

# 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**

**April 25 – May 1, 2020**

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## HIGHLIGHTS OF THE WEEK

1. Govt appoints Pradip Kumar as Steel Secretary
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3. CII suggests measures to revive growth of steel industry
4. Tata Steel talks relief package with UK govt amid coronavirus outbreak
5. Tata Steel sets up Covid facility in Odisha, Chattisgarh
6. CCI approves JSW Projects' stake-buy in BMM Ispat
7. India Inc wants govt to shift focus to economy amid Covid-19 outbreak
8. CIL's coal allocation to power sector under e-auction registers 15-fold rise in February
9. Aluminium firms seek tariff, non-tariff support fearing sluggish demand
10. Trending stocks: Tata Steel shares jump nearly 4%

## RAW MATERIALS

### **CIL's coal allocation to power sector under e-auction registers 15-fold rise in February**

State-owned CIL's coal allocation under special-forward e-auction for the power sector registered a 15-fold rise at 5.51 million tonnes (MT) in February 2020. Coal India Ltd (CIL) had allocated 0.38 MT of coal in February 2019, according to the latest monthly summary by the coal ministry for the Cabinet. The coal allocation by the PSU under the scheme increased marginally by 0.8 per cent to 26.23 MT in the April-February period of FY2019-20, over 26.02 MT in the corresponding period a year ago, it said. Coal distribution through forward e-auction is aimed at providing access to coal for such consumers who wish to have an assured supply over a long period, say one year, through e-auction mode so as to plan their operation, the summary said.

*Source: Economic Times, May 01, 2020*

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## COMPANY NEWS

### **Tata Steel talks relief package with UK govt amid coronavirus outbreak**

Tata Steel, UK's biggest steel producer, is discussing a relief package with the UK government to see it through the crisis caused by the coronavirus pandemic. Tata Steel Chief Executive Officer and Managing Director T V Narendran said: "Discussions are going on with the government. Can't share specifics for now." UK media reports suggested that the size of the package could be £500 million. Last week, Stephen Kinnock, Aberavon MP whose constituency includes Port Talbot, said in the House of Commons, the government's Coronavirus Large Business Interruption Loan Scheme was capped at £50 million, which was only one-tenth of what Tata Steel believes is the cashflow impact on the company over a six-month period.

*Source: Business Standard, April 27, 2020*

### **Covid-19 impact: Tata Steel's struggling UK, Europe units may not get parent's support**

Tata Sons the holding company of salt-to-software Tata Group, has refused to commit any further funds to support Tata Steel's loss-making UK and Europe subsidiaries. As a result, a bailout by the UK government seems to be the only chance of survival for these businesses, officials close to the development said. However, the UK government is unlikely to offer more than one fifth of the funds required by these businesses, a person with direct knowledge of the development said. With the UK government keen to support locally-owned businesses first, fund infusion from Tata Sons was expected to be a fallback option for Tata steel's European businesses. But support from the Indian parent now seems unlikely.

*Source: Economic Times, April 29, 2020*

## **Tata Steel sets up Covid facility in Odisha, Chattisgarh**

Tata Main Hospital, Jamshedpur, has been certified by the Indian Council of Medical Research for Covid diagnostic testing and has become the first private laboratory in Jharkhand to receive the approval. TMH has the capacity to test 50 samples per day. Rajan Chaudhry, General Manager, Medical Services, Tata Steel said testing is critical in assessing the spread of Covid and will also help in containing the pandemic in the region. Responding to the request of Jharkhand Chief Minister Hemant Soren, Tata Sons has sent medical equipment and consumables to the State. This includes 50,000 three-ply masks, 25,000 pairs of nitrile gloves, 10,000 Covid testing kits and five High Flow Nasal Cannulas, a non-invasive ventilation support to treat patients with respiratory difficulties. Medical facilities for Covid have been created in all the hospitals of Tata Steel across its manufacturing units and mining locations in Jharkhand and Odisha. The company has provisioned for a cumulative total of 1,250 beds in the two States. In Jharkhand, Tata Steel has set up 650 beds to address any eventuality. This includes 513 isolation beds and 77 critical care beds with ventilators at TMH Jamshedpur; 25 isolation beds, including three beds with ventilation support, each at Noamundi and West Bokaro; and 10 isolation beds at Jamadoba.

*Source: Business Line, April 30, 2020*

## **POLICY**

### **CII suggests measures to revive growth of steel industry**

Industry body CII has suggested the government a slew of measures for reviving the growth of Indian steel industry, hit by COVID-19 pandemic. In a representation to the government, Confederation of Indian Industry (CII) has raised the various issues, the steel sector is facing, and recommended steps to be taken address these challenges. Spread of COVID-19 has impacted the production, demand and supply of steel in the country. Many steel plants are running at lower capacity. "With a

slowdown of all economic activities due to the nation-wide lockdown amidst steep drop in margins, the steel industry is likely to face huge drop in sales along with stress on margins. The entities are burdened to service debts and will not be able to even execute business plans nor do any expansions. Some suggestion to revive the growth for the survival and sustainability of the steel industry is placed for consideration measures like time-bound implementation of infrastructure projects announced by the government and package for steel consuming industries like auto and infrastructure, besides a ban on imports of seconds, defectives and re-rollable scrap steel, which constitute hazard to Indian consumers. On raw material security for steel makers, the body requested for zero import duty on essential raw materials for steel, like coking coal, coke, ferroalloys, zinc and metallurgical limestone.

*Source: Economic Times, April 27, 2020*

### **CCI approves JSW Projects' stake-buy in BMM Ispat**

The Competition Commission of India (CCI) has approved JSW Projects Ltd's (JPL) acquisition of majority shareholding in BMM Ispat Ltd (BMM). JPL, a part of the JSW group, is engaged in the business of manufacture of direct reduce iron/sponge iron, coke dry quenching and captive power generation, which are ultimately used in the manufacture of steel and steel products on a job-work basis for JSW Steel Ltd. BMM, incorporated in India, is engaged in the manufacture and sale of steel products including iron ore pellets; sponge iron; TMT bars and semis.

*Source: Business Line, April 27, 2020*

### **Sajjan Jindal urges Centre to focus on economic revival**

JSW Group Chairman Sajjan Jindal has urged the Centre to chart plans to salvage the economy after containing the pandemic. The lockdown has had a positive impact on controlling the virus spread, but now it is also imperative to focus on economic well-being, said Jindal in a tweet on Tuesday. "We need to ensure that the economy does not fall into a slumber. The country has to take a huge effort if that happens," he said. Though the spread of the virus has been controlled it will remain a threat till a vaccine is developed, he added.

*Source: Business Line, April 29, 2020*

## **India Inc wants govt to shift focus to economy amid Covid-19 outbreak**

As the Centre remains undecided about its strategy to exit the lockdown, chief executive officers (CEOs) of top Indian companies have warned the government of an imminent depression in the economy and suggested that firms must learn to work in “new normal” conditions, with a Covid-19 vaccine still some time away. It has been more than a month since industrial activity came to a virtual halt, after the government announced a nationwide lockdown to prevent the spread of Covid-19.

*Source: Business Standard, April 30, 2020*

### **FINANCIAL**

## **Trending stocks: Tata Steel shares jump nearly 4%**

Shares of Tata Steel Ltd. traded 3.82 per cent up in Wednesday 's trade at 10:54AM (IST). Around 305897 shares changed hands on the counter. The stock opened at Rs 274.45 and touched an intraday high and low of Rs 284.2 and Rs 271.4 , respectively, in the session so far. Shares of the company quoted a 52-week high of Rs 610.6 and a 52-week low of Rs 251.6 . Tata Steel Ltd., incorporated in the year 1907, is a Large Cap company (having a market cap of Rs 30815.13 Crore) operating in Metals - Ferrous sector. Tata Sons, the holding company of salt-to-software Tata Group, has refused to commit any further funds to support Tata Steel’s loss-making UK and Europe subsidiaries.

*Source: economic Times, April 30, 2020*

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## METALS

### **Aluminium firms seek tariff, non-tariff support fearing sluggish demand**

India's aluminium manufacturers have asked the government to lower tariffs and give them other help, sensing that domestic consumption will drop as Chinese imports surge during the coronavirus outbreak. India's aluminium consumption is tipped to reduce by 1.5-2 million tonnes in FY21 as the pandemic has considerably weakened demand from consuming industries. "Earlier, the Indian aluminium industry was mulling for capacity expansion to meet the growing aluminium demand. But with Covid-19 outbreak, the market sentiment is quite low and there is need for revival of growth. Depending on depth and duration of the crisis, aluminium prices may still go down but at the present level of spread of contagion, there is market sentiment for future uptick in the prices of aluminium.", said an industry source.

*Source: Business Standard, April 28, 2020*

## NEWSMAKER

### **Govt appoints Pradip Kumar as Steel Secretary**

The government on Sunday appointed Pradip Kumar Tripathi as Secretary of Steel. Tripathi, Special Secretary and Establishment Officer, Department of Personnel and Training, will take charge as the new steel secretary upon superannuation of present incumbent Binoy Kumar, who retires on May 31, 2020, According to an order by Appointment Committee of Cabinet. Tripathi is an IAS officer of 1987 batch of Jammu and Kashmir (JK) cadre. Kumar, a 1983 batch officer had taken over as Secretary, Ministry of Steel on September 1, 2018.

*Source: Business Standard, April 26, 2020*