

JSW Steel looking at export credit to fund expansion

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JSW Steel to raise a major chunk of the ₹15,000-crore funding for the 5 mtpa Vijayanagar expansion at a concessional rate from countries where it is importing the machinery.

“Overseas fundraising is out of the question right now because rates are so high. We are exploring ECA credits which are offered at OECD (Organisation for Economic Co-operation and Development) consensus rates. This credit is offered by export credit agencies for imports from those particular countries,” Seshagiri Rao, Joint Managing Director, JSW Steel, told *businessline*.

GERMAN AGENCY

JSW Steel has placed orders for machinery with German

companies, so an export credit agency from Germany will finance the order, he added.

This credit is available for buying goods and services. About 85 per cent of the value of the order placed with that country can be funded through this route, he said.

OECD determines the rates based on the average rate prevailing in different countries so that it becomes much cheaper, he added.

In January, JSW Steel announced plans to enhance capacity at its Vijayanagar plant from 13 million tonnes (mt) per annum to 18 mtpa by FY24.

The company has received environmental clearance for the project from the Ministry of Environment, and preliminary clearance from the ‘Single Window High-Level Clearance Committee’, Karnataka.