



NMDC steel plant to start in December 2015

As per reports a Parliamentary panel has asked the Steel Ministry to ensure that commissioning of the INR 15,525-crore plant by country's top iron ore miner NMDC is not delayed further. The Standing Committee on Coal and Steel said in its report tabled in the Lok Sabha "Though the date of completion of the project has been rescheduled twice, Ministry of Steel's NMDC should ensure that no further delay occurs in the matter."

The committee also desired that environment clearance for the project be obtained expeditiously, while noting that the scheduled commissioning has been extended to December 2016 from May 2015 due to delay in certain green approvals.

The committee has been informed that the likely date of commissioning of the plant is December 2016 as the environment clearance for the construction of steel plant from the Ministry of Environment and Forest has been received, stage II forest clearance for certain matters is still pending," it said asking the government to expedite clearances.

Out of the proposed INR 15,525-crore project cost, INR 4,231 crore has already been spent on the mill, which is NMDC's first steel project, it said. The three million tonne steel plant was scheduled to be commissioned in February this year. It is now likely to be operationalized in December next year.

Essar Steel plans Rs.1,500 cr capex next year

Essar Steel, which recently commissioned a pellet plant in Odisha, plans to invest Rs.1,500 crore over the next one year. The company intends to complete the second phase of a six million tonnes per annum (mtpa) pellet plant at Paradeep in Odisha and take up a 1.35 mtpa coke oven plant at Hazira, Gujarat.

It is also considering setting up a 135-MW multi-fuel captive power plant at Hazira, using imported coal and gas fines generated in the Corex steel making process. The company recently commissioned the first phase of the Paradeep pellet plant, along with an iron ore beneficiation facility at Dabuna, also in Odisha. A slurry pipeline of 253 km was also put in place to transfer beneficiated iron ore to the pellet plant. Essar had invested Rs.6,000 crore in the integrated complex.

Firdose Vandrevala, Executive Vice-Chairman, Essar Steel, said having made huge investments in Odisha, the company will look for sustainable business development in the State. "We may also consider investing in an integrated steel plant in Odisha, if the Government allocates iron ore mines for captive use. The company has signed a memorandum of understanding with the State government to acquire part of the land parcel required for setting up a steel plant," he added. Essar Steel currently buys iron ore from the open market for the Paradeep plant, while it has a long-term supply agreement with NMDC for its 8 mt pellet plant in Visakhapatnam, Andhra Pradesh.

"We would be interested in taking up mines closer to our pellet and beneficiation plants. We would participate in the bidding process as and when the Government makes



up its mind to put iron ore mines in Odisha, Jharkhand and Chhattisgarh on the block," he said. In contrast to the global trend, iron ore prices in have increased sharply in the past few months, leaving steel companies in a quandary. Steel companies could not pass on the increase to customers as it would have triggered large-scale imports with steel prices in the global markets falling steadily.

Steel demand in October dipped 1.3 per cent to 6.53 mt, while it was down marginally in the September quarter at 18.6 mt against 18.8 mt recorded a year ago. Meanwhile Essar Steel is banking on product innovation and cost optimisation to beat the tough market conditions. Apart from doing research on new products, the company's research centre — approved by the Department of

Science and Technology — works on measures to lower raw material cost, process improvement, plant waste utilisation and applications engineering.

"We are well poised to take advantage of the new Government's mission to push indigenisation in the defence sector. Being the early movers into the sector, it would open up a new revenue stream for us," said Vandrevala. The company has already developed products for warships and is capable of securing new orders with pre-approval for its products from the Directorate of Naval Architecture, Defence Metallurgical Research Laboratory and the Director-General of Quality Assurance under the Ministry of Defence. In the automotive segment, he said the company has developed new-generation crash resistant steel, high-strength steel up to 440 MPa (Mega pascal) and dent-resistant steel.

The company had developed high-strength steel of up to 700 MPa, which was used by major automakers, resulting in weight saving of 17-20 per cent, he said.

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