

# Steel In The News

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

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**A Weekly News Report by Joint Plant  
Committee**

**January 12 – 18, 2019**

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## HIGHLIGHTS OF THE WEEK

1. India's crude steel production fell by 1.4 per cent to 8.936 million tonnes in December 2018, according to official data.
2. Tata Steel is ready to invest in a downstream park on 400 acres next to its Kalinganagar steel plant in Jajpur district of Odisha.
3. JSW Steel, which came from behind to surge ahead of the Tatas in the race for Bhushan Power and Steel Ltd (BPSL) with an offer of Rs 19,700 crore, is unlikely to face competition in its bid to acquire the stressed asset with the Tatas unwilling to raise their original offer.
4. JSW Steel is unlikely to bid for Uttam Value Steels and Uttam Galva Metaliks as its chances of securing Bhushan Power and Steel get stronger.
5. BHEL moves NCLAT against creditors of Monnet Ispat

## COMPANY NEWS

### **JSW Steel may not face competition for Bhushan Power bid**

JSW Steel, which came from behind to surge ahead of the Tatas in the race for Bhushan Power and Steel Ltd (BPSL) with an offer of Rs 19,700 crore, is unlikely to face competition in its bid to acquire the stressed asset with the Tatas unwilling to raise their original offer. Tatas have, however, legally contested the lenders' decision to allow JSW Steel to alter parameters of its bid. In the process, JSW Steel got to improve its bid twice after the Tatas were declared the highest bidder. On December 20, National Company Law Appellate Tribunal (NCLAT) reserved its order on BPSL and directed both JSW Steel and Tata Steel to file written submissions. Tata Steel had put in an offer of Rs 17,000 crore for BPSL, which made them the highest bidder in the the initial round when JSW had bid Rs 11,000 crore. The third bidder for BPSL was Sanjeev Gupta's Liberty group with Rs.18,500 crore but after the deadline. However, Liberty group is not pursuing the BPSL bid aggressively. Subsequently, JSW Steel revised its bid to Rs 19,700 crore, pipping the two other bidders with its offer receiving lenders' approval by a two-thirds vote.

*Source: Economic Times, January 14, 2019*

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## PROJECTS

### **‘Tatas ready to set up steel park in Odisha’**

Tata Steel is ready to invest in a downstream park on 400 acres next to its Kalinganagar steel plant in Jajpur district of Odisha. Its recent in-principle nod for the downstream steel park, adding to commitments made by Jindal Steel and Power, Vedanta Resource, Jindal Stainless and Nalco, is a result of the Odisha government’s push for downstream investment banking on primary metal produced in Odisha. Officials in the state government, told Tata Steel had recently written to the state government conveying its interest in anchoring the proposed downstream park next to its newest greenfield plant currently being ramped up from 3mtpa (million per annum) to an 8mtpa million facility. “We are happy that Tata Steel has also conveyed its agreement to set up an industrial park in Kalinganagar which will provide a significant boost to steel downstream units. We are expecting a formal application from the company soon,” Sanjeev Chopra, principal secretary, industries department, government of Odisha, told ET. Tata Steel did not respond to an emailed questionnaire. One of the concerns expressed by the fifteenth Finance Commission, on a recent visit to the state, was why Odisha, which had more than 70% of the country’s minerals, had such a disproportionate and weak contribution in the country’s manufacturing sector? The state government has been on working hard to help address this anomaly, while trying to reduce its dependence on mineral-based earnings.

*Source: Economic Times, January 15, 2019*

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## FINANCIAL

### **BHEL moves NCLAT against creditors of Monnet Ispat**

Bharat Heavy Electricals (BHEL) has moved the national \company Law Appellate Tribunal (NCLAT), challenging the decision of the committee of Creditors (CoC) of Monnet Ispat & Energy to assign nil liquidation value to the operational creditors, and approval of the resolution plan for the same, by the National Company Law Tribunal (NCLT)’s Mumbai Bench. The NCLAT has agreed to hear BHEL on the issue.

*Source: Business Standard, January 13, 2019*

### **JSW Steel may not bid for Uttam Value, Uttam Galva**

JSW Steel is unlikely to bid for Uttam Value Steels and Uttam Galva Metaliks as its chances of securing Bhushan Power and Steel get stronger, three people aware of the development said. JSW Steel had put in an expression of interest (EoI) in October for the twin stressed assets that together owe Rs 5,400 crore to lenders. However, ET had reported Monday that JSW Steel will not be facing competition from Tata for its Rs 19,700 crore offer for Bhushan Power and Steel with Tata Steel unwilling to revise its bid. With its position cemented further, it may not bid for the firms that would have added

to its downstream capacities. "JSW Steel is not interested in the assets anymore," said a person close to the company. Another person aware of the resolution process of the two companies said the company has stopped "actively pursuing" the asset after putting in an EoI. Its reluctance to bid for the assets that would have otherwise aligned with its strategy of augmenting downstream and value added steelmaking also stems from the recent correction in steel prices that fell to a one year low in December. The bid deadline for the assets has been extended to January 21.

*Source: Economic Times, January 16, 2019*

## STEEL PERFORMANCE

### **India's crude steel output falls 1.4% to 8.936MT in Dec**

India's crude steel production fell by 1.4 percent to 8.936 million tonnes (MT) in December 2018, according to official data. The country had produced 9.067 MT crude steel in December 2017. "Crude steel production stood at 8.936 MT in December 2018, down by 1.4 percent over December 2017 and was down by 0.3 percent over November 2018." the Joint Plant Committee (JPC) said in its latest report. During April-December, state-run SAIL, Rashtriya Ispat Nigam, Tata Steel, Essar Steel, JSW Steel and Jindal Steel & Power together produced 47.462 MT, the report said, adding that the rest 31.522 MT came from other producers.

*Source: Financial Express, January 15, 2019*