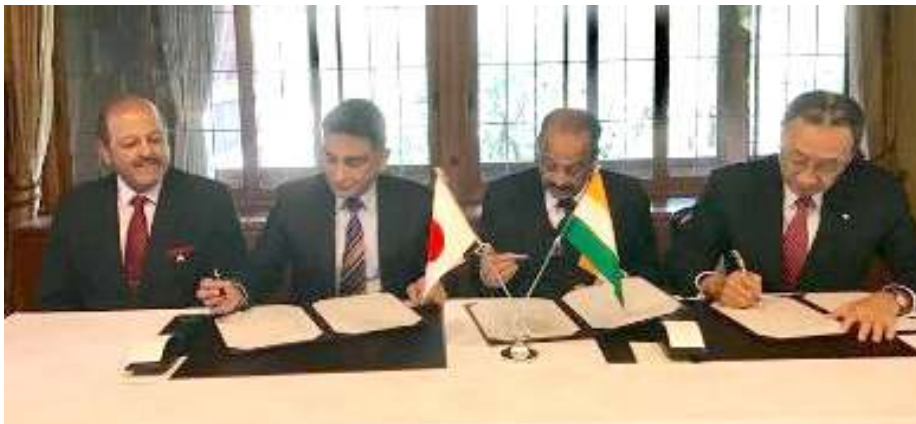




## Mukand, Sumitomo Corp forms JV



Specialty steel maker Mukand Ltd and Sumitomo Corp of Japan have signed an agreement to form a joint venture that will set up a rolling mill in Karnataka.

The JV, Mukand Alloy Steel Pvt Ltd (MASPL), will set up a steel rolling mill unit at Hospet in Karnataka with an initial capacity of 375,000 tons per annum. Mukand will hold 51 percent stake in the JV and Sumitomo 49 percent equity with an enterprise value of Rs 2,820 crore. MASPL will initially invest Rs 550 crore

in the proposed plant at Hospet.

The new company will be engaged in the rolling and finishing of Mukand's principal business of alloy steel long products. It will exclusively procure the required alloy steel billets and blooms from Mukand's steel making facility at Hospet.

The JV will combine Mukand's manufacturing and engineering capabilities and Sumitomo's marketing management skills and know-how to cater to a growing automobile market globally.

## Baosteel eyes greater stake in Visa Steel



The Baosteel Group from China is likely to have a bigger stake in Visa Steel if a deal between the two goes through, according to a news report.

Baosteel plans to acquire a 26% stake in a new entity formed by the merger of a joint venture between Visa Steel and itself, said bankers Visa, which owes lenders Rs 3,800 crore, has sought time till June to close the deal.

Baosteel and Visa Steel have a JV — Visa Bao — in which Visa holds 65% while Bao holds 35%. Last year, Visa had received the approval of shareholders for a merger of the JV with Visa Steel; following the merger, which is awaiting a nod from the National Company Law Tribunal, Baosteel would have been left with 5% in the new entity.

However, Visa has informed lenders that instead of just 5%, Baosteel would now like to hold 26% in the new entity, sources said.

In FY16, Visa Steel reported a consolidated net loss of Rs 641.4 crore on revenues of Rs 1,303 crore after paying interest costs of Rs 475 crore. In the nine months to December 2016, the Kolkata-headquartered company reported a net loss of Rs 89.31 crore on revenues of Rs 882 crore, paying an interest of just Rs 15 crore.

This section is a compilation from various company press releases, business dailies & trade publications.

## Tata Steel to enter into home segments



Tata Steel has begun lining up products which will enable it to penetrate the home-segment with branded offerings. The items include steel doors, windows and customized wardrobes. Some products have been launched on a pilot-basis.

Mr Peeyush Gupta, Vice President Steel (marketing & sales) of Tata Steel said that “Till the late 1990s, Tata Steel used to be a B2B company. In the early 2000s, we thought of approaching the end-consumer.

This endeavour saw the gradual

expansion of Tata Steel's branded product portfolio. from a 5% share in the sales turnover in 1999-2000, the proportion has grown to 45% in 2016-17.”

Branded products also mean higher margins, even as it provides a cushion against market volatility. Gupta said that “It does not undergo the cycles experienced in the B2B play.”

He said that “A wood-finished steel door is one such ready-solution that we are offering to people who are building houses. The product is innovative with a wood like look and the sound of wood, and comes complete with latches and locks. The installation charge is included in the price, as is the steel frame. The product is fire safe.”

He added that branded as Pravesh Doors, the product is available in the eastern and northern parts of the country and will be seen in the south by July, followed by the west.