

JSW Steel to Invest Rs 5,000 cr on Capex in FY16



London-based JSW Steel Service Centre is into processing and sale of steel, while Argent Independent Holdings that is also based in London is a holding company. Nairobi-based JSW Steel East Africa is into mining of non-ferrous metal ores and manufacture of basic iron and steel, among others.

JSW Steel expects to invest about Rs 5,000 crore on various capital expenditure projects in this fiscal ending March 2016, its Chairman and Managing Director Sajjan Jindal has said. Besides, the company is closing down non operational subsidiaries in the UK and Kenya, JSW Steel said in a

regulatory filing. "The company is expected to invest approximately Rs 5,000 crore during FY16 on various capital expenditure programmes," Jindal said. At present, the firm has a capacity of 14.3 million tonnes (MT) across two integrated steel plants in Maharashtra and Karnataka. Implementation of ongoing projects like modernisation of BF-1 and electrical steel complex at Vijayanagar and the capacity expansion project from 3.3 MTPA to 5 MTPA at Dolvi are progressing satisfactorily and are likely to complete as per schedule, JSW Steel had said earlier. The company aims to add 4 MT to increase its capacity to 18.6 MT in 2015-16.

Jindal also informed the shareholders that "the company is also in the process of closing the non-operational foreign subsidiaries i.e. JSW Steel Service Centre (UK) Ltd, Argent Independent Holdings Ltd and JSW Steel East Africa Ltd."

JSW Steel's shareholders have already approved company's proposal to raise a total of Rs 14,000 crore through private placement and qualified institutional placement (QIP) route. The firm's shareholders, at the AGM, approved rising up to Rs 4,000 crore through QIP and Rs 10,000 crore by selling non-convertible debentures (NCDs).

Toyota Agrees to Cut Sheet Prices

Toyota Motor Corp. and major steel makers have agreed to lower prices for steel sheet for the April-September period from the previous six months, marking the first price cut in a year, industry sources said.

Toyota and the steel makers, including Nippon Steel & Sumitomo Metal Corp. reached the agreement as prices for iron ore and coal, used to make steel sheet, have dropped and are not expected to rise soon, according to the sources.

Toyota has apparently decided to reduce the price of steel sheet supplied to its parts makers by ¥6,000 per ton for the half-year period through next March from the current six-month period through September. The



margin of the price cut by the steel makers for the April-September period is believed to be less.

The price cut for steel sheet may reduce profit margins for the steel makers, likely forcing them to step up their efforts to curb production costs.

The prices of iron ore and coal declined in the October-March period but Toyota held the price of steel sheet steady.

Toyota and its steel sheet suppliers negotiate the price of steel sheet every six months, and the price is seen as having an impact on deals made by other industries that use large amounts of steel sheet, such as shipbuilders.