

# Tata Steel earmarks capex of ₹17,000 crore for FY25

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**TATA STEEL HAS** guided for a capex of ₹17,000 crore for FY25, of which a large majority would be spent in India, including for the ongoing expansion at Kalinganagar. With many projects on track, the Tata Group firm is also expecting FY25 to be better than FY24, its CEO & MD TV Narendran said.

“Out of the ₹17,000 crore, about 75% will be in India — mainly for the Kalinganagar project — some for realigning blast furnaces, expanding raw materials division and regular sustenance expenses. This is value accretive capex,” Narendran told *FE* in an interview.

“Some part of it will be spent on the electric arc furnace (EAF) project in Ludhiana, and balance will be for Europe. A little over ₹12,000 crore would be spend in India,” he said.

The Mumbai-headquartered firm’s capex guidance for FY24 was at ₹16,000 crore, while the actual

spent was ₹18,207 crore, of which about ₹10,000 crore was in India and the balance for Europe. Its Q4 capex spend was at ₹4,850 crore.

Tata Steel’s phased commissioning of its 5 MTPA expansion at Kalinganagar is progressing.

On the company’s plans to raise ₹3,000 crore through non-convertible debentures, he said the proceeds would be used mainly to recalibrate debt and for some repayments coming up this year, including that in Singapore.

Based on the capex spend, the firm’s net debt — which was at ₹77,550 crore as of March-end — might go up to about ₹80,000 crore. “But we expect the net debt to Ebitda to reduce from 3.3 levels to below

2.5 by the end of the year,” Narendran said.

“For Tata Steel, we expect FY25 to be better than FY24. We expect another 1.4 million tonne of volumes coming, including that of Kalinganagar expansion and realigning of another blast furnace in India,” Narendran said.

Tata Steel expects its Netherlands operations, which was Ebitda negative and cash negative in FY24, to be Ebitda positive and cash positive this year. “We’ll be Ebitda positive, starting from Q1.”

“In UK, we will have an Ebitda negative Q1 and Q2, but we will have an Ebitda positive Q3 and Q4. So overall, both Netherlands and the UK will be better

and India

## UK shutdown: Union warns of industrial action

AROUND 1,500 TATA Steel workers based in Port Talbot and Newport Llanwern will stage industrial action over the company’s plans to close its blast furnaces and cut 2,800 jobs, UK’s Unite union said on Thursday. The workers will begin working to rule as well as taking part in a continuous overtime ban from June 18. Strike action will be scheduled if the company does not row back on its plans, Unite said. — REUTERS

will be better this year than last year,” he added.

Talking about the closure or coke ovens in the UK in March, ahead of the earlier June date as its was “operationally unstable”. One of the two blast furnaces will be closed in June and the other in September, he added.

“Because of the condition of the assets and the financial performance, we are sticking to the plan. The unions are not so happy as 2,500 jobs are being impacted and they are negotiating for a good package. We believe we have given them the best possible package but they feel otherwise, so the talks are on,” he added.

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