

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

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HIGHLIGHTS OF THE WEEK

1. A central green panel has given environment clearance to SAIL's Rs 5,419-crore expansion and modernisation project for its Rourkela plant in Odisha.
2. Tata Steel has scrapped its plan to set up a 5.5 million tonne per annum integrated steel plant in Chhattisgarh due to inordinate delay in allocation of land.
3. The JSW Group, has committed an investment of Rs 50,000 crore in Odisha for a 10-million-tonne steel project.
4. A hardnosed global fund has pulled the plug on debt- laden Jindal Steel and Power (JSPL), a listed company led by Naveen Jindal.

PROJECTS

JSW to set up 10-mt steel plant in Odisha for Rs 50,000 crore

The Sajjan Jindal-controlled JSW Group, with interests in steel, energy, infrastructure and cement, has committed an investment of Rs 50,000 crore in Odisha for a 10-million-tonne steel project. JSW Steel will set up a 10-million-tonne steel plant in Odisha at an estimated investment of Rs 50,000 crore. In the first phase, the company will set up a 4-million-tonne mill. Later, the capacity will be ramped up to 10 million tonnes. JSW Group Chairman Sajjan Jindal said after his meeting with Odisha Chief Minister Naveen Patnaik at an investors' meet in Bengaluru. Jindal declined to comment on the location of the proposed steel mill, hinting it might come up near the Paradip port. To overcome carrying iron ore by road, the company intends to lay a pipeline from the Barbil mines in Keonjhar district to Paradip to carry ore in slurry form. The cost of the 280-km pipeline is pegged at Rs 1,250-1,500 crore.

Source: The Business Standard 27th August, 2016

SAIL's ₹ 5,419 – cr modernisation projects get the green nod

A central green panel has given environment clearance to SAIL's Rs 5,419-crore expansion and modernisation project for its Rourkela plant in Odisha. SAIL has proposed modernisation of its Rourkela Steel Plant (RSP) by setting up a new hot strip mill with a production capacity of 3 million tonnes per annum (MTPA), beneficiation plant of 3.3 MTPA and pellet plant of 2 MTPA. It also seeks to enhance production capacity of special plates from 0.003 to 0.015 MTPA within the premise of RSP. SAIL's (Steel Authority of India Ltd) proposal was examined in the recent meeting of the Expert Appraisal Committee (EAC) under the Environment Ministry.

The cost of the project is Rs 5,419 crore. The ore for the new plants would be procured from captive mines at Kiriburu, Meghahatuburu, Bolani, Barsua and Gua in Odisha. Among specific conditions, the EAC has suggested that the company should install 24x7 air monitoring devices to control air emissions and vehicular pollution due to transportation of raw material and finished product. SAIL has been asked to ensure green belt cover over 33 percent of the total project area in plant premises

Source: The Business Line 31st August, 2016

COMPANY NEWS

Tata Steel drops plan to set up plant in Chattisgarh

Tata Steel has scrapped its plan to set up a 5.5 million tonne per annum integrated steel plant in Chhattisgarh due to inordinate delay in allocation of land. In 2005, the company signed an agreement with the Chhattisgarh government to set up a Greenfield steel plant with an estimated investment of ₹ 19,500 crore in the Naxal-infested Bastar district. With no much progress in the project, the state government extended the time-frame of the agreement to June this year the company decided not to seek any further extension, sources said. The company had identified about 2,000 hectares covering 10 villages around Lohandiguda Tehsil of Bastar district. Tata Steel could not purchase land directly from people as most of the villages were notified as tribal area. The State government was supposed to acquire the land and allot it to the company, he said.

Source: The Business Line 27th August, 2016

Essar, JSW, Tata Steel & SAIL to increase prices

Pressured by higher production costs, steel companies such as Essar Steel, JSW Steel, Tata Steel and the Steel Authority of India are planning to increase prices by Rs 2,500 a tonne from September 1. The price hike is expected to push the rate of hot-rolled steel to Rs 39,000 a tonne and that of cold-rolled to Rs 42,000. According to industry insiders, the cost of steel production has risen Rs 5,000 a tonne in the past eight months and the industry has been left with no option but to increase prices.

The cost of iron ore, an important ingredient in steel production, has shot up to \$61 from \$40-42 per tonne in January this year. Since January, the price of coking coal has touched \$127 from \$75 a tonne, and that of zinc, another raw material for steel, increased 50 per cent to \$2,215 a tonne. The price hike has come even as the central government has decided to protect the domestic steel industry from the import of cheap steel, mainly from China, through a slew of measures.

Source: The Business Standard 31st August, 2016

JSPL's Foreign Lenders Pull the Plug, Recall \$150m Loan

A hardnosed global fund has pulled the plug on debt-laden Jindal Steel and Power (JSPL), a listed company led by the Congress man Naveen Jindal. Along with some offshore creditors, Hong Kongbased SC Lowy a specialist investment manager in distressed and stressed credit has taken the harsh step of recalling \$150 million loan to JSPL after it failed to comply with certain loan covenants, said multiple sources aware of the development. If \$150 million is not repaid by September 12, the creditors led by SC Lowy plan to invoke the corporate guarantee given by the Indian listed parent JSPL. This would be followed by a winding up petition before a court and blocking of any asset sale by JSPL.

Source: The Economics Times 1st September, 2016

GLOBAL STEEL

Thyssenkrupp steel workers protest

Several thousand steel workers at Thyssenkrupp on Wednesday protested management's plans for a merger of its European steel business with that of Tata Steel as well as possible site closures.

Carrying banners saying "Stop steel exit" and "Steel is the future" in a rally organised by powerful labour union IG Metall, they marched to the headquarters of Thyssenkrupp Steel Europe in the industrial city of Duisburg, where the steel business's supervisory board is due to meet on Wednesday.

Steel-to-elevators group Thyssenkrupp is in talks with India's Tata Steel to merge their European steel operations, but a senior labour official at Thyssen said this month that any plan to close some plants could go ahead irrespective of whether there is a merger deal.

"The workers want clarity on what is going on. They are worried," Steel Europe's works council chief Guenter Back said.

Source: The Business Line 1st September, 2016