Narend: Thanks, Samita, and good afternoon or good evening to everyone. Thank you for joining this call. Over the last few calls, we have been talking not only about building upstream capacity and having the optionality to grow upstream to support our growth ambitions in India, but also about increasing our footprint in downstream businesses.

We already have a significant footprint in downstream businesses, whether it is wires, tubes, color-coated steels, tinplate, or the fabricated steels that we supply to the construction industry. We also have a strong B2C business with Tata Tiscon. However, in that direction, we said that we also need to deploy capital and grow our footprint in downstream businesses, and that is the strategic rationale behind the announcements that we made yesterday and today.

Tata Steel and APL Apollo Tubes, we believe, are positioned at the center of that opportunity, not only by leveraging a strong B2C business with a strong product range, a fully integrated value chain, and a great distribution franchise. We are pleased to have entered into this comprehensive agreement with APL Apollo Tubes and its promoters, and this brings together highly complementary businesses.

Tata Steel is also present in some of these businesses, but I think Apollo's product range complements us very significantly. For the existing APL Apollo business, it brings upstream integration because, as APL Apollo gets bigger, it is always good to have upstream support, although we will continue to buy from the market whenever required.

Following completion of the transaction, the combined platform will have approximately 7.5 million tons of capacity, with a capital-efficient platform that we can grow to about 15.5 million tons over the next few years, both in the tubes business and in the color-coated business. We look forward to this journey with APL.

With that, I will hand over to Kaushik to share his comments, and then we will open it up for the Q&A.

Kaushik: Thank you, Naren, and good evening to all of you who have joined the call. As Samita mentioned, this call is with reference to the very strategic announcements that we have made in the last 24 hours.

There is a short presentation that was uploaded earlier this morning, and I wanted to take you through some parts of it, not all of it. As far as the transaction details are concerned, on slide 3, we have a business transfer agreement that we signed yesterday for Tata Steel's tubes division's Khopoli unit and the sale of 100% stake in Tata Steel Colors. I will talk about the financing shortly, but that is valued independently at about {? 2,800 crores ?}.

We also have the share purchase agreement for 26.6% of the promoter stake in APL Apollo in multiple tranches, and we completed the first part of the 9.9% this morning through the block trade. We have also committed to an open offer of 26% in the company, as required by the takeover code. We have also signed an MOU for contract manufacturing of color-coated products with the promoter family through their private entity, as we believe that the color-coated products business is an important part of the total downstream solutions business, apart from tubes.

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If we look at slide 4, the capacity being transferred is essentially 2.5 million tons, with deliveries of about 2.1 million tons. I think many people have drawn various conclusions, and I want to explain that. Like any other acquisition, the initial acquisition is typically funded through bridge financing or acquisition financing. However, it is important for us to state that there will be takeout financing, and this is not the end-state financing.

There are two time horizons for this, as I can explain. Firstly, over the next 12 months, roughly by the end of which we should be able to capitalize APL Apollo's balance sheet to bring down the debt leverage sharply to somewhere around {? 2.5 times ?} net debt to EBITDA. The terms, prices, and other conditions of the capitalization and the instrument will take care of the minority shareholders' interests. As a Tata Group company and as a Tata Steel company, we have always looked after minority shareholders' interests, and we will continue to do so.

Secondly, as we have mentioned in the presentation, we will drive the company's performance along with the entire team of APL Apollo. Tata Steel will retain its agility, customer centricity, and product mix, along with the growth that we have already identified and Naren talked about, to become a debt-free company in the near future. Once that happens, I think the absorption of this acquisition into APL Apollo will be seamless.

Finally, I would again mention that this is a company that is very unique in its nature. We want to preserve its uniqueness and continue to grow it. We have very exciting plans for the growth of this business as the market grows, and we would certainly want to keep it listed in the future so that the benefit of value creation is shared with all shareholders.

Moving on to building the steel tubes and color-coated platform, as Naren mentioned, on closing we would be a 7.5 million-ton company growing to 15.5 million tons, with a full-range offering of complete steel solutions. This includes structural tubes, precision tubes, auto tubes, large-diameter tubes, GI pipes, color-coated and metal-coated products from the Tata Steel stable that moves in, and APL Apollo's current product mix, which is essentially and very strongly focused on structural tubes, GP tubes, round pipes, and some part of the portfolio in color-coated products.

That is the clear path. We have developed a bridge on slide 6, which shows what Tata Steel is bringing into this entity along with APL Apollo's current capacity. The combined capacity is about 7.5 million tons, building through a potential increase in tube capacity of 3 million tons. Some of this is already in progress at APL Apollo itself, and we also have plans for the Tata Steel part of the business that will now become part of the APL Apollo business. We will then progressively move the contract manufacturing of the color-coated portfolio to 5 million tons.

That builds the portfolio visibility to a 15.5 million-ton company with a pan-India presence, as it already has, and a full suite of products. It will have a huge distribution network, both at the distributor and retailer levels, and we will be very focused, as the company already is, as can be seen from its results over the years, on cost performance, efficiencies, and marketing strength.

Overall, this helps the Tata Steel ecosystem very significantly. As Naren mentioned, we have been talking about downstream growth as a key priority, along with the ongoing upstream capacity expansion that is underway in various parts of Tata Steel. It is also being planned as an optionality for which design engineering and other work is being undertaken for Tata Steel Angul, as well as for

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phases 3 and 4 of Kalinganagar, which will come in later once the NINL expansion is largely completed.

Our ambition of 50 million tons continues, but it is not just about upstream volume. It is also about how the richness of the downstream and the product mix, and access to the market, bring Tata Steel, as a total ecosystem, a more valuable offering for customers.

I think this is a deal with some unique aspects, including the fact that it is a unique company with which we are looking to partner as owners, with the current promoters also playing a role in exclusive manufacturing for us in the colors portfolio. This will help APL Apollo remain an asset-light entity while capturing margins for the future. It is also a company that ensures that its earnings resilience continues, and as I said earlier [cut off]

Management {? Narendran ?}: ...here, we will be very focused on ensuring that its balance sheet is strong, and this is something that will impact the future growth of the company. I think that is the positive part that we are looking to achieve. With that, I will end my comments and open the session for questions. Thank you so much.

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 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 through 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 dropdown. We will wait for a moment as the queue assembles.

The first question is from Sumangal Nevatia of Kotak Securities. Sumangal, please proceed with your question.

Sumangal Nevatia – Kotak Securities: Hi, good evening. Thank you for the opportunity. I have a couple of questions.

First, could you help us better understand the deal in terms of the key capabilities of APL Apollo that are most valuable to us, and the entire rationale for buying this company at a premium multiple? In the same context, could you explain what the constraints were when we evaluated creating a similar downstream entity organically rather than through this acquisition? Is there any particular value-added product that APL Apollo currently manufactures which is not part of the current Tata portfolio? That is my first question.

Management: That is four questions in one question, Sumangal. We will answer that and perhaps move to the next analyst.

Management {? Narendran ?}: Sure. I will start, and Kaushik can supplement that. Thank you, Sumangal.

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Let me address the questions, not specifically in the order in which you asked them. One of the questions you asked is what APL Apollo has that Tata Steel does not have. We are also in structural pipes, which we call Tata Structura. APL Apollo is much bigger in that space and has a much wider product range than Tata Steel. Therefore, there is a huge complementary effect.

APL Apollo has a very distributed manufacturing footprint in the South, West, North, and other regions. It is closer to markets in many ways and has significant, efficient, scaled-up capacities in each region. It has a wide range of products, many of which are innovative products developed for different applications. That is probably covered in the presentation, or we can share those details. There are many such products.

The third point is that most of APL Apollo's sales are on the B2C side. We also believe in that approach. Tata Tiscon is a classic example of how we currently sell 275,000 tons of steel per month in the retail rebar segment. APL Apollo complements that on the pipe side. Therefore, there are a number of areas where APL Apollo has performed very well, and the acquisition helps us gain market share and obtain these products immediately.

The second comment I want to make is about downstream businesses. The difference between upstream and downstream is that, in upstream, you build the capacity and sell the product. You make hot-rolled coils and can sell them at any price. In downstream, the assets are easier to build. That is not the key point; anyone can build a pipe plant. However, creating the market, building the brand, and creating market share takes time. That is why downstream businesses take longer to scale up.

In upstream, scaling up is primarily achieved by building the plant. If we were to create this type of 5 million-ton pan-India capacity and build the market share that APL Apollo has built, it would have taken us many years. That is something that comes to us immediately through this acquisition, and that is why this works for us.

As for capabilities, APL Apollo has obviously been a very nimble and agile company. That is why, in some sense, we want to see how we can preserve the agility and nimbleness that have given it the equity it has with its customers. It has a very strong distribution network. Tata Steel also has a strong distribution network, so we will examine the complementarities and how we can leverage the route to market that exists with both companies.

What APL Apollo does not have, and what we bring to the table, is the stability of upstream supplies. We will obviously look at the entire value chain. It is not necessary that every ton of steel APL Apollo needs has to be supplied by Tata Steel. If it is closer to other steel producers, we will look at the system benefit and determine that, in some geographies, we will continue to buy from other steel producers rather than spend 3,000-4,000 rupees on freight to transport steel from eastern India.

We will continue to leverage the relationships that APL Apollo has while, at the same time, offering it the stability that comes from being associated with a large upstream player.

The value-added products are as I explained, and we can share with you the specific products that APL Apollo manufactures. For instance, it has products used for door channels, which are very specific. It has also developed different kinds of tubes for different applications in the retail space.

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There are a large number of products, and it has about 8 or 10 brands of its own. We will obviously examine the brand architecture at a later stage when the companies come together.

That is how I look at it. In terms of multiples, perhaps Kaushik can address the question.

Management {? Kaushik ?}: The make-or-buy decision, as Narendran rightly explained, is that you obtain the market and the way in which APL Apollo's product mix fits in. He has discussed how products such as structural decking and flooring, door frames, heavy structures, and building solutions in the pipe area are complementary.

He has answered the question that, if we were to build a business of a similar scale, it would take a long period of time, both from a time-value-of-money perspective and because of the penetration required. Therefore, this works significantly better because we are not merely entering this business. It is a step up and a major stride in both color-coated products, where they have a strong portfolio through the contract manufacturing that we have discussed, and the pipe business, which we can grow even further. Both of these work better for us.

Operator: Thank you, sir. The next question is from Rajesh Ravi of HDFC Securities. Rajesh, please go ahead.

Rajesh Ravi – HDFC Securities: Hi, sir. Am I audible?

Management {? Kaushik ?}: Yes.

Rajesh Ravi – HDFC Securities: Good evening to the team. First, on the valuations that you discussed, we are paying 25 times EV/EBITDA. In yesterday's presentation, it was mentioned that Tata Steel is letting go of low-value-added products and will focus more on high-value-added products, for which it has received good valuations for these assets. We have now announced the purchase, or rather the buyout, of this company. How do these two announcements fit together?

Second, in terms of Tata BlueScope, at what valuation did Tata Steel acquire the Australian company's stake last December, compared with the current valuation that is pegged at 16,500 crores?

Management {? Kaushik ?}: Rajesh, first, I do not think we said yesterday that we transferred any low-value business to APL Apollo. I do not know where you got that from. This was a business that was giving us 6% on HR revenue and was therefore core to Tata Steel. We see this as an opportunity to put it together and leverage the presence, and that is the basis on which we have done this.

Secondly, you can see last year's filings on Tata BlueScope as well. In the context of the valuation at which you buy and the valuation at which you sell, the time value of money, the period during which you have put in significantly more effort in that company, and the fact that we have also launched new brands, which are our European brands in Tata Steel Colors, make the value very different.

We want to remove the restrictions on the color-coated business in terms of future growth, and that is why we did this.

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Koushik Chatterjee: We mutually terminated the JV and moved on because we had plans for growth, and that is what we have been implementing. That is the basis on which we have {? [unclear] ?} valued the business and included it as part of this comprehensive transaction.

Rajesh Ravi – HDFC Securities: I have a second question. When you acquire this asset and transfer the assets from APL Apollo, which will become a subsidiary, from their balance sheet perspective, {? 28,000 crore ?} is being paid for this acquisition, while the net block that you mentioned is less than {? 3,000 ?} crores. Is it fair to assume that there will either be a large goodwill balance on the books, or that it will be offset as resulting negative reserves, given that pooling-of-common-interest provisions may come into force because it will be a subsidiary of Tata Steel?

Koushik Chatterjee: [pause] Once the transaction is completed, the assets are typically fair-valued. After the assets are fair-valued at closing, if there is any residual in that balance sheet, it will either be part of reserves or part of goodwill. We will follow the standard accounting process once closing is completed.

Operator: Thank you, sir. The next question is from Amit Murarka of Axis Capital. Amit, please go ahead.

Operator: Sir, we are unable to hear you. We request you to please send your question [inaudible].

Amit Murarka – Axis Capital: Now? Am I audible? Now?

Koushik Chatterjee: Yes, now you are.

Operator: Thank you. Yes, thanks.

Amit Murarka – Axis Capital: On the point where you mentioned that you would also be infusing equity at a future date into APL Apollo, I wanted to better understand that part. Will that equity infusion also happen at the deal value, or will it be at the future share price of the company?

Koushik Chatterjee: [pause] It is, as I said, a principle that I mentioned. We would not want to have very large debt on that company. We would want to have serviceable debt for some time and then let the company's cash flows deleverage it to become a debt-free company.

The equitization that we are looking for over the next 12 months, as I said, should be done, or will be done. I am sure that the board of Tata Steel, as well as the board of APL Apollo, will consider that it is fair in terms of its terms, conditions, and prices to all shareholders of the company. I would leave it at that.

It is a principle because, on the day of the acquisition or at closing, it is very difficult to specify these details. However, the view is very clear that it will be done in a manner such that it does not prejudice the existing shareholders or treat them unfairly. That is the philosophy we follow at Tata Steel and in the Tata Group: to look after the interests of minority shareholders.

Amit Murarka – Axis Capital: The sequence of the payment of the amount: the {? 28,000 crore ?} that flows from APL to Tata Steel for the acquired businesses—will that happen after the payment of

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tranche 2? There are three tranches: the first tranche was completed today, followed by the second and third. When will the {? 28,000 crore ?} flow from APL to Tata Steel?

Koushik Chatterjee: As far as the APL tranche is concerned, that will happen upon transfer, and there are two related events. One is the acquisition of the portion of the current promoters' stake. At that point, in sequence, the transfer will also take place during or after the open offer, or during the open offer or before the open offer.

When the asset is transferred, the payment becomes due. However, it is important for us to mention that this will not happen today. It will happen after a couple of months, once the entire process is completed.

Management: And we need the CCI—

Koushik Chatterjee: Yes, all regulatory approvals must be in place.

Operator: Thank you. The next question is from Ashish Kejriwal of Nuvama. Ashish, please proceed with your question.

Operator: Ashish, we are unable to hear you. We request you to please send in your question via chat or rejoin the queue. The next question is from Pinakin Parekh of HSBC. Pinakin, please proceed with your question.

Management: Shyam, let us move on.

Operator: Okay. All right, ma'am. The next question is from Rahul Gupta of Morgan Stanley. Rahul, please proceed with your question.

Rahul Gupta – Morgan Stanley: I hope there is no problem at our end because nobody's [inaudible].

Koushik Chatterjee: Yes, we will check that, please. [pause] It can happen with one person, but not with so many people.

Management: No, not so many.

Operator: We apologize for the inconvenience.

Rahul Gupta – Morgan Stanley: Can you hear me now?

Koushik Chatterjee: Yes. Who is it?

Rahul Gupta – Morgan Stanley: Hi, Rahul from Morgan Stanley. I have one question for Naren and one question for Koushik.

Can you help us understand the complexity of this structure? Why not simply pay {? 280 billion ?} now and move the business to APL Apollo? Is there any requirement regarding the shareholding percentage you reach after the open offer that makes the entire deal somewhat complex? I want to understand how this works.

Koushik Chatterjee: Yes, I think there is a—[pause] Can you hear me?

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Rahul Gupta – Morgan Stanley: Yes, I can hear you.

Koushik Chatterjee: Rahul, it is not complex, honestly. It is actually tranched. First, we wanted to ensure that the first 9% demonstrated our intent and that we entered the company. Second, we have to go through multiple regulatory approvals. Once the regulatory approvals are completed, we can do the rest of it. That remaining portion is the {? 16.5 ?}.

Mr. Sanjay Gupta is also very passionate about this business, so we wanted to ensure that there is a good transition and that we work together to achieve that transition. That is the basis on which the tranches have been designed.

We also wanted to ensure that there is a way in which part of our business goes into APL Apollo. Therefore, the integration process has also been initiated, and that is why the equity portion is divided into three tranches.

The business transfer is another part that will be completed after all regulatory approvals, followed by the open offer. Therefore, it is in parts, but it is not complex. It is fairly simple when you look at the elements of the transaction.

Rahul Gupta – Morgan Stanley: If I understand correctly, thank you for clarifying it. To understand this better, transferring or selling the downstream business to APL Apollo to some extent is a function of how the first leg of the entire transaction proceeds?

Koushik Chatterjee: [pause] It is not conditional. It consists of all the parts. It is not one condition followed by another condition. It is a comprehensive transaction comprising the equity portion, the open offer portion, and the transfer of our existing business.

There are multiple regulatory approvals involved. Based on those approvals, each part will proceed as it clears the relevant requirements, including shareholder approval from APL Apollo's perspective.

Rahul Gupta – Morgan Stanley: Understood. The reason I am asking, Koushik, and apologies for this, is that I am trying to understand the recapitalization that Tata would undertake in APL Apollo. Will that money be used to fund this {? 280 billion ?} acquisition that APL Apollo would be acquiring from Tata?

Koushik Chatterjee: No, no. We are not doing {? teaming trading ?} here. We are doing it in parts, in sequence, based on the businesses that go in and the equity that we purchase. It has nothing to do with a movement of cash flows.

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

Kaushik: Yes, hello. Sorry, I think [inaudible] now.

Naren: We can hear you, Ashish.

Ashish Jain – Macquarie: [pause] Kaushik, my first question is about the EBITDA of APL Apollo. If I include some of the guidance that management has provided and back-calculate the EBITDA of Tata Steel's tubes business using the multiple given in the presentation, the total EBITDA comes to

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roughly {? 4,000-4,500 crores ?}, correct?

Earlier on the call, you said that we would try to target net debt to EBITDA of 2.5 times for APL Apollo.

Naren: At the first stage.

Ashish Jain – Macquarie: Yes, at the first stage. That would mean acceptable or tolerable debt of 10,000 crores on APL's balance sheet. Is that the kind of fund infusion, directly or indirectly, that we are looking at, which is nearly {? 2 billion dollars ?}? Is that the right way to think about it?

An extension of that question is the tax implication for Tata Steel from the sale of the tubes business and the color-coated entity.

Kaushik: I will keep the tax and tax implications separate because of the Tata Steel issue, and we have several other levers to address that.

Fundamentally, if you look at the APL Apollo portion on the debt side, yes, to start with, those are the kinds of numbers we are considering, based on the pro forma EBITDA that we have discussed.

However, I must also say that we are looking at some operating synergies. This relates to the point Naren mentioned about the ability to supply more hot-rolled coil. APL Apollo's current capacity utilization is somewhere around 70-75%. If we can provide more hot-rolled coil from the Tata Steel stable, with all other factors remaining the same, it will enhance profitability.

That is how we look at it. However, roughly, the subsequent equitization we are considering is of the order of magnitude that you just mentioned.

Ashish Jain – Macquarie: My second question is about the MOU that you have signed. Can you share some contours of it? Is it an exclusive MOU? What capex might APL have to undertake—the group may have to undertake—which effectively means that we do not—

No, by group I mean that the SG Group has to undertake it, and therefore Tata Steel can avoid that capex. I would also like some more details about the MOU in terms of its duration, non-compete provisions, and anything else.

Kaushik: Let me provide the framework. Once the MOU is converted into an agreement, that would be a good time to discuss the capex and other details more specifically.

All I can say is that we are looking at volume growth. We have discussed 5 million tons. We have discussed volume growth in intervals, where we will decide and work with the promoter group company to ensure that it is implemented at locations we determine based on our understanding of and focus on growing markets. This will include the product mix and the type of product mix we would prefer to come from that unit.

The second question you mentioned is whether it is exclusive. Yes, the understanding is clearly that it is exclusive, and it will remain exclusive for the validity of the agreement, for whatever number of years we are discussing. That period will be long because these are long-duration assets.

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We have a similar ecosystem in other products at Tata Steel, so this is not entirely new. However, we are looking at larger volumes from this type of partnership.

Given the way the promoter group and Mr. Gupta have run APL Apollo in an agile manner, and the confidence with which he does so, we are also encouraged to work with him. APL Apollo has been one of our strategic customers, so we have known him for a long time. We want to grow the color-coated business over time, and we will do that with him on the back end.

Naren: To add to what Kaushik said, we have been undertaking contract manufacturing for our businesses for years. Even today, 50% of our tubes are produced through contract manufacturing. More than 1 million tons of Tata Tiscon is produced through contract manufacturing. In fact, almost all of the NINL output is converted into Tiscon through contract manufacturing.

We also manage many service centers, and 50% of the wire business is through contract manufacturing. It is not a new model for us. However, we do not have a single person or single entity trying to scale it up in the way we would like it to be scaled up. That is why it is important.

It is also a new area—not entirely a new area, because we have been in color-coated steels for a long time—but we can help scale it up faster.

Operator: Thank you, sir. The next question is from Indrajit Agarwal of CLSA. Indrajit, please go ahead.

Indrajit Agarwal – CLSA: Thank you for the opportunity. Am I audible?

Kaushik: Yes.

Indrajit Agarwal – CLSA: Thank you. I have two questions.

First, when you refer to 2.5 times net debt to EBITDA, do you mean external debt, excluding any intercompany debt extended by Tata Steel, if any, at any point?

Kaushik: Agreed. Yes.

Indrajit Agarwal – CLSA: Second, when this comes up for voting at APL Apollo, given that you have already acquired the first tranche of 10%, would Tata Steel be eligible to vote, or would it be excluded as a related party?

Kaushik: No, we will not be voting.

Indrajit Agarwal – CLSA: Are there any timelines for the second tranche?

Kaushik: As soon as we receive all antitrust and other clearances.

Indrajit Agarwal – CLSA: Thank you. That is all from me.

Operator: Thank you. The next question is from Tarang Agrawal of Old Bridge Asset Management. Tarang, please go ahead.

Tarang Agrawal – Old Bridge Asset Management: I have two questions.

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As a Tata Steel shareholder, for approximately 34,000 crores of investment in NINL, I potentially have visibility of about 5,000 crores of EBITDA over the next 4 years. However, for a similar 32,000 crore investment in APL Apollo, comprising the open offer and the promoter stake purchase, the visibility comes down to about 1,000 crores.

I want to understand what I am missing here. At 32,000 crores, I would be getting approximately 52% stake in the business, correct?

Kaushik: I think you are applying a proportionality here. For the same reason, you have to include the 12,500 crores of acquisition of NINL, just to put it on the same basis.

However, I would answer it somewhat differently. As I mentioned, our aim is to grow this business to a 10,000 crore EBITDA company. This is also in the presentation. As we build up the volumes, scale up contract manufacturing, and better utilize Apollo's existing assets, we can support it through operating synergies and by supplying better volumes of HR coil.

We are not buying or acquiring this company for 1, 2, 3, or 4 years. We are looking at it for a longer period. It gives us a head start as we create a combined footprint for both tubes and colors and build this into a 10,000 crore business, with approximately 7,000–8,000 rupees per ton from the value-added mix that we have and are preparing to create.

That supports the valuation from all perspectives because we are also buying into an existing company. The time value of money must be taken into account.

The point is that this is not solely an asset-based valuation. As Naren appropriately mentioned at the beginning, upstream has an asset base, whereas this is more market-based. Market-based valuations are very different from asset-based valuations. We need to take that into account and consider how we can leverage this market in the future, with the market growing at approximately 7–9%.

Naren: To add to what Kaushik said and provide the overall Tata Steel perspective, which is what we said earlier, if you look at the average over the last 10 years—ignoring the last 2 quarters—Tata Steel India has delivered EBITDA of 14,000–15,000 rupees per ton on average. We are all aware that iron ore cost is [trails off]

Management: ...going up for the market, not just for Tata Steel, and for Tata Steel it will certainly go up after 2030. As there will be margin pressure in upstream because of the higher cost of ore, continued imports of coking coal, and so on, we are working on the cost side through several cost-takeout initiatives. This downstream business is incremental margin.

If you say we make 5,000 here or 6,000 here, this is in addition to the margins that we make in upstream. The question is how Tata Steel protects the 14,000–15,000 rupees per ton EBITDA going forward, including after 2030, through various initiatives on cost and product mix.

It is not just downstream. We are also continuing to improve our product mix through our existing facilities. The entire objective, through all these initiatives, is to determine how we protect that 14,000–15,000 rupees of EBITDA per ton for Tata Steel going forward. I think that is the point, and that is how all these different pieces fit together.

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Management: I would also add that the quality of earnings is different. Upstream earnings tend to be more volatile, while downstream earnings tend to be somewhat more stable across the cycle. Therefore, it is not only about the numbers; the quality of earnings and the cash-flow generation of the two businesses can also be quite different from a working-capital perspective. I would not focus only on EBITDA.

Operator: Thank you, ma'am. The next question is from Ronak of {? Picte ?}. Ronak, please go ahead.

Ronak – {? Picte ?}: Hello, can you hear me?

Management: Yes, we can.

Ronak – {? Picte ?}: I wanted to confirm whether the transaction would require shareholder approval for the large fund raise at the APL level, specifically majority-of-minority shareholder approval for the related-party transaction of buying the Tata Steel assets, since you would be the de facto promoters now.

Management: [pause] Given the way it has been transacted, it will require shareholder approval because it is material in size. However, we will not be able to vote. Any other continuing shareholder can vote.

Ronak – {? Picte ?}: Understood. Thank you.

Operator: Thank you. The next question is from Vandit Jain of Sage One. Vandit, please go ahead.

Vandit Jain – Sage One: Am I audible?

Management: Yes, please.

Vandit Jain – Sage One: I have one question. Given the significant value that Mr. Gupta's leadership has created at APL Apollo over the years, would Tata Steel consider retaining him as Executive Chairman or in some leadership role in the company even after completion of the transaction?

Management: [pause] We have had a good relationship with Sanjay even before this. Sanjay has been our customer for a long time, and he is very passionate about the company he has built. He will be associated with us in the facilities that he is building for us. We will continue to work with him. Let me leave it at that.

Obviously, we will value his inputs and engagement with the company.

Vandit Jain – Sage One: Understood. Thank you.

Operator: Thank you. The next question is from Satideep Jain of Ambit Capital. Satideep, please go ahead with your question.

Satideep Jain – Ambit Capital: Am I audible?

Management: Yes, please.

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Satideep Jain – Ambit Capital: My first question is about management. You mentioned that this would be a B2C business, and you have some B2C experience on the rebar side. How would you approach building the management team for this particular business? Is there a possibility that you would rebrand some of APL Apollo's products as Tata products?

Management: We will take that call, Satideep, over the next few months. For various reasons, we have not yet been able to do all the work. We have completed diligence and made some visits, but we will now undertake a lot more work.

Now that the transaction is public, we can more easily spend significantly more time developing and refining our strategy. We will take a call because Apollo also has strong brands and a very good distribution network. We also have a good distribution network. Our distribution network handles multiple products, while their distribution network handles pipes.

We will identify the areas where we can work together. We have done this multiple times in the past. Even when we acquired Bhushan, it had a distribution network. There is a customer network and a distribution network, and we have experience in doing this. We will work on it.

This will be done at a very granular level—at the distributor level, geography level, and district level. We will work it out.

Our B2C business is currently more than 3 million tons a year, which is broadly similar in size to APL Apollo's B2C business. We have also undertaken B2C operations at scale. We will work it out and determine how to leverage the brands and equity that they have built, and how to add further equity through the Tata brands that we have.

Satideep Jain – Ambit Capital: My second question is about the transaction itself. Did you alternatively consider other options to create shareholder value through a listing of the downstream assets, or perhaps demerging or listing the downstream assets you have?

Also, regarding the thought of growing organically to a 10,000 crore business, how long have you been considering this particular path or transaction? Was this a recent opportunity, or is it something you have been considering for some time?

Management: On downstream, we have been discussing it for at least a year, I think, very specifically. Downstream has always been part of our strategy, but we have been discussing it more explicitly because we saw that it is an important lever to build our profitability for the future.

We are increasingly comfortable being very close to the market and customers. As I said, we have significant experience in building B2C businesses at scale and SME B2SME businesses at scale across Tata Steel. For us, moving downstream, getting closer to the market, and developing value-added products were important parts of our strategy leading up to 2030. Cost takeout was another important part of that strategy.

We had announced the expansion of tinplate, and we have continued to grow in tubes through the acquisitions we made with Bhushan and subsequent growth. We have also been growing in wires. However, inorganic growth helps us scale up much faster.

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What Sanjay and his team have built over the last 15–20 years comes into the family immediately, and that really helps us increase our footprint very significantly. It is not only that we have a strong position in structural tubes. We now have a broad range of tubes, including precision tubes, welded tubes, and large-diameter pipes that we manufacture at the Bhushan facilities in Khopoli.

We have a complete range of products. If I look at our offerings to the construction market, from PC stranded wire, which is a downstream product used in construction, to structural tubes, rebars, and plate-fabricated sections, we have the entire range of options for construction. Construction accounts for 60% of steel consumption in the country.

We are positioning ourselves across multiple products, different routes to market, and different end-user segments. This helps insulate us from upstream risks that may arise because of rising upstream costs.

Operator: Thank you, sir. The next question is from Vikas of ICICI Securities. Vikas, please go ahead.

Vikas – ICICI Securities: Am I audible?

Management: Yes, please.

Vikas – ICICI Securities: Good evening, everyone. I have one clarification. If I heard the previous participant correctly, you would have approximately 10,000 crores of external debt, while APL Apollo requires 28,000 crores. Would 18,000 crores be funded by Tata, and would this come onto our standalone balance sheet?

Management: No, no. We said that, out of the 28,000 crores, we would look at approximately 10,000 crores on APL Apollo's balance sheet. For the remaining 18,000 crores, we will find ways to equitize or capitalize it through different instruments and in different tranches, in a manner in which both the price and terms are fair and appropriate for minority shareholders.

This is the principle we are discussing. The first tranche of that should be completed before the end of 12 months, or by the end of 12 months after closing of the transaction.

Vikas – ICICI Securities: Understood, sir. My second question is that, given our extensive distribution network and the strength of our own brands, do you expect any synergy benefits? Would the use of our own steel help APL Apollo achieve better EBITDA per ton? What is the thought process on that?

Management: As Kaushik said, utilization can improve because of a steadier supply of steel. Apollo has been in the market [trails off]

Management: [pause] ...market, buying steel from multiple suppliers, including us and many of our peers. This is like providing a base load or stability, but we will optimize the supply chain based on where it is best to buy that steel.

We do not intend to ship steel all over the country to Apollo's plants simply because we produce the steel. We will sell that steel where it makes more sense for Tata Steel, and we will buy steel for Apollo where it makes more sense to buy it for Apollo.

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In terms of the distribution network, as I said, the Tata Steel distribution network sells hot-rolled coils, cold-rolled coils, rebars, and other products. We have different products moving through the Tata Steel distribution network, while Apollo's distribution network is largely for the pipes it manufactures.

We will examine where there is synergy in the route to market and what we can leverage or synergize. Some of our distributors may be able to get more products, some of their distributors may be able to get more products, and there may be some distributors who are common. We need to work all of that out at a very detailed level over the next 2-3 months before completing the transaction.

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

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

Management: Yes, please.

Parthiv Jhonsa – Anand Rathi: I believe you were taking your tubes capacity to around 4 million tons. In the capacity addition bridge on page 6, where you have mentioned potential tube capacity expansion of 3 million tons, does this also include a share of Tata Steel, or is it purely from APL's perspective?

Management: Both. Both.

Parthiv Jhonsa – Anand Rathi: Both. My second question relates to capitalization. Have you finalized any instrument or route to de-risk the balance sheet? Can you share anything on that?

Management: [pause] There are multiple things that we are considering, Parthiv. I would say that once the open offer is completed and we undertake the integration, that will be the time when we can make the announcement.

Obviously, we will make all the required disclosures and justify the terms and instruments that we choose. As I said, our intent is to reduce the debt on APL Apollo's balance sheet, preserve value, and grow value through the underlying business. This will be a very strong combination of our color-coated business and their tubes business.

The synergies are very evident and will play out in the future. We will choose the instrument that helps create value for all shareholders, including minority shareholders. It is a matter of time, but I can tell you that this is certainly going to happen.

Operator: Thank you, sir. The next question is from Tushar of Prabhudas Lilladher. Tushar, please go ahead.

Operator: Sir, we are unable to hear you. We request you to please send in your question via chat or rejoin the queue. The next question is from Pinakin Parekh of HSBC.

Pinakin Parekh – HSBC: Thank you. Am I audible?

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Management: Yes, please.

Pinakin Parekh – HSBC: If we do the rough mathematics, against an inflow of {? 32,000 crore ?} and an outflow of {? 32,000 crore ?}, APL would have steady-state net debt of 10,000 crores.

For Tata Steel, compared with Thursday, attributable net debt would increase by 27,000 crores for an attributable EBITDA increase of 1,000 crores. For how many years do you expect this acquisition to be EPS dilutive, assuming a nominal interest cost of 9%?

Management: [pause] Pinakin, I think that is a very simplistic calculation, and I understand the calculation. It is not an incremental 1,000 crores of EBITDA. What I have been trying to say is that the EBITDA will grow because we are talking about 2,000 crores and I am talking about the full level of consolidation.

If it is 52%, it will be fully consolidated in Tata Steel. We are looking at EBITDA of 2,100 crores going up to about 4,000 crores. Some of Apollo's expansion projects are already ongoing, including one in the South and one in the Middle East. These will all come into the earnings stream.

As I said, if I look at a target of {? 10,000 crore ?} over the next 5 years, it will certainly not be EBITDA dilutive—it will not be EPS dilutive. The key objective is to make it EPS accretive, and that is what we will focus on, both from a capital-structure perspective and from an EPS perspective.

Pinakin Parekh – HSBC: Do you expect this transaction to be EPS accretive in the next 3 years, or possibly only after 2030?

Management: I would expect it to start playing out somewhere around 3 to 3.5 years. That is also the period by which we will start receiving the additional color-coated volumes, which have much higher profitability, at least on an overall basis.

Of course, we will receive the net amount after conversion charges and so on. I expect that, 3-3.5 years later, it should start contributing. In the meantime, we will also look at how to capitalize it to make the individual APL Apollo balance sheet much stronger.

Pinakin Parekh – HSBC: My second question is about consolidated net debt. It stood at 91,000 crores as of September. If we add this consolidated debt, including {? APAT ?}, it would be approximately {? 1 lakh 20,000, 1 lakh 25,000 crore ?}. Is it fair to say that, for the next 4-5 years, Tata Steel will not undertake any further upstream capacity expansions in India beyond Neelachal?

Management: No, that is not the case either. As I said, you are adding the debt without taking the earnings into account. Our capex numbers will undergo a review, excluding Neelachal, and we will use our free cash flows for deleveraging.

In fact, at the end of this year, the 91,000 crores will also come down, given the market conditions and our operating performance. Therefore, if we create that appetite, even with {? 121 ?}, I think our net debt to EBITDA will be 2.5 times. However, this is not the number we will maintain. We will continue to bring it down, even before the transaction, to a much lower level than where we finished in September.

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September was high primarily because of working capital, especially in the Netherlands, and we are working to reduce that by March. Therefore, our March net debt should look much better than the 91,000 crores we saw.

We would be comfortable at around 2.3-2.2 times, and that is the level to which we want to bring it. The guardrails for the stability of the balance sheet will not change just because of this acquisition.

I believe this acquisition has a faster path to becoming EPS accretive and a faster path toward higher profitability and cash flows. That is the essential rationale for undertaking it. We did not acquire it simply because it was something that was good for us. It had to make investment sense, and I think there is significant potential in this acquisition that will play out over the next couple of years.

Pinakin Parekh – HSBC: Lastly, regarding the 10,000 crore EBITDA vision and 15.5 million tons, what is the timeframe for achieving that?

Management: [pause] If you look at the bridge graph, we are talking about a starting point of 7.5 million tons. Then, if you look at the potential tube expansion, 1.5 million tons of the 2 million tons is already underway. Of the 5 million tons, 1 million tons will come in, say, 24 months.

There is a frequency, so to speak, of that growth of 3 and 5, and each of them will bring approximately 6,000 rupees per ton of incremental EBITDA. I think a period of 5-6 years is when we will be there.

Operator: Thank you, sir. The next question is from Pratik of IIFL. Pratik, please go ahead.

Operator: Pratik, we are unable to hear you. We request you to please send in your question via chat or rejoin the queue. The next question is from Amit Dixit of Goldman Sachs. Amit, please go ahead.

Amit Dixit – Goldman Sachs: Good evening, everyone. I have a couple of questions.

Amit Dixit – Goldman Sachs: My first question is on the current product mix of APL Apollo Tubes. One of the challenges it has faced is growing the volumes of large-diameter pipes, particularly 1,000 by 1,000, and the fact that close to 50% of the product mix is in the so-called Patra segment, with EBITDA of 2,000 rupees per ton.

Given that we have a premium product profile in our own tubes business, how will we manage these two aspects? Will we grow the large-diameter pipe segment? Are we also considering refining the product mix so that we either exit or improve the margins of this segment that competes with Patra, the general pipes? That is my first question.

Management: Amit, we will get into that level of detail over the next 2-3 months. For instance, when we acquired the Bhushan plant, the large-diameter pipes in Khopoli were largely underutilized. Over the last 2-3 years, we have increased utilization to optimal levels.

We will review some of these businesses in more detail over the next 2-3 months. We were waiting for the announcements so that we could undertake the work in a more visible manner and deploy the resources required to understand the business at the level of detail needed before deciding

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which products and geographies we should operate in.

Overall, if you look at Apollo's EBITDA, it has been at around 4,000 rupees per ton, in a range of 4 to 6... [hesitates] I think approximately 4,000 to 6,000 and 4,000 to 7,000 rupees per ton.

If you look at the range over the last few years, they have performed better than most tube players in the country because of their focus on innovative products, micro-markets, agility, developing products for multiple applications, and having very high-quality mills. They also have very good facilities.

They have largely shaped the structural-pipe market in India over the last 10-12 years. To the credit of Sanjay and the team, they have done a fantastic job.

We will approach this with an open mind to see where Tata Steel can add value, where we can rationalize the portfolio, and where we can scale up. There will be many opportunities, and before the transaction is completed, we will have a much more detailed plan.

Amit Dixit - Goldman Sachs: My second question is about APL Apollo's growth aspirations. In a couple of conference calls, Mr. Gupta mentioned that they would reach 10 million tons by FY30. Looking at utilization, and since you have answered this question several times, I will not go into utilization.

From the 5 million-ton capacity to 10 million tons by FY30, are we maintaining similar timelines, or are we considering advancing them? We also have a new understanding of the 5 million tons of contract manufacturing, which is somewhat new, although you mentioned in your prepared remarks that you have been doing this with NINL, Tiscon, and others.

I want to understand your thought process regarding the timelines for reaching 10 million tons and then 15 million tons, and any challenges you see in contract manufacturing here, since the business model is very different from what we have been accustomed to.

Management: On utilization, I do not think that, in these businesses, you will pursue 100% utilization as we do in upstream. These are not high-fixed-cost businesses like upstream; they are more service-led businesses.

Typically, if you want to provide the service levels that customers expect in these businesses, 85-90% is the optimal level. You would not pursue 100% utilization, unlike in an integrated upstream steel plant, where fixed costs are high and you run for long periods at 100%.

The current capacity is over 5 million tons, and I think they are producing approximately 3.5 million tons. We want to immediately work on the portion that can increase through the stability of raw-material supply. We want to determine how we can increase that.

The second part is that, as shown in the presentation, Sanjay's team is already building additional pipe plants, so we have that optionality. In addition, we have a minimum of 3 million tons of color-coated capacity, which can go up to 5 million tons.

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In tubes, we are acquiring a business that already has a market share, and we are trying to improve on that. In colors, we have to grow the market share, and we are confident that we can do that.

Tata Steel has honestly been somewhat behind in the color-coated business because our JV with BlueScope limited us in some ways. There were conditions that we needed to agree on together, and that is one of the reasons why we decided, in an amicable manner, to buy out BlueScope's stake so that we could participate in and grow faster in the color-coated steel market.

The volumes through BlueScope and the color-coated lines that we have in Khopoli and Sahibabad, which we acquired through Bhushan, are already helping us scale up the BlueScope business. If I remember correctly, it has already grown by 20-30% this year compared with last year.

This helps us because Sanjay's ability to build plants very quickly can complement Tata Steel's ability to enter the market and build brands. As Kaushik mentioned, we recently launched Colorcoat, a well-known global brand owned by Tata Steel UK.

We have developed Colorcoat for multinational companies that are setting up in India because they are familiar with the Colorcoat brand. We have brought products from our overseas portfolio and are scaling them up in the Indian market through deeper engagement at the dealer and distributor level and at the local level.

Sanjay's team's ability to build volumes very quickly—he has committed to 3-5 million tons in the next 5-6 years—gives us a unique opportunity to reach 10 million tons across tubes and color-coated products. The sooner we develop the market, the faster he can build the capacity.

To return to your other point, we have been undertaking contract manufacturing for a very long time, for at least 20-25 years. It is not new to us, whether it is galvanized steel, reinforcing steel, wires, or tubes. Our Agrico business, which is a smaller business, is 100% based on contract manufacturing. We have many businesses where we undertake contract manufacturing, so it is not a new area for us.

Operator: Thank you, sir. The next question is from Saurabh Mitra of Centrum. Saurabh, please go ahead.

Operator: Saurabh, we are unable to hear you, so we will move to the next question. The next question is from Pallav Agarwal of Antique. Pallav, please go ahead with your question.

Pallav Agarwal - Antique: Good evening, sir. I have a question about the combined market share in the tubes and pipe segment. If it is a substantial portion, would we face any problems obtaining CCI approval?

Management: Overall, it will be about 25-30%, Kaushik?

Kaushik: Yes, across the entire tubes and pipes segment.

Management: It is a very fragmented industry. Obviously, we will be the largest player, but there is still a large market for smaller players.

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Pallav Agarwal – Antique: In APL's structural segment, they used to claim a market share in excess of 50% in that specific structural space. With Tata Structura also being present, could that delay approval, or is it not a concern?

Management: Our structural presence is not as large as APL Apollo's. We are present in all the other pipe segments and also in structural pipes, but APL is much larger than us. Therefore, we believe we are in a comfortable position.

Secondly, a significant portion of this is retail. It is not a situation in which a customer, particularly an OEM customer, suddenly becomes dependent on one supplier instead of two suppliers. I do not think we have that kind of situation.

Pallav Agarwal – Antique: APL also had a particular brand that was probably a low-commodity brand with very low margins. When we move to the Tata brand, I assume we would not undertake significant discounting. Is there scope for an increase in margins in that segment?

Management: It is too early to comment. As I said, now that we have announced the transaction, we will spend significant time on the specific products and brands, understand them better, and then take a call.

Operator: The next question is from Ashish Kejriwal of Nuvama. Ashish, please go ahead.

Ashish Kejriwal – Nuvama: Thank you for the opportunity. I hope I am audible this time.

Operator: Yes, please.

Ashish Kejriwal – Nuvama: Thank you. My question is a simple one. Last year, we valued Tata BlueScope at approximately 2,200 crores, and now we are valuing it at 16... [trails off]

Ashish Kejriwal – Nuvama: [inaudible] thousand crore. The total of 16,000-plus and the other 28,000 crores is being transferred to APL Apollo. Subsequently, we are trying to take equity from there, perhaps it will be {? 18,000 or 19,000 crore ?}.

You are buying the expensive asset, which we have already made expensive ourselves. My point is that, by paying 32,200 crores, we will have a 52% stake in APL Apollo. Then, from this 28,000 crores, we are saying that perhaps around 18,000 crores will be financed through equity, and we will raise our equity stake from 52% to, say, 80-85%.

Why are we inflating the asset and trying to value it at the valuation at which APL Apollo is being valued, and then buying it back ourselves? That is my first question.

Management: [pause] Ashish, I do not think we can compare the two transactions—the buyout of BlueScope and the investment here—because this is a more comprehensive investment into the business and transfer of the business for growth.

If you look at the synergies and complementarities between our business and APL Apollo's business, we had to look at it from both perspectives. This is a strategic decision to make this business the major downstream steel tubes and color-coated business.

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Therefore, while the arithmetic is what you described, there is also a way to evaluate the future from a DCF perspective. There has not been an unlocking of the value of Tata BlueScope or Tata Steel Colors in the past. As I said, this removes the restrictions and constraints on growing much faster, and that is what we have been doing.

If you look at the color-coated volumes themselves, the volumes of Tata Steel Colors were much lower. As Naren just mentioned, the volumes are approximately 30% higher. The product mix is changing, and the distribution is also very different.

We looked at this business in a composite manner, combining the tubes and color-coated businesses. We considered how to create a composite bouquet of businesses that could go into APL Apollo, and therefore the valuation was undertaken on that basis. It has been independently—sorry.

Ashish Kejriwal – Nuvama: Is my understanding correct that we are paying 32,000 crores plus approximately 18,000 crores of equity infusion, which would subsequently take our equity stake in APL Apollo to around 80-85%?

Management: [pause] Let us first see how the open offer closes. We have announced the open offer for 26.5%, and we will proceed with it. Let us see where it closes. That is why there were questions about equitization.

We said that we would first see where the open offer closes. We would obviously want to demonstrate the future value of this company to all APL Apollo shareholders, and they should consider it as a long-term call on this business.

We believe that this business has significant value and potential going forward, driven by growth, the agility that APL has already demonstrated under Mr. Gupta, and the expansion of the portfolio.

This was not a simple or single acquisition. We are building a portfolio through multiple routes. One route is the growth of the tubes business itself, and another is the color-coated business.

Let us see where the open offer closes. Based on that, we will structure the transaction because we also believe that this company should remain listed and create value in the future. APL has shown that it can become a 15.5 million-ton downstream powerhouse, in our view. That value will be available to the shareholders who remain with us.

That is how we view it. Let the open offer close first, and then we will decide how to proceed. As I said, the choice of instrument will also determine how the equitization or capitalization is undertaken.

Operator: Thank you. The next question is from Sahil Sheikh of IDBI. Sahil, please go ahead with your question. Sahil, we are unable to hear you, so we will now proceed to the chat questions.

I would now like to hand the conference over to Ms. Samita Shah. Ma'am, over to you.

Samita Shah: Thank you, Shoheb. There are many questions in the chat. We have answered quite a few of them, but I will take some that we have not really addressed.

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There are several questions on the HR supply arrangement between Tata Steel and APL Apollo Tubes. What is the quantum? Is there a contract? Will it be at market price and on an arm's-length basis? Perhaps you can explain how this will work.

Naren: [pause] APL Apollo is already one of our biggest customers. As we do with our own downstream businesses, everything will be at market price and on an arm's-length basis. In this case, particularly, with two listed companies, it obviously has to work that way.

The second point is that APL Apollo will continue to buy from the market wherever it makes sense to buy from the market. Its plants are spread across the country, and steel producers are also located across the country.

We will determine where we can buy better and where we can optimize freight. This is also part of the synergy that we believe we can unlock. Tata Steel does not need to supply from Jamshedpur, Kalinganagar, or Meramandali to all APL Apollo plants if steel is available closer to those plants.

We will work that out. Supply-chain optimization is an important part of the benefits we can unlock through this transaction.

Management: If I may add, Naren, this will also consider the optimal capacity utilization, which is the point at which utilization can be increased most effectively.

Naren: Correct. Correct.

Samita Shah: Thank you. There are questions about whether APL Apollo will remain listed going forward or whether there are plans to delist the company.

Naren: As I have mentioned a couple of times, our intention is to ensure that this company remains listed and creates value for shareholders, as we have an exciting growth plan ahead in both steel tubes and color-coated products.

Samita Shah: Thank you. There are also questions about whether Mr. Sanjay Gupta and his family will continue to be involved in the business and whether there will be a non-compete clause with them.

Management: I think Naren has already answered that question.

Samita Shah: There are also questions about why we need this arrangement for color-coated capacity when we already have our own color-coated capacity.

Naren: Our own color-coated capacity will be fully utilized very quickly. We will then either need to build new capacity or do what we are planning to do, which is contract manufacturing.

Contract manufacturing of color-coated steels requires a certain degree of sophistication, which we believe Sanjay and his team can bring to the table. They can build quickly, and they can build high-quality lines. That is why we are entering into this arrangement, and it can be executed very quickly.

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The arrangement will help us scale up faster, and Tata Steel will not have to spend capital to set up those lines.

Samita Shah: Thank you. We have discussed the brand strategy several times, but there are many questions about it. Naren, perhaps you could repeat it because some participants may have joined later.

Naren: APL Apollo has its own brand architecture and brand family. Tata Steel has its own brand architecture and brand family.

Over the next few months, we will engage with each other to determine the brand architecture of the new company, which will have both the Tata Steel lines and the APL Apollo lines operating together.

We have recently undertaken a similar exercise when we acquired Tata BlueScope. Bhushan also had its own brands in the market when we acquired it. Therefore, we have done this in the past as well. It is a detailed exercise that we will undertake along with the commercial teams.

Samita Shah: Thank you. There are many questions about the arrangement with the SG Group. We clarified earlier that this is an MOU, and we will share details when it is converted into an agreement. We request your patience until then.

In the interest of time, we will take one more question. Sumangal, you had a second question, and we said we would return to you because we answered many questions in the first round. Over to you, Shoheb, if you can connect Sumangal.

Operator: Sure, ma'am. The next question is from Sumangal.

Sumangal Nevatia – Kotak Securities: Thank you for the follow-up. I am unclear about one aspect relating to the timeline and sequence of events.

First, could you share the timeline for CCI and shareholder approval? Is there a particular sequence for these approvals and the transfer of the stake or assets? Can the transfer of assets and the purchase of tranche 2 of the promoter stake happen in parallel, or, if not, what is the sequence?

Management: [pause] The sequence, {? Amangal ?}, is that we will file for antitrust clearances very soon. Once those are received, we will transfer the business, make the open offer, and purchase the second tranche of equity. Once the open offer closes, the third tranche of equity—which I would call an ability or {? optionality ?}—will become effective, and the transaction will effectively close.

Sumangal Nevatia – Kotak Securities: When are we looking at the open offer—6 months, 3 months, or is there any broad indication today?

Management: Once the antitrust clearances are received, I think it will become an anticipated date, but it would not be appropriate to specify one because it is a regulatory approval.

Sumangal Nevatia – Kotak Securities: Understood. Thank you, and all the best.

Management: Thank you.

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Operator: Thank you. With that, we will end the call. Thank you, everyone, for joining us. I hope you have gained more clarity, and we look forward to staying in touch. Thank you, everyone.

Management: Thank you. Thank you all for joining the call. Thanks.

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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