129 MT Iron Ore Lying at Mine Heads : FIMI

Higher export duty coupled with subdued global prices led to an unprecedented 129 million tonne of pile-up of iron ore stocks at the mine heads, miners' body Federation of Indian Mineral Industries (FIMI) said recently, urging the government to bring down various duties levied on the steel-making raw material immediately to save the sector.

The decision of the government of Odisha, where the maximum stock has piled up, not to allow more than 50% of the locally-produced raw material outside the state has also contributed to the accumulation, forcing many small miners to even stop production, said FIMI's secretary general RK Sharma. “As much as 129 MT of iron ore is lying at mine heads in various parts of the country mainly in Odisha and Jharkhand. Of these 110 MT are fines and the remaining 19 MT are lumps. The only way out to clear the stockpiles is lowering various duties levied on the raw material,” he said.

Domestic steelmakers generally do not use fines for iron making for want of the required technology available. However, these types of inferior grade raw material come out automatically when lumps or superior grade of iron ore are produced in the mines. Fines are mostly meant for exports.

RINL Builds 120 MW Pollution Free Captive Power Plant

RINL, the corporate entity of Vizag Steel Plant crossed another milestone lately by launching a novel project to generate a “Completely pollution free 120 MW Power with 100% Blast Furnace Gas and Coke Oven Gas”, the first of its kind in Indian Steel Industry.

Sri P Madhusudan, CMD, RINL lighted up the Boiler No.1 today, signaling the commissioning of the pollution free Captive Power Plant, build at a cost of Rs 676 crores. Speaking on the occasion, Sri Madhusudan observed that “it is a step towards achieving self sufficiency in power generation and to reduce dependency on the State Grid” in the process of steel making. He complimented the entire Project's Collective and the associates involved in the success of the entire project. Sri PC Mohapatra, Director (Projects), Sri DN Rao, Director (Operations) in their speech said that the year 2015-16 would be a victorious year for RINL as the new units in the expansion would stabilize and ramping its production.

18 Steel Products to Come Under Quality Control Order

With the objective is to ensure better quality for domestic end-use industries and putting brakes on galloping imports of the alloy, the government is set to bring 18 steel products, including hot-rolled (HR) coil and cold-rolled (CR) coil, under an extant quality control order for the sector, taking the number of steel items under it to 33.

The proposal, pending concurrence from the BIS, follows the persistent demand of domestic steelmakers, who have been struggling to sell their products as a result of dumping of products, including seconds and defectives, by China, Japan, Korea and Russia, among others. A steel ministry source said a list of products to be brought under quality control has been sent to the BIS nearly one-and-a-half months ago for its concurrence. As soon as it comes, the norms wills be implemented. “The commerce ministry had directed us nearly two years ago to improve quality on 40 items. Subsequently, 15 items were brought under the Steel and Steel Products (Quality Control) Order, 2012 in October last year.

We have a fresh list of 18 items where quality control is required after consulting stakeholders for BIS consultation,” said the official.

These 18 items account for nearly 70% of the total imports, which stood at 9.32 mt last fiscal. The order would also apply to domestic steelmakers. The steel industry is not averse to the idea, hoping that it would provide them some cushion from imports, which grew 71% in 2014-15 over the previous fiscal.

The government insists on improving the quality of the products, which has a direct bearing on the safety and security of human beings and infrastructure. While it ensures better products, it also acts as a guard against imports of inferior quality products.

NMDC gets Nod for Chhattisgarh Iron Ore Mine

The environment appraisal committee of the Union environment ministry has given the go ahead to NMDC Limited to operationalise 10 million tonne per annum greenfield iron ore mine at Bailadila in Chhattisgarh.

The Deposit-13 mine, spread over 413.74 hectares of land, would be jointly developed by NMDC and Chhattisgarh Mineral Development Corporation (CMDC) and majority of the output would be earmarked for the raw material needs of steel and sponge iron plants in the state, a senior steel ministry official told.

The expert appraisal committee (EAC) in its meeting on March 18 granted environment clearance to the proposed iron ore project, which has mineable reserves of 324.69 million tonne (MT). The NMDC-CMDC JV would be able to exploit 10 MT of ore annually for over 40 years, the official said.

The JV had already secured forest clearance for 315.81 hectares of land in November last year for operating the mine. The JV was formed in 2008 and NMDC has

51% stake in it while the remaining is with CMDC.

NMDC chairman Narendra Kothari told, “We hope that the output from the mine will find buyers from the steel and sponge iron sectors in Chhattisgarh and will meet their raw material needs. Our prices have not been unreasonable”.

Chhattisgarh sponge iron manufacturers association president Anil Nachrani claimed that iron ore paucity during the past three years has led to the closure of 10-15 sponge iron projects in the state, while over 40 units have curtailed their output.

“Our annul requirement is about 14 MT, but we get barely 4 MT and are constrained to source the mineral from neighbouring Orissa at market prices,” Nachrani said. He said the sponge iron makers hope that the output from the Deposit-13 mine would be made available to sponge iron makers at concessional rates. In fact, in January 2013 the state government had cautioned NMDC that it could invoke the Right of Pre-emption under the Mineral Concession Rules 1960 under which it could take over the PSU's output and distribute it to the company's local buyers.

Countering his contention, Kothari said NMDC has not been unfair in supplying iron ore to the projects in the state and is meeting their production needs.

Endorsing his contention, the steel ministry official said that off take from the sponge iron units in Chhattisgarh has not been encouraging and the state's steel and sponge iron plants have been beneficiaries of NMDC's output. NMDC is targeting 35 MT production and 38 MT iron ore sales for 2015-16. The firm has commenced trial run for Deposit-11B iron ore mine in the same area on March 29 at an estimated cost of Rs 600 crore.

Bhushan Steel Plans to Acquire OSISL

Courtesy : BCCL 2015

Bhushan Steel is in talks with promoters of Orissa Sponge Iron & Steel Ltd (OSISL) and Monnet Group to acquire the company, according to reports. Report said that OSISL has been a takeover target for long for its iron ore reserves.

Bhushan Steel is planning to acquire a controlling 59% stake in OSISL from its promoters, a Mohanty family and Monnet Group, said multiple sources directly involved, report stated. The promoters own 29.05% of the company which includes 5% held by IPICOL.

APL Apollo to Invest Rs. 100 Crore

APL Apollo Tubes, one of the largest manufacturers of ERW (electric-resistance welded) steel pipes in India, aims to cross 10 lakh-tonne production capacity this financial year, a top executive said recently.

The expansion will take place in all the existing five plants at an estimated cost of Rs 100 crore, which would be funded from mostly internal accruals. The two plants at Hosur (near Bengaluru) which has a production capacity of around 3.5 lakh tonnes, will get additional lines to take the capacity to about 4.5 lakh tonnes. This will be the largest single location facility anywhere in India. In addition, other plants at Murbad (near Mumbai) and two in Sikandrabad (near Delhi) will also get additional facilities.

Till date an investment of around Rs 500 crore has been made in the company. The company employs around 1,200 people and plans to increase the workforce by around 100-150 in the current year. It markets over 80 per cent of its products through over 400 distributors spread in tier-II and tier-III cities, apart from metros. The company has been growing at above 25 per cent CAGR for the

last seven to eight years. This has been made possible due to a wide range of products covering over 400 types, the largest for any producer.

The company, which enjoys a market share of over 10 per cent in a 60 lakh-tonne market, plans to increase the share to about 15 per cent in next two years. This will make it one of the top ten largest ERW steel pipe producers in the world.

Apart from the domestic market, APL Apollo has a strong presence in Europe, USA, Middle East, Sri Lanka and Australia. Currently about seven per cent of the company's production is exported. APL Apollo expects a growth of 25 per cent in its topline of Rs 2,800 crore in Fy2014.

Operation and Maintenance Portals will Help KIOCL

In the absence of captive mines, KIOCL Ltd (formerly Kudremukh Iron Ore Company Ltd) hopes that the operation and maintenance portals will help in rejuvenating the company.

In an informal chat with presspersons on the sidelines of a conference on 'Global challenges, policy framework and sustainable development for mining of mineral and fossil energy sources' organised by the National Institute of Technology Karnataka (NITK) at Surathkal in Mangaluru on Friday, Malay Chatterjee, Chairman and Managing Director of KIOCL Ltd, said that the company has taken up three projects in the absence of a captive mine to gainfully use its manpower. KIOCL had to close its captive mine at Kudremukh in Karnataka on January 1, 2006 following a Supreme Court order.

Stating that the company has more than 300 expert engineers, he said, “To gainfully use the people in the absence of active mine, we have taken up three projects.” One of them is helping Mangalore Refinery and

Petrochemicals Ltd to run its coke plant and another one is to operate and maintain beneficiation and pelletisation plant of NMDC at Donimalai. Around 60 engineers will be working at Donimalai. The agreement and all those process have been completed, he said.

It has also taken up, on a tender route, the running of beneficiation plant of Orissa Mining Corporation. The plant has been taken over on April 1, and 29 engineers and staff are in Orissa to run this plant, he said. “These are the developments where we are seeing that the company rejuvenates through the portal,” he said.

Chatterjee said that the company is also pitching aggressively with the Karnataka Chief Minister for the allotment of mines to KIOCL. Recently, the Union Minister of Steel and Mines, who reviewed the status of KIOCL in the present context after the closure of Kudremukh mines, had said that he would take up an exclusive meeting with CM to allot a mine to KIOCL, he said.

On the mine closure procedure in Kudremukh, he said the company had planted eight lakh saplings eight years ago, and seven more lakh saplings were added subsequently. This initiative has already taken shape, and helped stabilise the mining slope. These initiatives have been done with inputs from the Karnataka Forest Department and the University of Agriculture from time to time, he said.

Govt. to Divest 15% Stake in MMTC

The government is planning to sell 15 per cent stake in state-run trading firm MMTC in the current fiscal which would fetch about Rs 800 crore to the exchequer. "The government plans to divest 15 per cent stake in the company. We are ready for it," MMTC Chairman Ved Prakash told reporters.

At the current market price of Rs 52.80 apiece, sale of about 15 crore shares would garner around Rs 800 crore for the exchequer. The government currently holds 89.93 per cent stake in the state-run trading giant and the stake sale would help the company meet Sebi's minimum public shareholding norm.

Market regulator Sebi has made it mandatory to have a minimum public holding of 25 per cent in all PSUs. The stake sale proceeds would help the government inch towards the disinvestment target of Rs 41,000 crore fixed for the current fiscal. So far, it has already raised Rs 1,550 crore through 5 per cent stake dilution in REC. The government had last sold 9.33 per cent stake in MMTC in June 2013 through which it had raised about Rs 570 crore. MMTC is one of over a dozen shortlisted by the government as probable disinvestment candidates.

MMTC is one of the two highest earners of foreign exchange for India and India's largest public sector trading body.

STEEL PUNCH

- Shrinivas Prabhudesai

Searching ‘Achhe Din’ (Good Days)

Electrosteel Castings Hands Over Coal Block to CIL Arm

Electrosteel Castings has said that it has handed over Parbatpur coal block in Jharkhand along with other assets to BCCL, a subsidiary of Coal India . "The Company has handed over the Parbatpur coal block along with other assets with effect from April 1, 2015 to (GM) Eastern Jharia area of BCCL as per the direction from Coal India Ltd (CIL)," Electrosteel Castings said in a filing to BSE. Parbatpur mine one of those blocks whose allotment was cancelled by the Supreme Court last year. Electrosteel Castings had earlier sought government's permission to dispose of its washery rejects and inferior ungraded coal stating that it has to pay huge capital as penalty following the Supreme Court's cancelling the allocation of coal blocks.

Delay in Tata Steel Kalinganagar Plant

Tata Steel, which projected to commission the first 3 million tonne steel capacity of its Kalinganagar plant in Odisha in March, 2015, is unlikely to roll out finished steel from the project before the end of the current fiscal.

With about 20 per cent project work still pending and work on some of the key components like blast furnace, sinter, steel melting shop and hot strip mill yet to be completed, the commissioning of the project will be delayed by about a year, sources said

Tata Steel managing director, TV Narendran had set the March, 2015 deadline in September, last year. This was after shifting the poll several times by his predecessors. In July, 2011, then Tata Steel MD, HN Nerurkar had said, the project will go on stream in February, 2014. He later revised the deadline to August, 2014.

Tata Steel had signed MoU with the Odisha government for setting up 6 million tonne steel plant at Kalinganagar in November, 2004 at an estimated cost of Rs 15,400 crore. But due to agitation by the land losers, which even led to a police firing in January, 2006, claiming lives of 14 agitators, the work could not be taken up on the project till about 2010. Due to delay in implementation of the project, the project cost for the first phase comprising 3 million tonne steel capacity, has mounted to Rs 25,164 crore. Out of this, about Rs 20,000 crore has been grounded till now, said the company spokesperson.

The delays in meeting the targeted dates for commissioning is typical with all greenfield projects in the country, said a company official. First, there were issues with local people who agitated frequently demanding jobs and other benefits that affected the construction work. Then there

was cyclones like Phailin which induced the workers to leave for home slowing down the work at the site.

Though the construction work is going on without any hitch for last one year, the company has to negotiate through the lengthy process of getting the statutory clearance, integrate various components of the project, sync infrastructural facilities with the project requirement and complete the last mile of the unfinished work at different units of the plant before it can be ready for operation as an integrated entity. Hence, the project will be fully operational in another 7/8 months, he claimed.

But sources said, going by the present status of the thing, the plant will be unable to roll out finished steel before the end of FY16. They reasoned, out of different components of the project, only coke oven and captive power plant are ready. But, these units have also not received 'consent to operate' certificate from the Odisha state pollution control board (OSPCB). The pending work on effluent treatment facility and deviation in the coke cooling process from the original plan have held up the issue of certificate to the coke plant.

“The company has applied for 'consent to operate' permission about 4 months back for the entire integrated project. But all the units of the project have not been built yet and also completed units have not put in place required pollution control measures. As and when they build the units, we will vet the pollution control measures and compliances before issuing the go ahead certificate,” said A K Swar, senior environment officer, OSPCB.

After getting the clearances, the coke plant will take three months to heat up. Once it is ready to produce coke and sinter plant is operational, the process will start for commission of blast furnace, which will take three more months. Add to this, the time to be taken for completion of work on steel melting shop and hot strip mill, major work for which are pending, and to synchronise and stabilise different units of the plant for integrated operation. “It will not be before March, 2016, the plant can roll out finished steel,” said an industry source.

Iron Ore Exports from Goa Unlikely to Resume Soon

Due to various factors like 'steep' duty, upcoming monsoon season and pending regulatory permissions, iron ore exports from Goa are not likely to resume in near future.

“Clearances are not in place. We have monsoon season ahead when exports are not possible. Moreover, with existing export duty the iron ore exports are not profitable,” said S Sridhar, CEO, Goa Mineral Ore Exporters Association. He added that the central government was supposed to lower the export duty in the recent Budget, but it failed to provide any relief to the sector.

“With 30 per cent export duty, the total taxation on industry is around 80 per cent. It will be difficult to sustain under such high taxation,” Sridhar said. Mining in the coastal state had been in abeyance for more than two years following a ban imposed by the Supreme Court, which was finally lifted in April last year with a rider that iron ore mining will be restricted to 20 million tonnes annually.

Sridhar said mining industry is hopeful that exports will begin by October once the monsoon gets over. “But that would entirely depend on taxations. Even if all approvals are granted then the crucial issue like taxes is pending,” he said. Goa was the largest export of iron ore before the activity was put on hold in 2012 amid reports of irregularities.

Essar Steel's Visakhapatnam Captive Power Plant Restored

Steel maker Essar Steel recently said that it has restored the 30 MW captive power plant located in the premises of its pellet plant facility after cyclonic storm Hudhud had ravaged the plant in October last year. The plant is being operated at full capacity and has begun supplying power to the eight million tons per annum pellet plant, the company said in a statement.

During the peak of Hudhud had hit Visakhapatnam, the captive power plant equipment, including electro static precipitator, ash silo with structures, cooling tower stacks and belt conveyor, were severely damaged, the company said.

"Subsequently, the Essar team channelised its entire resources into reconstructing the damaged units. Involving almost 400 MT of structural construction and equipment installation, with more than 100 workmen dedicatedly working, the Essar team brought the plant back to operation within a short span of five months," it said. With the captive power plant back on stream, the pellet plant would now once again have access to economic and reliable power, thereby improving its competitive edge.

In addition, Essar Steel has also restored 52 acres of green belt in the plant premises that was damaged by the cyclone. Specialists from Bengaluru were consulted for ensuring maximum survival rate of the damaged greenbelt and to promote fast growth of foliage. These timely measures ensured that about 83 per cent of the trees, survived. And about 4,500 plants of different species were also planted to fill the gaps of lost trees and the greenbelt was fully recreated, it added.

Global Steel Output to be 2,000-mt by 2030 - Edwin Basson

With Chinese growth slowing down to multi-decadal low, India will lead the world steel output growth, which is expected to touch 2,000 million tonnes by the turn of 2030 clipping at 25 per cent from 2014, according to an industry body.

"World crude steel output is expected to jump by 400 million tonnes by 2030 from 1,600 million tonnes in 2014, largely supported by growth in India," World Steel Association Director General Edwin Basson said here over the weekend.

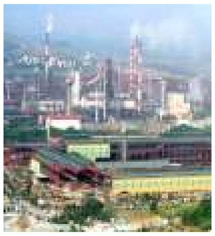
“Future demand will be fuelled by population growth in the emerging world, processes of urbanisation and industrialisation," Basson, who was here to attend the India Steel 2015 expo, said.

The country had lost the No 3 slot to the US in 2009. The government has set a target of trebling the steel output to 300 mt by 2025, and also eyes the No 2 slot by 2020. The country produced 88.1 million tonnes in FY 2014. Driven by the rapid growth in China, which is the largest consumer and producer of steel now, the global steel industry doubled, from 800 million tonne in 2004 to 1,600 million tonne in 2014. China contributes to over 47 per cent of the world's steel production, but its share "is declining," he said.

"The future of the Indian steel industry is bright," Basson said, adding the current slowdown in production globally has led to excess capacity in all major producing countries, and as a result "the adjustments in raw material markets have also been substantial.” He cautioned that "this is not a short-term phenomenon, and we can expect raw-material prices to be low for much longer, potentially the next five years at least."

"China has reached the upper end of the growth curve, and is seeing a real slowdown," he added. Though he ruled out another growth phase such as the Chinese-driven one in the past decade, he sees the demand growing primarily driven by India.

JSW Steel Fixes Daily Prices



JSW Steel is fixing daily the sale prices of long products as it is facing with steep fluctuation in raw material prices. Normally, steel producers change product prices — long or flat — fortnightly or monthly. “The market is so dynamic that we cannot review prices once and then keep quiet for a certain period,” said Seshagiri Rao, group chief financial officer.

Other long steel producers — Steel Authority of India, Rashtriya Ispat Nigam and Tata Steel — continue the practice of periodically announcing the price. In the past year, ore prices abroad have fallen 60 per cent. Since January, the prices of ore lumps have fallen 34 per cent. However, in India, government-owned NMDC has been keeping its ore prices relatively high, due to a supply shortage from closure of several mines. It has reduced ore prices but only by 28 per cent over the past year. From Rs 4,500 a tonne in March 2014, prices of lumps were Rs 3,250 a tonne in March 2015. Those of fines are Rs 2,460 a tonne from Rs 2,910 a tonne a year before.

Tata Steel's FY15 Crude Steel Production up 2%

Tata Steel has reported a marginal growth of 1.92 per cent in its crude steel production at 9.33 million tonnes (MT) for the financial year 2014-15. Crude steel production in 2013-14 stood at 9.15 MT, Tata Steel said in a statement.

The Tata Group's flagship firm said it produced 9.07 million tonnes of saleable steel during the year under review, up 1.56 per cent from the year-ago period. In 2014-15, the company's hot metal production grew 2.73 per cent at 10.16 MT. "2014-15 recorded the best ever crude steel production for the company at 9.33 MT," the statement added.

It further said, "In the recently concluded fiscal, Tata Steel has also achieved its highest ever annual sales volume of 8.75 MT." Besides, the company's sales grew by 2.69 per cent during the year. Tata Steel said it has achieved the best ever total coke production at 4.67 million tonnes.

The company is one of the world's largest steel producers, with a capacity of 29 million tonnes and 80,000 employees across four continents. Meanwhile, the company is now on the anvil of opening its greenfield steel plant at Kalinganagar in Odisha which would further increase its capacity.

Steel Imports Rise 71% in FY15

In 2014-15, India has imported 9.32 million tonnes (mt) of steel items, up around 71 per cent year-on-year. According to steel sector analysts, this has been the highest import of steel items in the past five years. According to the recently released provisional data by the Joint Plant Committee, export of steel items dropped 8.1 per cent to 5.5 mt.

The production of finished steel at 90.55 mt, was up 3.3 per cent, and consumption at 76.35 mt increased by 3.1 per cent. The figures indicate reduction of insularity of the Indian steel market and increase in global competitive pressure.

Jayanta Roy, Senior Vice President and co-head of corporate sector rating of ICRA told media that lower landed cost of imported steel items has been behind this surge in import. “The price differential was because of higher domestic cost of production. Internationally, reduction in iron ore prices has been much more prominent than that in the local market during the previous year.

This was one of the factors contributing towards higher cost of production,” he explained.

Price of Chinese hot rolled coils (HRC) ruling at around $370 a tonne, at present. This translates into landed cost of imported steel (at port) cheaper by almost $89 a tonne than the prevailing domestic steel prices, after accounting for the current exchange rates, ocean freight and various duties, industry insiders said.

The benefit for Indian producers buying iron ore locally was, however, limited. International iron ore prices dropped by $65 a tonne (from around $115 a tonne in April 2014 to around $50 a tonne now) in the last one year, the domestic price reduction was just around $9 a tonne. “This imparted cost advantage to international players by almost $90 a tonne in steel making, since each MT of steel requires around 1.6 MT of iron ore”, Roy said.

According to a recent report of Ernst & Young, global steel demand forecasts were lowered in the second half of 2014 as the earlier positive momentum faltered. “We are witnessing role reversal as several rapid-growth markets have not performed up to expectations in creating demand. Steel margins are improving as iron ore prices reached new lows, while an increase in new seaborne supply met reduced growth in Chinese steel demand”, the report said. However, steel prices also have drifted, unable to retain the gains on input costs.

Mining Cost to Go Up

The District Mineral Fund, proposed by the Government in the new Mines and Minerals Development and Regulation Act, will push up costs not only for steel companies that have bid for new coal blocks but also majors such as Tata Steel and SAIL that have got their old lease renewed for 30 years.

Speaking on the sidelines of the 'India Steel 2015,' an industry event organised by FICCI, Narendra Singh Tomar, Minister for Steel and Mines, said the contribution to District Development Fund by companies whose captive mine licence were renewed would be equal to the royalty as against 33 per cent of royalty they were paying earlier. On the other hand, he said, for companies that have won coal blocks through the auction, the DDF contribution would be one

third of the royalty.

This apart, he said the royalty and contribution to DDF for minor minerals such as basalt, laterite stones, rubbles and river sand would be decided by the State governments. The Central Government has decided to auction 10 major mineral mines including coal, bauxite, iron ore, limestone and manganese ore.

Tomar said the Centre is considering the demand to hike steel import duty and a decision would be taken in the near future in consultation with the Finance and Commerce Ministries. By the virtue of MMDR Act, mining companies need not wait for getting environment clearance from Indian Bureau of Mines, but can start work after getting approvals at the state level. The industry should target to achieve production capacity of 300 million tonnes by 2025 while the Government is working hard to push demand by promoting the 'Make in India' concept.

Meanwhile Rakesh Singh, Secretary, Ministry of Steel, said globally the steel industry is facing tough times with slow growth and significantly excess capacity with over 25 per cent of the capacity in Europe is surplus and China alone is reported to be having over 200 million tonnes of excess capacity.

Singareni to Undertake Exploration Drilling

The exploration wing of the Telangana.-owned Singareni Collieries Company Limited (SCCL) is preparing to undertake exploration drilling in potential iron ore bearing areas of Bayyaram mandal to ascertain the precise extent of iron ore deposits.

However, the SCCL's exploration wing is likely to start the drilling activity only after obtaining permission from the Forest Department as most part of the site identified for the purpose of detailed investigation falls under Reserve forest area, sources added.

The State government has reportedly requisitioned the services of the SCCL's exploration wing for determining iron ore deposits in and around Bayyaram for ensuring the establishment of a steel plant under the aegis of Steel Authority of India Limited (SAIL).

Jindal Stainless Seeks Shareholders' Nod for Business Rejig

Jindal Stainless recently sought shareholders' approval for major restructuring exercise with investors and creditors including by way of spinning off its business into four companies.

In a regulatory filing, the company sought the approval of public shareholders on the composite scheme of arrangement between Jindal Stainless, Jindal Stainless (Hisar), Jindal United Steel and Jindal Coke and their respective shareholders and creditors.

The approval has been sought through postal ballot. Last month, the company received stock exchanges' nod for the proposed demerger, a move aimed at boosting profitability and paring debt.

At present, the steel maker's debt stands at around Rs 8,500 crore, a company source said, adding that this will come down by Rs 5,000 crore post-restructuring.
According to the sources, this Rs 5,000 crore debt will be borne by the three new companies which will help Jindal Stainless to complete the Corporate Debt Restructuring (CDR) programme, which has been underway since 2012.

In December, the company's board had approved the plan. Under the scheme, Jindal Stainless proposes to demerge its ferro alloys and mining divisions and vest them with

Jindal Stainless (Hisar). It will also transfer stainless steel making facilities in Hisar to Jindal Stainless (Hisar) for a lump sum consideration of over Rs 2,809 crore. Jindal Stainless will transfer the hot strip plant located in Odisha to Jindal United Steel by way of slump sale for Rs 2,412.67 crore, the company had earlier said.

The company also had proposed to transfer its coke oven plant in Odisha to Jindal Coke by way of a slump sale for Rs 492.64 crore. Once the rejig scheme becomes effective, Jindal Stainless (Hisar) would seek listing of its equity shares on both the exchanges and its global depository receipts (GDR) at the Luxembourg Stock Exchange.

This section is a compilation from various company press releases, business dailies & trade publications.