged in from your desktop, kindly click on Direct and then Chat with All Panelists. If you have logged in from a mobile device, select All Panelists from the drop-down menu. We will wait for a moment as the queue assembles.

The first question of the day is from Vibhav Zutshi of JP Morgan. Vibhav, please go ahead.

Vibhav Zutshi – JP Morgan: Yes, hi. Thank you for the opportunity. My first question is on European prices. Our expectation was that prices would continue narrowing the gap with US prices, but so far they have been stuck at around 700 euros per ton, and demand continues to be weak. As we move into the restocking cycle later in the year, do you think that will be sufficient to drive a significant uptick in prices? Thank you.

Management: Thanks. I do not see Naren here, but—

Management: I think we just lost him for a minute. We are just trying to—

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Management: Yes, okay. Let me answer that. What we are currently seeing is a lot of disruption on the regulatory front. People have been stocking up, and as I mentioned, inventory levels are significantly higher than average. As we move deeper into the year, we expect an uptick, especially when the contract-renegotiation season starts in November. This will be due to the CBAM impact as well as the quota impact, because we should be mindful of the fact that 18 million tons out of the 30 million tons will be available for import. Therefore, almost 47% of the actual imported volumes will be taken out of the market, leaving the domestic market to support the supplies that come in. This is one of the biggest triggers that we see beyond the CBAM.

I think there is still fairly long runway for price increases in the European market, but they will happen in phases and incrementally rather than through a sharp uptick, because this is a structural change taking place in the European market.

Vibhav Zutshi – JP Morgan: Okay, got it. That is helpful. My second question is on the UK. How should we interpret your overall comments that UK prices are at a $100-per-ton premium over the EU, but the safeguard quotas have not been very effective in reducing imports and are applicable only to certain products? More broadly, given that you had guided for a potential EBITDA break-even in the second half, do you still see that as achievable, or is it contingent on the negotiations currently taking place with the government?

Management: Our hypothesis was fundamentally based on the initial proposals that were given. We still believe that there is room for prices to increase. Certain segments of value-added products, such as galvanized steel and tubes in the UK, still have very high quotas, especially in relation to Southeast Asian and Asian mills, and that is what we have been discussing. There is still runway for improvement. Regarding our guidance, when we said that we were moving toward EBITDA break-even, as Naren mentioned last time, that remains on course.

There is some heavy lifting that we also have to do internally, but irrespective of the change in quotas, our view is that we should minimize the losses to almost break-even. This may be pushed by 1 quarter—perhaps not in Q2, but in Q3 or Q4—and in the second half we should be able to move closer to break-even. We will have to see. As I said, the contract renewals from November onward will also indicate whether the price increases are holding. Naren, do you want to add something?

Management: The question effectively had 2 parts. The first was on European prices, which I answered: whether there is more runway for prices to increase given the muted demand. The second was on the UK and whether we are still guiding for neutral EBITDA in the second half.

Management: I think that in the UK, as Koushik said, every quarter is getting better than the previous quarter. The trajectory is holding. The speed is what we have struggled with somewhat, but hopefully the trade actions, although not fully what we wanted, are helping and are bringing UK prices close to European prices, if not slightly better, which is where they historically were. For the last year or so, UK prices have been well below European prices, and we are happy that this has been addressed.

European prices are also moving closer to US prices. Traditionally, European prices used to be $100-200 lower, whereas the gap is now almost $400, or $300-400. We are therefore seeing a rebalancing of prices. We have been discussing this for some time, and it not only reflects the costs

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in those markets but also addresses the high imports that existed in both Europe and the UK. In Europe, with quotas coming down to 18 million tons, there is far greater stability in terms of imports. In the UK as well, these actions provide some support, at least for hot-rolled coils and similar products.

Vibhav Zutshi – JP Morgan: Got it. Thank you so much.

Management: Thank you.

Operator: The next question of the day is from Parthiv Jhonsa of Anand Rathi. Parthiv, please proceed with your question.

Parthiv Jhonsa – Anand Rathi: Hi, sir. Good afternoon, and thank you for the opportunity. My first question pertains to the Maharashtra capex. In the annual report, you mentioned that the Maharashtra capex would be somewhere around 6 million tons. However, in the presentation and the press release, it has been trimmed down to 5 million tons. Does this mean that you have finalized some plan around Maharashtra? Is that the reason?

The second part of this question relates to NINL. NINL is moving from almost 1 million ton to 6.2 million tons based on the capex you have announced. The capex works out to almost 33% higher than the last phase of capex undertaken at Kalinganagar. What is the difference? Both are projects of this nature, so I wanted to understand the capex implications.

Management: Yes, go ahead, Koushik.

Management: First, on Maharashtra, based on the land we are discussing, we are targeting more than 3,000 acres. If you look at Kalinganagar Phase 2, we had 1 blast furnace of 5 million tons. From a productivity and asset-efficiency point of view, our view is that we will build a similar plant of 5 million tons. That is the reason. The total Maharashtra capacity, eventually and in phases, could be around 15 million tons. We have not started the engineering work or any work to that effect, but it will be around 15 million tons. That is the land capacity, and therefore, from an asset-efficiency point of view, it would effectively comprise 3 blast furnaces of 5 million tons each.

That is the recalibration. When the 6 million tons was discussed, we had talked about 3 plus 3 million tons. However, based on our experience with large blast furnaces, it is more productive to use larger blast furnaces rather than multiple smaller ones. That is the reason for the change from 6 million tons to 5 million tons.

Regarding your point on NINL, you should actually look at NINL as a greenfield project. Phase 2 of Kalinganagar was a bolt-on to Phase 1. Many enabling facilities for the 8 million-ton Kalinganagar plant had already been completed in Phase 1. It is important to understand that several enabling works are required at the site, including the layout and compliance with environmental conditions. All of this, as well as the size of the plants and the number of mills, has an impact. In Phase 2 of Kalinganagar, we did not have to build the HSM because it was already there; we only had to expand its capacity. Therefore, it was an asset-optimization process, whereas NINL needs to be viewed more like a greenfield project.

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Management: The other point to add to what Koushik said is that the exchange rate has also changed significantly over the last 10 years for all the equipment purchased from overseas. Whether it was Phase 1 of Kalinganagar, Phase 2, or now Neelachal, the dollar exchange rate also has an impact on the capital cost of imported equipment.

Parthiv Jhonsa – Anand Rathi: Thank you very much, sir, for the answer. My second question pertains to your captive mines. In the annual report, you mentioned that 50% of the requirement after 2030 would be met through NINL or a couple of other mines that you would still have after 2030. I wanted to understand the potential cost savings, or the delta we should build in, considering that you would still have 50% of the mines beyond 2030. Would this 50% ratio still hold when you reach the 40 million-ton target?

Management: If you look at iron ore, today we are at perhaps 45 million tons, moving toward 50 million tons, of iron ore production. About 90% of that production is currently coming from our old mines. The newer mines, such as Gandhalpada, what we call the MKB mines at Neelachal, and Kalamang, which we acquired with the Bhushan acquisition, are today producing less than 5 million tons. Over the next few years, we expect to take this to about 30-35 million tons. That is work currently in progress.

Obviously, the cost of iron ore from those mines will be higher than what we have today because some of them have zero premium and some have high premiums. The qualities are also different. The Gandhalpada mine has a high premium but very low alumina, which provides a value-in-use benefit. Therefore, it is not just a matter of looking at the pure iron ore cost; we look at the value in use and the quality.

The reason we said 50% captive is that if we have 30-35 million tons and require about 60 million tons of iron ore, we would be at 50%. We can always bid for mines that are coming up for auction, including our own mines, as well as for any new mines. However, we also want to consider the cost of having captive mines. Having captive ore is not an end in itself; it should be competitively priced. If people are paying 120%, 130%, or 140% premiums, it becomes difficult to justify that cost.

You need some iron ore supply to keep the plant running without disruption, but otherwise you can buy it in the market rather than pay a 130% or 140% premium. At a 140% premium, imports also become an option. That is why having 100% captive supply is not an end in itself. We will evaluate the economic value of being captive and then decide what proportion of our iron ore should be captive and what proportion should be purchased from the market.

Parthiv Jhonsa – Anand Rathi: Thank you very much.

Management: Thank you.

Operator: Thank you, sir. The next question of the day is from Satyadeep Jain of Ambit Capital. Satyadeep, please proceed with your question.

Satyadeep Jain – Ambit Capital: Hi, thank you. My first question is on the Netherlands, perhaps more for understanding. You are saying that the caster and rolling mill account for 20% of production and are impacted. Do the remaining casting and rolling operations not have high

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chromium-6 levels? When you transition to DRI-EAF, will you still face challenges there in case some of these issues are not resolved? Even after the transition, would those issues remain?

Regarding the undercooked coke issue, I know there is a hearing on November 20. Is there a criminal case against executives as well, or is it mainly against the company? We do not really know the full extent of the investigation. In light of everything you are seeing in the Netherlands and the {? easing of life ?} and all, are you less enthusiastic about the Netherlands or Europe in general? If you are so positive about Europe, is there a possibility of looking at another country, given that you are the only mill there and are facing challenges? I am just trying to understand how you are thinking about the Netherlands.

Management: Let me start, and then Koushik can complete what I have not covered. More specifically, this is an emission issue related to our DSP, or Direct Sheet Plant, which is essentially what you would call a thin-slab caster and rolling mill in India. It is similar to that. The emission is coming from the tunnel furnaces that are unique to this method of producing steel, where the slab is cast and immediately rolled in the hot strip mill.

There is a tunnel furnace that connects the slabs to the hot strip mill, and the emissions are related to the rolls used in those tunnels. This was not a measurement we had undertaken earlier. As part of a full audit of all the measurements that needed to be conducted, we came across this issue and found some deviation. We proactively informed the authorities in the interest of transparency because we were trying to work more transparently with them. It was something we noticed and discussed with them, and they then said it would be better to shut the plant down until the problem was resolved.

We feel that we have largely solved the problem because we have changed all the rollers. There are dry rollers and wet rollers, and we have changed those rollers. The emissions now appear to be under control. The authorities have given us permission to restart the plant on August 5 and run it for a month while taking measurements. We are confident that the levels should be within the required limits, after which we should receive permission to continue operations.

This does not impact the other parts of the plant because they do not use these tunnel furnaces. It does not impact anything new that we may build because that also would not use these furnaces. Even if these furnaces are used in the future, we now know the chrome emission levels associated with these types of rolls and will use the appropriate rollers. This is a unique problem that we have come close to addressing.

The second point, which Kaushik alluded to in his comments, is that some of the expectations in the Netherlands are beyond what any other steel company in Europe, let alone the rest of the world, is expected to meet. That is a conversation we are having with the government and regulatory authorities. The law may need to be examined to determine whether it is fair to us because ultimately we have to compete with other steel companies in Europe. We are discussing whether there can be a fairer approach and a more level playing field regarding regulatory emissions, because some of the requirements are technically unprecedented. We need to find technical solutions, and some of these will obviously have an impact on operating capability or costs. It is a complicated conversation.

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We believe that on many metrics we are among the best in the world. As Kaushik said, in terms of CO2, we are among the top 3 in the world through the blast furnace route, at 1.66 tons. To give you a sense, the average in India is 2.2 tons, and in the rest of the world it is 2 tons. In the Netherlands, we are at 1.68 tons. That is the level of our CO2 emissions. On many other emissions, including caster emissions, we are already at levels that nobody else has achieved. These are the challenges.

Having said that, the narrative in Europe is that, as I said earlier, the European market, like the US, is also trying to support its industry and ensure that unfairly priced imports do not destroy value for the industry. Hence, the reduction in quotas is welcome. The CBAM is also helping to create a level playing field because European steel producers pay a carbon tax and we pay a carbon tax. Anyone who sells in Europe is also required to pay that carbon tax. It is a form of equalization.

The third point is that, as a geography, Europe is seeing more investment in manufacturing, defense, infrastructure, and so on. We do see these actions helping the European steel industry going forward. Hence, the point we are making is that the European steel market should be more attractive going forward than it was in the past.

From our point of view, we feel that our Netherlands asset is one of the best sites in Europe, not only on many performance metrics but also because it is a coastal plant. There are very few coastal plants in Europe, and we are one of them. If Europe has to make steel, the Netherlands and our Dutch plant are among the best places to do so because the plant is well positioned. That is why, among the locations in Europe, we feel we are already in one of the best locations from a steelmaking point of view and would like to remain there if we can address all these issues.

That is the conversation going on with the authorities. In terms of the financial numbers, I do not know whether Kaushik mentioned this while I was away, but we expect Q2 to be better than Q1. The benefits we started receiving from prices were washed away because of the DSP and some of the other impacts. However, we expect volumes and EBITDA to be better in Q2 than in Q1. They will be lower than what we would like them to be, but they will certainly begin moving in the right direction. Koushik, perhaps you can add to what I have said.

Management: I will just add to or respond to Satyadeep's questions on the DRI-EAF and the possibility of investing in another country.

Management: Also, Koushik, I missed the point about November 20.

Management: Yes. The first point is that there are certain immediate challenges we are facing. If you look at our SEBI disclosures, we have been quite comprehensive about those challenges. The first one relates to the—

Management: Coke and gas plant, then there is the direct sheet mill, which is currently being addressed. Then there are the emission cases relating to green pushes. As I just mentioned, there are hardly any green pushes at this point, and we are well below industry standards. As of now, regarding the cases, the public prosecutor has said that they intend to proceed with the case. We have our defense, data, and position on the matter. We have heard that people may be named, but no individuals have been named as yet. We will see how this unfolds, but we have all the available defenses to contest the case.

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The second point is that, as part of last year's non-binding GLOI with the government, there were certain conditions on both sides. Slag is one of those conditions, and it is not only a future issue but also an immediate issue. There are 2 regulators involved with different views at this point, and this is another matter we are working on.

In a nutshell, we are currently reassessing and assessing the situation with all stakeholders to understand the investability of the DRI-EAF and the regulatory framework within which there is not only an investment case but also a sustenance case, because these investments are made for 20-25 years. Therefore, we are looking at the overall risk-return profile and assessing it in the context of the investment proposal we have.

We have completed a substantial portion, almost all, of the engineering study, so we now know exactly what needs to be done. However, we will not move forward until we have clarity on many of these issues. That is where we stand.

Finally, the investment and business case must work and generate an appropriate return. What Narendran said is correct: the European market is expected to be better than before. However, there is also the question of the sustainability of the business and whether the return on investment is adequate for a new investment. That depends purely on the regulatory side.

As you are aware, and as I mentioned, the EU ETS has also been stretched out. That will have some impact on investability because the CBAM benefit will be lower given the revised curve. If CBAM is lower, it affects the investment case. We are currently working through the extent of that impact.

A lot will depend on the quota changes going forward, which have been announced. Finally, there must be certainty regarding the regulatory standards and framework within which we can operate. All of this is being considered, and, as I mentioned, we are deeply engaged with all stakeholders to understand the situation before taking a decision one way or the other.

Satyadeep Jain – Ambit Capital: Thank you for the detailed answer. I have one quick question on India. What is the timeline for NINL commissioning? The EAF at Ludhiana is now commissioned. Could you share some economics for Ludhiana? I know it is still very early in the process, but how should we look at profitability for Ludhiana, and what timeline for NINL commissioning are you considering?

Management: For NINL, we have committed to 48 months, within which we will have the plant operational. Regarding Ludhiana, it is a different operating model. As you know, the Ludhiana model is based on collecting scrap locally and selling steel locally. The model involves collecting steel scrap within 300 kilometers of the Ludhiana plant and selling steel within 300 kilometers.

You pay more in terms of production costs because making steel through an electric arc furnace is more expensive than making steel through a blast furnace. You offset some of that cost disadvantage through savings in logistics costs. Otherwise, you would spend {? 3,000-4,000 rupees ?} moving steel from Jamshedpur or Neelachal to the Punjab region. That is the model.

The second part of the model is based on the expectation that there will be some form of carbon cost in India going forward. Our objective in moving from a linear value chain to a circular value

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chain over time is that even if 5% or 10% of our production is through the recycling route, it is beneficial for us to have that part of our footprint going forward.

It also makes sense from a CO2-emissions point of view. CO2 emissions at Ludhiana will be 0.3 tons compared with 2.2 tons in Jamshedpur. That is the difference. That is the overall model for us.

Beyond that, around this time next year, we will have a full year of production and will be able to provide more specific numbers. Another point to keep in mind is that the Ludhiana plant was built in 2 years. It involved 3,000 crores of capex for a 0.85 million-ton steelmaking and rolling plant. From a capex-efficiency and time-efficiency point of view, it is much quicker than an integrated steel plant.

There are advantages and disadvantages that we need to weigh, but we are quite confident that this model works. Hence, we are also looking at building a similar plant in the west and in the south. As I said, you need 100-150 acres of land, you can build it in 2 years, and you can add 0.8-0.9 million tons of capacity.

Operator: Shubham, can we have the next question, please? The next question of the day is from Sumangal Nevatia of Kotak Securities. Sumangal, please go ahead.

Sumangal Nevatia – Kotak Securities: Good afternoon, everyone. My first question is whether you can share the expected NSR movement, given how July is progressing, across India, the UK, and the Netherlands, along with your usual commentary on the cost changes we should expect.

Management: I will provide guidance on prices, and Koushik can comment on costs. Regarding prices, last quarter we guided for a 6,000-rupee increase in India, which is broadly what we achieved. This quarter, we are saying that prices will be about 1,500 rupees lower than in Q1 in India.

Obviously, in some areas, such as long products, the decline between April and July has been much greater than in flat products. Flat products are holding up somewhat because auto demand has been very strong. Long products have been impacted by the slowdown in construction activity during the monsoons. However, as we mentioned earlier, while there will be some margin compression in India because there will be additional volumes in Q2 compared with Q1, we expect EBITDA in rupees crores to be better in Q2 than in Q1 in India.

Regarding the UK, we had guided for an 80-pound increase quarter-on-quarter from Q4 to Q1. I think we delivered a 90-pound increase. For Q2, we expect another 70-80 pounds, with 80 pounds being our expectation over Q1. However, the entire increase will not flow into margins because the UK is supplied with substrate, and substrate costs will also increase in line with the market. Therefore, the entire 80 pounds will not flow to the bottom line. That is one point I want to make.

Regarding the Netherlands, we had guided for an 80-euro increase. I think we delivered a 70-euro increase last quarter, and this quarter the guidance is for about a 10-euro-per-ton increase. As Koushik mentioned, Europe is much more affected by contracts because there are long-term and quarterly contracts, so some of the benefit flows through over a period of time.

In India, I also want to add that we will receive some of the benefit from the auto price increases because most of those were negotiated toward the end of Q1. Some of the increases have therefore

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flowed through into the Q1 numbers, while some will flow through into the Q2 numbers. The 1,500-rupee decline has factored all of that in. Koushik, would you like to discuss the cost side?

Management: If I look at it from a spread point of view, which may help you better, we will see spread expansion in the UK in Q2 between the substrate and HR because we are seeing an improvement in prices. The Netherlands spread is broadly expected to remain the same. As Narendran mentioned, we will receive some benefits on the revenue side in Q2.

Regarding coking coal consumption costs, I think we will be at about $184 per ton. We have been able to manage the increases in consumption costs from a coking coal and mix perspective. Broadly, those are the inputs I would like to provide.

Sumangal Nevatia – Kotak Securities: Koushik, $184 is compared with what in Q1?

Management: Q1 was compared with Q4, which was $160-something. The consumption cost in Q2 for coking coal in India will be about $5 higher, and in the Netherlands it will be about $10 higher in Q2 compared with Q1.

Sumangal Nevatia – Kotak Securities: Understood. That is very clear. For the NINL expansion, we said 48 months. Is the start date already set from today?

Management: August 1.

Sumangal Nevatia – Kotak Securities: August 1, understood. Will the mine be developed in parallel, or are we expecting any lead or lag?

Management: It will be developed in phases. The mine development is not included in the capex I discussed; it is in addition to that. As Narendran mentioned, we expect increased mine development from the 3 mines that are currently much smaller. This will happen concurrently with the commissioning of the steelmaking facilities.

Sumangal Nevatia – Kotak Securities: Understood. On the iron ore topic itself, 3-4 years down the line we will see a very significant transition. Is it possible to share what the blended cost increase could be if we take today's market price of iron ore or steel as the reference?

Management: Do you mean the blended cost of iron ore?

Sumangal Nevatia – Kotak Securities: Yes. I want to understand what the blended cost increase could be if we assume 50% captive and 50% merchant supply and use today's iron ore market price as the reference for 3-4 years from now.

Management: Sumangal, have we given specific numbers?

Management: No. There are many variables here because you are talking about domestic prices as well as international prices and how those prices move. Forecasts for international prices depend on the mix. There are too many variables to provide a specific figure. I would suggest that you model it in your own workings based on the mix. We have provided an indication of the expected captive and purchased mix. However, providing specific numbers at this stage would honestly be very premature.

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I will give you a broader sense rather than specific numbers. The cost will certainly be higher—not just for us, but for everyone. One of the reasons we feel that the value pool in the steel value chain may shift from upstream toward downstream is that if everyone in India is going to buy iron ore at 120% or 130% of the market price, the effective tax rate in India for raw materials is already among the highest in the world.

There is an effective tax rate of 65% even if you simply buy iron ore at market prices. On top of that, there are the premiums. We therefore believe that the cost of producing steel in India will increase because everyone is buying iron ore at these prices.

Tata Steel is saying that while we will retain the option of building upstream capacity, as Koushik described, we can reach 48-50 million tons between our existing sites. We have 25-26 million tons in Kalinganagar, 11 million tons in Jamshedpur, and 10 million tons in Meramandali. We may also build 2-3 more Ludhiana plants. Therefore, a roadmap from 45 million tons to 50 million tons is already available using the existing assets.

On top of that, if we develop Maharashtra, there is another 15 million tons of potential capacity. We will keep these options open because steel demand will continue to grow. However, demand does not necessarily mean good profits simply because you produce steel.

We therefore want to determine which part of the value chain should receive more of our capital. That is why we feel there is greater value in investing in downstream than we have in the past, while also investing in upstream. We believe that some of the input-cost increases we will see will be offset by the cost reductions from the efficiency initiatives that Koushik has discussed, including conversion costs.

This will also be supported by the fact that we will be scaling up plants such as Neelachal and Kalinganagar, which do not have the legacy costs that we carry in Jamshedpur. In addition, these plants are closer to the sea, so a significant portion of our logistics costs will be lower compared with inland plants. For multiple reasons, we believe there will be substantial cost reductions, {? [unclear] ?}.

Management: These measures can offset the input-cost increase, and moving down the value chain will help us focus much more on revenues to offset some of these cost increases. We are looking at how we can deliver an EBITDA margin close to what we are delivering today even if iron ore prices increase. That is essentially our objective.

Operator: The next question is from Ashish Jain of Macquarie. Ashish, please go ahead.

Ashish Jain – Macquarie: Hi, sir. Going back to the earlier question on European investment, over the last 3-4 years we have taken several initiatives, some of which are midway through execution. In parallel, however, the policy framework that has evolved has not really been in line with what we were discussing at that time. Is there any rethinking on the table about scaling back our European aspirations and putting more energy into India, or do we still want to be present there and manage the situation in some way?

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Management: Ashish, let me put it this way: it need not be one or the other. We will grow in India as we want to. As I described in response to the earlier question, growing in India does not necessarily mean building more and more blast furnaces. We will build blast furnaces where we believe that is the right thing to do. We will build electric arc furnaces where we believe that is the right thing to do. We will build downstream facilities where we believe that is the right thing to do. We will balance this in terms of identifying the best places to deploy capital in India while participating in India's growth.

As far as Europe is concerned, the fact that you will be penalized for CO2 emissions remains. There is a carbon tax that you pay. As Koushik said, for Europe we have received a 4-year extension on the free allowances. Otherwise, if you do nothing, you will pay a carbon tax in Europe, and that tax will continue to increase.

The Carbon Border Adjustment Mechanism is the support being provided so that European steel producers are not disadvantaged. To some extent, it is not that the policy has changed; the policy is unfolding as it was originally described. What has changed for us is that the regulatory environment in the Netherlands has become increasingly challenging. Hence, we are considering how to ensure that we have a social license to operate not just now but also in the future.

That is obviously making us reflect on what we need to do there. One aspect is running the existing operation. As Koushik said, before making new investments, we need to ensure that there is a social license to operate and that there is a return on any investment we make.

We will plan our investments in Europe, if at all, based on the regulatory environment. The market situation has certainly improved, as we said earlier, and policy support for the transition continues to be available. However, the regulatory environment, particularly in the Netherlands, is becoming quite challenging. We will evaluate the situation and move forward accordingly.

At present, the only committed capital is for the UK transformation. As we have explained before, if we undertake this transformation, we will already have taken out about 400 million pounds of fixed costs over the last 3 years. In addition, through the use of local scrap and the electricity rates we have negotiated, we believe that the cost position of the UK will be 100-150 pounds per ton better than it was before these changes. In many ways, this was the right direction to take. Koushik, would you like to add anything?

Management: I will make 2-3 comments. First, the weight of capital allocation toward India will certainly dominate. This applies whether we are discussing upstream volume expansion or downstream value expansion.

Second, the investment we are discussing in the Netherlands is not discretionary, strictly speaking. It is regulatory in nature in some ways because of the high carbon tax. However, it is subject to 3 forms of support: government support through funding, policy support regarding how the transition should happen, and market support to ensure that the investment can be sustained and is investable.

Today, we have market support through CBAM, quotas and tariffs, and the EU ETS. The EU ETS has been somewhat diluted—or, I would say, moderately diluted—because of the extension of the

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timeframe. This has also been demanded by many market participants who say that it is not viable to remove the free allowances because CO2 costs are currently prohibitively uneconomic. Therefore, the EU ETS has been relaxed.

CBAM is in force and is gaining greater validation through assessments, and the quotas are in place. Therefore, as Naren mentioned, market support is available. Government support is also available, although there are caps on it. Then there is policy support for the transition. In addition, there is ordinary-course-of-business policy support, and this is where we are seeing challenges, particularly in the Netherlands.

We will have to take all of these factors into account and determine whether the decision makes sense. This decision is not only for today; it is actually for the next 2 or 3 decades because it is a transition process. This is Phase 1 of the transition, and a second phase involving the other blast furnace is also necessary.

Therefore, we will take all of these factors into account and determine whether this is the path forward or whether there is an alternative path that is not as capital-intensive. We are currently in that phase. If these regulatory frameworks become permanent and there is no reconsideration, there will obviously be a rethink on our side. It is important for us to understand that.

India, in my view, and in terms of how we are moving forward, is not constrained by what is happening in Europe. India is focused on delivering consistent growth in a way that creates sustainable value over the long term. We are also looking at investments in new technology in India to support sustainability, whether through the EasyMelt or HIsarna technologies.

India's capital-allocation story is not dependent on Europe. It will follow its own course and continue to grow in both upstream and downstream operations. That is the framework within which we are assessing the situation. If government funding support were not available in any geography to change the process technology, we would not have the ability to make that investment. This is very clear, and it is the optimal approach.

Government support, policy support, market support, the social license to operate, and community support all need to be aligned for any investment to make sense. I wanted to provide a more principled perspective on your question. We will see where we go. There is a timeframe within which we will complete this assessment, including our engagement with the various stakeholders, and then reach a conclusion.

India is not affected. I hope the {? NINL ?} approval by the Board yesterday endorses that point: India's capital allocation and growth story are not dependent on any other part of the business.

Operator: Thank you, sir. The next question is from Amit Murarka of Axis Capital. Amit, please proceed with your question.

Amit Murarka - Axis Capital: Hi, good afternoon, and thank you for the opportunity. On India, congratulations on the {? NINL ?} board approval. Generally, post FY27, for almost 4 years you probably will not have enough capacity to grow volumes. Given that {? NINL ?} will come on stream somewhere in 2030, what is the plan to make up for this? Is there a way to ensure that you still

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participate in India's growth of, say, a 7% CAGR? Even if we consider {? NINL ?} coming on stream in 4-5 years, it still implies only about a 3-3.5% CAGR, which is much lower than the market. What is the long-term thinking regarding India's growth?

Management: Amit, I want to emphasize something again. Our objective is not to be the largest player in India or to maximize market share by size unless it creates value. Our objective is to have a market share in chosen segments that is twice our overall market share. That has always been our stated position.

If we have a 20% market share in India, we want to have a 40% market share in segments that we believe are more value-accretive, where the business is approval-based or where we have a strong franchise, such as Tata Tiscon and downstream businesses.

We are not looking only at upstream volume growth. As I said, we have the option to grow, and we will grow at the pace that we believe is appropriate. However, we also want to grow over the next 2-3 years. We are adding an HR galvanizing line in Tarapur, which will be a state-of-the-art hot-rolled galvanizing line. Nobody else in India has that facility.

We are doubling our tinplate and packaging steel capacity. This involves a value addition of 20,000 rupees or something, or 20,000-25,000 rupees, on the hot-rolled coil. We also want to grow our tubes business, which is currently about 1-1.5 million tons, to perhaps about 4 million tons over the next few years. We want to grow our wire business from 600,000 tons to 1 million tons.

There is therefore significant growth in the downstream businesses where we have a strong position. We are the leading player in most of these businesses, and we want to grow in them.

Regarding upstream growth, there is Neelachal, and there is Kalinganagar, where we may plan further expansion. Perhaps next year we will plan the Meramandali expansion from 5 million tons to 6.5 million tons. We also have other projects. Today, we are sending about 2 million tons of slabs to the UK. Once the EAF comes up there, we can convert those slabs into plates or other products in India. That provides another 2 million tons of additional value-added opportunity.

We are looking at the next phase beyond Neelachal. Over the next 3 years, there is an opportunity to build a couple more Ludhiana plants. Over the next few years, there is also an opportunity to expand Meramandali. Beyond that, we have Maharashtra, Kalinganagar Phase 3, Neelachal Phase 2, and other opportunities. That is the plan going forward.

Operator: Thank you, sir. The next question is from Pinakin Parekh of HSBC. Pinakin, please go ahead.

Pinakin Parekh - HSBC: Just to clarify, when you say that Tata Steel does not want to be the largest upstream company and wants to focus on downstream, is it because the company believes that a new upstream greenfield steel plant in India, with potentially higher iron ore costs based on market pricing after 2030, would not justify the return profile? We would assume that, given where steel prices and iron ore prices are, it would still be profitable to set up upstream capacity in India rather than invest in Europe.

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Management: We are not saying that we will not set up upstream capacity because we are investing in Europe. We will evaluate Europe separately and India separately. If there is value even after 2030 with high iron ore prices, depending on where the rupee is, we will still have to import coal. Depending on all those factors, if there is value, we will certainly grow. We are keeping that option open.

We will have an option for 65 million tons by then because Maharashtra would also provide that option. We already have an option for 50 million tons. If it makes sense, we will certainly grow. However, we feel that if we previously spent all our money on upstream and less on downstream, that mix needs to change significantly. We believe there is much more value available for much less capital in downstream businesses. These businesses are closer to the customer and also depend on the franchises and relationships we have.

It is not that there is no business case for upstream capacity beyond 2030. However, if everyone—not just Tata Steel—is going to pay 100% or more for iron ore in the market, that takes away value. In some sense, value is moving from industry to the government through royalties, premiums, and taxes.

This is a larger issue that we are discussing with the government. India's biggest advantage as a country is its iron ore. If we reach a situation where iron ore costs are very high for everyone, for whatever reason, part of the problem is also the way the private sector is bidding for mines. We are, in some sense, passing all the value to the government before we even begin adding value.

Another question to consider is that if a large amount of upstream capacity has been built by everyone, we may be better off buying some of that product and converting it into higher-value products. There are different ways to look at this industry, which has a long value chain. If I may add—

Management: To respond to Pinakin, when you look at the sequence of growth, and as we have said many times, there is the first phase and second phase of NINL. Kalinganagar can eventually go up to {? 17 million tons ?}, and Bhushan or Meramandali can eventually go to 10 million tons. Then there is Maharashtra at {? 15 ?} million tons. That represents very significant upstream growth of about 60-65 million tons, in addition to the EAFs.

The question is whether the world will fall off in 2030, or whether this is a journey. When Amit discussed the 7% CAGR growth, it is certainly not going to fall off in 2030. It is a 2-3-decade process. The question is how we sequence and grow without producing huge volumes at the commodity end and then relying on export markets and struggling on those fronts.

It is a question of how we build capacity in line with demand, in the segments and areas where demand is growing. There needs to be greater thoughtfulness rather than simply pursuing volume growth. However, volume growth is not being stopped.

As I have said again, this has nothing to do with Europe. Europe is following its own path, and India will grow separately. The physical pace of growth will depend on how we create the platforms, and that is what we are working on.

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Our next goal is in Kalinganagar, and in parallel in Meramandali. These projects will come in sequence, and you will learn more about how we are progressing. It is not a single unfolding plan; as it happens, you will get a sense that between 2030 and 2035 there will be much more capacity and value-added mix coming in.

It is a process, and we need to constantly work on profitability, which also comes from value addition. As I said, over the next 30 months, a number of downstream units will be commissioned. By that time, we should also be close to another EAF. Those are the areas we need to work on.

Operator: The next question is from Ritesh Shah of Investec. Ritesh, please go ahead.

Management: Samita, perhaps we should shift to the next speaker if we cannot find Ritesh.

Operator: Certainly, ma'am. The next question is from Jashandeep of Nomura. Jashandeep, please go ahead.

Jashandeep – Nomura: Hi, thank you for the opportunity. I have a clarification before asking my first question. Regarding Europe, last quarter concerns were raised about the coke ovens. As I understand it, management has clarified that changes have been made and the emission rates or concerns raised are now below industry standards. Is my understanding correct? If so, does management now believe that the going-concern concerns raised earlier carry less weight than they did previously?

Management: Let me say something first, and then Koushik can answer further. The point Koushik was making relates to what are called green pushes. When coke coal is pushed into a coke oven, a green push occurs when the coke is not fully cooked. In the past, we clearly had more such pushes than we should have had. A number of actions were taken, and today we are at 98% or more below the previous level.

The requirement in the Netherlands was to minimize coke pushes, including green pushes. It is now being made more specific by requiring zero green pushes. Our point is that we are close to zero, but there is no coke oven operating anywhere with zero green pushes. A great deal of work has been done to ensure that we are close to zero. We believe that, on this issue, we are at a stage where our performance is better than that of anyone in Europe, let alone anywhere else.

From the authorities' point of view, given the problems and issues we have had in the past, the broader objective is to prevent the coke oven from operating and to close the coke and gas plant. That is where the discussion currently stands. This issue has not gone away.

In some sense, we would have undertaken this transition anyway if we were moving to a DRI-EAF process route. The original plan was to make that change by 2032-2035. However, the current discussions with the government and authorities are focused on whether this can be done in 2028-2029, or at whatever time is technically most appropriate, and whether we can operate the blast furnaces using coke purchased from the market rather than producing it locally. That is the conversation taking place. Koushik can explain further.

Management: Yes, that is correct. The coke ovens would have been closed or transitioned out in the ordinary course if the DRI-EAF project comes through. It is an acceleration of that transition, in

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a manner that achieves compliance to the greatest extent technically feasible.

Operator: The next question is from Darshan Mehta of Daulat Capital. Darshan, please go ahead.

Darshan Mehta – Daulat Capital: Hi, thank you for giving me the opportunity. My question is mainly on depreciation. We had guided for an increase in depreciation for this quarter as well as for FY27. Could you provide some details on what that relates to? Thank you.

Management: As you know, our mining assets will come up for re-auction or bidding in 2030, and there are significant assets at our mining locations, including beneficiation plants, other infrastructure assets, pipelines, and so on. Since there is now a defined date, 2030, when these assets will be re-auctioned, with a right of first refusal for Tata Steel, we are accelerating the depreciation of these mining assets classified under PPE.

The additional depreciation will be about 300 crores per quarter, or 1,200 crores every year, so that there is no significant hit in 2030. This represents faster amortization given the circumstances. It is not that the useful-life assessment has changed, but there is also a regulatory requirement, and that is the approach we have taken. If we regain those assets, we will fair-value them at a later point in time.

Operator: The next question is from Amit Dixit of Goldman Sachs. Amit, please proceed with your question.

Amit Dixit – Goldman Sachs: Hi, good afternoon, everyone, and thank you for the opportunity. I have a couple of questions. In your opening remarks, you mentioned shipbuilding and data centers, which was very interesting. I wanted to understand what grades we are focusing on and whether this is for domestic shipbuilding, defense, or export-grade steel. Regarding data centers, could you provide some additional details? That is my first question.

Management: Regarding shipbuilding, the Kalinganagar plant has one of the best hot strip mills in the country, at least for sizes up to 25 millimeters thick and 2 meters wide. We can produce almost all grades, including very high-tensile grades. For the shipbuilding sector, you need to go through an approval process. Lloyd's, ABB, and a few other independent international bodies approve materials for use in shipbuilding.

We have received those approvals. While the volumes are still small, as I said, we always like to be in more discerning sectors because that helps protect us from commodity cycles to some extent, which we always face. We expect to produce about 100,000 tons of these grades this year, primarily for the domestic market, and then we can take that to about 0.5 million tons.

The more important point is that once we enter these sectors and receive the approvals, we can grow. In the auto sector, for example, we started small and then expanded. For now, our focus is the domestic market, but we can also look at international markets.

Regarding data centers, apart from the regular steel products that we would supply for data-center construction, data centers also require many storage solutions. If you look at a company such as Nucor, a couple of years ago, if you followed it, it spent $3 billion acquiring a storage-solutions company for data centers.

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Our interest is in supplying the steels that data centers use, both in their construction and in the storage solutions required inside them. We have several downstream, value-added products that can tap into the data-center market. As more and more money is invested in these businesses, a significant portion of that investment can flow toward steel because steel will be an important component of some of these projects.

This is not limited to India. We are also doing a great deal of work on data centers in Europe. Between our colleagues in Europe and India, we are working to track not only the steels used but also how to enter the market in an organized way. It is not just about selling basic steel products; it is more about providing solutions that help companies build and invest in data centers. It is a growing segment, and we want to be a significant part of it.

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

Management: Thank you, Shorob. I think we have answered most of the chat questions. There is just one question on Tata Steel UK, which I will ask since this appears to be a concern. In view of the ongoing or recent nationalization of assets in the UK, will Tata Steel participate in or take up any such opportunities?

Management: No, the answer is no. Perhaps Koushik can add something.

Management: The nationalization bill or Act introduced in the UK was in response to the situation at British Steel and in Rotherham, where there was an electrical-steel business that was incidentally owned by Tata Steel and was subsequently sold. If you look at the UK steel industry, the assets being nationalized were sold by Tata Steel 10 years ago. Therefore, if that had been our strategy, we would not have sold them.

We do not intend to participate. For now, we will focus only on our asset at Port Talbot, where we are building the EAF.

Management: Thank you. With this, we will conclude. Thank you very much for all your questions and participation. We will connect again next quarter. Thank you, and goodbye.

Operator: Thank you, everyone. Thanks for joining. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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