Management: Thanks, Sam. Good afternoon, everyone. Wishing you all a very happy Diwali, and thank you for joining us today on this call to discuss our results for the second quarter of FY27. We have with us Mr. T.V. Narendran, CEO and Managing Director, and Mr. Kaushik Chatterjee, ED and CFO. The results have been sent to the stock exchanges, along with a presentation that provides some background. We will answer any questions you may have on this call. I would just like to remind all our participants that the entire proceedings of this call will be governed by the safe disclosure clause on page two of the presentation. I will now request Naren to make a few opening comments, and then we will move on to Kaushik as well. Thank you, and over to you, Naren. [pause] You are on mute, Naren.

T.V. Narendran – CEO & Managing Director: [pause] Hi, good afternoon, everyone. Happy Diwali to all of you, and sorry to drag you out on a weekend, but that is what it is.

A commentary on the results: Tata Steel delivered an improved performance in a seasonally softer quarter, despite significant cost inflation across the value chain due to the ongoing conflict in West Asia. Since the conflict started, oil and freight rates have risen by about 40%, and spot coking coal prices have also moved from about $235 to $280, although they have come down somewhat in the last few days. Key inputs used in value-added and downstream products, such as zinc, have also gone up. The disruption has also resulted in higher logistics costs through elevated vessel charter rates, demurrage charges, and insurance premiums across key shipping routes, while currency movements in India have also added to the cost pressures. At the same time, Chinese steel exports continue to be over 10 million tons a month, and that has an impact on global trade flows. However, we were able to successfully navigate this higher-cost environment and generate close to 90 bps improvement in EBITDA margin, from 15% in Q1 to 16% in Q2 on a consolidated basis.

Let me now take you through each geography. In India, we focused on maximizing volumes to offset the pressures, and India's deliveries grew 16%, outpacing production growth of 7% on a quarter-on-quarter basis. Higher deliveries reflect healthy demand and our ability to translate market opportunities into performance despite the seasonal headwinds of the monsoons. Our extensive market reach, combined with the sustained focus on product mix and customer centricity, has enabled us to maintain strong market traction across chosen segments.

The automotive and special products vertical continues to deepen its presence in advanced applications, with high-end sales growing 26% year-on-year. We secured approval for CR IFHS 340 grade for automotive skin panels, developed a chrome-free galvannealed product for two-wheeler fuel tanks, and progressed on customer approvals for specialized suspension and transmission applications. These developments reflect our ability to co-create solutions with our customers.

Our flagship retail brand, Tata Tiscon, grew 13% year-on-year, supported by a distribution network that reaches nearly 97% of India's districts. In the last 12 months, Tata Tiscon sold 2.7 million tons to around 500,000 customers. Embedded within Tata Steel, we now have a Tata Tiscon retail franchise of about $1.8 billion. The recently commenced 4.8 million ton-per-annum Neelachal expansion will support further growth of our retail business.

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Our digital platforms help us improve market access from districts of India to pin codes across the country. We have also focused on strengthening our presence in solution-oriented and value-added businesses, moving beyond steel supply to provide next-generation construction solutions that address customer pain points and create mutual value. Our expanding portfolio, including SmartFab, ReadyBuild, which is a cut-and-bend and bored-pile cage offering, and plate-fabricated sections, is seeing strong market acceptance.

Overall, ready-to-use construction solutions grew 32% year-on-year in the second quarter. We launched India's first CBRI-certified mesh masonry reinforcement as an alternative to conventional RCC bond beams. We also secured the first order for low-carbon steel at a green premium from our Ludhiana facility. In addition, tinplate and Tata Steel Colors grew 17% and 49%, respectively, and we are making good progress in sectors such as oil and gas and shipbuilding, including supplies for Sagar Manthan, the ocean research vessel being built under the Government of India's Deep Ocean Mission.

Moving to the UK, deliveries were about 0.38 million tons. While prices remained firm, volumes were impacted by elevated imports under the transitional safeguard arrangements. Orders booked before March 14, 2026 were exempt from quota utilization during July-September 2026. This led to a surge in imports and inventory accumulation across the supply chain, which is taking some time to be flushed out. In addition, UK exports to the EU are now subject to quota restrictions, creating a further constraint on market access. We remain engaged with authorities on a trade framework, including CBAM, that better reflects product-level demand and market dynamics.

In the Netherlands, liquid steel production was 1.52 million tons, while deliveries were 1.3 million tons. The direct sheet plant restarted in early August under the terms agreed with the regulator, and the technical measures implemented are delivering the intended outcomes, with chromium-6 emissions reduced materially and currently remaining below prescribed limits. We continue to closely monitor developments regarding the EU ETS, CBAM, and other regulatory matters that could influence the operating environment.

With this, I will hand over to Kaushik for his comments. Thank you.

Kaushik Chatterjee - ED & CFO: Thank you, Naren. Good afternoon to all who have joined us. Before we begin, I would like to wish you all a very happy Diwali.

The first half of this financial year was characterized by significant external volatility. The conflict in West Asia continued to disrupt global trade flows, with vessels rerouted around the Cape of Good Hope, extending transit times by about 10 to 14 days, increasing fuel consumption by almost 40%, and keeping war-risk insurance costs materially above pre-conflict levels. Freight rates remained elevated, and European gas prices were more than two times the January 2026 levels. Meanwhile, Chinese steel exports remained persistently high at 86 million tons year-to-date and are expected to again exceed 100 million tons this calendar year.

Against this backdrop, our focus at Tata Steel has been the same: strengthening earnings, maintaining operational agility and cost efficiency, and improving cash generation. Our performance in the first half of this financial year is best assessed through this lens.

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Consolidated revenues stood at about 1,26,231 crores, and EBITDA was 20,035 crores, which translates to a consolidated EBITDA margin of 16%. Consolidated EBITDA improved by 21%, or 2,160 rupees per ton, on a year-on-year basis. These results reflect the strength of our India business, supported by disciplined cost management and capital allocation.

I would now like to elaborate on three themes. First, the quality of our India earnings and our plans to grow both volume and product portfolio. Second, our assessment of the evolving situation in the Netherlands and the UK. Finally, our focus on cash generation and continued cost transformation, with the launch of a multi-year program to drive efficiencies, operating model resets, and cost takeouts to sustain competitiveness.

Let me start with India, which continues to be the anchor of our performance and accounts for nearly three-fourths of our crude steel production. In a quarter that is traditionally impacted by monsoons and weaker construction activity, as Naren mentioned, we delivered our strongest-ever second-quarter performance. Healthy demand enabled 16% quarter-on-quarter growth in deliveries and outpaced the highest-ever second-quarter production.

At the same time, raw material and logistics costs increased meaningfully during this quarter. Total raw material costs were higher by about 2,400 crores, while benchmark coking coal prices increased by 12% between July and September. The impact on our imported coal consumption cost was limited to around 3%, or approximately 250 crores, reflecting the benefits of our coal-blending strategy and our increased focus on leaner coal.

The balance of the increase was primarily driven by higher inbound logistics costs, reflecting elevated freight rates, demurrage and vessel charter expenses, as well as higher purchases of coke and scrap. An inventory drawdown of around 68 KT in the second quarter, compared with a buildup in the first quarter, led to a further increase of 2,000 crores.

Overall, material costs were up by about 4,475 crores, or 4,128 rupees per ton, on a quarter-on-quarter basis. However, this was partly offset by an improvement in conversion costs to the extent of 3,300 rupees per ton, driven by operating leverage on account of higher volumes and cost takeouts.

As a result, standalone EBITDA per ton moderated to about 17,256 rupees per ton, while absolute EBITDA increased 10% quarter-on-quarter to 10,315 crores. NINL recorded an EBITDA of [trails off]

Management: 318 crores and a margin of 21%. The 4.8 million ton expansion project has entered the execution phase and remains on track for commissioning in FY30. Site development work, including road and area grading, is underway, while ordering of key equipment, such as the blast furnace package, continues to advance.

The project comprises four long-products rolling mills, including rebar and wire-rod facilities. Although the overall ramp-up will be aligned with the commissioning of the steelmaking complex, one rebar mill is expected to come on stream earlier, enabling an initial production ramp-up ahead of the upstream facilities.

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The amalgamation of NINL with Tata Steel remains on track for completion in this financial year, subject to final NCLT approval, which is scheduled for a hearing later in November. Volume growth remains important for us, but equally important is increasing the value intensity of our portfolio.

Our downstream projects are progressing well. The 0.7 million ton HR PGL project has entered the construction phase, with structural erection and piping work underway. This first-of-its-kind facility in India will serve the energy, automotive, and construction segments and introduce Galvalume products, enabling Tata Steel to address customer segments and support import substitution.

The doubling of tinplate capacity is also advancing, with civil and structural works underway, and will aid market consolidation in the packaging segment. Along with this, we recently launched Colorcoat, our globally recognized prepainted steel brand, in India, bringing proven European technology to the country's growing construction sector.

We also continue to expand our tubes business and ready-to-use construction solutions to address evolving customer needs. Our downstream growth will continue to receive priority as we move forward.

Let me now turn to the Netherlands. The key development during the quarter was the restart of the direct sheet plant. In the first quarter, we effectively lost almost the entire output of this facility, which represents around 1.4 million tons of annual processing capacity and is about 18% of the total volumes in the Netherlands.

The plant successfully restarted in early August under the terms of the agreement with the regulator and is presently operating at rated capacity, subject to periodic review. Importantly, the technical measures implemented are delivering the intended outcomes, with chromium-6 emissions reducing materially and currently remaining below prescribed limits.

The significance of the restart extends beyond volumes. It strengthens our product mix, improves the efficiency of integrated production, and lowers conversion costs. As a result, EBITDA increased from 4 million in the first quarter to 72 million in the second quarter, both in euro terms. The EBITDA increase translates to about 56 euros per ton.

Turning to the broader situation in the Netherlands, since the signing of the joint letter of intent in September 2025, we have completed engineering and technical work on the integrated health and decarbonization project. While this work has further matured the DRI-EF pathway, it has also reinforced our view that the long-term competitiveness of the IJmuiden site will be determined by the resolution of a number of critical external factors rather than by the project design alone.

First, there are discussions with the regulator and the province of North Holland regarding the timing and sequence of the proposed closure of coke and gas plants 2 and 1. Our position remains unchanged. Any closure process must be executed in a safe, responsible, and operationally controlled manner. We have provided a detailed technical assessment and continue to engage constructively with all stakeholders to support an orderly transition. However, the timing and outcome of the process remain uncertain at this point.

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Second, we remain engaged on the evolving framework governing steel slag management. Temporary disruptions to slag off-take have resulted in additional stockpiling at the site. A range of mitigation measures is being pursued, including technical assessment, alternative storage and disposal solutions, and ongoing stakeholder engagement.

More broadly, the economics of both the existing business and any future decarbonization pathway will depend on the resolution of these matters, together with greater visibility on long-term energy affordability, capital requirements, permitting timelines, and the broader investment framework. Many of these factors are external to the company, and their timing and outcome remain difficult to predict.

Against this background, Tata Steel, the Government of the Netherlands, and the province of North Holland have agreed to extend the joint letter of intent by 5 months, to March 2027. The extension provides additional time for the parties to work toward a more comprehensive framework that supports both the decarbonization and long-term competitiveness of the site.

Importantly, while the DRI-EF pathway remains the reference case under the JLOI, we continue to assess a range of strategic alternatives and sequencing options. The optimal pathway will ultimately depend on how various external factors evolve and the implications they have for future cash flows and competitiveness.

Given the extent of the uncertainties, it is difficult to form a reliable view on the range of potential outcomes or assign probabilities to them. The Board and management therefore believe that currently recognizing any change in the carrying value of the business would not faithfully represent the company's position, given the uncertainty of the outcomes.

We continue to monitor developments closely and reassess the position as key uncertainties are resolved. We expect greater clarity by March 1, 2027, the revised maturity date of the joint letter of intent. The extension is intended to provide time to conclude discussions on critical issues, establish a clear direction, and enable a more definitive assessment of the long term.

Moving to the UK, the market has become very challenging. While second-quarter net realization improved by about 72 pounds quarter-on-quarter, deliveries declined to about 0.4 million tons. The key point is that the effective market available to UK producers has essentially become smaller.

Domestic demand remains weak, with automotive and construction activity expected to decline by 2-4% in the current calendar year, while import pressures remain elevated. Between April and July 2026, imports averaged around 738 KT per month, about 22% above 2025 levels. This has resulted in flat steel inventories in the UK rising to roughly 865 KT by September, nearly 60% above normal levels and equivalent to almost 3 months of demand.

With the change in quotas, the market is rebalancing, but it is taking longer than we had initially estimated to liquidate the old inventories. Having said that, it is important to view the UK business through the lens of the broader Tata Steel system rather than as a standalone operation.

While the UK continues to report EBITDA losses during this transition period, its downstream assets provide strategic access to customers and, in many respects, operate as an extension of Tata Steel

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India's value chain. As India's steel production continues to grow, these assets effectively represent the fifth hot-strip mill for the Tata Steel Group, enabling Tata Steel to convert its substrate into high-value products closer to customers.

Consequently, while Tata Steel UK is currently loss-making on a standalone basis, the wider system economics and the value creation for Tata Steel remain materially more positive than what is reflected in the UK's standalone performance.

Further, exports from the UK into the EU are now subject to quota restrictions, creating an additional constraint on market access. We continue to engage closely with the Government of the UK and trade authorities on measures that improve market balancing and ensure that the trade framework better reflects prevailing market conditions.

Turning to the transition project, execution remains on track. The Llanwern pickle line has fully ramped up, and the 3.2 million ton EF project continues to progress in line with the plan. Major enabling works have been completed, and the key contracts have been awarded.

As project activity ramps up, our engagement with the UK Government and other stakeholders is increasingly focused on ensuring an appropriate investment framework, trade quotas, competitive energy prices, and timely grid connectivity, all of which are important to the long-term competitiveness of the site.

Overall, operating cash flow before capex was 5,160 crores for the quarter. Capital expenditure was about 3,280 crores in this quarter, taking the first-half spend to about 6,800 crores. During the quarter, the company also paid a dividend of about 5,000 crores.

Consistent with our capital allocation framework, cash flows continue to be prioritized toward growth opportunities in India. This is reflected in the strong returns generated by the business, with return on invested capital for the India operations at about 27% and consolidated return on invested capital at about 14%.

The net debt stands at about 91,423 crores. Part of the rise in debt of about 2,200 crores was on account of an increase in leases following the acquisition or consolidation of TMILL. Net debt to EBITDA remains stable at 2.4x, well within the stated threshold, and group liquidity remains strong at about 40,000 crores.

Before I conclude, a brief update on cost transformation. During the first half, the crisis in West Asia, the planned shutdown in India, the direct sheet mill outage in the Netherlands, and the unfortunate fire in Tata Steel UK distorted some of the cost-takeout profile. As a result, the benefits of our cost transformation were not fully visible in the reported numbers.

Our FY27 target remains unchanged at about 7,000 crores of savings, primarily across India and the Netherlands. In the first half, we delivered about 1,800 crores. The program is generally weighted toward the second half. Specific levers such as coal blending, procurement optimization, energy and logistics, inland waterways, among others, are progressing.

With that, I will end my commentary and open the floor for questions. Thank you so much.

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Operator: We will now begin the question-and-answer session. We will be taking questions on audio and chat. To join the audio-question queue, please mention your full name and email ID in the chat box. Kindly stick to a maximum of two 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. We will wait for a moment as the queue assembles.

The first question is from Ashish Kejriwal of Nuvama. Ashish, please go ahead.

Ashish Kejriwal – Nuvama: Hi, good afternoon, everyone. Happy Diwali. I have two questions. The first is from India. If you look at India, we have been talking about maintaining our competitiveness and margins after FY30. In that regard, before that, are we going to increase our sales volume in iron ore over the next 3 years? What kind of value addition are we trying to do, at least in the pipes and tubes segment? Are we open to inorganic expansion there as well? That is my first question on India.

Management: Koushik, if I remember [trails off]

Ashish Kejriwal – Nuvama: Sir, you are not audible.

Management: [line issue] Okay, sir. I am sorry. No, I said iron ore sales are very much part of our plan, and I think this year, Koushik, if I remember correctly, we will be doing about 8 million tons or something like that.

Koushik: About 10 million tons.

Management: Yes, about 10 million tons of iron ore sales. Last year, I think we did about 2 million tons or something. So that is very much part of our plan, and we optimize the qualities of ore that are available for our use as well as what is available for sale. We will continue to grow that side of the business going forward.

As far as growth in downstream is concerned, we are always looking at growth opportunities. Today, a lot of our growth has come from what we call conversion partners, who convert the steel for us, and that has been the capital-light way of growing for us in both tubes and wires. Otherwise, we will constantly look at the opportunities available. Koushik, do you want to add anything?

Koushik: No, I think I just gave the commentary on downstream growth, which also includes what we have done in tubes and the growth over the last couple of years through tube partners. In the other areas, some of them are currently progressing organically. I gave a commentary on that and do not want to add anything further. Great.

Ashish Kejriwal – Nuvama: Sir, my second question is about the way we have performed in our Indian business. In fact, in this quarter also, EBITDA of more than 17,000 rupees per ton is really noteworthy. My question is whether we are going to sustain this, and whether you can provide guidance for the second half in the way you provided guidance earlier. In the case of the

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Netherlands, when we achieved EBITDA of more than 60 dollars, do we see a further increase until we move to the next phase of expansion in the Netherlands? Lastly, do you have any sense of whether the UK operation will ever reach breakeven?

Management: [pause] Let me talk about India. We last discussed Q2, and I think you are probably asking about Q3, right? Q2 is behind us.

Ashish Kejriwal – Nuvama: The second half.

Management: The second half, sorry. I think we expect the second half to be stronger than the first half for 2–3 reasons. First, from a Tata Steel point of view, we will have more volumes, slightly more volumes, in the second half than we had in the first half.

Secondly, even in the first half, prices went up in April and May, then dropped in June, July, and August, and then started going up again in September. So we have entered this quarter at a reasonably high level of prices. Normally, January to June is always our best period for the steel business because the monsoons and festivals are behind us and activity is at its peak. For many reasons, we expect the second half to be better than the first half.

As far as the Netherlands is concerned, we expect Q2 and Q3 [trails off] I mean, Q3 and Q4 to be better than Q1 and Q2. Again, the second half will be much better than the first half.

As far as the UK is concerned, I know this is something we have been struggling with for multiple reasons. While we have taken a lot of action internally, the current problem, as Koushik said, is that we are selling only about 400,000 tons a quarter, compared with 600,000 tons a quarter that we want to be selling in the UK.

That is largely because imported material lying in the UK market is quite high, and we will see through this quarter and the next quarter before most of that gets flushed out. While prices are good and spreads are good, volumes are not good. Hence, that has a negative impact on our costs because, despite taking out almost 400 million pounds of fixed costs, we still have a business with reasonably high fixed costs that cannot afford for volumes to be at two-thirds of where they should be.

Our expectation is that we will come close to breakeven in Q4, when most of the stocks will have been flushed out of the system. We have had a few setbacks in the UK, so obviously, until we are there, it does not look like our promises are being fulfilled. However, we expect that by Q4 we will be close to breakeven.

Koushik: If I can just add, Narendran [pause] yes, we also see that the reason the improvement in the Netherlands and the UK is forecast is that prices are increasing, especially due to contract renegotiations in both geographies. Therefore, the spread impact is more positive than where we are today, and that will be the key reason why we expect a much better performance in the Netherlands and lower losses in the UK. If, by the fourth quarter, the inventory is washed out, then I think volumes will also start coming back.

Operator: Thank you, sir. The next question is from Vibhav Zucchi of JP Morgan. Vibhav, please go ahead.

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Vibhav Zucchi – JP Morgan: Yes, hi. Thanks for the opportunity. I wanted to follow up on the inventory situation in Europe. Can you provide any sense of Europe volumes for the second half, both in the Netherlands and the UK? Pricing has improved somewhat, but some of the peers have tried to take pricing as far as 780–800 euros per ton, and that has not really come through. With the contract negotiations happening in November, how is the environment looking? Thank you.

Management: [pause] The inventory issue we described is for the UK, not for Europe. Europe has already implemented quotas, so imports have come down. CBAM is coming in, so prices in Europe are strong. The inventory of imports that we are dealing with in the UK is not present in Europe.

That is why you see better flow-through, not only of prices but also of volumes, in the Netherlands. The inventory issue we described is mainly for the UK, where import orders booked before the 14th or 15th of March were allowed to be imported during the July-September quarter, and that brought in a lot of material. That is the material that we think is now being flushed out, but it will be March before most of it is flushed out, and in some categories it will be June next year. So the prices [trails off]

Management: ...are there. In fact, UK prices are actually higher than European prices at present. The problem is more about volumes. We need to reach 500,000 or 600,000 tons a quarter of volumes to really come to the breakeven level that we have been discussing.

As far as the Netherlands and the UK are concerned, this is the time when we negotiate prices for next year. The packaging contracts, automotive contracts, and so on are currently being negotiated in market conditions that are quite strong. We expect a good outcome from that, and it will be reflected in the Q1 realizations—I mean, Q4 realizations. That is why we said Q4 for both the UK and the Netherlands should be better than the previous quarters.

As far as the specific prices are concerned, the price levels you indicated are around the levels prevailing in Europe at present.

Vibhav Zucchi – JP Morgan: Okay, got it. My second question is on India. I have two quick questions. First, can you highlight whether there are any positive price revisions in auto contracts that have come in or can come in this quarter? Second, construction and infrastructure sales volumes declined in Q2 on a year-over-year basis, from 1.4 to 1.2. Are there any reasons behind this? Thank you.

Management: [pause] We saw a lot of the benefit from auto contracts in Q2 because many of the contracts negotiated for Q1 also resulted in realizations in Q2. So Q2 received a bump-up. While negotiations are ongoing for Q3 and Q4, there may be price increases, but the bump-up in Q2 from Q1 and Q2 coming together in Q2 may offset some of those increases.

For auto contracts, volumes are more important for us. Automotive volumes are very strong, as reflected in the release we issued, and that helps us. Within automotive, the product mix is also very good. We have a 50% share, which we continue to maintain.

As far as construction is concerned, I would assume that is because we have sold more in retail, which is always our preferred segment. Samita can later clarify the numbers, but last month we sold,

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I think, 270,000 tons of Tata Tiscon in the retail segment. That takes away from what we typically sell to the larger construction companies because we receive a much better price when we sell in retail than when we sell to large construction companies. That is the only reason I can think of for us optimizing the market. Samita?

Samita: Yes. Vaibhav, if you look at our segments, retail is shown separately from construction. When you think of construction, retail is essentially construction, so you may want to combine those two and look at them together.

Operator: Thank you. The next question is from Rahul Gupta of Morgan Stanley.

Rahul Gupta – Morgan Stanley: Hi, thank you for taking my question. I have two questions. The first is on the Netherlands. We saw a sharp moderation in volumes quarter-on-quarter. Can you help us understand what drove that? With capacity now running at full operations and inventory building up quarter-on-quarter, how should we look at overall volumes in the Netherlands in the second half? That is my first question.

Management: [pause] In Q1, we lost most of the quarter as far as the DSP was concerned. The DSP accounts for about 20%-25%—20% of our production. It was closed because of some of the regulatory issues we are dealing with. It started coming back in August, so we had most of August and all of September of DSP production, and that is why volumes improved in Q2.

In the second half of the year, hopefully the DSP will be running all the time, and we are also looking to drive better stability in the rest of the plant. I do not think we provide quarter-wise volume guidance, but as I said, overall we expect the second half to be better than the first half. Kaushik, do you want to add anything?

Kaushik: No, I think that is fine. Overall, from a production point of view, for the full year we should target around 6.5, with deliveries around 6. That would effectively mean that in the next 2 quarters we will return to an average of what we normally do, around 1.7.

Rahul Gupta – Morgan Stanley: I understand. What I wanted to understand was that your volumes are materially lower than production in the second quarter as well. I understand that production was impacted because of the DSP shutdown, but what impacted sales volume during the quarter?

Kaushik: We do not keep that much inventory. There is a correlation between production and deliveries, right, Rahul? If we are unable to produce, and the production numbers are lower, we had issues with production on the hot-metal side this quarter as well. The DSP was shut for 1.5 months.

At the end of March, we had inventories that were liquidated in the first quarter, which is why sales volume was not closely correlated with first-quarter production. The inventory was liquidated in the first quarter, not from first-quarter production itself, but from inventory carried forward. In the second quarter, that inventory was liquidated. You can see the change in stock.

Rahul Gupta – Morgan Stanley: Got it, thank you. My second question is an extension of the UK business that we discussed earlier. I understand that the profit or breakeven point of the business has been pushed out to later this year. I want to focus more on the fact that you now say the UK business should not be treated as a standalone business but as an extension of the overall Tata

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Steel Group. How should we look at the profitability of the business beyond the end of FY27? Does that mean the profitability of this business may remain a drag on the entire group's profitability? Thank you.

Kaushik: [pause] The reason I made that comment is that today we supply a significant part of the substrate from India to the UK until the EAF is built. If you look at the combined profitability or EBITDA of the volume supplied from India to the UK, the part in India makes about 8,000 rupees per ton of EBITDA. It then goes to the UK for subsequent rolling, finishing, downstream operations, and so on.

For the same coil, if you extend it further, as of last quarter it was about 5,000–6,000 rupees per ton. Therefore, if I add the two, it is somewhere around 13,000–14,000 rupees per ton. That is the reason I said it is an extension. This will change once the EAF comes in because then profitability will be measured based on the cost of steel that the EAF makes and the rolling that it does.

Rahul Gupta – Morgan Stanley: Got it. Thank you very much. I wish everyone a very happy Diwali.

Management: Thank you.

Operator: Thank you. The next question is from Sumangal Nevatia of Kotak Securities. Sumangal, please proceed with your question.

Sumangal Nevatia – Kotak Securities: Good afternoon. My first question is on steel prices and costs. Can you guide us on how we are seeing prices and costs move across geographies in Q3 versus Q2?

Management: [pause] In India, we expect realizations to be about 3,500–3,600 rupees per ton higher in Q3 compared with Q2. In the UK, they will be about 28–30 pounds per ton higher in Q3 compared with Q2.

In the Netherlands, while at a product-to-product level it will be about 30 euros higher, because of the mix that we are selling, we expect it to be about 11—not pounds, 11 euros—lower in Q3 compared with Q2. This is because of the mix rather than the product-to-product level, where it is about 30 euros higher. Annual contract benefits will only come from Q1 next year, while the contracts are being negotiated this quarter.

As far as costs are concerned, the coking coal impact is expected to be about $15 per ton in both the Netherlands and India in Q3 compared with Q2, on a consumption basis. In the UK, as you know, we do not buy coal, so it is not relevant. The Netherlands will receive the benefit of about a $5 per ton reduction in iron ore consumption prices.

Sumangal Nevatia – Kotak Securities: Understood. That is very helpful. I wanted to understand the iron ore sales. How much have we sold in the first half? I believe that for the full year we are looking at 8–10 million tons. I generally understand that there is a higher royalty when we sell, so could you share some economics regarding the contribution at the EBITDA level per ton of iron ore?

Kaushik: [pause] I think we do not do [trails off]

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Management: For various reasons, we do not want to give this separately. All I can say is that it is the same iron ore that gets charged to the plant for steelmaking. Based on the price we receive in the market, as set by domestic iron ore prices, we are able to sell it. However, I am sorry, we would not want to provide that information at this point in time.

Vibhav Zucchi – JP Morgan: Sure. But on the volumes, we are looking at 8–10 million tons this year. What would be the volumes over the next 1–2 years?

Narendran: We should ramp up to about 14–15 million tons.

Vibhav Zucchi – JP Morgan: In FY28?

Narendran: Yes.

Vibhav Zucchi – JP Morgan: Understood. That is useful. One last question on [trails off]

Operator: The next question is from Vikas Singh of PhillipCapital. Vikas, please go ahead.

Vikas Singh – PhillipCapital: Good afternoon, sir. Thank you for the opportunity, and happy Diwali to all of you. My first question pertains to our sales volume targets. If I understand correctly, in FY28 we would reach that [inaudible]...

Narendran: Vikas, Vikas, we cannot hear you. There is some echo.

Vikas Singh – PhillipCapital: Is it better?

Narendran: Yes, yes.

Vikas Singh – PhillipCapital: My first question pertains to sales. FY27 is 27 million tons. When will we reach that 27 million tons of peak sales capacity? Our next capacity is coming in FY30. Is there any product enrichment or improvement in the value-addition percentage that we would continue to achieve during this year, which would support at least our EBITDA?

Narendran: Vikas, we lost you toward the end. Are you there? [pause] He might be on mute. Let us [inaudible]. Did you hear the question?

Management: He might be on mute. Let us look. Did you hear the question?

Narendran: Yes. I think the question is whether, while there is not much volume growth, there will be an enhancement in the product mix. The answer is yes.

The cold-rolling mill and galvanizing lines in Kalinganagar have ramped up in volume, but the product mix continues to ramp up as we receive more approvals from the automotive companies. You will see more movement from what we call Stelium, which is cold-rolled steel sold in the market, to cold-rolled steel sold to automotive customers.

We will also see more enrichment through galvanizing. We are growing in Colors, which is the business that we acquired—the joint venture that we had with BlueScope and subsequently bought out. We are seeing continuous growth in tubes. We are also seeing our tinplate project, which will

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be ready in another 2 years and will double tinplate capacity. We continue to grow in wires as well. We are growing across downstream businesses.

The other area that is growing significantly is our downstream construction business. In addition to retail sales, which are growing and helping us achieve better realizations for the same product, we are also doing a lot of what we call cut-and-bend, mesh, bored-pile cages, and ready-to-use solutions for the construction industry, and that is also growing very fast.

Across multiple sectors and products, the value-added segment is growing much faster because it does not require as much time or capital to build. The value comes more from the equity we have with customers and the solutions we are developing for them. We are seeing a lot of growth in those areas.

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

Ritesh Shah – Investec: Hi, sir. Am I audible?

Narendran: Yes.

Ritesh Shah – Investec: Thank you very much. I have a few questions. First, regarding the UK, what percentage of our volumes will face higher tariffs? Is there a Plan B to avoid these tariffs, specifically with respect to sales to the EU?

Second, are we looking for any support from the UK Government? If so, why, and what is the underlying rationale?

Third, assuming we have an EAF ready, how are we looking at the variable cost structure, including fuel and power?

Fourth, specifically for India, is it possible to further crystallize the cost-transformation numbers we have provided? I think these are the 4 questions. Thank you.

Narendran: Ritesh, there is no duty. The slabs that we send to the UK do not attract any duty. If your question is about the UK to Europe, yes, there is a negotiation going on between the UK and Europe because we used to sell almost {? 0.7, 0.8 million tons ?} into Europe from the UK. There are some restrictions there. That is being negotiated between the UK Government and the EU.

The UK has an advantage in exports to the US, where there is a 25% duty on UK exports to the US—an import duty of 25% on products from the UK and 50% on products from Europe. So the UK has an advantage over Europe as far as the US is concerned, but the governments are trying to resolve the UK-EU issue.

For us to send slabs to the UK for conversion, we have an exemption, so there are no duties. I will ask Kaushik to comment on the other questions you raised.

Kaushik: Ritesh, our engagement with the UK Government is fairly continuous. We discuss a couple of things. One is the market, as Narendran just mentioned, with the trade regulatory authorities. We also discuss the environment in which public procurement of steel can include more domestic products rather than imports, ensuring a level playing field in the UK.

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As you know, we have a grant-funding agreement with the UK Government for the project. We are also engaged with them on national-grid connectivity and any implications for an increase in capex due to delays in the national grid. There are multiple matters that we continue to discuss with the UK Government.

Management: Your last question was in relation to India, but I could not hear it at all. On the cost, I think the question was about cost transformation: what is the progress, and what kind of numbers are we looking at?

Kaushik: As I mentioned, our cost-transformation project was about 11,000 crores last year and is around 7,000 crores this year. We have achieved about 1,800 crores so far, partly because of the volume issues we have faced across geographies.

We would target continuing to reach that level, but we are also looking at a multi-year structural cost-transformation program extending to 2030 over the next 3-3.5 years. This will examine various operating models that we have not looked at so far and that can deliver more sustainable cost takeouts.

This is now an ongoing cadence of taking costs out of the system, not only through cost reductions but also by enhancing productivity and efficiency. This is a program on which we will certainly remain very focused and serious through 2030.

Operator: Thank you, sir. The next question is from Parthiv Jhonsa of Anand Rathi. Parthiv, please go ahead.

Parthiv Jhonsa – Anand Rathi: Am I audible, sir?

Narendran: Yes.

Parthiv Jhonsa – Anand Rathi: Happy Diwali, sir. Happy Diwali to you and the team.

Narendran: Happy Diwali to you. Same to you.

Parthiv Jhonsa – Anand Rathi: My first question pertains to the European operations, both the UK and the Netherlands. This quarter, we saw a substantial increase in other expenses. Can you quantify the reasons, especially on a per-ton basis?

Kaushik: Are you referring to consolidated other expenses, or only India?

Parthiv Jhonsa – Anand Rathi: No, only the European operations, both the Netherlands and the UK separately.

Kaushik: Other expenses are actually a mixed bag because, when you do not have the volumes, the per-ton basis increases, which is the effect we are seeing because there are many other fixed-cost overheads.

The second part is that freight costs have also increased because of the war. Taken together, these factors have increased costs, and volumes have come down. Therefore, you see an increase on a per-ton basis.

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Management: There was also an increase due to consumables because we restarted {? Land 1 ?}... Land 1 and also the {? DSP ?}.

Parthiv Jhonsa – Anand Rathi: Okay, sir. My second question pertains to debt. When can we expect the debt level to return to, say, below 1.5x or 2x leverage? I think we are about 2.4x leveraged today.

Kaushik: Below 1.5x is never our target. It happened in FY22, when the market was different. But if we are spending 20,000 crores on capex, I do not think that is our target. We have always said that our debt should be less than 3x. We are comfortable at 2.3x–2.4x. EBITDA growth will continue because of additional volumes coming in. Next year, we will have more volume because all our plants in India will be at capacity.

Narendran: We expect more stabilization in the Netherlands and the UK, and then we will spend more and more in NINL and elsewhere. From an absolute debt perspective, debt has to be related to EBITDA. As long as we are in the 2.3x–3x zone, we should be fine because we will pursue growth.

If we pursue growth, there is a timing issue between the deployment of capital and the earnings. I do not honestly see us going to 1.5x in a hurry because then we would have to stop a large part of our growth. But we are absolutely comfortable servicing the debt. Our interest cover is more than 5x, so I do not think there is any concern there.

We will be spending more capex. If we are going to spend 20,000 crores every year, you will see some level of debt, but the important thing is the cyclicality... the circularity of the capital. As we spend that capital and get the earnings back into the P&L, we will remain around that zone.

Parthiv Jhonsa – Anand Rathi: Okay, thank you, sir. If I may, I would like to squeeze in one last question. I think one of the company's subsidiaries is BRPL, right? I think they are going to do some work for the Joda East or Joda West mine, or something similar in a couple of other mines. Can you walk us through what exactly this contract or arrangement is?

Narendran: BRPL is a subsidiary and joint venture of ours. We have used MDO operations in the past for some of our mining activities for other people. BRPL has that capability, so it will be doing this work for us. Instead of company X, it will be BRPL. That is about it.

As a subsidiary with the capability, it helps us on a net economics basis as well and ensures that we can achieve better outcomes from the MDO.

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

Samita Shah: Thanks, Shubh. I think we have answered a lot of the questions. There are a couple that you may want to address.

The first is on the Netherlands and the notes to the accounts. Looking through the questions, the broad question is: given what has been happening in TSN, what are the 3 or 4 major takeaways that investors and analysts should consider when looking at the Netherlands operation?

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Narendran: Samita, if I take this, I think that if you look at it, we have signed an agreement or term sheet with the Netherlands Government on the {? JLOI ?}, which is called the letter of intent. That needs to reach a certain level of finality.

To reach that finality regarding the decarbonization project, we are exploring multiple options along with the Government to ensure that we have an investment case or options that ensure the sustainability of Tata Steel Netherlands in some form or another.

There are regulatory issues that need to be resolved. The closure of the CGP, the coke and gas plant, has been requested, and we have offered various options following fairly intensive preparation. This is an engagement with the regulator, so we need clarity on that.

Steel slag storage and export is another issue where the regulator and we are engaged, along with the Government, and we need a resolution on that. These two issues are fundamental to assessing the future.

The third matter is to develop an investment case that makes the cut for making Tata Steel Netherlands a more profitable and competitive company. There are many things and many moving pieces. Over the next 6 months, we will reach a conclusion and take a final view.

Samita Shah: Thank you. The last question we will take is on the prioritization of capital allocation between India, the Netherlands, and the UK.

Narendran: I think I have said this in the past, and I have also repeated it in the past: almost 70% of the capital allocated during the year is for India.

Our India growth is across mining, upstream, midstream, and downstream. We are now in the midst of, or at the starting point of, the NINL expansion. I have listed a number of downstream expansions. We will continue to grow our downstream business, and we will also continue to grow the optionality of our upstream growth both in Kalinganagar and in Meramandali.

That is very much on the anvil in the longer term. We are working with the Maharashtra Government on a site in Maharashtra, and that is another greenfield site that will receive capital allocation.

Growth in India is important for us. We will grow in a methodical way, both downstream and upstream. That is our priority. The UK is currently being allocated capital for its EAF. For the Netherlands, based on the outcome, we will find an appropriate funding solution depending on the investment case.

Samita Shah: Thank you. With that, I think we will end the call. Thank you, everyone, for joining us. Once again, happy Diwali to all of you, and enjoy the festivities. Thank you.

Narendran: 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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