

Steel In The News

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



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A Report by Joint Plant Committee

November 13 – 20, 2015

PROJECTS

Tata Steel's Rs 185 crore expansion project in Odisha gets green nod

Tata Steel has received green nod for expansion as well as setting up of two units at its Joda plant in Keonjhar district, Odisha, entailing an investment of over Rs 185 crore. Based on the recommendation of the Expert Appraisal Committee, the Environment Ministry has decided to grant environmental clearance to Tata Steel for expansion of Fe-Mn (Ferro Manganese) alloy plant from 0.0504 million tonnes per annum (mtpa) to 0.06 mtpa to Joda”, a senior official said. Besides, it has got go-ahead for addition of 0.06 mtpa silico-manganese plant and 0.05 mtpa manganese sinter plant in existing ferro alloy plant at Joda, Keonjhar district in Odisha, the official added. The total project cost will be about Rs 185.58 crore, providing employment to about 1,500-2,000 people during the construction and for about 156 persons during operations. The approval has been given with some specific conditions including developing green belt in 33 per cent of plant area and maintaining of gaseous emissions within permissible limits among other the official said.

Source: Business Line, 13th November, 2015

No output in sight, Odisha CM to open Tata Steel Plant

Tata Steel's Kalinganagar project is some way off from rolling out steel as Odisha Chief Minister Naveen Patnaik is set to dedicate the plant to the state today. The blast furnace, sinter plant and steel melting shop for the first three million tonnes of the Kalinganagar project, all critical to steel making, are yet to receive clearance from the Odisha State Pollution Control Board. Only peripheral units like the captive power plant, coke plant and hot strip mill had received environmental clearance, officials said. It will take another three months for steel to be produced from the Kalinganagar complex. Though work on the blast furnace, sinter plant and steel melting shop was almost complete, it would take time for the customary pre-operation heating process and stabilisation of the units, they added. Informed sources attribute the haste in “commissioning” the plant to the state

government's desire to showcase the Tata Steel project. To draw all the political mileage from the project, the Odisha government has ensured no central minister or official is part of the ceremony. Presence of central government representatives would otherwise have been expected at a function where Tata Steel is unveiling its first integrated steel plant in the country in the last hundred years after Jamshedpur. For Tata Steel it made sense to inaugurate the project before upcoming auctions of iron ore mines next month, according to RP Panda, an analyst. This puts the company at an advantage in mine auctions that accord priority to bidders with plants. Tata Steel already has eight captive iron ore mines in the state and is eyeing more deposits after the Kalinganagar project.

Source: Business Standard, 18th November, 2015

RAW MATERIALS

Tata Steel gets green nod for sand mining in Bengal

Tata Steel has received green clearance for mining of mineral sand, used in coal production, from the riverbed of Gowai in Purulia District, West Bengal with a proposed production capacity of 0.2 million tonnes per annum. The company said it requires three million tonnes (MT) of sand annually for its coal production of 1.91 MT from five coal mines in Jharia coalfields. The sand dunes of Gowai river will significantly meet its requirement for stowing and stabilisation of the mines. The clearance is subject to certain conditions, including compliance of the latest guidelines on sustainable sand mining practices, he said. The capital cost of the project is Rs 20 lakh. Tata Steel has also been asked to carry out excavation of up to a maximum depth of 3 meters from the surface of mineral deposit and not less than one meter from water level of the river channel whichever is reached earlier. Tata Steel will bear the cost towards widening and strengthening of existing public road network in case the same is proposed to be used for the project.

Source: Business Standard, 16th November, 2015

POLICY

FinMin notifies revised duty drawback rates

The Finance Ministry notified revised rates of duty drawback that will be effective from November 23. “These revised rates are based on average incidence of customs and central excise duties and service tax related with the manufacture of export goods and involve substantial total drawback for exporters,” said an official release. The Finance Ministry further said that an expert committee that will submit its report in January would also look into concerns of exporters over the new rates. Apart from the changes in drawback rates, the revised schedule also includes new items to better differentiate export products with higher duty incidence and to clarify concerns over classifications.

Source: Business Line, 17th November, 2015

FINANCIALS

NMDC profit drops to Rs 810 crore in Q2

Iron ore mining major NMDC Ltd has registered steep drop in its net profit and revenues during the second quarter ended September 30, 2015. The company has attributed this drop to poor demand for iron ore from steel plants. The state-owned company’s net profit was down to Rs 810.24 crore for the second quarter against Rs 1566.75 crore for the corresponding quarter. The total income for the second quarter was also down to Rs 1602.23 crore against Rs 3105.05 crore for the corresponding period last year. Last fiscal ended March 31, 2015, the company had closed with a net profit of Rs 6421.86 crore and total income of Rs 12,356.41 crore. As per the Gazette notification date September 17, 2015, under the Mines and Minerals (Development and Regulation) Amendment Act, 2015, the company had to pay 30 per cent of royalty towards District Mineral Foundation (DMF) and two per cent of royalty towards National Mineral Exploration Trust (NMET) with effect from January 12, 2015. Accordingly, Rs 135.96 crore payable to the

government towards DMF and NMET for the current period has been accounted for under royalty and other levies. This is recoverable from customers.

Source: Business Line, 13th November, 2015

Steel Exchange nets Rs 7 cr in Q2

Steel Exchange India Ltd has posted a net profit of Rs 6.89 crore for the second quarter ended September 30, against a profit of Rs 7.25 crore for the corresponding quarter last year. Total income stood at Rs 427.48 crore (Rs 388.08 crore). With the amalgamation of Simhadri Power with the company, the numbers for the quarter and six months ended September are not comparable. Following the merger of the power unit in November 2014, the company has identified power as a separate business, apart from the sale of steel.

Source: Business Line, 17th November, 2015

COMPANY NEWS

Tata Steel likely to sell UK plant

Tata Steel wants to sell its plant in northern England to give it the “best chance of survival” as the UK industry has been struggling under a flood of cheap steel being pumped in from China, which has depressed prices. The Indian steel giant hopes the sale of its Scunthorpe plant in north Lincolnshire will take place by April next year. The firm is weighing up the closure of its long-products arm, of which Scunthorpe forms the core. Various bidders are believed to be interested and there is a possibility of a management buyout as well.

Source: Business Standard, 16th November, 2015

Jindal Stainless aims to cut debt by 64%

Jindal Stainless (JSL), part of the \$19-billion OP Jindal group, aims to cut its Rs 8,580-crore of debt by 64 per cent, through operational and financial restructuring. This would be the third such in seven years. The aim is do so via improved cash flow, reduction in interest cost and operational efficiencies. Presently, the country's largest stainless steel manufacturer, it has a factory each in Haryana and Odisha, with cumulative capacity of 1.6 million tonnes a year. "The business restructuring would bring down debt from Rs 8,580 crore at the end of March to Rs 3,080 crore, help us utilise idle capacity and improve cash flows, through longer tenure of the restructured loan," Rajiv Rajvanshi, its director, told this newspaper. The plan includes demerger of its undertakings comprising the ferro alloys and the mining division and vesting these in JSHL, a wholly-owned subsidiary. JSHL will issue to the shareholders of Jindal Stainless one share of Rs 2 face value each for every share held in JSL. Also, JSL will transfer a hot strip plant in Odisha to JUSL and a coke oven plant, also in Odisha, to Jindal Coke.

Source: Business Standard, 19th November, 2015

Tata Steel may pump Rs 1 lakh cr into Odisha plant

Terming Tata Steel's facility here a milestone in Odisha's industrial progress, Chief Minister Naveen Patnaik said investment on the project could go up to Rs 1 lakh crore by 2025. Tata Steel had envisaged a six million tonnes per annum (mtpa) mill, at an estimated cost of Rs 45,000 crore. The first phase is for three mtpa. Iron ore from the Joda mines will cater to Tata Steel's first-phase requirement till 2017. Then, the Khandabandh mines will meet the plant's requirement. The former would have a mining capacity of five mtpa. Tata has been allotted 3,470 acres. The plant would roll out high-end flat steel products.

Source: Business Standard, 19th November, 2015