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## **TATA Steel to sell GDRs for about USD 600 million**

*Sunday, 05 Jul, 2009*

Reuters reported that India's TATA Steel plans to sell global depositary receipts worth about USD 600 million.

Mr Koushik Chatterjee CFO TATA Steel said "This is not true. If there is any such plan we will notify at the right moment."

The sources, who cannot be named because they are not authorized to speak to the media said Citigroup and JPMorgan were arrangers for the deal.

One source said that "We are on the verge of launching the deal."

The company, which acquired Anglo Dutch steel maker Corus in 2007, would most likely use the funds to meet expansion in India and also to inject cash into the UK unit. They declined to spell out other terms of the deal such as the price. The offer comes after its shares surged 94% this year after tumbling 77% in 2008.

TATA Steel, which gets quarter of its revenue from India is raising capacity to 9.8 million tonne from 6.8 million. The company expects India demand to grow 25% in 2009-10.

As part of a revised debt covenants package with lenders, TATA Steel has said it would inject GBP 425 million into TATA Steel UK in a phased manner.

TATA Steel, which has USD 2.1 billion in cash and equivalents and USD 1.3 billion in undrawn bank facility said it has no material repayment obligations or refinancing requirements in the next 12 months.

(Sourced from Reuters)

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