News and Views...

February 23, 2022

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After 2 years, regular international flights may resume from next month

New Delhi: After a gap of almost two years, all regular international flights are likely to resume within a month and will follow the standard operating procedures effective at Indian airports for foreign arrivals and departure, as per information provided by government sources on Monday. Keeping in mind the consistent decline in Covid-19 cases, the Civil Aviation Ministry following consultation with the Health Ministry has taken a decision on resuming scheduled international flights and is looking at a tentative date of March 15 or the end of next month when the summer schedule kicks in. However, no official announcement has been made by the Directorate General of Civil Aviation so far.Also Read - 6 Must-do Exercises While Recovering From Covid

"Regular International flights is likely to resume from March 15. The Guidelines for International Arrivals, which came into effect from February 14, will be followed at airports for the passengers of these flights," an official source said. Also Read - Queen Elizabeth II Tests Positive for Covid, Says Buckingham Palace

The ban on scheduled international passenger flights in India is in effect till February 28. Such flights have been suspended in India since March 23, 2020, due to the coronavirus pandemic. Special passenger flights have been functioning between India and around 40 countries since July 2020 under air bubble arrangements. Also Read - International Flights From Agartala to Dhaka, Chittagong to Begin in Next 6 Months | Details Here

The Health Ministry has issued revised guidelines for international arrivals, with effect from February 14, doing away with the mandatory seven-day home quarantine and the need for them to undertake an RT-PCR test on the eighth day.

Apart from uploading a negative RT-PCR report, taken 72 hours before the journey, there is an option to upload certificates of the completion of the full primary Covid vaccination schedule provided from countries on a reciprocal basis. Also, the demarcation of countries 'at-risk' and other countries has been removed.

Accordingly, the need for giving samples on the port of arrival and waiting till the result is obtained from countries at-risk has been dispensed with.

-India.com

Coronavirus Omicron News Highlights: India's active case count dips to 6.9 lakh, positivity rate at 3.89%

Coronavirus News Highlights : India's active caseload on Friday dipped to 6,97,802, from Thursday's 7.9 lakh, data provided by the Union Ministry of Health showed. The country reported 58,077 new Covid-19 cases and 657 related deaths in the last 24 hours ending 8 am, Friday. The daily positivity rate also went down to 3.89% from 4.44%.

The Gujarat government on Thursday announced relaxation of curbs, including reducing night curfew hours in eight cities from February 11 to 18. The curfew will be imposed in Ahmedabad, Vadodara, Surat, Rajkot, Bhavnagar, Jamnagar, Junagadh and Gandhinagar from midnight till 5 am, instead of from 10 pm to 6 am.

In West Bengal, Chief Minister Mamata Banerjee said that her government will consider reopening schools for primary students (Class 1 to 5) with 50% capacity if "Covid does not create more problems".

-Indian Express

Coronavirus Omicron News Highlights: As Covid cases decline, Centre asks states to end additional restrictions

Coronavirus Omicron News Highlights: Union Health Secretary Rajesh Bhushan has written to all States/UTs, asking them to review and amend or end additional Covid-19 restrictions as the pandemic in the country shows a sustained declining trend. The letter, however, stated that States/UTs must continue monitoring the trajectory of cases and the spread of infection on a daily basis. The health secretary also asked states to follow the five-fold strategy of test, track, treat, vaccination and adherence to Covid-appropriate behavior. Meanwhile, Assam became the first state in the country to withdraw all Covid-related curbs and restrictions on Tuesday. The state has gone back to normalcy that prevailed before the Covid-19 pandemic struck the country.

India logged 30,615 new coronavirus infections, taking the country's tally of Covid-19 cases to 4,27,23,558, while the active cases dipped to 3,70,240, according to the Union Health Ministry data updated on Wednesday. The death toll climbed to 5,09,872 with 514 fresh fatalities, the data updated at 8 am stated.

For the first time since January 2, Mumbai recorded zero deaths on Tuesday. The daily caseload in the state capital increased to 235 from 192 cases recorded on Monday. "We can clearly see that the situation is getting better. It is a sigh of relief for us that the city didn't have any deaths on Tuesday. Most of the latest deaths are among elderly patients with severe comorbidities," said Suresh Kakani, additional commissioner, BMC.

-Indian Express

Coronavirus Omicron India Highlights | Maharashtra logs less than 2,000 cases

Coronavirus Omicron India Highlights | India has reported 34,113 new COVID-19 cases in the last 24-hour period, marking a decline of 23.9 percent in the fresh infections in a day. The number of confirmed COVID-19 cases in India is now 4,26,65, 534.A total of 346 COVID-19 fatalities were reported in a day, taking the toll due to coronavirus in India to 5,09,011. The highest deaths in a day-69-were registered in Kerala, which also reported 77 deaths as part of its data reconciliation exercise.

West Bengal and Karnataka reported 27 deaths each, followed by Odisha which recorded 22 fatalities in a day. India now has 4,78,882 active cases, down from 5,37, 045 cases a day before which indicates a decline of 10.8 percent in the 24-hour period.

Kerala reported the biggest fall in active COVID-19 cases with the total tally of active cases coming down by 21,014. Maharashtra, which has also been seeing a high number of daily cases for a long time, also reported a decline of 6,330 in the tally of active COVID-19 cases.

As 91,930 recoveries were registered in the last 24 hours, the total recoveries after the infectious disease has now gone up to 4,16,77,641. This also raised the recovery rate in India to 97.68 percent.

The COVID-19 daily positivity rate in the country now is 3.19 percent while the rolling average of the weekly positivity rate is 3.99 percent. A total of 75.18 crore total tests have been carried out in India so far of which 10,67,908 tests were conducted in the last 24 hours. The Health Ministry said that 172.95 crore COVID-19 vaccine doses have been administered so far under the nationwide vaccination drive.

-Moneycontro

Canada relaxes COVID testing rules to ease travel from India

A move that can certainly be seen through the twin lens of easing travel norms and waning effect of the omicron variant of coronavirus, Canada has relaxed the COVID-19 testing norms for those travelling from India.

In a new official readout, Canada said people travelling on direct flights or one-stop flight from India will no longer need to show negative RT PCR COVID test done within 18 hours ahead of the departure.

As per the latest guidelines issued by the Canadian government for India, no passengers will now need to show mandatory negative RT PCR COVID test report obtained from approved laboratory at Delhi airport before boarding the international flight.

-Economic Times

Dr Gagandeep Kang on covid antibody therapy: unethical, immoral, unscientific

India's top virologist, Dr Gagandeep Kang has underlined that it is unethical, immoral and unscientific to provide the antibodies treatment and asked the doctors to practise better medicine.

India's top virologist, Dr Gagandeep Kang has called the prescription of monoclonal antibody therapy by the doctors in the private hospitals of the country for the treatment of Omicron variant of Covid-19 patients "unethical, immoral and unscientific" and asked the medical fraternity to "practice better medicine than this".

Notably, monoclonal antibodies treatment for Covid has been excluded in the revised National Covid task force treatment.

In a series of tweets, Dr Kang said that she received a call from a 90-year-old diabetic patient from Chennai who narrated to her that he was advised admission to the hospital for the antibody treatment because he was in contact with someone who tested positive for SARS-CoV2.

"A call from a 90-year diabetic uncle in Chennai who said he has advised admission to hospital and antibody treatment because he was in contact with someone who tested positive for SARS-CoV2 sparked this thread," she Dr Kang tweeted.

"We know that 90 per cent or greater infections are currently Omicron in Indian cities. We know that the licensed monoclonal antibody products in India do not neutralise omicron. Yet doctors in private hospitals are prescribing monoclonal antibody therapy (and admission)," she added in her tweet.

The Doctor further pointed out that there is little data in India which is why we do not know if the percentage of vaccinated elderly with Omicron will progress.

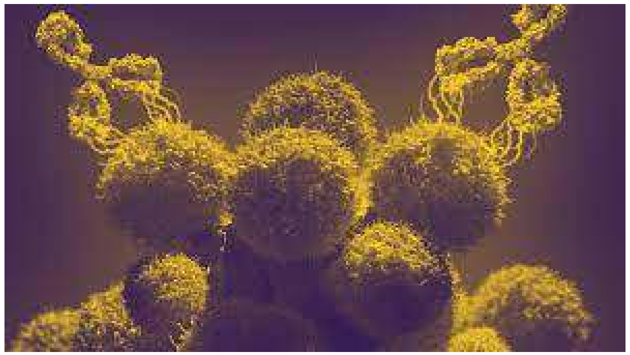
"Please remember that even among clinical vulnerable, most contacts will stay asymptomatic or have mild symptoms & recover. Small no. develop severe illness (in India, we have little data so we do not know whether 5% or 20% of vaccinated elderly with omicron will progress)," she tweeted.

"In any case, all the ones who would have gotten better anyway will do fine--but having given antibodies, doctors will ascribe that to their treatment and the hospitals will laugh all the way to the bank. The argument I hear from well-meaning doctors (thankfully not infectious disease specialists) is that it is only one lakh and my patient can afford to buy it, so why not?" Dr Kang said in the tweet.

Dr Kang said that it is unethical, immoral and unscientific to provide the antibodies treatment and asked the doctors to practise better medicine.

"Why not? It is unethical, immoral and unscientific. Surely, as doctors, we can teach and practise better medicine than this. And as patients, please ask for what each drug is expected to do and the evidence to back that up," Dr Kang said.

Hindustan Times



TOP NEWS

Union Budget 2022-23: Customs exemption extension on steel scrap will bring temporary relief

Steel is an essential product that is consumed largely in infrastructure (construction and real estate) development and industrial manufacturing. The share of the steel sector contributes around 2 per cent to India's gross domestic product (GDP). It provides around two million jobs and so, the growth in this sector affects the economy of India.

India's steel prices have almost doubled over the last year and there are several reasons behind this. The rising cost and shortage of raw materials like iron ore and coking coal is one of the major reasons.

Along with this, recently, China has also been cutting down its steel production. It has been removing rebates and imposing export taxes to discourage exports (to meet its domestic demand more effectively) and reduce its carbon emissions. All this led to a substantial rise in steel prices globally and in India.

Due to the high prices of raw material, the steel consumption also dropped last year, impacting the country's economy. Keeping that in mind, the Government of India decided to extend the exemption of custom duty on import of scrap in the Union Budget 2022-23.

This decision can be seen as a smart step which will not only benefit the sector in economic terms but also in terms of having a lower carbon footprint.

Steel scrap is an alternative raw material in steel manufacturing, partially in blast furnace — basic oxygen furnace route — and fully in electric arc furnace or induction furnace route. It can, thus, help steel companies (especially micro, small and medium enterprises) in bringing down that manufacturing cost as well as their carbon footprint.

A tonne of steel scrap can save 1.1 tonne of iron ore, 630 kilogram of coking coal and 55 kg of limestone. The use of steel scrap in both major manufacturing routes (BF-BOF & DRI-EAF/IF) can substantially lower the carbon emission in the process.

The Steel Scrap Recycling Policy mentions the role of steel scraps in reducing greenhouse gas emissions by 58 per cent.

A discussion on this decision would be incomplete without discussing the availability of steel scrap in India and its alignment with the target and vision set by the Government of India.

In the Steel Scrap Recycling Policy 2019, the Ministry of Steel stated that as of 2019, the current supply of steel scrap is 25 million tonnes from the domestic market and 7 MT from imports. The aim of the scrap policy is to be able to harness this 7 MT from the domestic market itself to reduce dependence on imports. This would make India's steel markets less vulnerable to global events in the sector.

The policy mentions opening 70 scrap processing centres with 300 collection and dismantling centres to fill up the gap of 7 MT. India also aims to generate steel production of about 255 MT by 2030 (according to the National Steel Policy 2017).

By that time, it is estimated that the demand for steel scrap may rise up to 70-80 MT. To meet this, India may require up to 700 scrap processing centres (shredders) that shall be fed by 2800-3000 collection and dismantling centres spread all over the country.

Even with a target-defined policy in place, it's a very common feedback from the ground that the availability of scrap is still a big issue. This lack of steel scrap has pushed a major chunk of the Indian steel industry to largely depend on the highly polluting coal-based sponge iron to be used as raw material.

By continuing the exemption on customs duty for steel scrap for a year, the government has been successful in pushing a larger problem a day beyond and providing temporal relief.

To resolve this issue permanently, the government needs to ensure that good quality scrap is being made available to India's steel plants domestically and whatever systematic infrastructure needs to be put in place on the ground is there as soon as possible (as proposed in the Steel Scrap Recycling Policy, 2019).

It would have been good to hear from the government that apart from extending the exemption of customs duty, they are also taking concrete steps to improve domestic scrap availability. That would have been much more in alignment with the vision they have laid out in the National Steel Scrap Recycling Policy 2019.

The current decision seems like a push to the on-going setting of India's partial dependence on imported steel scrap with no concrete measure on the ground to increase domestic scrap availability.

-Downtoearth.org

Budget 2022: Brokerages expect duty cut on metals to spur margins

Reduction in import duty on raw materials and finished products of steel, and higher allocation under infrastructure and housing for all schemes in the Budget could augur well for the domestic industry. Additionally, the government will have to carry out a balancing act on steel pricing to protect the MSME sector, which suffered significantly in early 2021, brokerages said.

Public capex has been relatively soft over the past few years and is expected to pick up from FY23. Construction and infrastructure sectors form 60 per cent of domestic steel demand.

-Business Standard

Jindal Steel and Power posts 20% steel sales growth in January

Jindal Steel and Power on Wednesday reported "meaningful recovery" in steel sales, despite low railway rake availability and stressed that sales volume registered a year-on-year growth of 20 per cent to 6.95 lakh tonnes in January this year. Inventories continued to decline for the second consecutive month with the company posting steel production of 6.82 lakh tonnes.

Sales volume increased 20 per cent year-on-year to 6.95 lakh tonnes, as compared to 5.81 lakh tonnes in January 21, the company said in a statement.

"We have surpassed our targets for the last calendar year, and we are confident that we will also achieve our envisaged targets for the financial year.

"We firmly believe in India's growth story, which is expected to grow for FY22 at 9.2 per cent, which will be the highest amongst major economies, and for FY23, GDP is also estimated to be robust at 8.0-8.5 per cent," company's Managing Director V R Sharma said in a statement.

Marginal improvement in rake availability during the reported month, resulted in export share rising to 31 per cent, from 28 per cent in December last year.

"We would like to thank the government of India for the announcements made in the Budget with regards to coal gasification, coal to liquid initiative and extension of manufacturing timeline for claiming 15 per cent concessional income tax rate on green field projects to March 31, 2024 are highly appreciated," Sharma said.

The government's push on infrastructure and increase in outlay for capital expenditure will support growth for steel, cement and other related sectors in the coming year, he added.

The company is a leading infrastructure conglomerate with a presence in the steel, power and the mining sector. PTI SID DRR

-Economic Times

Govt may come out with some more reforms in mining sector 'very shortly': Joshi

Coal and Mines Minister Pralhad Joshi on Thursday said the government might come out with some more reforms in the mining sector "very shortly". Joshi said that with the time several amendments have been made in rules concerning the mining sector as well and the mines ministry will continue to bring reforms further as per the demand of the industry.

"Very shortly, we may come out with some more reforms and I think some of them we are going to put in the public domain also and we will consult with the states and stakeholders," Joshi said.

He was speaking during the International Mining Summit, organised by the Confederation of Indian Industry (CII) in association with the Ministry of Mines.

The government, he said, brought the Mines and Minerals. (Development and Regulation) Amendment Act, 2015, which provides for the actual resources through the auction route and further major amendments were brought this year also.

"We have resolved the legacy issue by amending Section 10(a)2b. This has made available about 500 potential mineral blocks... We have taken the decision and brought them (the blocks) to auction," he said.

This year, in comparison to the previous years, a lot of mines have been brought into auction, he added.

The minister further emphasised that the government is keen to promote the best use of the country's mineral reserves, a sustainable domestic mining industry, reduce imports and increase the mineral sector's contribution to India's gross domestic product (GDP) from the current 1.75 per cent to at least 2.5 per cent.

India's mining sector contributes in many ways to the country's economy, he said, adding that a little push to this sector will push the entire economy.

The minister highlighted that the Minerals (Evidence of Mineral Contents) Second Amendment Rules, 2021, and the Mineral (Auction) Fourth Amendment Rules, 2021, have been amended wherein the state governments concerned will be bound to consider and approve exploration proposals within 120 days.

-Economic Times

INDUSTRY NEWS AND UPDATE

Tata Steel reports a 16% jump in crude steel production for 9M of Fy22

NSE -4.62 % Ltd's crude steel production grew by 16% year-on-year (yoy) to 14.16 million tonnes as at the end of nine months ending 31st December 2021, and its total deliveries increased by 4% at 13 MT yoy on the back of continued economic recovery.

"During the third quarter of FY22, Crude steel production was up 1.5% quarter-on-quarter (qoq) to 4.8 MT and overall deliveries were lower by 4% (qoq) 4.41 as an increase in domestic deliveries was offset by lower exports," the company said in a statement on Friday.

Tata Steel's Automotive & Special Products segment deliveries increased by 53% yoy in 9M ending FY22 and the 3QFY22 deliveries were broadly similar on QoQ basis, the company said.

-Economic Times

JSW Steel to invest Rs 15,000 crore to expand Vijayanagar facility to 18 mtpa by FY 24

NSE -6.85 % on Friday announced a 15,000-crore brownfield expansion project at its Vijaynagar Steel Works to increase capacity by 5 million tonnes per annum by FY 24.

"This expansion reiterates our commitment to be a significant partner in building a stronger India through sustainable means," said JSW Group's chairman, Sajjan Jindal in a media statement.

JSW said that it has received the environmental clearance for the project and is planning to complete 1 mtpa expansion through upgradation of the current facility to achieve 13 MTPA capacity within the next 12 months.

The company aims to take its Vijayanagar facility 18 mtpa by Fy24.

"We will create new job opportunities as well as generate immense value for all our stakeholders. Through the introduction of Artificial Intelligence and other Industry 4.0 interventions at this facility, it will become an integral part of our network of digitally connected smart steel factories in India," Jindal said.

Union Steel Minister Ram Chandra Prasad Singh laid the foundation stone for the new 5 MTPA project. The steel minister conveyed that the expansion projects would also help in augmenting the availability of world-class steel and the progressive plans of the Ministry of Steel.

“The new brownfield expansion will be spread across 600 acres and includes establishing 4.5 Mtpa Blast Furnace, two Steel Melt Shops 350 tons each and 5 MTPA Hot Strip Mill along with other allied and auxiliary facilities,” the company said in its media statement.

JSW Steel, as part of its next phase of growth, is targeting an overall capacity of 37.5 Mtpa from its current 28 mtpa in India & USA by FY25.

“The brownfield expansion at JSW Steel Vijayanagar Works is part of this broader target,” the company’s statement said.
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-Economic Times

Zee Business Stock Award 2021: Metal emerges as best performing sector this year; know 3 stocks that gave maximum return from these spaces

Metal has emerged as the most successful sector in terms of growth and return yielded this year. With 70 per cent gain clocked by this sector as on December 30, 2021, metal has emerged as leading sector that led the bull rally in the Indian equity market.
Other three sectors that featured in Zee Business Stock Award 2021 are IT with 60 per cent jump, real estate that surged 56.6% and the PSU Bank, which gained 45% in the past one year till December 30.
On December 31 around 2.11pm, Nifty metal gained 69.7%, Nifty IT 60%, Nifty Realty 54.4% and Nifty PSU Bank 44.6%.

Speaking about sectoral performance this year, Manoj Dalmia, Founder and Director, Proficient equities Private limited, said, "Sectors like Metal, pharma have become sluggish and this can be seen as a good opportunity to accumulate value stocks. Investors can consider sectors such as real estate, PSU banks and futuristic companies and platforms."

From metal Space (Nifty metal), Adani Enterprises Limited, Nalco and APL Apollo Tubes. Adani Enterprises Limited clocked more than 250% in one year, while Nalco and APL Apollo yielded 133 and 125 per cent return respectively.

Top three stocks that made maximum profit for their shareholders from Nifty IT space were Mindtree, L&T Technology Services and Mphasis. These stocks garnered over 180%, nearly 140%, more than 120 and 115 per cent respectively.

Sobha Limited (113%), Brigade Enterprise (98%) and Indiabulls Real Estate (93%) were the top performing stocks from this space.

In the PSU Bank, Shares of Indian Overseas bank surged 91%, State Bank of India jumped 67% and Indian Bank scaled 63% in the past one year. It is to be noted that the return has been calculated based on two separate data –one till December 30 and another as on December 31, 2021.

"Metals, IT and Real Estate sectors have done well in 2021, and I believe they might continue to do well however, specialty chemical chemicals, mid-cap IT stocks along with auto-ancillary stocks might do well and generate good returns in 2022," said Gaurav Garg, Head of Research at CapitalVia Global Research

-Zee Business

Jefferies India calls curtain on bull run in Indian steel stocks

Foreign brokerage firm Jefferies India has indicated that the best days for the steel sector may have ended in 2021.

The steel sector that was one of the most in-demand sectors in 2021 with many stocks in the space rallying 14-2000 percent in the space of 12 months, is now being questioned whether it can carry on its red-hot streak in the New Year.

“We lower our optimism on India metals as we enter 2022. Weak macro and demand concerns in China are weighing on metal prices,” Jefferies India said in a note. The brokerage has downgraded shares of Tata Steel and JSW Steel on the premise that the steel sector’s earnings are “inflecting down” due to weak demand and pricing environment.

It is important to note that even as the demand environment was muted in the domestic market throughout 2020 and the majority of 2021, it was the strong exports and ever-expanding margins that drove the re-rating in steel stocks after October 2020.
The brokerage firm’s downgrade of the sector may not come entirely as a surprise to investors who have seen many steel stocks give up substantial gains in the past four months ever since concerns rose over the economic slowdown in China and as the domestic steel price rally lost steam. In the past three months, the Nifty Metal index has risen merely 0.7 per cent in line with the gains of the Nifty50 index.

Jefferies has slashed its 2022-23 earnings estimates for Tata Steel and JSW Steel by 18 percent and 26 percent, respectively – the biggest such downgrade in more than a year. The primary driver of the earnings downgrade is a concern of a sharp contraction in margins of steel producers, which has been aided in recent quarters by a spectacular rise in global steel prices during the pandemic.

High input cost of steel forces MSMEs to sell at loss

Jefferies India argued that unlike in the early months of 2021, the case for a “big rally” in metal prices is weak largely due to the slowdown in the Chinese economy and, in particular, its property market – the biggest consumer of steel in the country.

“We find risk-reward for India steel far inferior to a year ago. We believe Indian steel margins have peaked in 1HFY22 and will fall sharply by FY23, albeit settle above historical levels,” Jefferies India said in a note.

Considering the weak earnings set-up for steel companies, Jefferies has downgraded its rating for Tata Steel to ‘hold’ from ‘buy’ earlier and for Jindal Steel to ‘underperform’ from ‘buy’. The brokerage has further cut its price target for Tata Steel by 22.5 percent and for Jindal Steel by 25 percent.

Is it time to shift to aluminium stocks?
Where it is less optimistic about the steel space, it is equally enthusiastic about aluminium producers. Jefferies believes that increased focus on transitional metals in new capital expenditure in China bodes well for companies like Novelis Corp, a subsidiary of Hindalco Industries.

"We find Novelis also well-placed for the global shift to aluminum from steel in autos, and from plastics & glass in beverage cans," Jefferies India said. In addition to the bright fundamental outlook, Jefferies also believes Hindalco's 1.2 times one-year forward price-to-book value is attractive for a company pegged to give a 16 percent return on equity in 2022-23.

Given the attractive valuations and the low risk to earnings for aluminium producers, Jefferies India retained its 'buy' rating on Hindalco and raised its price target for the stock by 8 percent to Rs. 660.

-Moneycontrol.com

FEATURE ARTICLE

Budget: As Chinese stainless steel imports surge, Indian MSMEs feel the heat

With the Budget fast approaching, some 400,000 people employed in the medium, small and micro (MSME) factories in the stainless-steel industry, are desperately hoping for a change in their fortunes. If the new Budget (2022-23) restores the countervailing duty (CVD) imposed on stainless steel products from China and Indonesia, it will not only provide them with a level-playing field, but also an impetus to continue with their manufacturing business.

Ever since the government announced the suspension of CVD in these two countries in the last Budget (2021-22), India has seen a massive surge in imports, which has created uncertainty among the existing players, adversely affected the business and investment climate in the country, and forced many of the MSMEs to shut shops in hordes. Most of these smaller players have found it impossible to compete with the highly subsidised stainless- steel originating from China and Indonesia.

In recent months, the capacity utilization of the MSMEs have dwindled to anywhere between 60% and 50%, because of the dumped imports with the bulk of the underutilized capacity being concentrated in the fragmented MSMEs sector, which contributes nearly one third to the stainless-steel capacity.

Such a drastic reduction in capacity utilization has driven many of the producers out of business, resulting in significant unemployment in this industry, and has converted a lot of manufacturers into traders. The various associations of re-rollers have also pointed out that many of their members, who wanted to make fresh investments in terms of setting up new plants, have now put their investments on hold because of the adverse circumstances.

If not corrected, the situation for MSMEs will further deteriorate. In December 2021, the European Commission imposed 33.4% CVD on Stainless Steel flat products from Indonesia, pushing Indonesia to dump more into India which, ironically, seems to be the only stainless steel producing country with no level playing field.

The MSME sector currently has nearly 70 - 80 melting units and more than 500 units are engaged in rolling and employs over 400,000 direct and indirect labour. The MSMEs have already invested about Rs 5,000 crore in plants and machinery and have invested another Rs 5,000 crore in working capital. With a total installed capacity of anywhere between 12.5 to 15 lakh ton per annum for melting and hot rolling and cold rolling, the MSMEs work on wafer-thin margins and

therefore are the worst hit by the worst hit by the surge in imports.

In fact, the best period for the stainless-steel industry was between October to March of 2020-2021, when the capacity utilization of stainless-steel players touched a high of 90%, according to various MSME stainless-steel associations The reason- although the CVD had been imposed on imports of Chinese stainless steel flat products on September 7, 2017, but they had resorted to dubious means to dump their goods in India through the Indonesian import route. But once the CVD was imposed on Indonesia in October 2020, that route too was blocked, thereby ensuring a level playing ensuring a level-playing field to the domestic players.

In a letter to the Finance Minister, the All-India Stainless Steel Cold Rollers Association, a leading body for producing and supplying stainless-steel in India, has clearly expressed its difficult state of affairs. “As we are recovering from Covid, if the CVD is not urgently imposed, our MSME members would not be able to hold on and shut down and become traders,” the letter argued.

The adverse impact of subsidised imports of Chinese and Indonesian stainless-steel flat products have been felt across the country by the MSME players. Jodhpur, which produces nearly 25% of the total output, Ahmedabad (25%), Bhiwadi (15%), Jagadhari (15%) and National Capital Region (20%) all have taken the brunt of the losses. These players produce inputs for utensils and other household applications. These players comprise both induction furnace players- those who melt the steel and sometimes also produce hot rolled flat products- and those who make the cold-rolled flat products.

Hence, it is of utmost importance for the government to withdraw the suspension of CVD on China dated September 7, 2017. Secondly, accept the fresh final CVD findings on Indonesia as recommended by the DGTR on January 15, 2021, and levy anti-subsidy duty on imports from Indonesia.

-Economic Times

Rourkela Plant steel to be used by Indian Navy for making submarines

The Rourkela Steel Plant, a unit of Maharatna public sector undertaking

SAIL NSE -5.02 %, has received a certificate from the Indian Navy for producing high-strength steel for making submarines, a statement said on Sunday.

A high-level navy delegation led by Rear Admiral R Vishwanathan interacted with SR Suryavanshi, executive director (works) and other senior officers of the Odisha-based RSP here on January 13 for commercial production of DMR grade speciality steel, it said.

Senior officers of the chief minister's office and SAIL headquarters also attended the meeting virtually.

During the interaction, Vishwanathan said, "As a policy, the Indian Navy is using indigenous steel for its ship and submarine manufacturing. The RSP is fulfilling the needs of a tough and meticulous customer like the Indian Navy for the last 10 years...commencement of commercial production of the submarine grade steel will further strengthen our association."

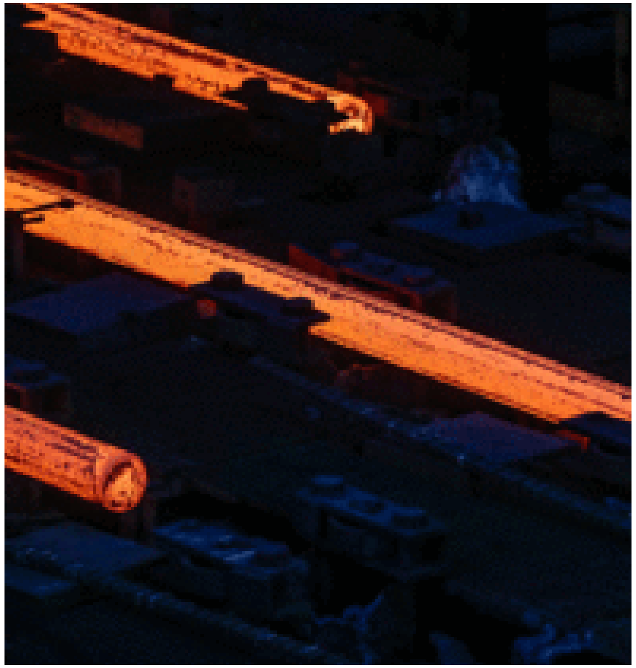
He also hailed the RSP for its efforts in the field of environment and corporate social responsibility.

The RSP has so far supplied more than 7,000 tonne of steel, adhering to stringent quality specifications for use in various naval applications, a source of the unit said.

The special plate plant of the RSP that is dedicated for making steel for the defence sector has been relentlessly working towards developing new grades of customised products that can absorb high ballistic impact, the statement said.

The high-quality steel is being developed with years of research and several rounds of testing, it added.

-Economic Times



CEO SPEAKS

Steel industry can lead the way in private investment revival in India, says Tata Steel MD

The steel industry will lead private sector investments in India as manufacturers make healthy profits during the ongoing cycle of high commodity prices, said TV Narendran, managing director of Tata Steel.

"The profits that we make, pretty much all of that is flowing back into the country as investments," Narendran said in an interview.

For the record, Tata Steel reported net profit of 9,573 crore for the December quarter. "And when you look at triggering private sector investment, I think the steel industry can certainly lead the way and we should allow the steel industry to do that with more capacity in India."

Top three producers - Tata Steel, JSW Steel, and ArcelorMittal-Nippon Steel - have discussed plans of investing up to 1.5 lakh crore over an unspecified period.

Being an iron ore producing country, India should be exporting more steel than it presently does, compared with other countries like China, he said.

"Why should countries which have no iron ore be exporting 50-100 million tonnes of steel? And India, which has iron ore, is hardly exporting 20 million tonnes of steel," he said. "If you want to make in India, you should convert the iron ore into steel for India and for the world."

Neelachal Buyout

Explaining Tata Steel's rationale of buying Neelachal Ispat Nigam Limited (NINL) for 12,100 crore, which many termed as an expensive purchase, Narendran said that the asset was a perfect match for India's oldest steel maker. "Neelachal for us, in many ways, is an ideal fit, because it is 2,500 acres of land across the road from our Kalinganagar plant," Narendran said.

The proximity of the plant to Tata Steel's existing setup in Kalinganagar would help it leverage better economies of scale. The asset will also help the company plug a hole around long products in its expansion plans. Tata Steel has ample capacity for flat products but needed organic or inorganic growth opportunities in long products, Narendran said.

Moreover, the asset came with 100 million tonnes of iron ore reserves, he said. "We bid in a manner that we would have no regrets if we lost it at that price or higher. There is a huge opportunity for us in Neelachal that is unique to us, nobody else has that strategic value."

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With this acquisition, Tata Steel can sufficiently meet its growth ambitions for the coming decade and organically reach up to 50 million tons per annum (mtpa) of production capacity, as per Narendran. The Kalinganagar plant has installed capacity of 3 mtpa which is being increased to 8 mtpa and could be taken up to 16 mtpa as demand increases. The plant at Angul has 5 mtpa capacity which can be increased to 10 mtpa and the Jamshedpur plant has an installed capacity of 10 mtpa. Meanwhile, the Neelachal plant can be ramped up to produce up to 10 mtpa, he said.

The company has been using the current commodity price upcycle to repay its debt and has reached a debt to EBITDA ratio of just under 1, having repaid 17,376 crore in 9MFY22. Narendran said that a debt-EBITDA ratio between 1 and 2 was ideal for a capital-intensive industry like steel manufacturing during a growth cycle and the company will now invest the cash it generates to fund growth rather than repay debt.

Volatile Prices

He expects the elevated commodity prices that turned the fortunes of steelmakers over the past year to remain "volatile at a higher level." While steel prices are volatile, so were input costs like coal and iron ore for steelmakers.

Tata Steel's revenues remained flat sequentially in the December quarter, but its margins took a dip due to sharp commodity prices.

Narendran said that there will be further margin squeeze during the ongoing quarter.

- Economic Times

Steel sector looks to increase production, enhance raw material security in 2022

Increasing per capita steel consumption and production of special steel as well as enhancing raw material security will remain the key focus areas of the government in 2022.

Minister of State (MoS) Faggan Singh Kulaste said the focus will also be on finding new markets as the production of steel continues to grow in the country.

As per the National Steel Policy 2017, the government has set a target to ramp up the country's crude steel production output to 300 million tonnes (MT) by 2030. The policy also seeks to increase the domestic per capita steel consumption to the level of 160 kg by 2030.

In an interview with PTI, Kulaste said the per capita steel consumption in the country is at around 72.3 kg at present, while the capacity is at 143.9 MTPA (million tonnes per annum), and the focus will also be on increasing the output of special steel.

According to the minister, the Indian steel sector is full of opportunities, and the country must aim to grab the numero uno position in quality steel production.

The ministry has already directed the public sector undertakings (PSUs) and private players to take measures to cut imports of special steel.

In 2021, "We signed an MoU with Russia for (to diversify) the supply of coking coal. Players are already using it. The talks with Mongolia are progressing (for the supply of coking coal). PSUs and private players have been directed to increase their Capex and outputs," the minister said.

Besides iron ore, coking coal is another key raw material used for making steel. The industry remains dependent on imports from a select group of countries like Australia and South Africa to meet 85 per cent of their coking requirement.

Industry body Indian Steel Association (ISA) said the finished steel demand in India is expected to be up by around 16.7 per cent to reach around 104 million tonnes by the end of 2021, and by the end of next year, it will be at 111 million tonnes.

ISA Secretary-General Alok Sahay said crude steel production during January-November 2021 period stood at 104.91 million tonnes, and finished steel production and consumption was at 97.882 million tonnes and 93.057 million tonnes, respectively.

"We expect 124-125 million tonnes of crude steel output by 2022-end. Economies have been affected globally by the pandemic and India has been no exception.

"However, Indian economy rebounded back very quickly and steel industry also was put back on rails with the revival of domestic demand growth. Upfront liquidity in infrastructure projects in the pipeline coupled with the government's emphasis on close project monitoring is driving the steel demand in 2022," he said.

ISA is the apex industry body representing the domestic steel players.

In a statement, the state-owned Steel Authority of India Ltd (
SAIL NSE -4.78 %) said 2021 was a challenging year for the company and the entire industry.

In the April-June period of the passing year, the company faced one of the "severest calamities" in the form of the coronavirus pandemic.

However, in 2022, SAIL said it would aim to reduce the borrowings of the company. Its gross borrowings stood at Rs 22,478 crore as of September 30, and the same was at Rs 35,350 crore at the end of March this year.

"In the medium term, we would like to plan our next phase of modernisation and expansion. Our low debt-equity ratio of about 0.44 gives us the confidence and the opportunity to embark on this next phase of capacity expansion.

"We would put more thrust on operational efficiency, digital initiatives, enhanced mining operations, maintaining status as a preferred supplier of steel, etc. in the coming year," the company said.

Tata Steel CEO and MD T V Narendran said the initial few months saw the world and India come out of the COVID crisis with accelerated economic recovery, aided by a concerted focus on vaccination, liquidity push by central banks, policy support and massive investment in infrastructure.

During the second COVID wave in April and May, when India bore the brunt of the humanitarian crisis, the steel industry was able to supply liquid medical oxygen and various COVID-related infrastructure support.

"We are optimistic about 2022 and believe that the current strong upcycle will sustain for a longer horizon. The government's focus on infrastructure, ongoing reform measures, including divestment, rationalisation of the Goods and Services Tax, and unwavering thrust on initiatives like 'Aatmanirbhar Bharat' will provide momentum to India's growth story," he said.

On the business front, Narendran said, "We expect continued focus on enhancing the ease of doing business while also reducing the overall cost of doing business. We look forward to policy measures to promote usage of steel industry by-products like steel slag, implement a national mining index and revamp the mines auction process".

In a statement, JSW Steel CFO and Joint MD Seshagiri Rao said the importance that has been given to the infrastructure and the National Infrastructure Pipeline (NIP) has created a huge demand for steel. With the kind of policies that are being followed by the government "I am sure that in the Indian steel industry we will become the 300 MT country... before 2030".

V R Sharma, Managing Director of Jindal Steel and Power Ltd (JSPL), said that in 2022, the steel industry would enhance its role in national development, employment generation and continue to participate meaningfully in economic developments.

"We at JSPL is advancing in our quest of making available world-class steel products at an affordable price for building nation of our dream. We are going to enhance our production during 2022, which will further increase the availability of steel in the domestic market," he said.

-Economic Times

ARCI marks its silver jubilee

New Delhi, Dec. 29th: Hyderabad-based International Advanced Research Centre for Powder Metallurgy & New Materials (ARCI), known for quality research & development of high-performance materials and processes, celebrated its silver jubilee last Thursday.

ARCI, established in 1996-97, is an autonomous research and development centre of the Department of Science and Technology (DST), Government of India, has transferred technologies to more than 40 companies and developed about 200 technological solutions for industrial and strategic sectors during its 25-year journey.

Dr Tata Narasinga Rao, Director (Additional Charge)said, "25 years ago, we embarked on a journey of shaping the future in the area of Powder Metallurgy, Ceramic Processing and Surface Engineering and later expanded to Nanomaterials, Laser processing of materials, fuel cell technology, sol-gel coatings, solar energy materials and Automotive energy materials, aligning our programmes with national missions."

"We powered through the years with great enthusiasm and zeal towards developing technologies and transferring them to industries", added Dr Rao, during a formal silver jubilee celebration on 23rd December 2021.

Dr Anil Kakodkar, Chairman, Governing Council-ARCI and Dr S. Chandrasekhar, Secretary, DST, congratulated ARCI and wished the organisation reaches greater heights of success in the years to come. They highlighted the fact that 25 years marks a very significant milestone for ARCI during which ARCI achieved many accomplishments in the field of advanced materials and processing and emerging technologies, in the area of Lithium-Ion batteries and systems, supercapacitors, low-expansion glass ceramics, SOFC, Clean coal technologies, etc.

Dr PK Jain, Scientist 'G' and Chairman, Welfare Committee, ARCI, said that ARCI is celebrating its 25th anniversary on the occasion when the country entered its 75th year of independence which is being celebrated as 'AzadiKaAmritMahotsav'.He explained how ARCI started with 11 employees in 1991 and has grown into a nationally unique laboratory in the field of advanced materials and processing technologies.

Dr T. Narasinga Rao emphasized that it is a proud moment to celebrate the silver jubilee of ARCI, where the success is on account of the collaborative effort of the entire ARCI family. Dr Rao said that ARCIscientists are not only transferring the technical know-how to industries but also handholding them till its commercialization. In this process, ARCI is developing highly saleable human resources and striking the right balance between applied and basic research. ARCI has been maintaining Indian as well as International patents leading to several technologies and publications with high impact factors, added Dr Rao.

Dr. R. Gopalan, Regional Director-ARCI Chennai, said that it is the need of the hour for tuning research directions in line with emerging technologies. He recollected the initial days of setting up the Centre for Automotive Energy Materials and shifting of Centre for Fuel Cell Technology to IIT-M Research Park. Technical Research Centre on Alternative Energy Materials and Systems was awarded to ARCI and a major chunk of activities have been initiated at Chennai Centres in setting up the Lithium-Ion Battery plant for fabrication of Li-ion cells and its successful on-road demonstration.

Dr Roy Johnson, Associate Director, said, "ARCI has demonstrated its capability through commercialising the technologies in ceramic honeycombs, transparent ceramics, and silicon carbide space components. Currently, a megaproject on low glass expanding ceramics is ongoing and a project on indigenisation of solid oxide fuel cells (SOFC) for environmentally benign energy generation is also being initiated. Centre is also perusing sol gel-based anti-bacterial and anti-corrosion coatings and activities on semiconductor-based solar thermal power generation."(Indian Science Wire)

-Republic News

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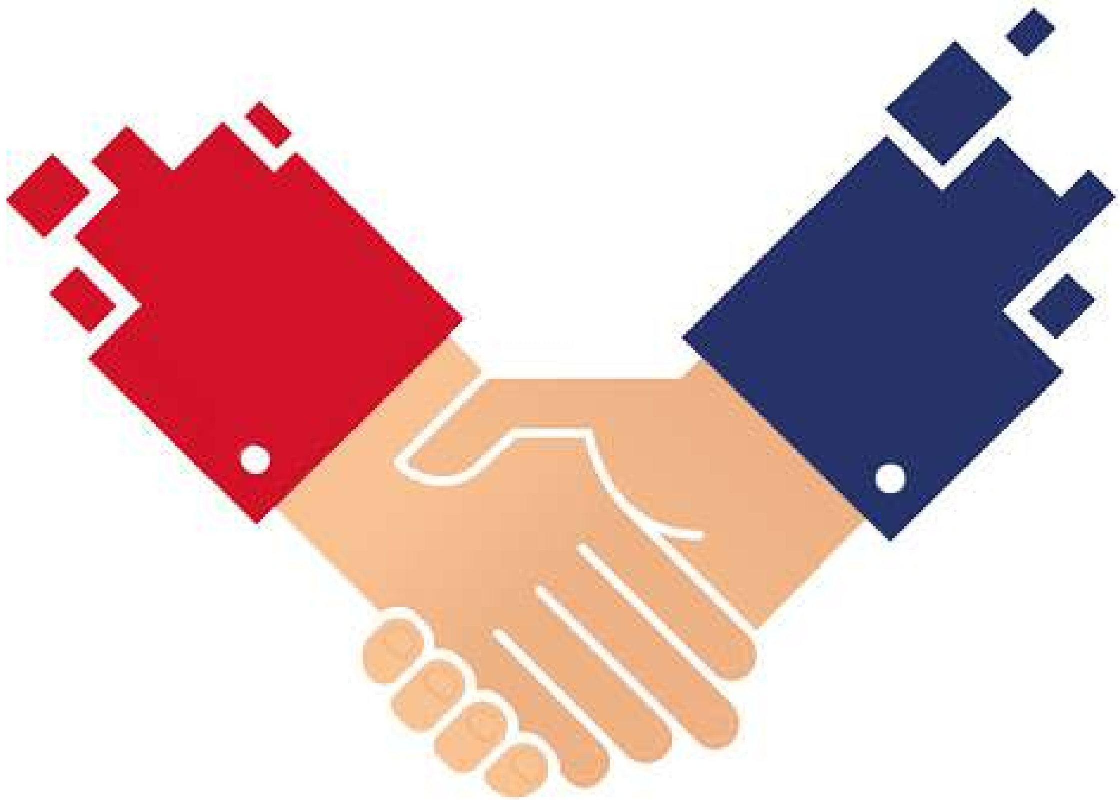
- Build leadership status in the industry
- Create positive PR and raise awareness of the organization as a whole
- Build brand positioning through associative imagery
- Create internal emotional commitment to the brand
- Provide innovative solutions to the industry
- Provide revenue generating ideas



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Thank You

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WASH YOUR HANDS FREQUENTLY

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