

Steel In The News

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

CONTENTS	Page
Highlights	2
Company News	2
Financial	3

A Weekly News Report by Joint Plant
Committee

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HIGHLIGHTS

1. The Visakhapatnam Steel Plant of RINL has posted a loss of Rs.1,369 crore on a turnover of Rs.16,618 crore in FY18.
2. Tata Steel keen on raising Bhushan Steel's production
3. JSW Steel, the flagship business of the \$13-billion JSW Group, has been awarded the Deming Prize for its Vijayanagar Works manufacturing unit.
4. The Supreme Court on Thursday allowed ArcelorMittal and Numetal to bid for bankrupt Essar Steel, but said they must pay off the outstanding dues to defaulters connected to them within two weeks.
5. JSPL Q2 steel production at 1.3 million tone
6. The Supreme Court has allowed ArcelorMittal and Numetal to bid for bankrupt Essar Steel, but said they must pay off the outstanding dues to defaulters connected to them within two weeks.
7. The Usha Martin management has proposed to the lenders to keep the sale proceeds from the Tata Steel transaction in an escrow account.

COMPANY NEWS

RINL posts Rs.1,369-crore loss in FY 18

The Visakhapatnam Steel Plant of RINL has posted a loss of Rs.1,369 crore on a turnover of Rs.16,618 crore in FY18. However, it has achieved a net profit in the first quarter of the current fiscal. The company's chairman and managing director, P.K. Rath told shareholders at the AGM here that RINL recorded improvement in all major areas of production in FY18, with a growth of 17 per cent in saleable steel. The loss was due to a provision of Rs.541.05 crore towards gratuity liability.

Source: Business Standard, October1, 2018

Tata Steel keen on raising Bhushan Steel's production

After acquiring debt laden Bhushan Steel through the insolvency and bankruptcy process, Tata Steel is now aiming to raise its production to 4 million tone (MT) by the end of the current fiscal, an official said. Bhushan Steel's Odisha plant is currently operating at 3.5 MT against a capacity of 5MT, the official said. "The Bhushan plant in Odisha has a capacity of 5 MT but is currently operating at 3.5MT. We are working to raise production at

least to a level of 4MT a year by March 2019 as demand remains robust,” the official, who is part of the new team installed by Tata Steel in the company said. The Bhushan plant is located close to Tata steel’s Kaliganagar facility where it has a 3MT capacity.

Source: Financial Express, October1, 2018

JSW Steel’s Vijayanagar unit bags Deming Prize

JSW Steel, the flagship business of the \$13-billion JSW Group, has been awarded the Deming Prize for its Vijayanagar Works manufacturing unit. JSW Vijayanagar Works is the largest, single location integrated steel plant to be awarded the Deming Prize for excellence in Total Quality Management (TQM). The Deming Application Prize is a world-renowned annual quality award presented by the Union of Japanese Scientists and Engineers (JUSE) to companies that have achieved distinctive performance benchmarks through the application of TQM. The Deming Prize will be formally presented to JSW Steel on November 14 in Tokyo.

Source: Business Line, October4, 2018

JSPL Q2 steel production at 1.3 million tonne

Jindal Steel and Power (JSPL) on Thursday said its crude steel production in September quarter of 2018-19 stood at 1.3 million tonne (MT). The company produced 0.89 MT crude steel in Juloy-september period of 2017-18 financial year, JSPL said in a statement. Sales during the reported quarter rose to 1.27 MT from 0.83 MT in the year-ago period.

Source: Financial Express, October 5, 2018

FINANCIAL

Essar bid: SC verdict on NuMetal, Arcelor appeal today

The Supreme Court is likely to deliver on Thursday its verdict on cross-appeals of Russia's VTB Bank-promoted NuMetal and steel and mining major ArcelorMittal challenging the National Company Law Appellate Tribunal (NCLAT) order on eligibility of the latter to bid for Essar Steel. A bench comprising Justices R F Nariman and Indu Malhotra had reserved its verdict on September 27 after counsels for all the parties, including the Committee of Creditors (CoC), concluded their arguments that had continued for eight days. NCLAT had ruled

that NuMetal's second bid for Essar Steel was eligible, but the same by ArcelorMittal would qualify only if it cleared the Rs 70.00-billion dues of the two firms it was previously associated with. While ArcelorMittal had challenged the order asking it to pay Rs 70 billion to become eligible for the bidding, NuMetal had alleged that NCLAT had "wrongly" applied legal provisions to enable its rival bidder to pay the dues of two debt-ridden firms even after it had bid for Essar Steel. The bench is also expected to deal with the ways to prevent delays in insolvency resolution of debt-ridden firms owing to continued adjudications at NCLT and NCLAT and had observed that all delays "must stop". It had taken note of the fact that the Insolvency and Bankruptcy Code provided for time-bound disposal of the resolution process meant to revive a company, but delays and several rounds of intervention by authorities such as National Company Law Tribunal (NCLT) and NCLAT defeated the purpose of the statute. Earlier, senior advocate Mukul Rohatgi, appearing for NuMetal, had said that its second bid was higher than ArcelorMittal's and moreover, it had already said the company would match the offer of its rival bidder.

Source: Business Standard, October 4, 2018

ArcelorMittal, Numetal get 2 weeks to clear dues for Essar Steel bid

The Supreme Court on Thursday allowed ArcelorMittal and Numetal to bid for bankrupt Essar Steel, but said they must pay off the outstanding dues to defaulters connected to them within two weeks. Both can resubmit their resolution plans, dated April 2, 2018, to Essar Steel's committee of creditors, who must decide on the best offer within eight weeks after also considering the proposal for the third bidder, Vedanta, the court said. If no plan is found worthy of acceptance, the assets shall go into liquidation, it ruled. The court noticed that both ArcelorMittal and Numetal were technically ineligible to bid under the Insolvency and Bankruptcy Code, because of their links to entities that had defaulted on payments. But a bench of justices invoked its extraordinary powers to give them two weeks to pay up the dues and resubmit bids. Section 29A of the code bars promoters of defaulting companies or related parties, and connected people from bidding for stressed assets unless they have paid their dues.

Source: Economic Times, October 5, 2018

Usha Martin for escrow account

The Usha Martin management has proposed to the lenders to keep the sale proceeds from the Tata Steel transaction in an escrow account. Confirming, Rohit Nanda, Chief Financial officer said, “We have proposed this at the lender’s meeting. Lenders would now have to seek approvals internally.” Promoters Basant and Prashant Jhawar had recently raised questions around the end use of funds. Nanda, however, clarified that putting sale proceeds in an escrow account was stipulated by the Board on September 22 itself while accepting Tata Steel offer. Thus the reason for mooting the proposal for putting the funds in the escrow is not the issue brought forward by a section of the promoter family but it does take care of the questions that have been raised. Putting sales proceeds in deals is a standard mechanism but not the only mechanism, industry experts said.

Source: Business Standard, October1, 2018