



# THE TIMES OF INDIA



By Nandini Sen Gupta

Last Updated: May 18, 2018

## Sumitomo Corporation buys 49% stakes in Mukand Sumi Special Steel Ltd

CHENNAI: Sumitomo Corporation has bought 49% stake -- for Rs 1180.99 crore -- in joint venture company Mukand Sumi Special Steel Limited, which is a leading specialty steel supplier for the fast-growing automotive and engineering industries. Mukand Ltd retains 51% equity of this joint venture company.

The joint venture is engaged in the business of rolling, finishing and marketing of alloy steel wire rods and bars made from blooms and billets procured exclusively from Mukand Ltd's Hospet plant in Karnataka.

The JV has 100 acres of land adjoining Mukand's existing plant at Hospet for the proposed construction and commissioning of new steel rolling facilities by mid-2020 at an approximate cost of Rs 600 crore.

The automotive sector in India has grown rapidly in FY 18 and is expected to continue to expand for several years. The auto component sector in India is a Rs 3 trillion industry, currently exporting of Rs 740 billion a year.

Mukand is a supplier of speciality steels to all global manufacturers in the Indian automotive sector for their critical components.

For Sumitomo Corporation, a leading Fortune 500 company in 129 locations in 66 countries and regions, this investment is its largest in India. This is also one of the largest equity investments in a manufacturing company in India by any Japanese corporation for FY 18.

Makoto Horie, senior managing executive officer, general manager, Metal Products Business Unit, Sumitomo Corporation, said Sumitomo Corporation is keen to strengthen their presence in India, one of the fastest growing markets in the world.

Niraj Bajaj, chairman and managing director of Mukand, said Mukand and Sumitomo Corporation have already been working harmoniously and closely together for the past five years in another joint venture and he sees great synergy and strength brought to this joint venture by both companies.