Tata Steel's capex to remain flat in FY26

Steel major spent ₹15,671 cr in FY25

URVI MALVANIA
Mumbai, May 13

TATA STEEL'S CAPITAL allocation in FY26 is expected to remain flat annually at ₹15,000 crore, the firm's management said during an earnings call on Tuesday. In FY25, the steelmaker had spent ₹15, 671 crore on capital expenditure.

A majority of the allocation – 75% -- will go towards Tata Steel's India projects and the rest towards its UK and Netherlands operations.

"Capex for the year is largely focused on raw materials on the Kalinganagar (phased expansion) completion. It also includes the Ludhiana plant, which is 0.8 million tonne, but we hope to push it to one million tonne.

There are also some downstream expansions," TV Narendran, managing director and chief executive, Tata Steel, said. Downstream expansion includes a combi-mill which will convert some of the billets being manufactured at the erstwhile Usha Martin facility into special bars for the automotive industry, he added.

TV NARENDRAN
MD & CEO, TATA STEEL

> Capex for the year is largely focused on raw materials on the Kalinganagar (phased expansion) completion...

Future projects for the steelmaker in India include the Neelachal Ispat facility for which the public hearing has been conducted and the firm will seek board approval for the expansion of capacity to 9.5 million tonne per annum. This, Narendran said, will be in the next expansion phase, after the Kalinganagar and Ludhiana projects.

Tata Steel also outlined its cost transformation plan for the next few quarters.

"Looking ahead to FY26, our focus continues to be on controllable factors and we are targeting further cost takeouts of almost ₹11,500 crore (roughly $1.3 billion) across geographies by focusing on controllable cost, and let me outline some of the specifics," Koushik Chatterjee, chief financial officer, Tata Steel, said.

In FY25, the company said its saved ₹6,600 crore in costs using various cost-saving levers.

For FY26, the firm aims to deliver savings to the tune of ₹4,000 crore by focussing on operational KPIs like employee productivity, and supply chain optimisation coupled with investments in projects with low payback periods.

"There is specific focus on conversion cost and our aim is to optimise conversion cost by about ₹1,000 to ₹1,200 per tonne.

"We have identified a pipeline of low capex projects totalling less than ₹500 crore that will improve operational cost and be completed in a short span of time," Chatterjee added.

In the UK, Tata Steel will continue working towards achieving a lean structure by further reducing fixed costs by 29% year-on-year amounting to £220 million.

This will be achieved through cost-saving levers like optimising the cost of substrate and the coil mix, upgrading IT infrastructure to reduce corporate overheads and rationalising downstream operations to improve the profitability.

"Our total fixed cost in FY24 was about £995 million, which reduced to about £762 million in FY25, and we target to bring it to around £540 million in the next financial year," the steelmaker said.

In Netherlands, Tata Steel is targeting savings of around €500 million through volume maximisation, product mix, repair, maintenance, and employee productivity, among others.

Hero misses estimates, profit up 6% to ₹ 1,081 cr

NITIN KUMAR
New Delhi, May 13

ON THE BACK of lower two-wheeler sales and high input costs, Hero MotoCorp on Tuesday reported a modest 6% rise in its standalone net profit at Rs 1,081 crore for the January–March quarter. The figure missed Bloomberg's consensus estimate which had pegged the profit at Rs 1,124 crore.

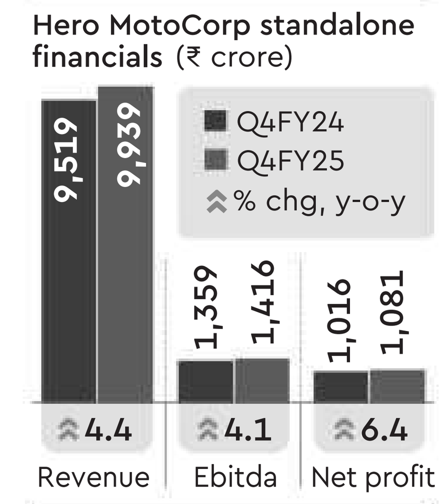
Domestic sales declined by 3.4% year-on-year, with volumes declining to 1.28 million units. Revenue from operations rose 4% to Rs 9,938 crore, beating estimates of Rs 9,757 crore. Operating profitability improved marginally, with Ebitda increasing by 4% year-on-year to Rs 1,416 crore, surpassing the estimated Rs 1,391 crore.

For the full financial year ended March 31, 2025, the company posted a 9% rise in standalone revenue from operations, reaching Rs 40,756 crore.

Net profit for the year stood at Rs 4,610 crore, up 16%. Total sales during the year amounted to 5.89 million units.

REPORT CARD

Hero MotoCorp standalone financials (₹ crore)



The board has recommended a final dividend of Rs 65 per share, translating to 3,250% of the face value of Rs 2. Subject to shareholder approval, the payout will be made within 30 days following the declaration at the upcoming annual general meeting.

Hero MotoCorp attributed its FY25 performance to gains across the premium motorcycle, scooter, and electric vehicle segments, along with enhanced retail presence and growing exports.

The company is banking on continued demand in these segments, bolstered by new product introductions and expanding market reach.

"We are observing strong retail traction, especially in our new premium and scooter offerings. Continued consolidation in the core segment, growth in the 125cc category, and the upcoming EV launch position us well for sustained momentum," said Vikram S Kasbekar, executive director & acting chief executive officer, Hero MotoCorp.

"Looking ahead, we remain optimistic about the near-to-mid-term outlook, key macroeconomic indicators, including revised income tax slabs, repo rate cuts, a strengthening rural economy, and a favorable monsoon forecast, are expected to support industry growth," said Vivek Anand, chief financial officer, Hero MotoCorp.

Hero also plans to continue its premiumisation strategy, with recent launches including the Xtreme 250R, Xpulse 210, and the refreshed Xtreme 160R 2V.

Renesas to make smallest chip at Noida unit

Noida, May 13

JAPANESE COMPANY RENESAS will work on designing three nanometer chips, the world's smallest semiconductor, at its new facility in Noida, Union minister Ashwini Vaishnaw said on Tuesday.

After inaugurating new semiconductor design centres of Renesas in Noida and Bengaluru, Vaishnaw said this is the first time a three nanometer chip will be designed in India.

"Today, we started the new semiconductor design centre of Renesa.

The key point about this centre is, for the first time in our country, three nanometer chips, which are the most advanced, will be designed here in India end-to-end," Vaishnaw said.

Renesas CEO Hidetoshi Shibata, who joined the event virtually, announced that the company has grown 10 times in India to date and plans to grow the total workforce in the country to 1,000 by the end of 2025.

Vaishnaw asked Renesas to grow the India facility by 10 times.

Renesas during the inaugural event signed a memorandum of understanding (MoU) with Centre for Development of Advanced Computing (C-DAC) and exchanged two memoranda of understanding (MoUs) under the MeitY Chips to Startup (C2S) programme.

The MoUs focus on supporting local startups by enabling them to drive technological advancement and promote local manufacturing in alignment with the Make in India initiative.

The MoU will also focus on enhancing industry-academia collaboration by fostering an innovative, product-focused mindset among students.

PTI

CM Naidu pushes for ₹1L income per acre

Amaravati, May 13

ANDHRA PRADESH CHIEF Minister N Chandrababu Naidu on Tuesday directed officials to promote horticulture across the state, targeting a minimum annual income of Rs 1 lakh per acre.

During a horticulture review meeting at the Secretariat, Naidu emphasised the development of 24 clusters focused on 11 crops, including banana, mango, oil palm, cashew, and dragon fruit, according to an official press release."The area under horticulture is currently 18 lakh hectares and must be doubled in five years," Naidu said, stressing the need for extensive promotion of cocoa, oil palm, and coconut cultivation. Noting that India contributes less than 1 per cent to global cocoa production, he said cocoa should be cultivated on at least one lakh acres. Naidu urged the establishment of small processing units to enhance crop value and boost farmer income. He also recommended post-harvest training to ensure high-quality produce and improve export readiness. The chief minister further called for the optimal utilisation of central and state subsidies for micro-irrigation.

PTI

Tata Electronics rebrands Pegatron India, reshuffles top leadership

NARAYANAN V
Chennai, May 13

> The firm has also inducted its top leadership into the board of the rebranded entity

TATA ELECTRONICS HAS rebranded Pegatron Technology India and reshuffled its top management as it strengthens its position as a major supplier of Apple iPhones and components, emerging as a key competitor to Taiwanese electronics giant Foxconn.

According to an informed source, the company has renamed Pegatron Technology India as Tata Electronics Products and Solutions Private Ltd, reflecting the Tata Group's majority ownership in the joint venture.

Tata Electronics, a wholly-owned subsidiary of Tata Sons, has also inducted its top leadership into the board of the rebranded entity, including MD & CEO Randhir Thakur, President – Components Business and Supply Chain Srinivas Satya, and CFO Sriram Kadiyala.

Chiu Tan Lin, the former managing director of Pegatron Technology India, stepped down from the role following the rebranding but continues to serve as a director, the source added.

The development comes as Tata Electronics aggressively scales up both iPhone assembly and component manufacturing to capture a bigger share of Apple's supply chain, which is undergoing a major shift away from China amid ongoing US-China trade tensions.

Last week, Apple CEO Tim Cook underlined India's growing importance, saying: "For the June quarter, we do expect the majority of iPhones sold in the US will have India as their country of origin," during the company's Q1 earnings call on May 1.

Tata Electronics manufactures casings (outer enclosures) of iPhones from its manufacturing facility in Hosur, Tamil Nadu.

The company has also begun assembling older iPhone models on one of the lines at its Hosur plant, Reuters reported last week.

Tata Electronics entered the iPhone assembly space in October 2023 by acquiring Wistron's manufacturing facility in Narasapura, Karnataka, for over ₹1,000 crore. Until then, Taiwanese contract manufacturers Foxconn, Pegatron, and Wistron were the only players assembling Apple iPhones in India.

In January this year, Tata Electronics further deepened its role in the iPhone supply chain by acquiring a controlling 60% stake in Pegatron Technology India for an undisclosed sum.

At the time, the company said Pegatron would be rebranded to reflect the new ownership and future direction, while continuing to deliver high-quality electronics manufacturing services.

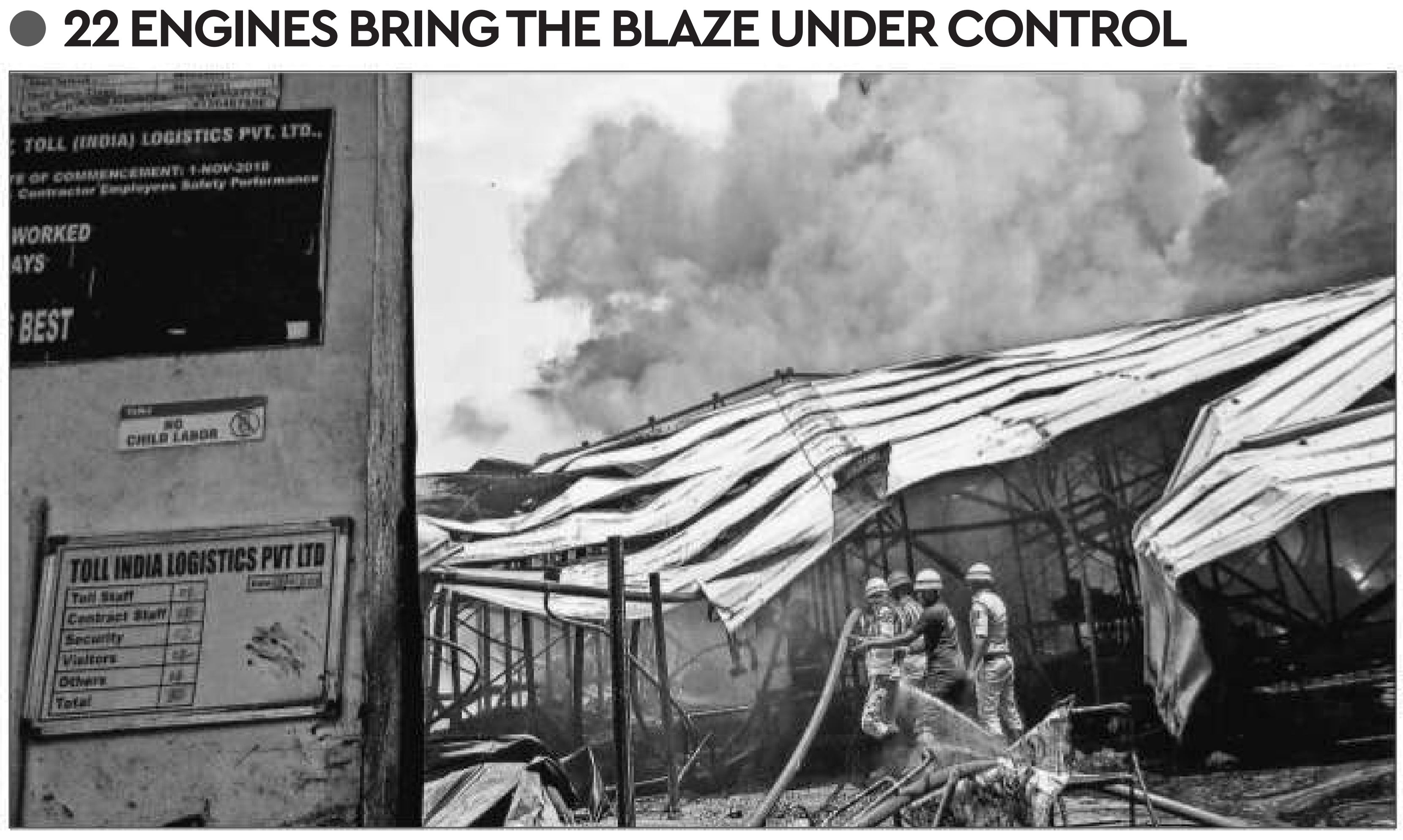
As part of the deal, Tata Electronics will also transfer the entire business of its wholly-owned unit, TEL Components, to the rebranded entity.

As part of its Phase 2 expansion, Tata Electronics is adding a ₹6,750-crore new manufacturing facility in Hosur to produce PCBs, chargers, display screens and other electronic components for smartphones. "The Phase 2 project is also registered under the rebranded entity," the source added, suggesting that the company may be consolidating all smartphone-focused EMS operations under Tata Electronics Products and Solutions Private Ltd.

Tata Electronics did not respond to FE's email query till the press time.

Besides electronics manufacturing services (EMS), Tata Electronics is also in the business of semiconductor assembly and testing, foundry operations, and design services.

22 ENGINES BRING THE BLAZE UNDER CONTROL



Firefighters and SDRF personnel douse a fire which broke out at a godown storing oil and lubricants on the outskirts of Bengaluru on Tuesday

PTI

Trump Residences Gurugram sells out on day of launch

FE BUREAU
Mumbai, May 13

Trump Residences Gurugram was completely sold out on launch day, generating sales of ?3,250 crore, developers Smartworld and Tribeca Developers said on Tuesday.

Launched on April 16, the ultra-luxury project saw overwhelming demand, with even its ultra-premium penthouses, collectively worth ?125 crore, fully booked.

The development includes 298 residential units, ranging in price from ?8 crore to ₹15 crore per residence, including penthouses.

The project is a collaboration between Smartworld, Tribeca Developers, and Donald J. Trump's The Trump Organization. It comprises two 51-storey towers.

Under the partnership, Smartworld will oversee development, construction and customer service, while Tribeca is responsible for design, marketing, sales and quality control. Tribeca is the exclusive licensee of Trump-branded properties in India. "The phenomenal response to Trump Residences is a testament to the aspiration for world-class living in India. Smartworld is proud to lead the delivery of this landmark project, and we thank our buyers for their trust in our vision," said Pankaj Bansal, founder of Smartworld Developers.

"Selling ?3,250 crore on Day 1 places this among the biggest luxury deals the country has ever seen. This launch proves the unmatched magnetic pull of the Trump brand and how deeply it resonates with India's most discerning buyers," said Kalpesh Mehta, founder of Tribeca Developers.

Trump Residences Gurugram is the second Trump-branded residential project in North India. The first, Trump Towers Delhi-NCR, also located in Gurugram and launched in 2018, is fully sold out and slated for delivery later this month.

Tribeca has previously licensed the Trump brand to Lodha Group in Mumbai and Panchshil Realty in Pune for other Trump-branded residential developments.

Mumbai's 1st cable-stayed Rly over bridge inaugurated

Mumbai, May 13

MAHARASHTRA CHIEF MINISTER Devendra Fadnavis on Tuesday inaugurated Mumbai's first cable-stayed railway over bridge (RoB) at Reay Road built at a cost of Rs 266 crore.

During the event held in Byculla east area, he also inaugurated another RoB at Titwala in neighbouring Thane district via video link.

The old Reay Road bridge was built in 1910 and it had completed its codal life, due to which people were facing difficulties. Hence, it was needed to be reconstructed and Maharashtra Rail Infrastructure Development Corporation (MRIDC) completed the task in record time without causing any traffic snarls, Fadnavis said.

The Brihanmumbai Municipal Corporation (BMC) had given the contract to construct the bridge to the MRIDC, also known as MahaRail - a joint venture of the Maharashtra government and the Ministry of Railways. The six-lane cable-stayed RoB at Reay Road is reconstructed after demolishing the iconic British-era RoB and has two ramps each on either side of the railway line. The 385-metre long bridge is an important east-west link on the Sant Savata Mali Marg over the Harbour line railway corridor between Reay Road and Dockyard Road stations.

PTI

Happiest Minds sees robust growth in FY26

PADMINI DHRUVARAJ
Bengaluru, May 13

HAPPIEST MINDS TECHNOLOGIES expects to deliver double-digit growth in FY26 and maintain its operating margin in the range of 20-22%, buoyed by strong momentum in key verticals such as banking, financial service, and insurance (BFSI) and healthcare, and continued traction in generative AI opportunities, MD & CFO Venkatraman Narayanan told FE.

In the fourth quarter of FY25, the IT services company reported a 30.5% year-on-year rise in revenue to Rs 544.57 crore, driven by healthy deal traction in segments like healthcare and BFSI as well as investments in emerging technologies like GenAI.

However, net profit fell 52.76% to Rs 34 crore due to a one-time exceptional cost.

"We signed up this customer in Q2, ramped up in Q3, and generated around $1-1.5 million in revenue.

This customer helps upskill minority and underprivileged students and assists them in finding jobs," said co-chairman & CEO Joseph Anantharaju.

"Much of the funding for such programs comes from the government.

Joseph Anantharaju, co-chairman & CEO, Happiest Minds Technologies

However, due to challenges with new dispensation customers, both government funding and investor contributions were affected. As a result, we were unable to receive payments for the services we rendered in Q3, leading us to stop work and absorb the impact."

For the full fiscal, Happiest Minds reported a revenue of Rs 2,060.84 crore, up 26.85% over the previous year.

Net profit for the year declined 25.66% to Rs 184.66 crore. EBITDA for FY25 stood at Rs 462.24 crore, with a margin of 21.4%, in line with the company's guidance.

The company sees strong tailwinds in the BFSI and healthcare verticals, which are expected to drive growth in FY26. The edtech segment, on the other hand, continues to face headwinds.

GenAI continues to be a key growth area for Happiest Minds.

"If you take Gen AI, last year was when we saw more of the smaller POCs and deals. What we're seeing in the last couple of months is some of these moving into larger implementations.," said Anantharaju.

He also noted that tariff-related uncertainty in the US led to some caution among customers, especially in manufacturing and retail.

"We didn't see any cancellations or client visits being cancelled due to this. What we did notice is that customers, particularly in manufacturing and, to a lesser extent, retail CPG, became more cautious and adopted a wait-and-watch approach," he added.

On whether GenAI is leading to pricing pressures or changes in deal tenures, Narayanan noted that the effects are more complex. "It's a risk-reward model is what contracting models really stand for. Not so much as risk-reward and ownership," he said.

He added that while automation tools like GenAI are improving efficiencies, the corresponding pricing changes depend on the nature of the engagement, whether time-and-material (T&M) or fixed price.

On hiring, the company is currently operating at an utilisation rate of 77%, slightly below its ideal target. "Our ideal number is 80 or 81. It also will give us a little bit of leverage from a margin perspective. So, that would be the first preference actually," said Anantharaju.

In Q4, Happiest Minds added 14 new clients, bringing its total to 281.

Key deal wins included an AI-powered end-user chat platform for a global market research agency, connected product development for a US manufacturer, and risk consulting for a West Asian bank.