

# Steel In The News

*A compilation of leading news items on Indian steel industry as reported in major national dailies*

CONTENTS	Page
Highlight of the Week	2
Company News	2
Financial	3
Steel Performance	4
Global Steel	5

A Weekly News Report by Joint Plant  
Committee

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## HIGHLIGHT

1. Consumption of automotive steel has dipped by 4 per cent with demand in the auto segment moving downwards.
2. Tata Steel is planning to sell 19% stake in Oman limestone mine arm.
3. JSW Steel makes revised bid of Rs.1,500 cr to acquire Asian Colour Coated Ispat
4. JSPL wins Rs.665- crore rail contract
5. ArcelorMittal to temporarily cut European primary flat steel output
6. Ruias once again urge NCLAT to scrap ArcelorMittal's bid for Essar Steel

## COMPANY NEWS

### **Tata Steel to sell 19% stake in Oman limestone mine arm**

Tata Steel is planning to sell 19 per cent of its holding in the Oman-based limestone mining company, Al Rimal Mining LLC, to Oman National Investments Development Company (Tanmia). In a statement, Tata Steel said it has signed a definitive agreement to induct Oman National Investments Development Company as a shareholder in Al Rimal Mining LLC. The mining company is a step-down subsidiary of Tata Steel. Consequent to the deal, the indirect shareholding of Tata Steel in Al Rimal Mining LLC will reduce to 51 per cent from 70 per cent. The other existing shareholders of Al Rimal Mining LLC will also sell their part stake of 11 per cent to Tanmia. After the transaction, Tanmia will hold 30 per cent in Al Rimal Mining LLC. The closing of the transaction is subject to fulfilment of some conditions precedent under the agreements. The parties shall jointly work towards fulfilment of the same, said Tata Steel.

*Source: Business Lines, May 10, 2019*

### **JSPL wins Rs.665- crore rail contract**

Jindal Steel & Power Limited (JSPL) has won an order from Rail Vikas Nigam Limited (RVNL), to supply 89, 042 tonnes of rails for its upcoming projects. A JSPL statement said that the order is valued at approximately Rs.665 crore. In July 2018, JSPL bagged the first ever global tender for supply of Rails to the Indian Railways. As per the terms of the global tender, JSPL bagged the first ever global tender for supply of rails to the Indian Railways. As per the terms of the global tender, JSPL was to supply close to one; lakh tonnes of long rails worth Rs.568 crore to the Railways over a period of one year. JSPL said that it had completed the delivery in record time four months ahead of schedule. Over and above, JSPL has secured an additional order to supply 30,000 tonnes of rails under the global tender,

*Source: Business Lines, May 10, 2019*

## **FINANCIAL**

### **JSW Steel makes revised bid of Rs.1,500 cr to acquire Asian Colour Coated Ispat**

Sajjan Jindal-promoted JSW Steel has revised its bid for Asian Colour Coated Ispat Ltd by ₹300 crore to ₹1,500 crore as part of its efforts to acquire the debt-ridden company in an insolvency driven process. Once approved by the lenders, JSW Steel will be issued a letter of intent and the resolution plan will be placed before the National Company Law Tribunal (NCLT) for final approval. Earlier, JSW Steel had bid ₹1,200 crore including ₹800 crore for secured financial creditors and ₹400 crore for operational creditors. SBI is the lead lender, with an exposure of ₹1,600 crore to Asian Colour. The NCLT had approved the insolvency proceedings against the company last July. Last month, the company's Insolvency Resolution Professional (IRP) moved the NCLT, seeking permission to extend the deadline for placing the bid. As per the initial plan, the last date for placing bids was March 8. The NCLT had posted the hearing in the case for May 13. Asian Colour, which had defaulted on a ₹4,900-crore loan, has facilities close to near Delhi and Mumbai. It specialises in downstream, galvanised

and colour-coated products that it exports to Europe, Latin America and Africa. It has an annual capacity of 1 million tonne.

*Source: Business Lines, May 08, 2019*

### **Ruias once again urge NCLAT to scrap ArcelorMittal's bid for Essar Steel**

The Ruia family has once again urged the National Company Law Appellate Tribunal (NCLAT) to reject the winning bid of ArcelorMittal for Essar Steel. The fresh application, filed via Essar Steel Asia Holdings (ESAH), a majority shareholder of Essar Steel, has sought to scrap the ArcelorMittal bid on the grounds that its promoter Lakshmi Mittal has 'suppressed vital facts' related to connections with his brothers Pramod Mittal and Vinod Mittal, and their defaulted companies. ESAH had earlier offered to repay the entire debt of ₹54,389 crore defaulted by Essar Steel, but this was rejected by the Committee of Creditors (CoC). Citing a sworn affidavit filed on behalf of Mittal and ArcelorMittal, ESAH said they had misled the Supreme Court, the NCLAT and the CoC. In its petition, ESAH enclosed various documents showing that as of September 2018, Mittal was a co-promoter of Navoday Consultants along with his brothers Pramod and Vinod. Navoday was in turn the promoter of GPI Textiles, Balasore Alloys and Gontermann Piepers.

*Source: Business Lines, May 08, 2019*

## **STEEL PERFORMANCE**

### **Automotive steel consumption skids on slowing vehicle sales**

Consumption of automotive steel has dipped by 4 per cent with demand in the auto segment moving in the slow lane. Automotive steel accounts for around 12 per cent of total steel consumption, of which passenger vehicles comprise the major chunk. "An 8 per cent drop in production volumes (average) in the auto segment in Q4 FY19 over Q4 FY18, resulted in a drop in automotive steel by four per cent," Jayant Acharya, director, commercial and marketing, JSW Steel, said. Sales have been sluggish post Diwali and

has continued through the current financial year. In April, the overall passenger vehicle wholesales dipped by 17 per cent year-on-year. A secondary steel producer catering to the auto segment, said that for the past two months the sheet market slowed down due to lower offtake from the auto segment. Steel contributes 60-65 per cent of the total raw material content in average Indian vehicles and domestic companies have been finding favour with car makers for a while now.

*Source: Business Standard, May 06, 2019*

## GLOBAL STEEL

### **ThyssenKrupp sees scope for EU nod to Tata Steel JV**

ThyssenKrupp on Sunday said it still saw scope for agreement with European antitrust regulators on a planned joint venture with Tata Steel despite a Financial Times report that Brussels was likely to block the deal, reports Reuters. Tata Steel and ThyssenKrupp have proposed combining their steel operations in Europe to form the region's second-biggest steelmaker. However, the landmark deal has not yet been approved because of concerns about its impact on competition.

*Source: Financial Express, May 06, 2019*

### **ArcelorMittal to temporarily cut European primary flat steel output**

Global steel giant ArcelorMittal said it will temporarily reduce its annualised primary flat steel production in Europe by three million tonne. The company “announces its intention to temporarily idle production at its steel making facilities in Krakow, Poland, and reduce production in Asturias, Spain”. The firm also said in a statement that the planned increase of shipments at ArcelorMittal Italia to a six million tonne annual run-rate will be slowed following a decision to optimise cost and quality over volume in this environment. Together, these actions will result in a temporary annualised production reduction of around three million tonne in Europe, the world’s largest steel maker said. “The difficult decision to temporarily reduce our European primary flat steel production has not been taken lightly. We

understand the impact this has on employees and the local communities and will be working to ensure social measures are in place to support them during this period,” Geert van Poelvoorde, chief executive officer, ArcelorMittal Europe- flat products, said. These actions reflect the weak demand environment currently in Europe, a situation further compounded by increased imports despite the safeguard measures introduced by the European Commission, he said. Poelvoorde said high energy costs and increasing carbon costs are adding to the tough environment.

*Source: Financial Express, May 07, 2019*