



India Denies Scrapping of Afghan Iron-ore Mining Project



India has dismissed reports that an Indian consortium has scrapped a multi-billion dollar iron-ore mining deal in Afghanistan, saying only an analysis of

the proposed project's opportunities and strengths had been done. Media reports had stated that after developing cold feet over the proposed \$10.8 billion steel Hajigak iron ore mine project in Bamian province, conceived in November 2011, the SAIL-led consortium of leading Indian steelmakers has now decided to scrap the project altogether. Dismissing the reports, India's ambassador to Afghanistan Amar Sinha tweeted, "Not correct. Meeting only did a SWOT analysis of opportunities and strengths. No decision of this sort." The Hajigak mine is expected to be one of the largest economic projects in Afghanistan. After winning bids for three iron ore mines at Hajigak in the war-torn Afghanistan in November 2011, the Indian consortium AFISCO had then said that it would invest USD 10.8 billion to set up a 6.2 mtpa steel plant in two equal phases along with a 800 MW power plant, besides creating the necessary infrastructure.

Significant Expansion on the Cards in India

Steel Authority of India Ltd (SAIL) and Rashtriya Ispat Nigam Ltd (RINL) – otherwise known as Vizag Steel – have both announced modernization and expansion plans designed to increase the respective hot metal capacities by 23.1Mt and 7.3Mt by the fiscal 2016/17. A report by The Times of India stated that SAIL, RINL and state-owned National Mineral Development Corporation (NMDC) were all planning 'significant expansions' across greenfield and brownfield locations and that the latter is constructing a 3Mt/yr integrated steel plant at Chhattisgarh. SAIL operates eight steel plants in West Bengal, Chhattisgarh and Odisha, while RINL has one plant in Andhra Pradesh.

Kerala Rolling Mill to Open Shortly, Says SAIL

The Steel Complex Ltd (SCL), a joint venture between Steel Authority of India Ltd (SAIL) and the Government of Kerala is ready to launch a new rolling mill in Kozhikode on the Malabar Coast of the Southern Indian state of Kerala.

The new mill will open slightly later than scheduled and cost 65 crore (US\$139 million) most of which was paid for by a loan from the Canara Bank and SAIL stumping up 10 crore (US\$2.1 million) and the Kerala government paying 9.72 crore (US\$1.7 million).

SAIL-SCL Kerala Ltd is the only mini mill operation in the State of Kerala. The Kerala State Industrial Development Corporation and a private entrepreneur originally set up the company in 1969 and a mini steel plant opened on site in 1972 followed a decade later by an expansion



scheme that included a third electric arc furnace, raising capacity to 55kt/yr of steel billet.

A financial crisis in the early nineties led to SCL being referred to the Board for Industrial and Financial Reconstruction (BIFR) and in 2008 an MoU with SAIL led to a 50% acquisition by the Indian steel giant and an eventual takeover of operations early in 2011. The new rolling mill forms the cornerstone of the joint venture between SAIL and the Government of Kerala. When running the new rolling mill will have a capacity of 65kt/yr of TMT steel.

Tata Steel in Talks to Buy Visa Steel's Ferro Chrome Unit



Steel major Tata Steel is active on the deal street, forging some crucial strategic transactions, Sources with direct knowledge suggest that Tata Steel is in talks to buy Visa Steel's ferro chrome unit to safeguard its chrome mining reserves by buying value adding facility. Visa Steel's 180,000 tpa ferro chrome unit at Kalinganagar, Odisha, for approx Rs 1,000 cr, a source indicated.

Visa Steel will have to embark upon a mega restructuring to conclude its transaction with Tata Steel. Sources suggest that Visa Steel is planning to demerge its company into three verticals - coke, ferro chrome and special steel. Ferro chrome unit will then be sold to Tata Steel. A source pointed out, "Tata Steel wants to protect its Sukinda chrome

mine which needs to value addition, but, it's still not clear whether Tata Steel has got 20 yrs lease extension or for 30 yrs. It makes sense only if it's for a longer period." When contacted, Tata Steel did not offer a comment citing silent period. Visa Steel's spokesperson said, "no comment" to an ET NOW query. Stock of Visa Steel jumped up by 10% on the back of this news.

Tata Steel is also in advanced talks to buy Electrosteel Steel for an enterprise value of about Rs 8,000 cr, ET NOW had earlier reported on the deal talks. Reports also suggest that the steel major's talks with Klesch Group to sell long product units in Europe has entered the final stage. Tata Steel has called these reports 'speculative' in a stock exchange filing.