

# Tata Steel to invest \$2 b in overseas arm

**Our Bureau**  
Mumbai

Tata Steel will invest \$2 billion (₹18,488 crore) in its Singapore-based wholly owned subsidiary T Steel Holdings Pte in tranches from FY27.

The proposed fund infusion will be used by TSHP to support the overseas subsidiaries for its business operations (including capex and restructuring costs), and for repayment of existing debt.

The board of directors of the company, that met here on Tuesday, also approved the proposal to merge its wholly owned subsidiary Neelachal Ispat Nigam with itself.

NINL operates an integrated steel plant at Kalinganagar in Odisha with a rated crude steel produc-

tion capacity of 0.98 million tonnes per annum. It also holds a mining lease for a captive, fully mechanised open cast iron ore mine located in Sundergarh and Keonjhar districts, Odisha.

The amalgamation will result in operational efficiencies and business synergies besides resulting in simplified corporate holding structure and agility to business ecosystem of the merged entity, Tata Steel stated.

## **SINGLE ENTITY**

The merger will consolidate long products assets under a single entity unlocking the opportunity for creating shareholder value. The proposed amalgamation will reduce administrative costs of maintaining separate companies, while reducing multiple legal and regulatory compliances. The proposed



merger will bring down operational costs through pooling of orders, improved sales and production planning.

Iron ore sourced from the mines of both NINL and Tata Steel can be used appropriately which can enhance overall life of mines of the merged entity.

Consolidation and optimisation of stockyards will sig-

nificantly reduce logistics and distribution costs for the merged entity.

Clubbing of cargoes may keep lower shipping costs, port terminal charges and ocean freight. The move will reduce inventory levels and release working capital from the system. Furthermore, efficiency in debt and cash management will improve cash flow.

Tata Steel will also acquire Medica TS Hospital which owns and operates a multi-speciality hospital in the Kalinganagar Industrial complex, Odisha, with a capacity of 100 beds. The company will pay ₹1.49 crore to Manipal Hospitals Eastern India to complete the deal. The transaction is expected to be completed in one month. The hospital is the only multi-speciality facility in Kalinganagar.