

# Steel In The News

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

CONTENTS	Page
Highlight of the Week	2
Raw Materials	2
Financial	2
Company News	3
Global Steel	3
Policy	4

## HIGHLIGHTS OF THE WEEK

1. India has slapped anti-dumping duty on certain cold-rolled flat steel products from four nations including China and South Korea to guard domestic industry from cheap imports.
2. The net debt of the top 30 steel companies globally has touched a record high of over \$150 billion, according to consultancy firm Ernst and Young
3. Tata Steel has signed a memorandum of understanding with IIT Madras to set up Tata Steel Advanced Materials Research Center, with initial focus on developing green energy and light weight technologies using carbon-based materials.
4. JSW Steel has signed an agreement with Praxair India to acquire its 74 per cent stake in the joint venture company JSW Praxair Oxygen for ₹ 240 crore.

## RAW MATERIAL

### NMDC Q1 net lower at ₹ 711 crore

NMDC Ltd has posted a net profit of ₹ 11.34 crore for Q1 FY 17, against ₹. 1,015.39 crore for the corresponding quarter in FY16 on a standalone basis. The iron ore mining major's total income from operations for the quarter was also lower at ₹ 1,720.65 crore ( ₹ 1806.43 crore). The company had closed FY16 with a net profit of ₹ 3,028.33 crore.

Source: *The Business Line* 13<sup>th</sup> August, 2016

## FINANCIAL

### JSW Steel buys Praxair stake for ₹ 240 crore

Sajjan Jindal-owned JSW Steel has signed an agreement with Praxair India to acquire its 74 per cent stake in the joint venture company JSW Praxair Oxygen for ₹ 240 crore. Post the acquisition, the company will become the wholly-owned subsidiary of JSW Steel as it own the remaining 26 per cent stake. JSW Praxair Oxygen is into the business of production and sale of industrial gases such as oxygen, nitrogen and argon and has set up two air separation plants, each with a capacity of 2500 tonnes per day, at Bellary in Karnataka. JSW Steel currently sources industrial gases from JSW Praxair amongst others at prices based on long term contracts. The acquisition will provide the benefit of backward integration of this critical input, said JSW Steel in a statement.

Source: *The Business Line* 17<sup>th</sup> August, 2016

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## COMPANY NEWS

### **Tata Steel, IIT-Madras ink MoU for research in green energy**

Tata Steel has signed a memorandum of understanding with IIT Madras to set up Tata Steel Advanced Materials Research Center, with initial focus on developing green energy and light weight technologies using carbon-based materials. Tata Steel has been collaborating with IIT Madras for many years on areas such as materials characterisation, heat transfer and process research. The centre will draw on expertise and knowledge within Tata Group for developing applications beyond steel. It will become the nucleus of advanced material research and technology development in India, he was quoted in a joint press release. Over the years, new materials have been engineered by research labs globally. These materials, called ‘advanced’ materials, provide unique combination of physical and chemical properties that were either absent or difficult to obtain using conventional materials, the release said.

*Source: The Business Line 17<sup>th</sup> August, 2016*

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## GLOBAL STEEL

### **Debt of top 30 steel firms hits record \$150 b: E&Y**

The net debt of the top 30 steel companies globally has touched a record high of over \$150 billion, according to consultancy firm Ernst and Young (E&Y). The global consultancy’s report also reveals that a major part of this (debt) is with companies in India, China and Brazil. Debt in the steel sector rose significantly between 2008 and 2013 before experiencing some relief in 2014, E&Y said in a statement. The relief was short-lived, however, as the pressure of excess capacity, rapidly cooling demand in China and the stronger position of steel customers drove a 30 per cent decline in steel prices in 2015, it added. The global steel sector continues to face headwinds, E&Y India’s Leader (Metals and Mining) Anjani Agrawal said. On India, he said the government has been supportive of the industry through MIP and anti-dumping measures as well as enabling financial restructuring through the banking industry. These measures should help the industry sustain itself in the current difficult times until demand picks up strongly in India, driven by investments in infrastructure, Agrawal explained. Alternative financing, tighter controls on costs and divesting non-strategic assets to free up capital are key tactics currently playing out in the steel sector to reduce debt and release cash, the report suggests.

*Source: The Business Line 19<sup>th</sup> August, 2016*

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## POLICY

### **Govt imposes anti-dumping duty on cold-rolled flat steel items**

India has slapped anti-dumping duty on certain cold-rolled flat steel products from four nations including China and South Korea to guard domestic industry from cheap imports. An anti-dumping duty of the difference between the landed value of the steel products and USD 594 per tonne will be levied, a Finance Ministry notification said. The government had previously imposed anti-dumping duty on import of hot-rolled flat products of alloy or non-alloy steel from China, Japan, Korea, Russia, Brazil and Indonesia. That duty, valid for six months, was the difference between the landed value and the respective prescribed value which is USD 474 per tonne and USD 557 per tonne. The anti-dumping duty imposed on cold-rolled flat products of alloy or non-alloy steel from China, Japan, South Korea and Ukraine too would be for six months. The anti-dumping duty was imposed on recommendation of the Directorate General of Anti Dumping (DGAD), an arm of Commerce Ministry.

*Source: The Financial Express 19<sup>th</sup> August, 2016*