

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**

May 19 - 25, 2018

HIGHLIGHTS OF THE WEEK

1. India drags United States to WTO
2. Tata Steel is the first to bag a stressed asset under IBC
3. NMDC bags S&P Platts Award in CSR category
4. Renaissance Steel has approached the National Company Law Appellate Tribunal (NCLAT) requesting to declare "ineligible" the Tata Steel bid for the debt-ridden Electrosteel Steels under the Insolvency and Bankruptcy Code
5. JSW Steel set to acquire Italy's Aferpi for Rs.440 cr
6. JSW Steel expects an additional earning of Rs. 2,000 crore per annum with enhancement of product mix and some of its cost saving projects that are to be completed by September next year.

COMPANY NEWS

NMDC bags S&P Platts Award in CSR category

Iron ore mining major NMDC Ltd has bagged the S&P Global Platts Global Metals Award 2018 in the corporate social responsibility category. At an event held at London Grosvenor Square Marriott Hotel in the UK, N. Bajindra Kumar, Chairman-cum-Managing Director, and Sandeep Tula, Director (Personnel), NMDC Ltd, received the coveted award. The 12 shortlisted nominations were of renowned companies from across the world. This is the first time since inception of the awards that an Indian company has bagged an award in this category, NMDC said in a statement.

Source: Business Line, May 18, 2018

Tata Steel is the first to bag a stressed asset under IBC

With the acquisition of Bhushan Steel Ltd (BSL) for Rs.35,200 crore, Tata Steel has emerged the first company to acquire a stressed asset under the new Insolvency and Bankruptcy Code. The company has received all the approvals and will own 73 per cent in the company. It will absorb all the employees of the company as per the resolution plan submitted and approved by the committee of creditors. Tata Steel also plans to keep the company listed for the next 2-3 years. The acquisition is being done by Bannipal Steel Ltd (BNPL), a subsidiary of Tata Steel.

Source: Business Line, May 19, 2018

Renaissance hurdle in Tata's Electrosteel bid

Renaissance Steel has approached the National Company Law Appellate Tribunal (NCLAT) requesting to declare "ineligible" the Tata Steel bid for the debt-ridden Electrosteel Steels under the Insolvency and Bankruptcy Code. An NCLAT bench headed by Chairman Justice S J Mukhopadhyaya has issued notice to Tata Steel, which was the second highest bidder, and the resolution professional of Electrosteel over it. It has also directed them to file reply within a week and directed to list the matter for hearing on May 28.

Source: The Economic Times, May 19, 2018

PROJECTS

JSW Steel set to acquire Italy's Aferpi for Rs.440 cr

JSW Steel, which is attempting a last-minute bid for the stressed assets of Essar Steel, is set to sign a deal with Algeria-headquartered Cevital to acquire Aferpi Spa (formerly known as Lucchini SpA) for about Rs.440 crore. The deal is expected to be signed early on Saturday, said sources close to the development. Cevital is Algeria's largest privately owned conglomerate, with interests in agri-food, retail, industry and services.

Source: Business Line, May 19, 2018

STEEL PERFORMANCE

India drags United States to WTO

India has dragged the US to the World Trade Organisation's dispute settlement mechanism over the imposition of import duties on steel and aluminium, an official said. India has stated that the decision will impact exports of these products to the US and it is not in compliance with global trade norms. The country has sought consultations with the US under the WTO's dispute settlement mechanism. Seeking consultation is the first step of dispute settlement process. If the two nations are not able to reach a mutually agreed solution through consultation, India may request for a WTO dispute settlement panel to review the matter. India too has sought exemptions from the hefty tariffs. Biswajit Dhar, the professor of economics at Jawaharlal Nehru University, said the US decision would not only impact

India's export of these goods but would also affect global trade. India's exports of steel and aluminium products to America stood at about USD 1.5 billion every year.

Source: Financial Express, May 20, 2018

FINANCIAL

Tatas complete Bhushan Steel acquisition

Tata Steel on Friday said its wholly-owned subsidiary Bannipal Steel Limited (BNPL) had completed the acquisition of a controlling stake of 72.65 per cent in Bhushan Steel, making it the first of the 12 Reserve Bank of India-recommended NPA cases to be resolved under the Insolvency and Bankruptcy Code (IBC). The government lost no time in celebrating its success. Piyush Goyal, who has been given the temporary charge of the finance ministry, tweeted: "Congrats to PM @narendramodi ji & @arunjaitley ji for a historic breakthrough in resolving legacy issues of banks. Lenders recovered almost entire principal loan of Bhushan Steel through Rs 36,400 cr (Rs.364 billion) transparent bid by Tata Steel and also got 12% stake in the company." He also said the liquidation value of Bhushan Steel was Rs. 145.41 billion but creditors received almost four times the amount. This was possible due to a "robust and transparent" IBC, he added.

Source: Business Standard, May 19, 2018

JSW Steel eyes annual cost saving of Rs. 2,000 cr

JSW Steel expects an additional earning of Rs. 2,000 crore per annum with enhancement of product mix and some of its cost saving projects that are to be completed by September next year. The company is setting up an eight million tonne per annum (mtpa) pellet plant and 1.5 mtpa coke oven facility at its Vijayanagar factory in Karnataka to reduce reliance on expensive iron ore lumps and bridge shortage of coke. While the pellet plant is expected to be completed by August next year, the coke plant will go on stream in March 2020. The company is also setting up a 0.3 mtpa colour coated line at Vijayanagar, besides enhancing capacity at Vasind and Tarapur plants.

Source: Business Line, May 19, 2018