

## Essar's Iron-Ore Handling Terminal Boosted EPL's strategy



Post the taking over of Vishakhapatnam Port Trust's (VPT's) Iron Ore Handling Complex (OHC) on a Build-Operate-Transfer (BOT) basis for a period of 30 years in May' 15, Essar Vizag Terminals Limited (EVTL), a wholly owned subsidiary of Essar Ports Limited (EPL) has boosted the EPL's strategy of diversifying its customer profile. Through addition of this facility EPL has seen its third party cargo share jump to more than 8% in FY 16 alone with the likes of JSW, NMDC/ MMTC etc. Once upgraded the mechanized system will be able to reach a capacity of 8000TPH, which will be one of the highest cargo-handling rate in Indian Major Ports.

During Q1 FY 17, EVTL handled 2.19 MT (29 Vessels) of Cargo as against 0.31 MT (06 Vessels) in Q1 of FY16 on the backdrop of improving Indian Steel Sector performance and Project up- gradation works. EVTL is now operating with a net average loading rate of 3000 TPH as against <1000 TPH during Q1 of FY16 and is targeting to achieve 4000 TPH by Q2 of FY 17 along with simultaneous project up-gradation.

Essar's Iron-Ore Handling Terminal at Vizag Port is an all-weather

deep draft facility that has the wherewithal to serve the rapidly growing markets of South-East Asia, including China, Japan, and Korea. It can accommodate super capesize vessels and has dedicated rail-connectivity with Bachel & Kirandal Mining sources by which the facility has an advantage to serve western-sector of India. It is also integrated with its Essar Steel (pellet plant) in Vizag through a fully mechanized conveying facility with 6.7 km shipping conveyor system.

As the bi-lateral agreement between MMTC and Japanese and South Korean steel mills for supply of high grade Indian iron ore during the three year period from April 2015 to March 2018 is finalized and mandates for shipment of 3.8 MMTPA to 5.5 MMTPA. EVTL is upbeat for catering to these requirements.

The agreement stipulates for supplying up to 16.5 MMT of high grade iron ore to steel plants in Japan and South Korea over three years till March 2018. With the production of Essar steel also expected to increase significantly during FY 17, the total cargo handling at Vizag is expected to double as compared to FY 16. The integrated customer i.e. EStIL has improved their performance by 121% growth in Q1 FY 17 as against Q1 FY 16 which is also facilitating the surge in traffic at the Ore Handling Complex.

Commenting on this Rajiv Agarwal, Managing Director, Essar Ports said, "This year Iron-Ore Terminal in Vizag Port had successfully started its operations from May'15 and has been undertaking simultaneous operations and Project works with excellent outcomes. The Terminal has boosted the third-party business and enhanced Essar Port's presence on the East-Coast of India. Decades of experience of Essar in Port Sector has been the foundation which has helped deliver significant improvements in the Vizag facility in such a short time" Essar Ports expects enhanced Capacity Utilization during FY 17 and cargo handling to increase from 59 MMT in FY 2016 to 85 MMT in FY 2017, thereby registering a growth of more than 40% on year on year basis with third party cargo business to increase to more than 14% in FY 2017.

## NMDC proposes mine lease area for 3 mt steel plant at Nagarnar

NMDC Ltd. has proposed to use its mine lease area at Deposit number 4 located at Bailadila range of hills at Bhansi near Bachel in South Bastar's Dantewada district in Chhattisgarh for meeting the raw material requirement exclusively for its upcoming 3 million tonne Integrated Steel Plant at Nagarnar.

NMDC officials informed that the remaining iron ore quantity after meeting the requirement of integrated steel plant at Nagarnar from Deposit 4 will be sold to



domestic customers in Chhattisgarh. The Deposit - 4 iron ore mine will be developed as a 'standalone project' with an estimated investment of INR 1,899.74 crore. NMDC proposes for mining the Deposit number 4 iron ore mine with a production capacity of 7.0 million tonnes in the mine lease area of 646.596 hectares. The exploration work was done at Bailadila Deposit No. 4 by NMDC in the year back in 1972-74. The ore reserves were proved by detailed exploration activities.