

'Will come to a decision on UK biz in 12-24 mths'

A day after Tata Steel, while announcing its results, flagged risks to its UK operations against the backdrop of a possible economic downturn in Europe, Tata Steel MD & CEO **TV NARENDRAN**, in an interview with **Ishita Ayan Dutt**, says the offer from the UK government as it stands won't justify the investment required for the impending transition to greener steel. Edited excerpts:

What prompted the stress test for European operations?

It is generally part of what the auditors do. It's more for the UK business; they have pointed out the vulnerabilities of the business to the volatilities seen in the past couple of years and with some of the assets coming towards the end of life. It's an open secret that the business (UK) is structurally not in a great place. Hence, the need for government support for the transition because cash flows of the business can't support the transition.



TV NARENDRAN
CEO & MD, Tata Steel

The discussion with the UK government has now been on for about three years...

It's about three years but to be fair there have been three or four governments. That's been part of the issue. For the first time, we've had a formal proposal from the government which came about three months back.

Have you conveyed your feedback to the UK government on the proposal?

We have. But the UK government is also talking to the Tata group on multiple companies and issues. It's a group-level

The Dutch business stands on its own. It's always been cash-positive, Ebitda positive and doesn't need any support from India.

conversation where Tata Steel is an important part because of its footprint and assets. From our point of view, we have made it clear that the proposal as it stands won't justify the investments that need to be made to make the transition.

What is the cost of the transition in the UK and the Netherlands?

I don't want to give a specific number but generally, the ask has been at least 50 per cent of the capex and also support on opex. This is not different from the requests made by steel companies to other governments.

In the Netherlands, the cash flows of the business can support most of the transition, though we need some help from the government. But it's not like in the UK where if there is no support, there is no transition.

We are also seeking support because there needs to be a level playing field. If some of our competitors get 50 per cent grants and we don't get anything, that makes it unfair.

Turn to Page 6 ▶

