

# Steel In The News

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

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## HIGHLIGHTS OF THE WEEK

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## COMPANY NEWS

### **SAIL emerges as largest miner for steel making inputs in FY20**

SAIL has emerged as the largest miner of minerals used as steel making inputs in FY 2019-20. While Coal India Limited is the largest domestic miner, SAIL which is involved in mining of iron ore, fluxes (limestone and dolomite), coking coal and non-coking coal for its own requirement, said it has inched up close to Coal India Limited in 2019-20. In an official statement on Friday SAIL said it mined a total of 32.406 million tonne of all the steelmaking minerals during financial year 2019-20, an increase of almost 4% over previous financial year. The growth was in step with the increase in its steel making capacity as SAIL also emerged as the largest crude steel producer during FY'20 in India. The company's captive mines are mainly located in central and eastern India. These include iron ore mines at Kiriburu, Mehahatuburu, Gua, Manoharpur (Jharkhand), Bolani, Barsua,

*Source: Economic Times, May 04, 2020*

### **Tata Steel emerges biggest producer for FY20; SAIL comes in second**

India produced 18.21 million tonne (mt) crude steel during the financial year ended March 31, 2020. The company achieved a 8% growth in production in FY20, which helped it maintain its position as the largest domestic steel producer

for the second consecutive year. This growth was led by a ramp up of Tata Steel BSLNSE 3.90 % and acquisition of Usha Martin steel business by Tata Steel Long Products in April 2019. Steel Authority of India Ltd (SAIL) emerged in the second spot with a production of 16.15 mt in FY20, while JSW Steel slipped to third slot with an annual production of 16.06 mt in FY20. In FY19, JSW Steel had produced 16.69 mt while SAIL had an annual production of 16.3 mt. During FY20, Tata Steel India also posted its best-ever annual sales. Figures for Tata Steel India comprise Tata Steel standalone, Tata Steel BSL (from May 18, 2018) and Tata Steel Long Products

*Source: Economic Times, May 03, 2020*

### **JSW Steel's crude steel production falls by 60% to 5.63 lakh tonnes in April**

JSW produced 5.63 lakh tonnes of crude steel in April 2020, a 60% decline as against 13.93 lakh tonnes in the same month last year as the steel maker was operating at low capacities due to the nationwide lockdown. The average capacity utilisation was clocked at 38% for April 2020, the company said in a statement. "To commence and scale up production in a healthy and safe state of operating conditions, the Company secured requisite approvals and has accordingly commenced operations and is gradually ramping up capacity since then," JSW said in a statement. The company on March 25th announced in a BSE Filing on scaling down and suspending production to support the ongoing Covid-19 pandemic.

*Source: Economic Times, May 04, 2020*

### **Jindal Stainless resumes operations at Jajpur facility in Odisha**

Jindal Stainless has resumed partial operations at its Jajpur facility in Odisha. In a statement issued the company said it will "enforce all the guidelines set by government authorities to ensure health and safety of the employees and all other stakeholders involved in the manufacturing process." All the employees will mandatorily follow social distancing and prescribed safety guidelines enforced by the company, the statement added. Following the government decision to restart economic activities in a phased manner, the company said it has also resumed operations at its Jajpur plant in a phased manner from Tuesday.

*Source: Economic Times, May 05, 2020*

**JSPL's crude steel output remains flat in Apr 2020**

Private steel player Jindal Steel and Power Ltd (JSPL) has said its consolidated crude steel production remained flat at 6.5 lakh tonne (LT) during April 2020. The company had produced similar amount (6.5 LT) of crude steel during the same month in 2019. In April this year, its consolidated sales also reduced by 29 per cent to 4.55 LT from 6.42 MT in the corresponding period a year ago. The company said the outbreak of pandemic began impacting economic activity by the third week of March, leading to the announcement of the nationwide lockdown. The company's Managing Director (MD) V R Sharma had earlier said that as the demand was low in India due to COVID-19, the company is exporting steel to countries like Vietnam, Saudi Arabia, Thailand and Europe which had placed orders with JSPL.

*Source: Economic Times, May 05, 2020*

**JSPL plans to sell stake in Oman Assets**

Jindal Steel & Power (JSPL) is scouting for a strategic partner to offload part of its stake in its subsidiary in Oman, marking a significant shift from its earlier plan for an IPO as the Covid-19 pandemic impacts industries. JSPL chairman Naveen Jindal said the company plans to stick to its debt reduction initiative by reducing overall debt to Rs. 25,000 crore in two years, and that it is “always open to good opportunities for divesting”.

*Source: Economic Times, May 05, 2020*

**JSPL records highest exports in April as domestic demand weakens**

Jindal Steel & Power Limited (JSPL) has exported 248,000 metric tonnes of steel and related products in the month of April 2020, which is a growth of 109% month on month, the company said. “JSPL, has effectively and appropriately addressed the domestic demand situation and formulated business continuity strategy and subsequently secure full export order book to ensure continuous operation of its plant,” said the company’s managing director, VR Sharma, Managing Director. As domestic demand for steel is bleak due to the ongoing COVID crisis, JSPL has exported steel to China, Malaysia, Germany, Spain, Italy, Denmark, France, Saudi Arabia, Oman, Qatar, and UAE.

*Source: Economic Times, May 05, 2020*

**London court rejects ArcelorMittal appeal against Essar**

The Court of Appeal in London has dismissed an appeal filed by Lakshmi Mittal-run ArcelorMittal USA, seeking permission to appeal against the London High Court's judgment favouring the parent company of Essar Steel and its promoter family. The London High Court, on March 30, had dismissed ArcelorMittal's plea for a worldwide freeze on the assets of Essar Steel, its promoters and family members following a dispute over an arbitration award that the global firm had obtained against Essar Steel Ltd, a Mauritius company and a subsidiary of Essar Global. In his judgment, High Court Judge Andrew Henshaw had concluded that ArcelorMittal had not even made out a good arguable case as regards its underlying claims, the statement added.

*Source: Business Line, May 02, 2020*

**Tata Steel leaves Indian Steel Association; Narendran quits president post**

Tata Steel has withdrawn its membership from the Indian Steel Association (ISA), an apex steel industry body. Subsequent to it, the company's CEO and Managing Director (MD) T V Narendran has also stepped down from the Presidentship of the Association, tenure of which was scheduled to end in August. Confirming the development, a Tata Steel spokesperson said, "Tata Steel has withdrawn its membership from the Indian Steel Association (ISA) owing to various considerations. Accordingly, T V Narendran, CEO & MD, Tata Steel, has stepped down from his position as the incumbent President, ISA." Leading steelmakers such as JSW Steel, Steel Authority of India Ltd (SAIL), Rashtriya Ispat Nigam Ltd (RINL), Jindal Steel And Power Ltd (JSPL) and ArcelorMittal Nippon Steel Ltd are members of the ISA. Narendran is also a member of the Executive Committee of the World Steel Association.

*Source: Business Standard, May 05, 2020*

**Resolution plans for two Uttam Galva companies get nod**

India's dedicated bankruptcy court approved a resolution plan for Uttam Galva Metallics and Uttam Value Steels paving the way for their lenders to get back about Rs 2,700 crore – or nearly 37 per cent of the total claims. Bids were submitted by US-based CarVal Investors and Nithiya Capital Resources Advisors. The resolution plans involve settlement to financial creditors of Uttam Value Steels with a total upfront and contingent payment of Rs 1,078 crore and Rs 1,576 crore for Uttam Metallics. "The resolution plans filed against the respective

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companies by the resolution applicants Carval Investors LLP, New York and Nithiya Capital Resources Advisors LLP...being approved by the respective CoC's with requisite majority i.e. with 88.9 per cent votes," read the order by the National Company Law Tribunal (NCLT). Lenders to Uttam Galva Metallics had submitted claims worth Rs 4,263 crore, of which Rs 4,176 crore was admitted by the resolution professional. A total claim of Rs 3,014 crore was admitted against Uttam Value Steels. The case had been pending in the court for more than a year, while in May 2019 CarVal inched closer to acquiring the distressed companies of Uttam Galva after it paid a performance bank guarantee of Rs 500 crore.

*Source: Economic Times, May 08, 2020*

### **ArcelorMittal beats first quarter profit estimates, sees sharp drops in Q2**

ArcelorMittal, the world's largest steelmaker, reported slightly higher than expected first-quarter profits, but sharply declining earnings in the second quarter because of the Covid-19 pandemic. The Luxembourg-based company said on Thursday its first-quarter core profit (EBITDA), the figure most watched by the market, was \$967 million, compared with the average forecast in a company poll of \$867 million. It forecast EBITDA would drop to between \$400-\$600 million, with steel shipments within a range of 13.5-14.5 million tonnes

*Source: Business Standard, May 08, 20*

## **STEEL PERFORMANCE**

### **Steel sector may miss peak order season, wants supply chain opened up fully**

India's downstream steel industry is unable to operate in most parts of the country despite lockdown guidelines having been eased. Currently, only integrated steel producers are able to function. They are continuous process units that cannot be shut down abruptly and have been exempted from the national lockdown that kicked into gear on March 25. The problem is especially acute in the tubes and pipes segment which constitutes 30 per cent of India's annual steel production. India's estimated crude steel production was 8.7 million tonnes (mt) in March 2020, down 13.9 per cent over March 2019, said the World Steel Association (WSA). Around 80 per cent of micro, small and medium enterprises (MSMEs) of the steel sector is employed in this segment. Despite the ongoing lockdown, there are increased enquiries for these products ahead of monsoon on account of restoration of projects across the country. It is important to bring this

(MSME) category under essential services, V R Sharma, managing director at Jindal Steel & Power, told Business Standard.

*Source: Business Standard, May 04, 2020*

### **FICCI seeks infrastructure status for lockdown-hit steel sector**

Industry body Ficci has suggested various measures like infrastructure status to the steel industry, zero duty on critical raw materials, and another three-month moratorium to revive the sector, which has been impacted by the lockdown. COVID-19 pandemic and subsequent nationwide lockdown have affected the demand and production of steel, as well as resulted in the rise of inventory levels, it said, adding the policy interventions would help the industry to revive and help generate employment opportunities. Granting infrastructure status to the steel industry, it said, will give access to finance at competitive rates from various markets and sources. Besides, the entire supply chain of the sector should be incorporated into essential services, and be allowed to operate with precautionary measures as per the guidelines of the government. The industry body also suggested zero import duty on critical raw materials for steel making. The move will help players to reduce input cost and sustain in the market

*Source: Economic Times, May 03, 2020*

### **India, Russia plan MoU on coking coal; boost crude oil trade**

India and Russia are in talks to expand their energy partnership by increasing crude oil imports from Russia and possibly signing a memorandum of understanding to import coking coal to meet requirements of Indian steel industry. These issues were discussed at a video meet between Dharmendra Pradhan, minister of petroleum and natural gas and Russian energy minister Alexander Novak on Wednesday, people aware of the development told ET. The ministers also reviewed ongoing projects and plans including the participation of Indian companies such as Indian Oil Corporation in Russias state-owned Rosneft's Vostok oil project in the Russian Arctic, Novatek's deal to supply of LNG to H-Energy, cooperation between Gail and Gazprom, joint projects with Gazpromneft, and supply of crude oil by Rosneft to Indian Oil.

*Source: Economic Times, May 07, 2020*