

Steel In The News

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

| CONTENTS | Page |
|------------------------|------|
| Highlights of the Week | 2 |
| Raw Material | 2 |
| Company News | 3 |
| Policy | 5 |
| Steel Performance | 6 |
| Miscellaneous | 6 |

HIGHLIGHTS OF THE WEEK

1. India, US agree to amicably resolve steel import duty row
2. Tata, JSW, Adani in race for Neelachal
3. Odisha govt wants ArcelorMittal to set up Rs.12,000- crore steel plant
4. Tata goes electric with Nexon EV, at a starting price of Rs.13.99 lakh
5. JSW Steel profit plunges 88% to Rs.187 crore as sales slide 12% on tumbling prices

RAW MATERIAL

JSPL can lift iron ore if Sarda pays fine: SC

In a big relief to Jindal Steel and Power (JSPL), the Supreme Court on Thursday allowed it to lift and transport the extracted iron ore worth Rs 2,000 crore lying on the premises of its long-time supplier Sarda Mines plant in Odisha's Keonjhar district. However, it granted the permission to transport the iron ore only after Sarda Mines paid Rs 933-crore environmental compensation to the Odisha government. The Naveen Jindal-led JSPL has been sourcing high-quality iron ore from Sarda Mines for its Barbil and Raigarh factories, which lie at the bottom of the hill, that is, Thakurani deposit, where Sarda operates a 5 mt mine. The iron ore in question was extracted when the mine was operating, but it could not be transported after the apex court suspended mining and all mining-related activities in 26 iron ore and manganese mines in Odisha in 2014 in the absence of environment clearances.

Source: Financial Express, January 31, 2020

Vedanta invites EoI to develop Jamkhani Coal Mine in Odisha

Vedanta has invited expressions of interest (EoIs) from global mine developers and operators for developing its recently acquired coal block at Jamkhani in Odisha with reserves of 222 million tonne to its full potential of 10 mt per annum. The last date for submitting EoIs is January 31. Once operational, Jamkhani is likely to be among the largest private captive coal mines in the country in terms of annual output. It is also likely to mark the entry of Anil Agarwal-led Vedanta — already a large player in iron ore, aluminium, zinc and oil & gas — into large-scale coal mining. The Vedanta Group is perhaps the largest producer of captive power

in the country. Between Bharat Aluminium Company (Balco) and Vedanta operations at Jharsuguda alone, it has more than 5,300-MW capacity. With plans to achieve fuel security and acquire coal mines, it is now tipped to emerge as one of the largest captive coal miners.

Source: Economic Times, January 25, 2020

Coal India's output grows in double digits for first time

Coal India's output grew in double digits for the first time in this financial year this month, a development which will allow it to increase fuel stocks at power plants to last up to 30 days and fully meet the requirement of customers in other sectors by March. The state-run miner's output increased 10.7 per cent year-on-year this month while supplies grew 6.2 per cent. It produced 54.17 million tonnes (mt), or 2 mt a day, until January 27 and supplied 48.07 mt of coal. "After almost three years, no or NTPC's joint venture plants have super-critical stock," said a Coal India executive, who did not wish to be identified. "There is no shortage of coal."

Source: Economic Times, January 29, 2020

COMPANY NEWS

Odisha govt wants ArcelorMittal to set up Rs.12,000- crore steel plant

The Odisha government has begun talks with ArcelorMittal, asking the company to set up a 3 million tonnes per annum (mtpa) steel plant in the State. The ₹12,000-crore project was originally meant to be set up by Essar Steel, according to State government officials. Now, with ArcelorMittal taking over Essar Steel under the Insolvency and Bankruptcy Code (IBC), the Odisha government wants the new promoter to honour the commitment and revive the project. "This steel plant was envisaged to be set up by Essar Steel under an MoU signed with the Odisha government in 2005," Hemant Sharma, Principal Secretary, Industry, Government of Odisha, told. "Now, we have started talks with ArcelorMittal to set this project up in Paradip. The talks are preliminary but we have got a positive response."

Source: Business Line, January 30, 2020

Tata goes electric with Nexon EV, at a starting price of Rs.13.99 lakh

Tata Motors on Tuesday launched its first electric car, Nexon EV, using Ziptron — the company’s new electric vehicle technology platform — at an introductory price starting from ₹13,99,000 (ex-showroom) to ₹15,99,000. “e-mobility is an irreversible mega-trend and an imperative for addressing pollution and generating job opportunities in India. Through Tata uniEVerse, our group companies have synchronised their efforts to develop a holistic e-mobility ecosystem to accelerate the adoption of EVs in India. I am delighted that this ecosystem has come together with the launch of Tata Nexon EV, a path-breaking electric SUV that can match the aspirations of mainstream Indian customers,” said N Chandrasekaran, Group Chairman, Tata Sons.

Source: Business Line, January 29, 2020

Tata, JSW, Adani in race for Neelachal

Tata Steel, JSW Steel, and Adani Group are likely to bid for Neelachal Ispat Nigam’s (NINL’s) one-million tonne (mt) steel plant in Odisha’s Kalinganagar industrial complex. Earlier this month, the Cabinet Committee on Economic Affairs gave the go-ahead for strategic disinvestment of 100 per cent equity shares in NINL, jointly owned by MMTC, two Odisha government-controlled public sector undertakings (PSUs), and a clutch of central public sector enterprises — NMDC, Bharat Heavy Electricals, Mecon (formerly known as Metallurgical & Engineering Consultants), among others. Plans are afoot to ramp up NINL steel plant’s nameplate capacity to 10 million tonnes per annum (mtpa), from the current 1.1 mtpa. Key facilities of the NINL steel mill, such as blast furnace and steel melting shop, are on shutdown for over six months for want of capital infusion by the lead promoters. Only the coke oven plant was operating at depleted capacity.

Source: Business Line, January 29, 2020

JSW Steel profit plunges 88% to Rs.187 crore as sales slide 12% on tumbling prices

JSW Steel reported a sharp fall of 88 per cent in its December quarter net profit at ₹187 crore against ₹1,603 crore logged in the same period last year as steel prices plunged due to weak demand. Sales were down 12 per cent at ₹17,416 crore (₹19,821 crore). Production in the quarter dipped 5 per cent to 4.02 million tonnes due to the extended monsoon. The company has postponed commissioning of 5 mt

fresh capacity at Dolvi in Maharashtra and other expansions at Vijaynagar in Karnataka by 3-6 months due to the monsoon impact. Ebitda per tonne in the quarter under review almost halved to ₹6,622 against ₹12,224 as the company sold high-cost inventory during the quarter. Seshagiri Rao, Joint Managing Director, JSW Steel, said that though steel prices have started going up since November in line with the global trend, it was not enough to match the last year's numbers.

Source: Business Line, January 25, 2020

Scan Steels fined for fraud trade

SEBI has levied a penalty of ₹18.8 lakh on Scan Steels for indulging in fraudulent trading in the stock options segment of the BSE. The matter pertains to a probe conducted by the regulator for the period April 2014 to and September 2015 after observing largescale reversal of trades in the stock options segment of the BSE by certain entities including Scan Steels that led to creation of artificial volumes. The probe found that the trades executed by the company “were not genuine trades and being non-genuine, created an appearance of artificial trading volumes” in the stock options contracts.

Source: Business Line, January 25, 2020

POLICY

JSW a related party, to stay under lens: ED to NCLAT

The ED has told the appellate bankruptcy court that JSW SteelNSE -0.84 % will not get immunity from the criminal charges being faced by Bhushan Power & Steel if it acquires the latter, because both are related parties. The agency also said that a Section under the Insolvency and Bankruptcy Code, which gives protection to the acquirer from prior offences committed by a bankrupt company, will not apply in this case since the provision was added to the law after lenders cleared JSW’s proposal to acquire Bhushan Power. This provision under Section 32A, it told the court, cannot be applied retrospectively.

Source: Economic Times, January 30, 2020

STEEL PERFORMANCE

India, US agree to amicably resolve steel import duty row

India and the US have agreed to resolve amicably a dispute over American import duties on certain Indian steel products, wherein Washington is yet to fully comply with the WTO rulings, an official said. The WTO dispute resolution body has ruled against the US in this case stating that the high duty imposed by America on certain hot-rolled carbon steel flat products from India was inconsistent with various provisions of the WTO's Agreement on Subsidies and Countervailing Measures. The US agreed to resolve the matter amicably as the appellate body of the WTO's dispute settlement mechanism has become dysfunctional since last month. America has failed to fully comply with a six-year-old ruling of the WTO's dispute panel over import duties on certain Indian steel products which has endorsed India's belief that not only the practices followed by the US, the law itself violates WTO agreements, the official said. The compliance panel has found that the US has not complied with the rulings and recommendations of the dispute panel. In December 2014, the WTO dispute panel had ruled against the US imposing high countervailing duties on imports of certain Indian steel products. Later the WTO's appellate body too ruled that the high duties imposed by the US were inconsistent with various provisions of the Agreement on Subsidies and Countervailing Measures.

Source: Financial Express, January 25, 2020

MISCELLANEOUS

Court grants bail to ex-Bhushan Power & Steel CMD

A Delhi court Friday granted bail to former Bhushan Power and Steel Ltd CMD Sanjay Singal in a multi-crore money laundering case linked to an alleged bank fraud, saying he was the "mastermind" behind diversion of loan funds. Special Judge Arun Bhardwaj granted the relief on a personal bond of Rs 10 lakh and two sureties of like amount.

Source: Business Standard, January 25, 2020

Coronavirus fallout fears hurt stocks of metals and mining cos

Shares of Indian metal companies came under pressure on Monday as traders panicked over the economic impact of the outbreak of coronavirus in China, which is the largest metals consumer and producer in the world, contributing nearly half of the total global demand and supply. Shares of companies including Hindalco, Vedanta, Tata Steel, JSW Steel and Jindal Steel fell by 3-6 per cent. A similar slump was seen in the stocks of global companies including Rio Tinto, Rusal, Vale and Glencore, which fell by 3-4 per cent. Indonesian coal mining companies such as Bumi and Adaro energy crashed by 9 per cent and 6 per cent respectively on local bourses. However, the prices of underlying metal commodities did not exhibit selling pressure. Prices of aluminium, copper and zinc have fallen by 2.3 per cent and 3.7 per cent in the past three trading sessions on the London Metal Exchange. Steel is a more domestic commodity and does not trade on the global metal exchange.

Source: Economic Times, January 28, 2020