

With an eye on cost, JSW Steel to buy coking coal from Russia

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Sajjan Jindal-led JSW Steel is planning to source coking coal from Russia at a competitive price as coking coal prices in Australia are rising steadily.

The steel company will avoid using dollar to settle the deal with Russian coal companies and use other currencies such as euro or dirham to avoid conflict arising from the economic sanctions imposed by the US, said sources.

Coking coal prices in Australia has been steadily increasing despite the global recession particularly after China lifted the unofficial ban on sourcing from Australia imposed in 2020. However, China started buying coking coal from Australia with the first shipment of 1.4

million tonnes of coal loaded in 14 ships in January, he said.

JSW Steel has drawn plans to invest ₹2,000 crore to develop a virgin coking coal mine in Jharkhand. The company was declared the highest bidder for the coking coal mine put on auction recently and is waiting for an official communication from the government.

JSW Steel expects the new mine to become operational in 2-3 years. The mine has reserves of about one billion tonne, similar to the company's Moitra coking coal mine located in the same State.

The company intends to achieve 25-50 per cent backward integration in coking coal. JSW Steel is not completely relying on coking coal integration considering sustainability of supply and price issues due to the ESG factor.