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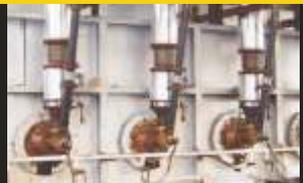
■ Indian Alloy Steel
Market Bracing
for Good Growth

Dr Anil Dhawan

Executive Director of Alloy Steel
Producers Association (ASPA)

■ Post Covid – Supply Chain Scenario :
From Steel's perspective

OIL AND GAS BURNERS ■ BLOWERS ■ VALVES AND REGULATORS ■ COMBUSTION CONTROLS ■ AUTOMATION



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Editorial Desk



D. A. Chandekar
Editor

Dear Readers,

As we all know, steel industry is one of the core industries and steel is the input for many industry verticals. Thus if the economic wheel has to move, the steel furnaces have to blast and the rolling mills have to run. This was once again proved in the post second wave industry scenario.

There are few verticals which suffered heavy losses during this period and are still struggling to come back on track. Tourism industry is a glaring example. Probably they have to reinvent themselves, completely change their approach and try to redefine the tourism industry. This exercise, I am sure will not only help them to float but also to grow. Though there is no such threat posing the iron & steel industry, and it will continue to operate and produce the required quantity of steel, I am worried about the steel production and processing technology and cost. Steel being input material for many industries like auto, construction, white goods etc., high steel prices have cascading effect on the prices of finished goods such as automobiles, refrigerators, washing

machines and many such products. The customer industries have already started complaining about the steel prices. I genuinely feel it is the time for our metallurgists, process experts and technologists have to come out with cost effective technologies, processes of steel making and processing. We have been hearing a lot about the concepts like 'Green Steel' and 'Hydrogen based reduction process' but they are not yet employed on a commercial basis. Yes, Industry 4.0 can help to increase the efficiency and reduce the per ton steel making cost but up to a point. We need a breakthrough technology and process. Can the government, research labs, our ministry put together a development fund and chart a time bound program ? One may feel that I am too much worried about the customers and their costing but mind well, unless our customer industries grow, the steel demand can not grow beyond a point. If we, as a nation want to achieve 300 MT steelmaking capacity creation target by 2031, we need exponential growth, not a linear one.

As I am writing this piece, the covid cases in Mumbai are slowly increasing. The doctors and authorities are asking us to get ready and prepared for a third wave. Though I am very sure that we, as a industry are very well prepared for such an eventuality. The first two waves have taught us the proper protocols and behavior during covid. So, let us be ready but not scared for a possible third wave !

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Face to Face

Indian Alloy Steel Market Bracing for Good Growth

The recent spurt in two-wheeler and lighter passenger vehicles (PVs) and tractors sales spells good news for the alloy steel producers in India.

Severe slowdowns pre- and post-Covid resulted in the suspension of auto orders and reduction in supplies, leading to issues of economies of scale, which, in turn, pushed up the fixed costs of production of alloy steel producers, resulting in negative margins for almost 4-6 quarters in a row last fiscal.

The alloy steel industry in India caters to global and world-class auto makers and original equipment manufacturers (OEMs) like Honda, Toyota, Bajaj Auto, Tata, Mahindra & Mahindra, Ashok Leyland and Maruti Suzuki amongst others. Alloy steel items are not commodity products but are highly customised, mainly for the auto industry, and constitute a prominent section of high-value and specialty steel products. The alloy steel producers' installed total capacity is around 12 million tonnes (mnt).

Dr Anil Dhawan, Executive Director of Alloy Steel Producers Association (ASPA), a steel industry veteran of more than 45 years and a former Executive Director-Marketing of SAIL, explained to Steel World that the alloy steel industry in India caters to global and world-class auto makers and OEMs on a regular basis and has developed highly customised supplier-buyer relationships over the last few decades. Of late, the demand for two-wheelers, light vehicles and tractors has speeded up, spelling good news for both the auto makers and ASPA members. "The industry outlook post lockdowns, second wave is healthy and the alloy steel industry investments and growth are in line



with the requirement of the consuming industries of auto and auto components," Dr Dhawan observed.

In fact, alloy steel producers, through regular interactions with OEMs, the Society of Indian Automobile Manufacturers (SIAM) and the Automotive Component Manufacturers Association (ACMA) have achieved more than 90% localization in the auto industry and are working toward 100% indigenous use of alloy steels.

Dumping a serious concern

As with other items of steel, the alloy steel industry too has been facing serious concern over the dumping of alloy steels by FTA countries like Japan, South Korea and especially China. "ASPA has been requesting help from the Steel Ministry and the government in curbing undesirable imports of alloy steel, particularly from the FTA countries, and China, since these steels are easily available from the domestic alloy steel producers," Dr Dhawan clarified.

"Indian alloy steel producers have accepted the challenges of providing quality steels to these global players and are continuously investing in R&D, new facilities and upgrading in terms of environmental requirements," he further added.



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EV demand positive

The alloy steel industry is also working proactively to meet the challenges of producing steels for electric vehicles (EVs) as well as higher demands that will arise out of the newly-announced vehicle scrappage policy of the Govt, which will accelerate demand for fresh vehicles. "The recent challenge of the Covid-19 pandemic, including the second wave, will be leading to higher demand, is also being met efficiently by alloy steel producers to match the quantum and quality requirements of the auto sector to feed public demand for all sorts of vehicles," Dr Dhawan added, giving a thumbs-up to the decisions of the government.

Increase in cost of manufacturing

However, with a sharp increase in raw material prices, alloy steel producers in India are fighting with their back to the wall and consequently mulling a price increase, SteelMint has learnt.

The price issues are a matter of one-to-one between the buyers/OEMs and each alloy steel producer with each having their demand-supply dynamics to consider. Cost escalations are generally the basis of reaching an understanding between a buyer and each individual alloy steel producer. Alloy steel

producers follow a period-specific price contracts structure which is normally revised 2-4 times a year depending on individual arrangements. The negotiations with major OEMs are inked taking into account the increase in raw material prices during the period as well as the demand and supply situation and the international prices scenario. Global prices of all steel items have increased tremendously as is seen in the last few months.

In fact, since Jun'20, prices of key raw materials like iron ore, LAM coke, and various alloying elements have recorded a sharp increase. Domestic iron ore prices have shot up 120%-125% since Jun'20 while domestic LAM coke prices have increased by over 55%-60%. Prices of other alloying elements too have gone up sharply. Thus, the cost of production has increased multi-fold for alloy steel producers, admitted Dr Dhawan.

Despite such sharp increase in raw material prices, alloy steel prices have increased modestly by only 20-22% since Apr'20 while commodity steel prices have gone up by 60-63%, and are still headed north-ward. Steel prices internationally have also gone up.

Alloy steel producers, it is learnt, have been negotiating with their customers continuously who appreciate the necessity of a price increase to cover the

increase in the cost of production, which is currently being absorbed by individual members.

"There is already a sharp surge in key raw material prices. Amid the robust demand in the domestic and international markets, raw material prices are expected to rule firm, if not increase further," Dr Dhawan further forecasted.

With the prevailing international prices of steel and cost escalations, it is widely felt by industry sources that there is sufficient headroom available with OEM and auto manufacturers to accommodate the evident and imminent price increase seen in alloy steels in the near future.

An overview of the role ASPA which has been playing in promoting the interests of the alloy steel producers.

ASPA represent alloy steel long products manufacturers in India. All major alloy steel long products manufacturers like JSW, Jindal Steel, Mukand, Kalyani, Sunflag, Jayaswal Neco, Vardhman Special steel and many more are our esteemed members.

As an association our focus is to serve the common interests or challenges faced by the alloy steel industry. We take up the issues at the appropriate forums. It may be our parent Ministry i.e Ministry of Steel or any other relevant



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Indestructible blast furnaces
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The Danieli Corus blast furnace design with copper plate coolers and high-conductivity refractories allows for extraordinarily long blast furnace campaigns.

Tata Steel Netherlands recently postponed the revamp of IJmuiden BF #6 until 2022, achieving then **a campaign life of 37 years**, and producing over 85 million tons of hot metal (bosh and stack area).

Also at Tata Steel Netherlands, BF #7 which started its current campaign in 1992, is not scheduled for relining in the foreseeable future.

The ultra-long campaign life is particularly impressive as these furnaces are operating at **ultra-low coke** (down to 250 kg/tHM) and high-productivity rates (3.5 tHM/m³WV.24h). This is achieved through **ultra-high levels of pulverized coal injection** (250 kg/tHM). Furthermore, the furnaces are **operating at over 98% availability** and with fluctuating raw materials properties.

Among those choosing this design are POSCO for its 6095 m³ Gwangyang #1 -the world's largest blast furnace, Russian Severstal, MMK and Metalloinvest, and Vietnamese Hoa Phat.





Face to Face

Ministry or Government Authority or CII or FICCI depending on the nature of the issue. Whenever necessary, we have also initiated dialogues with concerned industry associations like SIAM, ACMA or EXIM etc.

In all, we as Association involved largely in advocacy of common issues faced by our industry and have also succeeded in resolving number of issues over the years. To name few, we successfully co-ordinated with our members to get the anti-dumping duty on alloy steel bars; we successfully negotiated with Graphite Electrode manufacturers to get competitive rates for our members; due to our efforts anti-dumping duty on Graphite Electrodes is removed etc.

Recognising our efforts for our industry we have been appointed on various key committees like JPC Core Committee, Technical committee of Ministry for clearing import applications, Technical committee for revision of various Indian Standards for Iron and Steel etc.

The installed capacity of ASPA members and actual volume of alloy steel produced in India and the production growth rate like say over the last three years before Covid-19 . ;The production and capacity utilisation like at present compared to pre-Covid times?

The installed casting

capacity of the alloy steel producers is nearly 11 million tonnes, and the rolling capacity is of about 7-8 million tonnes.

Auto sector accounts for almost 85% of the total sales of alloy steel in the country. Thus, the performance of auto sector has large bearing on the performance or capacity utilisation of alloy steel industry.

Since auto sector witnessed severe slowdown for almost 18 months prior to the breakout of COVID-19 in March 2020 owing to various reasons like liquidity crunch, slump in demand owing to sustained price increase of vehicles, shift from BS IV to BS VI etc. The severe slowdown dragged the overall production of alloy steel from almost 7 million tonnes in FY18 to 5 million tonnes in FY20, implying almost 14-15% fall per annum in last two years. Nationwide lockdown to curtail the pandemic from last week of March 2020 till May 2020 had further dragged the industry's performance in the first quarter of FY21.

However, post lockdown preference for personal mobility and resilient rural demand helped the auto sector to witness V-shaped recovery especially in Passenger Vehicles and in two wheeler segments. It helped the alloy steel industry to regain its lost momentum. Capacity utilisation of the most of our units have improved

substantially in the last two and half quarters.

Impact Covid-19 had on alloy steel in terms of demand/consumption. How much has it recovered at present?

As mentioned earlier, the alloy steel production and consumption was reeling under pressure in FY19 and FY20 due to sagging Auto demand, increasing imports from China and FTA countries like S Korea and Japan at zero duty, besides heavy imports of Auto components from China. COVID 19 added further woes.

Many units which were under financial stress could not bear the hit on account of the loss of production during lockdown and such units have either been closed down or acquired by other cos.

The Covid 19 further aggravated in last quarter of FY20 and Q1 of FY 21. However the revival of demand of 2- wheelers, Passenger Vehicles and Tractors since the festive season with easing of restrictions on movement, Production of Passenger Vehicles and Two wheelers especially for the main producers in these categories has restored to the normal production level of 2018-19. To meet this rising demand, the domestic alloy steel producers have also strived hard and try to restore their production to the fullest capacity. However, annual figures for



Face to Face

FY21 may continue to show double digit negative growth largely on account of almost no production in Q1FY21.

What exactly is alloy steel and in which industries does it find application mainly and what is the share of each (auto, railways etc)?

Steel which contains alloying elements like



Chromium, Nickel, Molybdenum, Vanadium is considered as alloy steel. Requirements of alloy steels are in small batches ranging from 500 Kgs to 60 MT per grade. Each Alloy steel grade is tailor-made as per customer specification, quantity requirements and end application. Hence, it is not a commodity steel.

Alloy steel is used in highly specialized applications like engine and transmission parts in Auto sector and other niche applications in Engineering, Railways & Defense sectors.

How has the slightly prolonged slowdown in the auto sector been impacting alloy steel consumption in

particular?

Although, our members somehow restored the production to their fullest capacity in the near term to cater the rising demand, it is difficult for our members to decide on future investments to enhance their capacities as the prolonged slowdown in the auto sector even before COVID has adversely

affected the perceived demand over medium term.

Steel industry is a highly capital intensive and high gestation period industry. By the time new investment may come on stream, the auto sector being cyclical in nature may dupe adversely affecting the newly created capacities.

As mentioned earlier there is a gap of almost 3-4 million tonnes in rolling capacities and casing capacities. Our members can augment the gap by investing in rolling mills which is relatively short gestation investment. But the auto industry needs to give the confidence to our members so that they can

invest and bridge this gap and be ready to serve the rising demand from auto sector.

Of late, there has been a sharp rise in the prices of key steel-making raw materials like iron ore, scrap and ferro alloys. How much the alloy steel producers were able to absorb the higher production costs?

As mentioned earlier, alloy steel products are not commodity product and our members follow six monthly price contracts which normally gets revised in April and October. It is not formula based but the negotiations with major OEMs take place based on the increase in raw material prices during the period and demand and supply situation, international prices etc.

Since Jun'20 the key raw material prices like iron ore, LAM Coke, various alloying elements have recorded sharp increase. Iron ore prices in the domestic markets have increased 120% -125% since Jun'20 while domestic LAM Coke prices have increased over 55% - 60%. Other alloying elements have also recorded a sharp increase in their prices. Thus, the cost of production has been increased multi-fold.

Despite such sharp increase in raw material prices, alloy steel prices have increased only around 20 - 22% since Apr'20 while commodity steel prices



Face to Face

have also increased by 60 - 63%. Rest all increase in the cost of production is currently being absorbed by our members.

At the prevailing prices, it is not possible for Alloy steel producers to absorb the entire cost increases seen in last couple of months. There was already sharp surge in key raw material prices. Amid the robust demand in the domestic and international market, the raw material prices are expected to rise further, if not increase further.

Severe slowdown prior to Covid and then Covid resulted into the suspension of orders and the reduction in supplies due to the disruption in the production by Auto manufacturers. Last year, the orders have gone to such a low level that an issue of economies of scale cropped up and thereby increasing the fixed cost of production of Alloy steel producers, resulting in negative margins almost for 4 to 6 quarters in a row.

In view of the financial stress observed last year, the alloy steel producers do not have deep pockets to absorb the increased raw material costs. It is not possible to sustain the production and supplies unless the OEMs and auto component manufacturers absorb the cost increases. Therefore, it warrants the price increase which is normally get revised at the beginning of first half every

year and thus due now.

The price increase is already proposed to Auto OEMs for H1FY21-22 and same is under discussion.

Major production issues alloy steel producers are facing at present and how can these be resolved?

Adequate availability of key raw materials at competitive rates is a major issue faced by the domestic alloy steel producers. Unlike the commodity steel producers, economies of scale are low in case of alloy steel producers. Due to moderate scale of operations, it is difficult for them to bid for mines to have adequate security in terms of raw material.

In view of this, high costs of raw materials - Iron ore, Scrap, ferro alloys and Metcoke, besides high costs of Power and transportation reduces the cost competitiveness of alloy steel producers.

In addition, zero duty imports from FTA countries does not offer any level playing field for the domestic alloy steel producers. The domestic steel producers bear huge cost burden as stated above which is in contrast to the steel producers in Japan and S Korea.

So, it is necessary that the key raw materials should be made available in adequate quantities at competitive rates on sustainable basis for the domestic alloy steel producers.

The government recently

announced the much awaited vehicle scrappage policy. implication it has for alloy steel segment:

The announcement of Vehicle Scrappage Policy by the Government is a very welcome step, and it will certainly be a big push towards Demand generation. In our view, it will create a huge demand for commercial vehicles, which is a major consumer of alloy steel in bulk quantities. While PVs and 2Ws have witnessed a recovery in post Covid era, growth in CVs is lagging. Scrappage Policy and accelerated economic activity is likely to bring stimulus to the CV sector.

It may also address an issue of Scrap availability in the domestic market over the medium term. Scrap is being imported in huge quantities due to its shortage in domestic availability. Alloy steel producers will certainly have positive impact. We thank Government for this much awaited policy and look forward to expeditious implementation.

ASPAC, of late, has been working closely with ACMA and SIAM. The joint course of action is being charted to promote the auto, auto components sector and alloy steel consumption.

ASPAC in close coordination with SIAM and ACMA is working towards 100% Localisation of Alloy Steel Grades which are currently being imported by the auto sector. ■



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Post Covid – Supply Chain Scenario : From Steel's perspective

The celebrations have begun – from China to India....and almost across the world ; companies have started celebrating return of normal (pre-covid) activities. It's delightful to see the boost in customer's confidence across.

Thankfully, conditions look to be improving...and hopefully we all will be out of the devastating COVID 19 soon. As the situation keeps getting better, it will be tempting for most of us to go back to the same old ways of working and managing.

But, here lies the problem.
Let's pause for a moment – and ask ourselves :

"Is everything Normal as far as supply chain management (SCM) is concerned ? ; or are we now entering a playground where the rules of the game of changed".

Time is a very interesting word....

It has the ability to make people forget very fast. Once time passes, we will see that very few learnt the lessons from the pandemic and might land up in dire consequences.

Actually, one should view the situation differently. A close friend of mine always says that opportunities lie in the midst of chaos...and there are huge opportunities after the chaos which has been created by COVID.

Let's discuss what COVID-19 has revealed to the world as far as SCM is concerned.

COVID 19 has exposed the capabilities of SCM, especially when there is a major disruption.

From the time I have been working (now 3 decades) – I have observed that the



Pankaj Jain
CEO, Blue Ocean Steels



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entire focus of SCM team was to minimise costs, reduce inventories and maximise asset utilisation. This was OK when the volumes are more or less rangebound ; and there is a fair degree of global stability.

But, is the current SCM team in most of the organisations ready to absorb global disruptions. Are the team members fully aware of the vulnerability of their supply chain relationships to global shocks.

Let us not shy away from the writing on the wall. We might have to face many more disruptions in the times to come. They can be in the form of Global Warming & floods (as we continuously see and read about floods in very unexpected places), Fires, Social Unrests, Bio-Wars, Trade restrictions, shortages of any one item (say electrodes or semi-conductor chips). In the event of such situation, the demand and supply can just go for a toss – much beyond our imagination.

Let me cite 2 interesting examples – one from the past and one current, which demonstrates how Supply chain miscalculations can throw you out of the gear.

1. Boeing 787 Launch

In the mid 2000's Boeing decided to innovate a game changing commercial aircraft, the 787.

They embraced outsourcing with an intent to

lower the costs and accelerate development. The target kept was to reduce the development time from 6 to 4 years ; and the development cost from USD 10 Billion to USD 6 Billion.

At a Role Model company like Boeing, there were serious supply chain calculations mistake.

Not only the publicly announced launch of May 2008 was missed by a 3 years + , but the cost overruns were Billions of Dollar.

What went wrong with Boeing's supply chain management?

Industry report says – Boeing badly wanted to do much more than it could handle.

They attempted to rapidly change the assembly process and the supply chain simultaneously – and too quickly – and this all lead to disastrous results.

Aerospace-Technology.com made these observations about the debacle:

Changing the supply chain and the assembly process all at once is probably two steps too far too soon. "Boeing probably underestimated the size of the risks involved," says Robin Jackson, chief executive at ADR International.

2. The current semi-conductor crisis—which threatens to cut global auto production output by 7.1 Million vehicles.

What an irony for the Auto

Sector - negligible demand during the pandemic lockdown and the inability to roll out stocks due to the global chip shortage in the post-COVID scenario.

Semi-Conductor Chips might never have come in discussion table for most of the OEMs. Apparently, there was a basic assumption that it will always be available (in plenty).

When one goes for a war, you need to have both Bullets and Toilet paper at the right place at the right time. Toilet papers cannot be ignored. Not trying to say that semiconductor chips are like toilet papers, but important to understand that life is beyond 80:20 principles ; we need to have an end to end planning.

Across Industries, there is an unstoppable desire to instrument/automate everything, along with continued growth in e-commerce, cloud computing and crypto mining. Chips are everywhere from PlayStation to toothbrushes ; but somewhere the whole world missed in making an assessment of the supplies.

Analysts say the chip problem is here to stay and may get extended up to 2022 (Some even say 2023) . Indirectly this means shortage of everything (Cars/TV/Mobiles/Washing Machines/PlayStation etc) in the short term.

I am no authority in Supply Chain management, but with the hands on

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experience of having 220+ Customers mainly in the auto/engineering space who procure special steels products from us across India ; I have few recommendations for the Special Steel users - Auto OEMs and component manufacturers :

1. Talent & Training – To create Future SCM Leaders

Whether we like it or not, I would rate Talent shortage as the No 1 challenge for all companies.

Companies that seek to stay competitive and meet the growing /changing demands of consumers must find / create / attract& retain the right talent. They should not shy away from training their existing team.

India needs supply chain managers with a Global view of things.

2. Identify your vulnerabilities

Each company is unique and the vulnerabilities to which it is also exposed to is unique.

It's extremely important to understand where the risks lie, so that the company – small or large, can protect itself. Actually, it entails going far beyond the first and second tiers and mapping your full supply chain, including distribution facilities and transportation hubs. It may be time-

consuming and expensive, but please remember that a surprise disruption that brings your business to a halt can be much more costly than a deep look into your supply chain is.

Time and again it disrupts us, but are we learning from our/others mistakes ?

3. Diversify your supply base for each of the items.

Create more options for every line item required. Localization and regionalization are gaining traction ; but in my view, having single source or all sources located in a particular geography may not be a good idea. Single Source dependencies needs to be questioned. Companies need to start working with professional supply chain partners...who bring value on the table...even at an incremental cost. Such partners can bring much more flexibility in the times of demand swings.

4. Time for digital transformation& moving towards 100% Transparency.

1st it's very important to digitise as many processes as possible in the supply chain. One can take small projects and have a continuous improvement mindset.

2nd businesses should use the information collected from these digital tools to build a crisis management team. The job of this team should be to collect facts and act rather than getting to blame-game and settling scores, if any.

3rd companies should gain as much visibility as they can into the details of their supply chain. Lack of visibility can frustrate a company's ability to plan ahead and retard the decision-making process."

Do you know that :

In the Chinese language, the word "crisis" is composed of two characters, one representing danger and the other, opportunity.

Last, let us not forget the mantra of resilience by Charles Darwin, who pioneered the theory of evolution

"It's not the strongest of a species that survive, nor the most intelligent, but the ones most resilient and responsive to change."

Every twist and turn in life is an opportunity to learn something new...let's use the lessons of COVID 19 to make ourselves, our companies and eventually India strong. ■

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Swedish Consortium delivered Fossil Fuel-Free 'Green' Steel for the First Time



SSAB – a metal-making company in Sweden has produced the first fossil fuel-free steel in a trial process for the Volvo Group to be used for its truck manufacturing. The steel was produced using HYBRIT (Hydrogen Breakthrough Ironmaking Technology), which uses electricity from renewable sources to create the clean-burning gas. With this process, hydrogen replaces fossil fuels both in the manufacture of iron pellets and carbon purification process.

A Swedish consortium delivered the first batch of the metal—made using 'green' hydrogen—to an automobile manufacturer for truck production. The first delivery of 'green steel' was done in Sweden by Hybrit to truck-manufacturer Volvo AB as a trial run. *The full-scale production of the material will begin from 2026 as Volvo plans to start production of prototype vehicles using green steel by the end of this year.*

The steel industry is one of the major contributors to greenhouse emissions, accounting for up to 8 per cent of global greenhouse gas emissions.

Owned by SSAB, Hybrit started test operations at its pilot plant for fossil-free steel in Luleå, northern Sweden, a year ago. The company aims to replace coking coal, traditionally needed for ore-based steel making, with fossil-free electricity and hydrogen.

Work on the pilot plant began in 2018 at the SSAB site in Luleå, Sweden, where engineers tested the direct reduction of iron ore to make Direct Reduced Iron (DRI), also called sponge iron. The DRI is then used as virgin material together with recycled scrap for steelmaking. Replacing coking coal with hydrogen is expected to reduce emissions from steelmaking by at least 90 per cent.

The company began construction on a plant for fossil-free pellets in Malmberget, Sweden in 2019, where fossil fuels will be replaced with biofuel to achieve fossil-free production of iron ore pellets. A pilot hydrogen storage facility is also being constructed 25-35 meters below the ground, which is expected to operate from 2022 to 2024. The company estimates the plant to cost close to 2 billion Swedish Korona of which 599 million SEK will be given by the

Swedish Energy Agency.

The company is gearing up for having an Hybrit demonstration plant in place by 2025, at the same time as the conversion of SSAB's blast furnace site in Oxelösund in Sweden, which will enable SSAB to produce iron ore-based, fossil-free steel for commercial use in 2026.

Stating that trial delivery was an "important step towards a completely fossil-free value chain," SSAB itself accounts for 10 per cent of Sweden's and 7 per cent of Finland's carbon dioxide emissions.

"The goal is to deliver fossil-free steel to the market and demonstrate the technology on an industrial scale as early as 2026," the company said in a statement.

A pre-feasibility study, conducted in 2016-2017, concluded that fossil-free steel, 'given today's price of electricity, coal and cost of CO2 emissions, would be 20-30 per cent more expensive. However, it also found that fossil-free steel will, in the future, be able to compete in the market with traditional steel.

While steel is one of the major contributors to carbon emissions, experts have been concerned about the difficulty in decarbonising this sector. Carbon dioxide is released from blast furnaces in these industries apart from when coking coal is used to remove oxygen from iron ore.

According to reports, replacing coking coal with hydrogen is expected to reduce emissions from steelmaking by at least 90 per cent.

However, the process to produce steel requires considerable energy, which is typically generated by burning of fossil fuels that produce copious carbon, contributing to the climate crisis.



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News Round Up

ArcelorMittal gets support for green steel plant in Hamburg



ArcelorMittal has received German state funding for half the 110 million euros (\$131 million) it plans to invest in a demonstration steel plant that will use hydrogen produced with renewable electricity.

Environment Minister SvenjaSchultze handed over a cheque for 55 million euros for the direct reduced iron (DRI) plant that will use green hydrogen to reduce iron ore in a CO₂-free steelmaking process, ArcelorMittal said in a statement on Tuesday.

The company aims to produce "green" steel from 2025 onwards, obtaining it from clean DRI derived from a yet-to-be built 50 megawatt electrolyser, and melted with steel scrap in an electric arc furnace, which itself will be fuelled by green power.

Currently, ArcelorMittal produces DRI with so-called grey hydrogen, using natural gas.

Hydrogen is considered green when it is produced from renewable power obtained from wind or sunshine and run through an electrolyser.

The promised funding must be approved by the European Commission under state aid rules.

The port city of Hamburg is building up a hydrogen cluster that ties in a raft of local consumer, energy and manufacturing industries.

ArcelorMittal wants to produce one million tonnes of carbon-neutral steel per year in Hamburg by 2030 to save 800,000 tonnes of CO₂ each year.

Its plan for Hamburg is embedded in its strategy to achieve carbon-free output at all of its four German plants - in Bremen, Duisburg and Eisenhuettenstadt as well as Hamburg - alongside projects in other countries.

"The government will not leave the steel industry alone in its transformation," said Schulze.

"If the companies invest in carbon-neutral activities and products like green steel now, they will survive in the marketplace of the future and their jobs will be safe."

Paying the 'green steel' premium in US auto industry

United State Steel producers and automakers are increasingly focus on tackling climate change challenges and reducing greenhouse gas (GHG) emissions, but it is not clear as yet, if automakers will shell out a premium for low-carbon steel.

Consumers "have to accept a green premium" for the steel sector to achieve net-zero emissions targets, Steel Dynamics Inc president and chief executive officer Mark Millett said during a keynote address on Monday June 21 at Fastmarkets' 2021 Steel Success Strategies Industry Briefing.

However, it will be a few years before a green auto premium can be marketed as a meaningful product, according to Fastmarkets analyst Alistair Ramsay.

"Green steel, or what the World Steel Association now refers to as 'low-carbon steel,' is at this stage a concept and won't start to become a meaningful 'product' for at least five years as different solutions to the problem are developed," Ramsay said.

It is not clear if or how much of a premium US automakers would be willing to pay to ensure a lower carbon footprint, according to a steel producer who wished to remain anonymous. Such a push may become a consequence of government regulations and legislation "forcing the auto market to become 'green' at a cost," the producer said.

"It is not just about an 'X' amount of premium for 'clean' steel - the question is how clean?" the producer said.

"Newer original equipment manufacturers (OEMs) raise the question of decarbonized steel with their suppliers, but the steel industry in the US is already very green."

The auto industry in general expects steel suppliers to take steps to reduce GHG emissions, with the impression that those who don't may get de-sourced, the source said. However, auto customers who prefer electric-arc furnace (EAF) or mini-mills will not cut integrated mills out of the supply chain if they're making the effort, the producer added.

US business magnate and philanthropist Bill Gates wants to eliminate green premiums entirely. For electric vehicles, Gates believes this will happen in the next 10-15 years; but for steel, the technology is still too nascent to be able to forecast.



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Sri DK Mohanty, CMD, RINL felicitates PV Sindhu, pride for our Nation & Vizag Steel



Sri DK Mohanty, CMD Addl Charge, RINL has said that Olympic Bronze Medalist and Brand Ambassador of Vizag Steel Miss PV Sindhu is a new generation sports personality and a pride to the country and Vizag Steel. She made the entire country proud with her back to back Olympic wins. He has envisioned a great future for her and he wished that she will win Gold at Paris 2024 Olympics. On the occasion of Ms PV Sindhu's recent success at the Tokyo Olympics, RINL collectively felicitated her in the august presence of Customers and Vendors today. Addressing the gathering, Sri Mohanty highlighted Ms PV Sindhu's achievements and contributions to sports and promoting the brand image of RINL-Vizag Steel as its Brand Ambassador in the country and abroad. Addressing on this occasion, Sri Mohanty, CMD Addl Charge greatly commended the contributions made by the Customers and Vendors in the growth of VSP. Sri

Mohanty said that RINL has established a strong presence in the market.

He said that MsSindhu is a great inspiration for RINL in promoting its brand image. He exhorted the customers to come forward to further fostering the relations with RINL, who always believe customers as their partners in the progress. The similarities of RINL and the synergy with MsSindhu would help the Company to reach greater heights in serving the stakeholders, he added.

Sri Mohanty said that RINL is active in promoting and strengthen the sports activities, maintaining the Sports infrastructure in Ukkunagaram and urged employees and children to make use of all sports facilities.

MsSindhu expressed her gratitude to the management for reposing trust in her for becoming a "Brand Ambassador of RINL-Vizag Steel". Responding to the felicitations, Ms PV Sindhu acknowledged the support of RINL in strengthening sports and praised RINL for the several sports initiatives being taken up by RINL.

She discussed the importance of Nutrition and regular playing of sports by all children. She also said that hard work will always pay dividends and children and sportspersons should strive for achieving greater heights. She observed that sports infrastructure in Ukkunagaram is very much impressive and exhorted the children to play with determination and commitment to bring laurels to the organization. She also visited Arunodya Special School and interacted with special children. She later inaugurated CISF Badminton Hall.

Low-carbon steel vs alternatives

Ultimately, "automakers will be forced to pay for higher production costs as new investments are made to automotive steel, unless they can successfully remove steel and replace with an alternative material such as plastic, though presumably that is more exposed to fossil fuel," Ramsay said.

But for now, the US auto industry "seems to be evolving on its own without a push from politicians or others," Phil Gibbs, equity research analyst at KeyBanc Capital Markets, told Fastmarkets.

"It's doing its own thing, finding consumer preferences," he said.

Gibbs cited Ford Motor's F-150 pickup truck switching from a steel to aluminium body for light-weighting purposes in 2015 as an example of auto producers making self-directed pivots.

Critics from within the steel industry say that aluminium production is heavily energy-intensive and are pressing the United States Environmental Protection Agency to assess the total lifecycle carbon emissions of vehicles rather than just tailpipe emissions.

Currently, the aluminium industry is responsible for 1.1 billion tonnes per year of carbon dioxide emissions, equivalent to around 2% of all global anthropogenic emissions, making the sector one of the United Nation's most challenging or "hard to abate" industries.

On the other hand, among heavy industries, the iron and steel sector ranks first when it comes to CO2 emissions, and second when it comes to energy consumption, according to a 2020 report by the Paris-based International Energy Agency.

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India's steel output expected to jump 18% to 120 MT in FY22



India's crude steel output is expected to soar about 18 per cent to 120 million tonnes (MT) by the end of the ongoing financial year, Minister of State (MoS) for Steel Faggan Singh Kulaste said. The demand is expected to cross 100 MT during the current financial year, he said. According to official data, India produced around 102 MT steel in the financial year 2020-21, registering a fall of 6.1 per cent over FY20.

According to official data, the country produced around 102 MT steel in the financial year 2020-21, registering a fall of 6.1 per cent over FY20, due to the COVID-19 pandemic and the lockdown necessitated to contain its spread.

"India's production of crude steel was at 37.527 MT, a growth of 44.6 per cent, in April-July 2021. This gives me confidence that we will produce around 115 MT-120 MT in FY 2021-22," Kulaste told PTI sharing his estimates for the current financial year.

Under the National Steel Policy (NSP) 2017, the government has set a production target of 300 MT by 2030-31.

Replying to another question related to steel consumption, the minister said it will be more than 100 MT in the current financial year 2021-22.

In the financial year ended March 2021, steel consumption stood at 93.43 MT, lower by 6.7 per cent over the previous year due to the impact of the pandemic.

Kulaste said the government has announced a ₹100-crore national infrastructure pipeline (NIP). Under the plan, various projects will be implemented across the country where steel will be used in huge quantities.

Mega infrastructure projects, such as PradhanMantriAwasYojana, Bharatmala, Sagarmala and Dedicated Freight Corridors, are already underway which will boost the demand for steel in the country.

He further said the government has also taken various measures to promote locally manufactured steel and reduce the country's dependence on imports for sourcing raw materials.

The Domestically Manufactured Iron & Steel Products (DMI&SP) policy, approved earlier, mandates to provide preference to domestically manufactured iron and steel products in government procurement.

The steel scrap recycling policy, which has been notified, aims to secure raw material availability to IF/EAF (induction furnace/electric arc furnace). This will also reduce imports of scrap which is currently seven million tonnes, out of the total demand of 22-25 million tonnes.

JSW Steel output grows nearly 5% to 13.77 LT in August

JSW Steel posted nearly 5 percent year-on-year (y-o-y) growth in its crude steel output at 13.77 lakh tonne (LT) during August 2021.

The company had produced 13.17 LT steel in the corresponding month last year, JSW Steel said in a statement.

During August 2021, the company said production of its flat-rolled products fell by 8 percent to 8.99 LT, from 9.80 LT in August 2020.

"Production of rolled flat products was lower due to planned shutdown taken for one of the converters at Vijayanagar Works," it said.

Its output of long-rolled products registered a growth of 30 percent at 3.01 LT, as against 2.32 LT in August 2020. The average capacity utilisation for August was 92 percent, JSW Steel said.

NMDC reduces prices, steel companies roll over prices in September

NMDC, the country's largest iron ore producer, has reduced prices by around Rs 1,000 a tonne, the company informed the stock exchanges. With domestic demand playing catch up and iron ore prices on the mend, steel companies have rolled over prices for the month.

Three of the top steel producers said that prices for the month had been rolled over. Steel demand in the domestic market was impacted by the second wave of Covid-19, which reflected in a price correction in July. There was an increase in August in the global and domestic markets on the back of a cut in steel supply in China and now steel prices in the domestic market are being rolled over.

On the raw material side, NMDC, the country's largest iron ore producer, has reduced prices by around Rs 1,000 a tonne, the company informed the stock exchanges on Monday.

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News Round Up

Steel prices have been coming off its highs from June levels when hot rolled coil (HRC) – a benchmark for flat steel – touched Rs 71,000 a tonne. Flat steel is typically used in automobiles and domestic appliances.

A major producer said that currently HRC prices were at around Rs 67,000 a tonne.

According to CRISIL Research, long steel prices have seen a drop of 3-4 per cent (August 2021 versus June 2021) compared to 2-3 per cent in flat steel prices. Long steel is typically used in construction and railways.

Domestic iron ore prices have fallen by 6 per cent in August 2021 over June 2021. With the Rs 1,000 per tonne drop in July 2021, iron ore prices would have seen a fall of 21 per cent in early September over June 2021, according to CRISIL Research.

Factors impacting prices

The recent correction in the market, seen for flat steel, has been due to three key reasons: fall in global steel prices, correcting domestic iron ore prices and weak domestic demand owing to second wave outbreak, auto production cuts, said Chaudhary.

But international prices are still much higher than domestic prices and the gap is widening. "Domestic hot rolled coil (HRC) prices are at a discount of Rs 7,000-8,000 a tonne to export price parity and Rs 11,000-14,000 a tonne compared to import price parity. Despite this, we are focusing on ensuring stability in the market rather than going ahead with a price hike so that consumption picks up fully," said Ranjan Dhar, chief marketing officer, ArcelorMittal Nippon Steel India (AM/NS India).

Dhar also said, "For the first time, we need to make a distinction between demand and consumption. For instance, there is high demand in the auto segment, but consumption is not picking up as production is impacted due to semiconductor shortage."

Overall, there is demand from infrastructure, construction and auto segments, he said, though rural demand was impacted by lower monsoon. "It is improving month-on-month," Dhar, however, added.

Going forward

A major steel producer said that prices could increase in October with festive sales kicking-in. "We foresee flat steel prices to rise by 48-50 per cent in fiscal 2022 with a 26-28 per cent rise in long steel prices. Large steelmakers will see margin expansion of 550-650 bps on healthy top line growth," said Chaudhary.

That expectation is even as global coking coal prices (a major raw material for steel) have risen by over 30-35 per cent in August 2021 over June 2021 on supply disruptions in the global market. The cut in Chinese steel production in the second half is expected to be a major factor driving steel demand and prices.

Rourkela Steel Plant expansion at Rs 5,000 crore soon

Production units are to be connected with a natural gas pipeline to curb the use of fossil fuels.

Rourkela Steel Plant (RSP) of SAIL is all set for another expansion with addition of new production units and technological measures at a cost of around Rs 5,000 crore. A public hearing on environmental impact is scheduled to be held by Odisha State Pollution Control Board at the Civic Centre here on September 13 where all proposed projects would be taken up.

In line with the National Steel Policy, the RSP is planning to increase production capacity of hot metal from the current level of 4.5 million tonne per annum (MTPA) to 4.855 MTPA, crude steel from 4.2 MTPA to 4.85 MTPA and saleable steel from 3.880 MTPA to 4.325 MTPA.

Accordingly, a new coke ovens battery-7 with production capacity of 0.770 MTPA will come up near coke ovens battery-6, new steel melting shop (SMS)-3 having 1.15 MTPA capacity will be set up adjacent to SMS-1 and normalising furnace with 0.3 MTPA capacity will be installed inside the new plate mill to cater to niche market segments. Similarly, a new oxygen plant with capacity of 1,000 tonne per day would be set up near the existing plant to meet the enhanced capacity of the blast furnaces (BFs) and also cater to medical oxygen need.

Under the green initiative, different production units would be connected with the proposed natural gas pipeline network to curb use of fossil fuels like coal. Besides, facilities for charging of pellets, increasing hot blast temperature with installation of a new stove in BF-5 and oxygen enrichment have also been planned for capacity enhancement of the existing BF.

SP management sources claimed that all the proposed projects with superior environment technologies envisage 'zero discharge' concept and would not require drawing additional fresh water from Brahmaniriver. It is claimed that RSP has produced above 92 million tonne in over six decades and contributed more than Rs 22,000 crore to the exchequer of both the Centre and State.

During 2013-14, a massive modernisation and expansion was carried out in RSP enhancing its capacity from 2 MTPA to 4.5 MTPA at a cost of around Rs 13,000 crore. Similarly, A new hot strip mill was commissioned in January, 2020 for around Rs 3,000 crore.



Shri Bajrang Power to add steel capacity

ShriBajrang Power and Ispat Ltd., among top 10 steel producers of India, has lined up brownfield capacity expansion plan worth ₹217 crore of which ₹145 crore has already been invested, a top official said.

The company would be setting up an 0.20 MTPA additional sponge iron plant enhancing sponge-iron output from 0.61 MTPA to 0.81 MTPA. The firm would be expanding steel melting shop capacity from 0.24 MTPA to 0.37 MTPA as well as set up a 0.10 MTPA galvanising plant.

The firm would also enhance captive power capacity by setting up a waste heat recovery based power plant capable of generating 16 MW. The work is expected to be completed before FY22.

As on May 31, the company had thermal power capacity of 83 MW. Through a subsidiary, it is also setting up a 50 MW solar power plant costing Rs.175 crore to reduce dependence on thermal energy.

"The solar power plant will come up during FY23 through investment from internal sources and this will further reduce carbon footprint besides enhancing captive power consumption from 98% to 100%," said SandeepGoel, CFO.

He said the company would finance its capacity expansions through a combination of internal accrual and external borrowings.

Going forward, the company on a standalone basis intends to carry zero-term debt and only will have working capital debt to carry out business.

Jindal Steel And Power's Steel Sales Jump 6% To 7.1 Lakh Tonnes In August



Jindal Steel and Power Limited (JSPL) sales jumped six per cent month-on-month to 7.1 lakh tonnes in August. The steel sales for the company rose four per cent year-on-year to 7.1 lakh tonnes last month, according to a regulatory filing by JSPL to the stock exchanges. Jindal Steel and Power's production stood at 6.6 lakh tonnes

during the month.

The company's exports share increased to 42 per cent in August 2021, which boosted the overall sales. The inventory levels continued to decline as the sales volume surpassed production for the second consecutive month.

"...we hope the domestic demand will rebound sharply once the monsoon season is over. The government of India is pushing its infrastructure projects and this will help steel players to ride the growth momentum", said Mr. VR Sharma, Managing Director, Jindal Steel and Power.

Coal auctions: Modigovt's policy push to private miners will cost Chhattisgarh Rs 900 crore a year

The government has sold coal blocks for far cheaper prices than they fetched five years ago. In 2015, the NarendraModi government auctioned two coal blocks in Chhattisgarh. Gare Palma IV/1 fetched a bid of Rs 1,585 per tonne while Gare Palma IV/7 was auctioned for Rs 2,619. The bid for the first block was too low, the government claimed amid allegations of cartelisation, and cancelled it. In case of the other, it shelved the contract after declaring that the successful bidder had violated its conditions.

It auctioned the mines again in November 2020. This time, the first block, with 159.4 million tonnes of coal, was sold to Jindal Steel and Power Ltd for Rs 342.25 per tonne, a quarter less than the rate the government claimed was too low five years earlier. The second block went for nearly 60 percent less than in 2015.

Chhattisgarh, as a result, will lose over Rs 900 crore per year and potentially Rs 24,065 crore in total over a period equal to the life of the two mines – 19 to 50 years – than it would have if the 2015 bids were accepted, calculations based on government projections and records accessed partly under the RTI Act show.

In all, the government auctioned 19 mines in the middle of the pandemic last year and cost several states thousands of crores in potential revenue.

Why would the Modi government decline to sell the mines for "low prices" only to turn around and sell them for far cheaper?

The 19 coal blocks were auctioned under a new bidding method the government devised when it allowed private and foreign companies in any sector to dig mines and sell coal. Billionaire GautamAdani's group and its subsidiaries bid for 12 of these mines, winning two.



News Round Up

Critics questioned the timing of the auction. Jharkhand, which has over 26 percent of India's coal reserves, labelled the entire exercise "farcical".

This is how lucky the private companies got: Chhattisgarh's Gare Palma IV/1 block had fetched the highest bid of Rs 1,585 a tonne from Vedanta's Balco in the 2015 auction. In 2020, the block with 159.4 million tonnes of coal was sold to Jindal Steel and Power Ltd for Rs 342.25 a tonne, based on its final offer of 25 percent share of the revenue.

Chhattisgarh will get at least Rs 14,174 crore less in revenue over the life of the mine than it would have if the Balco's bid were accepted.

Gare Palma IV/7, which holds 239.04 million tonnes of coal, was auctioned in 2015 for Rs 2,619 a tonne to Monnet Ispat. But the government cancelled the contract in 2018 on the grounds that Monnet had "failed to develop the mines as per the timelines" laid down in the agreement. Five years later, it accepted a 60 percent lower rate, costing Chhattisgarh an estimated RsRs 9,891 crore in revenue from the mine.

It's difficult to estimate the true commercial value of all the coal blocks on offer in 2020. In the case of the two Chhattisgarh mines though, the 2015 auction bids made doing the maths possible.

The 2020 auction drew criticism for letting miners get cheap deals at the expense of the states. They got help in two ways. First, the Modi government set the floor price too low through a complex formula and held the auction at a time when the power sector – which consumes nearly 85 percent of the coal produced annually – was ailing and losing appetite for the fuel.

Second, the nationwide lockdown during the first Covid wave had sent the economy into a tailspin which it's yet to emerge from.

Worryingly for states, the government is going with the same formula to calculate the floor price and revenue share for the ongoing second round of auctions of 67 coal blocks.

In a February 28, 2019 meeting at the Coal India office whose minutes we accessed under the RTI Act, a former secretary to the government and a senior NitiAayog official declared that going forward commercial mining was the "ultimate aim".

That the power sector is still in bad shape only adds to the woes of the state governments.

Produce more coal or no supply from CIL: Govt warns captive mine owners



Mine owned by private companies falling short on their production, observes ministry; warning comes in wake of country's thermal

power units facing coal shortage

Issuing a stern warning to private companies who are captive coal block owners, the ministry of coal said either their said mines should ramp up production or face regulation in coal supply from state-owned Coal India Ltd (CIL).

The ministry, which reviewed the coal production of the captive (self-use) coal mines awarded to private companies, observed the production from these mines was below target. The warning comes in the wake of the shortage being faced by the country's thermal power units.

Of the 43 coal mines awarded to the private companies in the power, steel and metals sector, which are operational now, not a single one is meeting its targeted annual production. These mines were awarded over the last five years.

In 2014, a Supreme Court decision cancelled all coal block allocations made over the past two decades. In 2015, the Centre offered 34 coal blocks in first ever e-auction held in three tranches. The coal blocks went to private companies, including Hindalco, Balco, Jindal, JSW, Adani, GMR, Essar, among others. This was for captive or own use in power, iron and steel sectors. Last year, three tranches of coal auction were held after a hiatus of two years and nine blocks were successfully awarded.

"The production of coal from the captive mines has been reviewed recently by the Nominated Authority. The review revealed that many allocates are falling severely behind the schedule of production as per the 'peak rated capacity' (PRC)," said the note by the ministry of coal.

With the coal crisis looming in the country as close to 41 thermal power units with super-critical (less than 7 days) of coal stock, the ministry of coal has reprimanded the captive mine owners. It said, "In view of shortage of coal in the country and shortfall of production from the captive coal mines, you are requested to ramp up the production to meet your captive requirements."

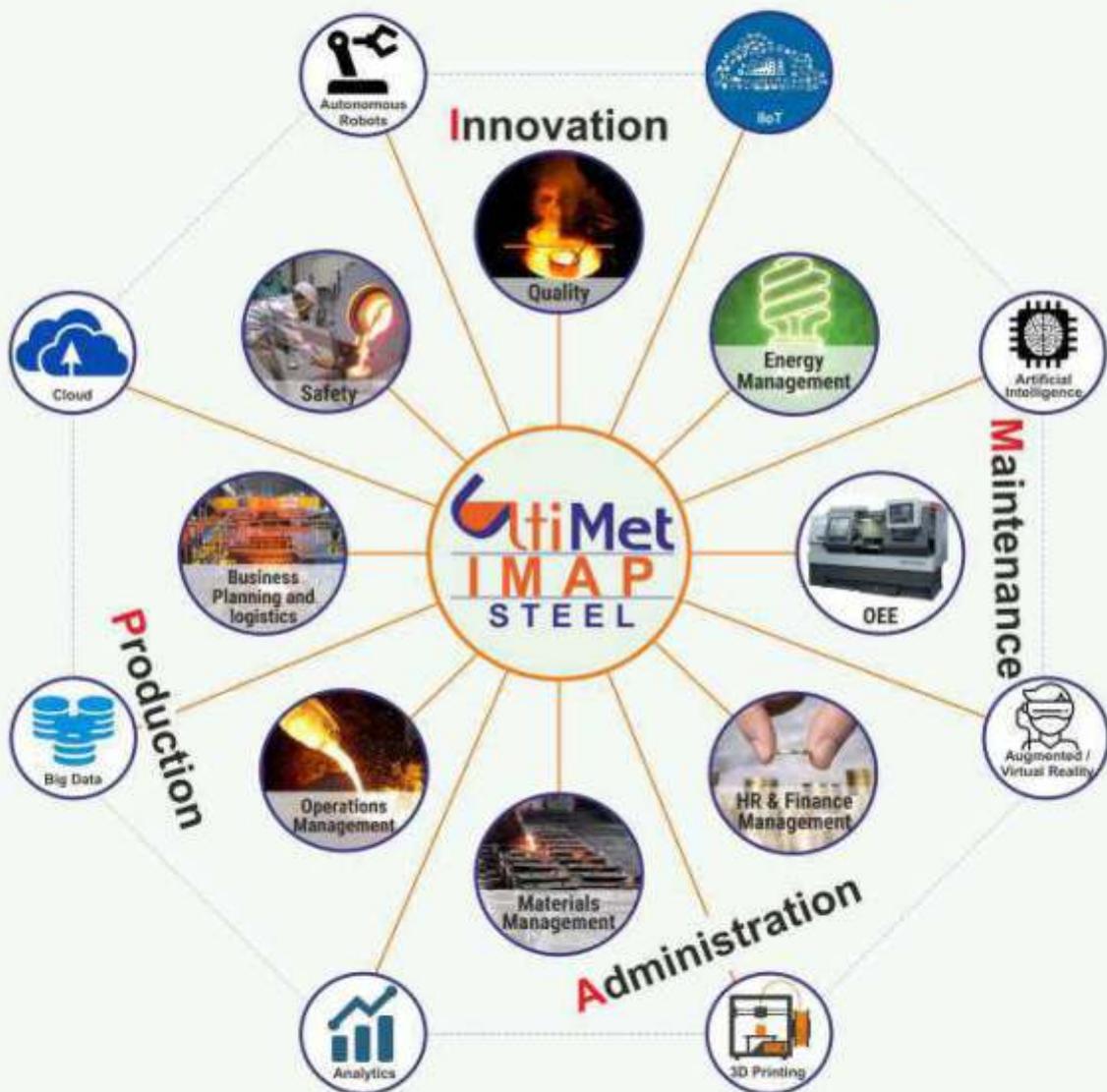
The ministry further said, if the production is not increased at the earliest, "the ministry of coal will be required to take corrective steps to regulate supply of coal from CIL to your end-use plants."

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Iron-ore prices tank as China's steel output slows

The January delivery on China's Dalian Commodity Exchange dropped as much as 5.6% to \$113.26 a tonne. Iron ore prices tumbled more than 5% on Monday, with the Dalian benchmark hitting its lowest in seven months, on rising port side stocks of the steel making ingredient in China due to increased shipments and weak domestic demand.

The most-traded iron ore for January delivery on China's Dalian Commodity Exchange dropped as much as 5.6% to 731 yuan (\$113.26) a tonne, its weakest since Feb. 4. Iron ore's most-active October contract on the Singapore Exchange shed as much as 5.1% to \$135.70 a tonne, its lowest since Aug. 24.

Imported iron ore stocked at ports in China, the world's top steel producer, climbed to 131.40 million tonnes last week, the highest since end-April, SteelHome consultancy data showed.

Spot iron ore in China tumbled to \$145.50 a tonne on Friday, the weakest since Aug. 23, from \$156 a week earlier, SteelHome data showed.

Iron ore prices have fallen under the weight of "a



monstrous 4-million tonne" increase in weekly shipment from Australia in the last week of August, according to Atilla Widnell, managing director at Singapore-based Navigate Commodities. Chinese iron ore producers' plan to increase their domestic

output by more than 100 million tonnes between 2021 and 2025 also added some pressure on prices, he said. Some industry data showing China's weekly steel output had increased may have also prompted the continued iron ore sell-off, Widnell said.

"Increasing steel output occasionally has a counter-intuitive effect on iron ore prices given that retail investors sell the feedstock as they expect steel margins to compress," he said.

In sharp contrast, other steel making ingredients extended their record-setting rallies on supply concerns. Dalian coking coal jumped 7.7% to a life-high 2,818 yuan a tonne. Coke climbed 4.8%.

Rebar on the Shanghai Futures Exchange rose 1.5%, while hot-rolled coil gained 1.8%. Stainless steel gained 6.8% to hit a five-week high.

BGH Freital grants final acceptance for AOD converter supplied by Primetals Technologies

The German steel producer BGH Edelstahlwerke GmbH has granted Primetals Technologies final acceptance certification for a new argon oxygen decarburization (AOD) converter, thereby expanding the company's electric steel mill in Freital, Saxony.

The new converter supplements and reduces the workload of the existing vacuum oxygen decarburization (VOD) plant. With low capital investment costs, production can be made more flexible and the specific consumption of raw materials, refractory materials, electrical energy and operating materials can be reduced. At the same time, productivity is increased due to shorter treatment times and the quality of the end products is further improved. The planned capacity of the extended steel mill corresponds to an output of about 120,000 metric tons of stainless and special steel per year. Primetals Technologies received the order at the beginning of 2019.

Primetals Technologies to supply a new bar rolling mill to Pak Steel, Pakistan

Primetals Technologies has received an order from Pak Steel to supply a bar rolling mill for the site located in the Hattar Special Economic Zone (HSEZ), in Khyber Pakhtunkhwa province. The new mill will enable Pak Steel to enlarge its footprint in the growing regional market of infrastructure projects. The mill will manufacture concrete reinforcement steel bars (rebars) with diameters ranging from 8 to 40 millimeters. The design capacity will be 450,000 metric tons per year. The billets will be directly charged in hot condition to the rolling mill, which will provide significant energy savings as well as higher metallic yield. The commissioning into operation of the mill is scheduled in the fourth quarter of 2022.

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Jindal Stainless Limited elevates Rajeev Garg as Head of Sales



Jindal Stainless Limited (JSL) has announced the appointment of Mr. Rajeev Garg as the Head of Sales. In his new role, he will oversee domestic as well as international sales functions for the Company. In his earlier role as Head – Domestic Sales, Mr. Garg was responsible for Domestic Sales and Distribution. Key focus areas for his new role

will include formulating and implementing strategies for growing business in domestic and export markets, including segments like Railways, White Goods, Auto, Industrial Fabrication, Building & Construction, Pipes & Tubes, Transportation, Infrastructure, Nuclear & Marine applications, and institutional sales.

Commenting on the appointment, Managing Director, Jindal Stainless, Mr. Abhyuday Jindal, said, "Given Rajeev's impressive track-record at Jindal Stainless, his experience will be pivotal to the Company's growth during its current expansion phase.

From market development to topline growth, we're looking forward to harness more value for the Company and its customers in both domestic and international markets. I look forward to his leadership in propelling our growth into the next orbit."

Mr. Garg carries with him over 24 years of relevant and rich industry experience, and has been associated with Jindal Stainless for the last ten years. Under his stewardship, the Company has successfully achieved market penetration in several end-user segments in India.

Mr. Garg holds a Bachelor's degree in Technology and Mechanical Engineering from the prestigious Indian Institute of Technology, Delhi, and is an MBA from SP Jain Institute of Management and Research.

SMS to install water treatment technology in Duferco's section rolling mill

Italian section producer Duferco Steel has contracted SMS group (www.sms-group.com) to equip its new section rolling mill in San Zeno, Brescia, Italy, with a comprehensive water treatment plant. The new water management system will enable Duferco to meet all future environmental requirements.

Antonio Gozzi, President of Duferco Italia Holding, says: "Saving and treatment of water are two essential factors

for the sustainability of a green plant which will help us attain our production targets in compliance with European environmental standards. This is the reason why we selected SMS as our partner who will support us on the road to setting a new efficiency standard in the production of sections in Europe."

For an eco-friendly production process, the water treatment plant will be equipped with the latest technologies from SMS. It makes sure the production processes will be supplied with the needed water volume just at the right moment. Thanks to water treatment it will be possible to reduce the total amount of filtered particles in the discharged water to less than 5 ppm. In addition, product quality assurance will be improved due to a more efficient control of the production process. Three main circuits will be integrated in the medium section mill of the facility: indirect cooling, direct cooling and sludge treatment. The indirect cooling system will be used in the reheating furnace and the rolling mill, the direct cooling system in the reheating furnace, the roughing and tandem mill, the rinsing channel and at the cut-to-length saw. The sludge treatment system will be available for all units. In case of a power failure, water supply will be ensured by emergency generators. Fill water treatment will minimize the fill water volume by increasing the concentration of chemical constituents and hence reducing the need for feed water. To reliably satisfy European, Italian and local environmental requirements, the plant further offers the option of treating settling water.

The scope of equipment SMS is to supply to Duferco hence includes an advanced water treatment plant in addition to a new medium section mill with all electrical and automation systems, the contract for which was awarded earlier this year.

Commissioning of the overall project is scheduled to take place at the end of 2022.

This new order reinforces the leading position of SMS in the market of water treatment plants for the steel industry and other metallurgical sectors.



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ArcelorMittal Temirtau awards Danieli Corus with iron making and steelmaking projects



ArcelorMittal Temirtau again has chosen Danieli Corus to implement new ironmaking and steelmaking projects at the Temirtau steel plant in Kazakhstan. Hot blast stoves #8 and #10 serving blast furnace #3 will be revamped. The project includes a conversion from a hemispherical to a mushroom-dome design, the installation of a ceramic burner and the application of the proven Danieli Corus design featuring expansion allowance in the refractory construction. Hot blast stove #9 also is being revamped by Danieli Corus.

Furthermore, after the commissioning of the new, 300-t converter #3 at Temirtau, ArcelorMittal ordered the replacement of the other two 300-t converters. Like for converter #3, these vessels will be equipped with a maintenance-free suspension system based on vertical and horizontal, patented Daniella elements.

The first-ever minimill producing wirerod in endless casting and rolling mode

The twin-strand MIDA QLP in operation at Guilin Pinggang since December 2020 established and holds the single-strand casting productivity record. There, 111 tph per strand were recorded, exceeding the design speed of 105 tph per strand, which is continuously achieved.

This is even more significant considering that it was achieved on the wirerod line, as it is the only plant in the world producing wirerod in endless mode.

The Danieli MIDA QLP TWIN plant features two rolling mills fed by a two-strand caster operating in full endless casting and rolling mode, resulting in stable rolling conditions and consistent energy savings. Being endless it avoids any material cropping with maximization of the overall process yield, as well as constant quality along the entire rolled finished product.

The two mills consist of 20 housingless stands each and produce respectively 10 to 28-mm-dia rebars and 6 to 12-mm-dia ribbed wirerod for total 1.3 Mtpy of construction-grade steel.

The UFG Ultra Fine Grain process guarantees high-quality

products for reliable construction purposes, whilst allowing considerable alloy savings.

The wirerod mills include the latest design loop layers with optimized pipe shape and material that allow long-life operation while the patented oil film bearing ensures the best rotordynamics stability, even at the highest rolling speeds, up to 130 m/s.

Endless loops are cooled and then collected in the rotating pit, where a special design shear performs the ring cut when the proper coil weight has been reached. The sum of the installed Danieli technologies allows the most competitive CapEx and OpEx.

Located nearby Guilin City, in the Guanxi province, the MIDA QLP TWIN of Guilin Pinggang is the first green steel plant for long products in China.



SAIL employees win the highest number of PM's Shram Awards

31 employees of Steel Authority of India Limited (SAIL) have won the Prime Minister's Shram Awards for the Performance Year 2018 for their exemplary workmanship, innovativeness and dedication to the duty. Out of the total 69 awardees, 31 awardees are from SAIL. This is the highest number of PM's Shram awards won by the employees of any organization during the year. Six employees of SAIL have won ShramBhushan, six employees have won ShramVir/Veerangana and nineteen employees have bagged the Shram Shree/Devi awards.

Congratulating the winners, Smt Soma Mondal, Chairman, SAIL said, "SAIL employees have always made their mark with their skill, ingenuity and dedication. Shram Awards being one of the most respectable awards conferred upon workmen by the Government of India, our employees have once again made all of us proud with their achievements. A company is as good as its workforce and the winners have brought recognition not only for themselves but also for this great company. Winning such awards shall enthuse the collective to contribute even higher".

The Prime Minister's Shram Awards recognizes the outstanding contributions made by workmen for their distinguished record of performance, devotion to duty of the highest order, specific contribution in the field of productivity, proven innovative abilities, presence of mind and exceptional courage, among others.

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ASK Chemicals employees do sports for a good cause



At the beginning of the year, ASK Chemicals invited its employees to participate in

sports for a charitable cause. Participants in the "Every Mile and Every Kilometer counts" campaign covered around 58,000 kilometers in 6 months through running, hiking and cycling - in other words, once around the world and even a little further.

Health protection and the contribution to a good cause were equally at the focus of the campaign. "We wanted to offer our employees an incentive to actively seek a counterbalance to the home office at the beginning of the year when, due to Corona, leisure time was more difficult in many countries. In the end, we succeeded in doing just that. With the common goal of supporting a charitable organization in mind, many colleagues from all over the world came together in virtual sports communities," says Rudi Nerinckx, Chief Human Resources Officer at ASK Chemicals.

The donation of BRL 30,000 (~EUR 5,000) went to the Boldrini organization from Campinas. ASK Chemicals left the choice of the charitable organization up to the employees in a survey. At the end of June, the vote went to the "Centro Infantil Boldrini" in Campinas, which specializes in pediatric oncology and hematology. The organization includes a hospital specializing in the treatment of cancer and oncohematological diseases in children and adolescents. Other centers of excellence under the umbrella of the Boldrini Organization include scientific research and academic training in these fields.

"As a Campinas-based company, we are particularly pleased to be able to support the Boldrini organization with our donation," said Almir Gozzi, Senior Vice President South America of ASK Chemicals, who met with Dr. Silvia Brandalise, director of the "Centro Infantil Boldrini," for the handover.



"Ispat Suraksha Puraskar Awards" to RINL-Vizag Steel

RINL-Visakhapatnam Steel Plant bestowed with "Ispat Suraksha Puraskar Awards" for the calendar years 2018 & 2019 (2 years period) and 2019 & 2020 (2 years period) by the Joint Committee on Safety, Health & Environment in the Steel Industry (JCSSI).

Sri AK Saxena, Director (Operations), RINL in the presence of Sri KV Vidya Sagar, ED (W) I/c given away the awards to the winning departments in a function held today at ED (Works) Main Conference Hall, Visakhapatnam Steel Plant. All CGM's, HOD's, Representatives from Award-winning departments, JCSSI Members, Union representatives and Central Safety Committee members attended the Function.

The following Zones of RINL-VSP bagged the "Ispat Suraksha Puraskar Award".

1. No Fatal Accident occurred during the Calendar years 2018 & 2019

- Coal, Coke & Chemicals
- Steel Melting Shops, Continuous Casting Shops
- Rolling Mills
- Projects

2. No Fatal Accident occurred during the Calendar years 2019 & 2020

- Coal, Coke & Chemicals
- Steel Melting Shops, Continuous Casting Shops

The Joint Committee on Safety, Health & Environment in the Steel Industry (JCSSI), earlier named as Standing Committee on Safety for the Steel Industry (SCSSI) came into existence on 27th April 1973. This is an Apex bi-partite forum at the national level having representatives from Public and Private Steel Sectors.





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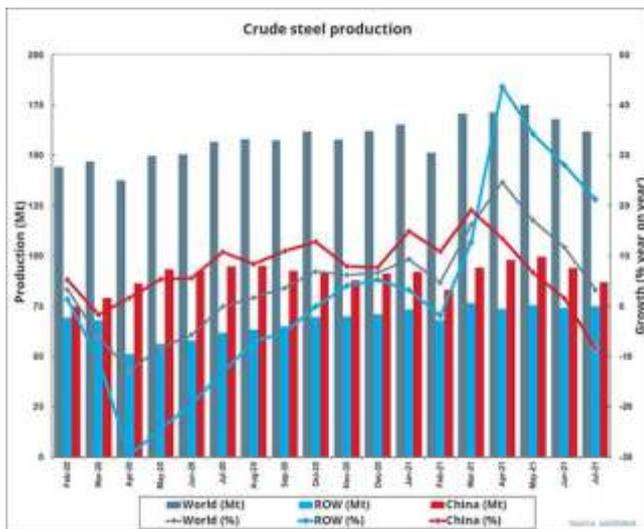
Global Steel output drops in July over its previous month

World Steel Association says output this July in China fell by more than 7 million tons compared with June, causing global falloff. As per the data collected by the Brussels-based World Steel Association (Worldsteel) show global steel output of 161.7 million metric tons this July 2021 represented a 5.8-million-metric-ton drop compared with the previous month.

Contrary to the prevailing trend the previous two decades, output in China declined in July while production in the rest of the world increased in aggregate. Worldsteel shows China with a July production figure of 86.8 million metric tons, down by more than 7 million tons from a June figure of 93.9 million metric tons.

Economists also are keen to determine whether a retreat from the massive infrastructure spending and apartment tower building of the previous two decades may also be contributing to a steel slowdown.

In much of the rest of the world, as economies continue to rebound from earlier COVID-19-related restrictions, steel output was stable or increased slightly in July compared with June. In the United States, steel output of 7.5 million metric tons in July represented a 5.6 percent increase as compared with the 7.1 million tons made in June.



A government effort to reduce carbon emissions has been cited as the predominant reason for the steelmaking decline in China. China wants its top five steelmakers to account for 40% of the country's total steel output by 2025, as it aims to meet its ambitious decarbonisation goals.

The country is vowing to become carbon neutral by 2060, but it wants to hit peak carbon emissions much earlier, by 2030. To achieve these goals, plans have been laid out by several energy-intensive industries. China's steel industry accounts for around 15%-20% of national carbon emissions annually.

The recent merger and acquisition transactions have raised the share of China's top five steelmakers from 26% to 30% of the country's total steel production.

	million tonnes		million tonnes	
	July 2021	% change Jul-21/20	Jan - Jul 2021	% change Jan - Jul 21/20
Africa	1.3	36.9	9.3	29.2
Asia and Oceania	116.4	-2.5	853.0	10.9
OS	9.2	11.2	62.5	9.0
EU (27)	13.0	30.3	90.8	20.1
Europe, Other	4.1	4.6	29.3	15.6
Middle East	3.6	9.2	25.3	10.0
North America	10.2	36.0	68.7	18.7
South America	3.8	19.6	26.4	26.3
Total 64 countries	161.7	3.3	1,165.3	12.4

Output in Turkey—the largest buyer of exported U.S. ferrous scrap—decreased in July compared with June, however, declining by 5.9 percent. China's July output figure also represents a sizable year-on-year decrease, falling 8.4 percent compared with July 2020, according to **Worldsteel**.

Turkey, however, produced nearly 23 percent more steel in July of this year compared with July 2020, putting in the category of nations showing a rebound from earlier in the pandemic.

The U.S. July 2021 figure represents nearly a 38 percent boost compared to its steel output in July 2020.

	million tonnes		million tonnes	
Countries	July 2021	% change Jul-21/20	Jan - Jul 2021	% change Jan - Jul 21/20
China	86.8	-8.4	649.3	8.0
India	9.8	13.3	68.0	28.7
Japan	8.0	32.5	56.1	16.2
United States	7.5	37.9	49.5	18.5
Russia	6.7 e	13.4	44.9	9.2
South Korea	6.1	10.8	41.3	8.7
Germany	3.0	24.7	23.6	18.9
Turkey	3.2	2.5	22.9	17.7
Brazil	3.0	14.5	21.0	22.0
Iran	2.6 e	9.0	17.8	9.9

e - estimated. Ranking of top 10 producing countries is based on year-to-date aggregate



SIAM Statistic

Passenger vehicle sales rise to 2.64 lakh units in July

"Indian automobile industry continues to face heavy headwinds in the form of global semiconductor shortage and steep rise in commodity prices. On one hand, the industry is managing such supply chain challenges while ensuring safety of its people, and on the other hand industry is also keeping a close eye on the onset of a third wave in India and across the world," Rajesh Menon, Director, SIAM



As per the Society of Indian Auto Manufacturers (SIAM) latest press release data indicates that India's Passenger vehicle sales jumped to 2.64 lakh units in July compared to 1.82 lakh units in the same period last year.

SIAM stated that though there is recovery in the passenger vehicles segment sales, they are still less than the 2016-17 level. Two-wheeler sales are lower than the 2010-11 level, whereas the three-wheeler segment has gone back by many years, the auto industry body noted in its official release.

Two-wheeler and three-wheeler segments also saw

a rise in sales during this month. Two-wheeler sales fell to 12.53 lakh units in July this year vs 12.81 lakh units sold in the same period last year. Three-wheeler sales went up to 17,888 units in July this year compared to 12,728 units last year. With this, sales across three segments went up to 15.36 lakh in July 2021 vs 14.76 lakh in July 2020.

Motorcycle sales were at 8,37,096 units last month as against 8,88,520 units in July 2020, down 6 per cent. Scooter sales increased 10 per cent to 3,66,292 units from 3,34,288 units. Similarly, three-wheeler sales surged 41 per cent to 17,888 units last month as against 12,728 units a year ago.

The total sales across

categories, excluding commercial vehicles, stood at 15,36,269 units compared to 14,76,861 units in July last year.

The auto industry body said the industry is trying to maximise production and sales in the midst of an uncertain and challenging business environment.

In the April-July period, domestic passenger vehicle sales stood at 9.10 lakh units. Three-wheeler sales numbered 42,264 units and two-wheeler sales stood at 36.57 lakh units which are still lower than the level of 2016-17; for Two-wheeler segment, still lower than the level of 2010-11; and Three-wheeler segment has been pushed back by many years.





<i>SIAM</i>						
Segment wise Comparative Production, Domestic Sales & Exports data for the month of July 2021						
(Number of Vehicles)						
Category	Production		Domestic Sales		Exports	
Segment/Subsegment	July		July		July	
	2020	2021	2020	2021	2020	2021
Passenger Vehicles (PVs)*						
Passenger Cars	1,29,158	1,75,218	1,02,773	1,30,080	22,806	34,933
Utility Vehicles(UVs)	80,540	1,47,658	71,384	1,24,057	11,256	17,383
Vans	8,788	10,493	8,622	10,305	121	3
Total Passenger Vehicles (PVs)	2,18,486	3,33,369	1,82,779	2,64,442	34,183	52,319
Three Wheelers						
Passenger Carrier	26,450	55,870	6,733	11,181	19,585	44,660
Goods Carrier	7,017	7,294	5,995	6,707	310	337
Total Three Wheelers	33,467	63,164	12,728	17,888	19,895	44,997
Two Wheelers						
Scooter/ Scooterettee	3,23,750	4,24,328	3,34,288	3,66,292	8,971	33,678
Motorcycle/Step-Throughs	10,80,760	12,23,412	8,88,520	8,37,096	1,71,330	3,43,194
Mopeds	58,948	53,252	58,403	49,279	720	326
Electric Two Wheelers	103	1,108	143	1,270	-	-
Total Two Wheelers	14,63,561	17,02,100	12,81,354	12,53,937	1,81,021	3,77,198
Quadricycle	-	402	-	2	102	426
Grand Total of All Categories	17,15,514	20,99,035	14,76,861	15,36,269	2,35,201	4,74,940

* BMW, Mercedes, Tata Motors and Volvo Auto data is not available

<i>SIAM</i>						
Summary Report: Cumulative Production, Domestic Sales & Exports data for the period of April-July 2021						
Report I						
(Number of Vehicles)						
Category	Production		Domestic Sales		Exports	
Segment/Subsegment	April-July		April-July		April-July	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
Passenger Vehicles (PVs)*						
Passenger Cars	2,05,564	6,10,836	1,82,824	4,67,271	54,679	1,14,309
Utility Vehicles(UVs)	1,45,755	4,88,511	1,39,409	4,10,149	22,963	64,534
Vans	12,218	34,681	14,280	33,294	160	591
Total Passenger Vehicles (PVs)	3,63,537	11,34,028	3,36,513	9,10,714	77,802	1,79,434
Three Wheelers						
Passenger Carrier	82,587	2,05,486	13,652	26,950	70,012	1,79,052
Goods Carrier	13,212	19,661	11,836	15,314	514	3,527
Total Three Wheelers	95,799	2,25,147	25,488	42,264	70,526	1,82,579
Two Wheelers						
Scooter/ Scooterettee	4,81,981	11,17,588	6,73,296	9,58,737	23,667	1,23,823
Motorcycle/Step-Throughs	21,27,797	39,46,757	17,90,263	25,77,294	4,93,858	13,85,183
Mopeds	1,03,632	1,16,738	1,12,111	1,18,288	1,479	5,294
Electric Two Wheelers	183	3,311	193	3,209	-	-
Total Two Wheelers	27,13,593	51,84,394	25,75,863	36,57,528	5,19,004	15,14,300
Quadricycle	431	2,050	-27	2	499	2,051
Grand Total of All Categories	31,73,360	65,45,619	29,37,837	46,10,508	6,67,831	18,78,364

* BMW, Mercedes, Volvo Auto data is not available and Tata Motors data is available for Apr-June only

राष्ट्रीय इस्पात निगम लिमिटेड
(भारत सरकार का उद्यम)
विशाखपट्टणम इस्पात संयंत्र

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RINL recently launched a new customer friendly initiative i.e. "RINL eSuvidha" – a Online Retail Portal to procure steel by customers all over India.

"RINL eSuvidha"

- Desktop/Mobile enabled website for customers across the country, to logon and access RINL-VizagSteel's Quality products in a convenient, transparent & efficient manner.
- Portal enables RINL to offer quotation against the customer's enquiry and the customer can confirm the order on the portal itself.
- Facilitates the customer to book order-on-line for quantities, make payment on-line for getting the material at their door steps.
- Provides a hassle free access to purchase quality steel products from RINL –Vizag Steel from any part of India.

The principal products of RINL-Vizag Steel includes TMT Rebars, Wire Rod Coils, Rounds, Structurals, Squares & Flats. Manufactured from 100 % virgin steel with stringent tolerances in both physical and chemical properties, RINL-Vizag Steel is the preferred steel for a wide array of customers.

RINL-Vizag Steel's quality products are marketed through a vast network of distributors and dealers in 24 Nos. of locations pan India including Tuticorin (Tamilnadu) & Rayagada (Odisha) distributors under 2-Tier Sales & Distribution system.

RINL-Vizag Steel is the first integrated steel plant to be certified for ISO 9001:2015, ISO 14001, ISO 27001 & OHSAS 18001 standards. It is also one of the first Indian Steel Companies to certified for ISO 50001 - Energy Management Systems.

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5.5mm - 45mm Dia

Wire drawing, Bright bars,
Fasteners etc.



ROUNDS

16 - 90mm Dia in straight length

Fasteners, Forging, Re-rolling,
Railways, Construction etc.



'VIZAG TMT' REBARS

8mm - 36mm Dia

Construction - Reinforcement etc.



BILLETS / BLOOMS

Billets : 65mm, 77mm, 90 mm, 125mm RCS
Blooms : 150 x 150, 200 x 200, 250 x 250
320 x 250mm

Forging, Re-rolling,
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Angles 50 x 50 x 6 - 110 x 110 x 10mm
Channels 100 x 50 - 200 x 75mm
Beams 125 x 70 - 150 x 75mm
Flats 80 x 12 - 100 x 20mm

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