

THE 24th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Questions for the Company **during June 16 – July 15, 2025**

Question 1

US President Donald Trump has set a July 9 deadline to announce new retaliatory tariffs. Has the announcement affected the company, and what are its plans to address it?

Answer 1

The company closely monitors developments in international trade policy, including the recent announcement of tariff measures by the United States, which have now been postponed, taking effect on August 1, 2025.

At present, the company does not directly export its products to the U.S. market

And therefore, it is not subject to direct impact from these tariffs. However, we recognize the potential for indirect effects, such as;

- Disruption to customers who export to the U.S.
- Increased domestic competition from similar steel products that may be diverted from the U.S. market
- Volatility in the cost of imported raw materials.

The company will continue to focus on running efficient operations and continuously developing capability and marketability of higher end finished products. Overall, such measures will include:

- Enhancing production efficiency to better control costs
- Improving domestic customer service and developing products to deliver better performance and user experience
- Expanding sales channels with a focus on products made from recycled scrap, which aligns with growing environmental concerns

The company remains committed to maintaining its competitive edge and will continue to assess the situation closely, adjusting its strategies in response to evolving global economic and political conditions.

Question 2

After the March 2025 earthquake, what is the trend of Tata Steel prices?

Answer 2

Steel price movements are driven by many factors, such as input costs, energy prices, demand trends, and supply conditions.

Following the earthquake in March 2025, consumers have shown increased interest in the quality of steel products – a positive trend, as steel plays a critical role in the long-term structural integrity of buildings.

Steel prices have always been cyclical for different reasons, and not limited to demand-supply positions. During years 2021 to 2023, steel prices had peaked to unprecedented levels. Thereafter, during 2023 2024, the prices hit very low levels. During 2025, rebar prices have

been increasing from January 2025 after a clear focus on regulatory compliance led by the government. On the other hand, wire rod prices have hit very low levels on account of very low priced imports.

Question 3

How does the company manage the risk of economic downturn or political uncertainty?

Answer 3

The company has plans focusing more on improving internal efficiencies (plant yields, output rate, energy consumption, etc.) and also improving services to the customers by bettering product quality and providing new products/services. The approach of the company is to keep improving the internal health of the company from within controllable factors. Innovations & continuous improvements, and employees' engagement help the company remain competitive and motivated. The flexibility to adopt export strategy in different geographies and the flexibility of having two major product lines, Rebar and Wire Rods, and the flexibility of having three plants with different capabilities are very important for the company to face downturns.

Question 4

How is the company affected by raw material costs/exchange rates/interest rates?

Answer 4

Movements in raw material prices is a normal variable in the management of steel businesses. The raw material prices in steel businesses is commonly faced by all steel companies. Hence, the focus of steel companies is efficient use of raw materials in the manufacture of steel, and accordingly, the Key Performance Indicators like material yield, energy consumption, become important. In addition, the focus is also on effective control in volume procurement, to avoid risks related to raw material fluctuations.

Exchange rate volatility is addressed by the forex management process. The company's exports have natural hedge for the imports of raw materials. Forward rates are booked for exports as well as imports, without being speculative. This process has helped the company contain the impact of forex volatility to a large extent.

The company being a debt-free company, interest rates presently, do not have a material bearing on its financials.

Question 5

Does the company have long-term carbon reduction or sustainability goals?

Answer 5:

The Company has established clear long-term carbon reduction and sustainability goals. This is aligned with the Tata Steel Group's commitment towards Net Zero target by 2045. These targets reflect our commitment to environmental responsibility and are integrated into our strategic planning and operational improvements to ensure sustainable growth.

At present, the company produces steel by the Electric Arc Furnace method wherein the carbon footprint is approx 0.6-0.70 ton CO₂ per ton of crude steel whereas the Blast Furnace based steel has a footprint of more than 2 ton CO₂ per ton of crude steel.