



IIM
Metallurgy
Materials Engineering

NEWSLETTER

THE INDIAN INSTITUTE OF METALS

(DELHI CHAPTER)

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Issue No. 58/2012

Vol. LVIII "Monthly"

Date: 30.11.2012

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INTRODUCTION

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Published By

"The Indian Institute of Metals – Delhi Chapter"

Jawahar Dhatu Bhawan, 39 Tughlakabad Institutional Area, M B Road
Near Batra Hospital, New Delhi-110 062

Tel: 011-29956738, Telefax: 011-29955084; E-mail: iim.delhi@gmail.com

Website: iim-delhi.com

INDIAN STEEL SCENARIO

The unfavourable domestic and external economic conditions are set to pull down India's steel consumption in the current calendar year owing to a steep decline in manufacturing and construction activities. The World Steel Association has lowered its steel consumption forecast in India to 5.5% at 73.6 million tonnes for the calendar year 2012 from 6.9% growth estimates the Association had made in April this year. For 2013, however, the Association has forecast steel demand to grow in India at 5% at 77.3 Mt. The steel demand had recorded 4.9% growth in 2011 at 67.8 Mt from 64.9 Mt in the previous year. The cut in steel consumption growth is based on the on-going unfavourable conditions across manufacturing and housing sectors that have been reeling under unprecedented slowdown for the past few years. India's manufacturing activity growth remained steady in September as well as due to increase in export demand and industrial output. Same is the case with construction sector. The two sectors consume around 55% of India's steel production.

Financial performance of domestic steel players may take a hit in the near-term led by surge in imports and weak steel prices prevalent globally. A relatively higher level of raw material prices amidst a weak Rupee has also added to their woes. The combined effect will keep steel companies' margins under pressure in the near-term. Large integrated steel producers are likely to maintain a competitive cost structure, but their overall return on capital employed may suffer after the projects are commissioned. On the other hand, higher working capital requirements to operate expanded capacities, along with the contractual obligation to service project debt following the commissioning of expansion projects, are expected to exert some pressure on the liquidity profile of such companies. Many secondary steel producers, apart from facing raw material risks, may also face more intense price based competition from the larger companies, which would reduce their margins. While apparent steel consumption growth has improved somewhat in the current financial year in contrast to other major macroeconomic indicators remaining weak, most of it has been fuelled by surging imports, which grew by 41.2% year on year in first quarter, keeping domestic production growth at low levels. Growth in steel imports was driven largely by the fact that the landed cost of imported steel was still cheaper than domestic steel despite increased import duty on hot rolled coils and continuing Rupee depreciation. This also indicates rising steel inventory levels in the current year.

Source: Steel Tech

Growth Constraints of steel industry

Sushim Banerjee
Director General, INSDAG

India is shortly going to add around 26 million tonnes of steel through brownfield expansion, and this includes projects by SAIL, Tata, RINL, Jindal, Essar, apart from smaller players. These are on-going projects and are not facing any hurdles over raw material linkages. With this fresh capacity, it should be possible to cater to the emerging growth in demand for steel in the country. We have to understand that India is a parliamentary democracy, so any implementation of policy requires political consensus — particularly because we have a coalition government. This is unlike China where capacities are created with full government support and some of them are now being closed for violation of environment norms or bank loan defaults. The government should play the role of a catalyst and facilitator in a liberalised economy. It is a fact that some of the major Greenfield steel projects have faced problems with land acquisition and raw material linkages. Many delays have taken place because Posco was insisting on iron ore swapping, a condition to which no country should agree. Nowadays wherever raw materials are sourced, whether it is Mozambique or Bolivia, Guinea or South Africa, the country insists on some kind of value addition there either in the form of a steel plant or pelletisation facilities. I think the bigger issue facing the industry is iron ore shortage. This is going to hit the industry hard. But then, the Indian steel industry cannot shirk its responsibility; it did not pay adequate attention to beneficiation or pelletisation, processes that would have enabled it to use fines or convert low-grade ore to high-grade ones. So far as illegal mining is concerned, the government has lost crores of revenues because of the laxity of the regulatory mechanism.

I also agree that there are issues with NMDC pricing. When international prices are coming down, it is very odd that domestic prices are going up. But in 2008 and 2009 when import prices had shot up, NMDC didn't increase prices to that extent. Generally, the government does not interfere in the commercial working of an organisation. The case of NMDC, however, may be different since it is the

major supplier of iron ore to RINL, Essar and Jindal. The pricing in the ultimate analysis should be market-based, which will still make the public sector commercially successful. Besides, it is important to look at the positive steps that the government has taken recently in favour of the steel industry. The import duty was raised from 5 to 7.5 per cent in the Budget to give relief to the steel industry, which has been losing market share to the arrival of cheap imports from China and CIS (Commonwealth of Independent States) countries. External commercial borrowing (ECB) rules have been simplified, which has helped companies like Jindal and Essar convert high-cost loans into cheaper ones. From recent newspaper reports, we also understand that an empowered committee on big-ticket investments (National Board of Investment) is shortly being set up to provide a single-window clearance for mega projects, and the long-drawn fight between the ministries of coal, mines, steel and environment will be resolved. Hopefully, it should clear one or two major Greenfield Steel Projects. The BIS mandatory certification, which the ministry of steel has issued, is also a big step towards awareness of quality in the country. Creating awareness among buyers not to use inferior-quality steel will act as a deterrent against imports of seconds and defectives. Last year, around 450,000 tonnes of defectives were imported and distorted the market with low prices and quality degradation. Steel companies are really looking at the government as a catalyst to create an enabling environment that would facilitate investment, both public and private, through the public-private partnership route. This will help make up the massive infrastructure deficit, reduce irrational subsidies so that adequate funds are available for productive investment, and boost the manufacturing sector by setting up industrial clusters. The industry and the government must join hands so that growth in steel demand is in keeping with production. Perhaps a reduction in interest rates, which the finance ministry has already urged the Reserve Bank to do, will bring the industry some much-needed relief.

Source: Business Standard

Environment of Steel Industry

Harsh Jha
Managing Director, Tata Metaliks

The steel industry is a capital- and raw material-intensive business. It requires huge capital outlays (Rs 5,000-6,000 crore per million tonne, depending on the configuration of the plant) and consumes 3-3.5 tonne of raw materials per tonne of steel produced. The industry, thus, needs access to capital on reasonable terms and adequate raw material at competitive prices. Raw material is a significant component of the cost structure of iron and steel, so its availability and price play a critical role in the financial performance of a company.

A large capital investment project requires three basic ingredients:

- A stable and consistent policy framework;
- Reliable raw material linkages; and
- Supportive governance by the state and central governments.

Against this backdrop, let us examine the prevalent business environment for the industry. Per capita consumption of steel in India is very low compared to the developed world. Thus, it can be safely assumed that there will be demand growth for steel in the medium to long term. Sensing the potential for growth, a large number of projects were launched and memorandums signed with much fanfare in Odisha, Jharkhand, Karnataka and some in West Bengal. Most, however, have remained on the drawing board. The result: at least 20-25 million tonnes of new capacity will not be available until 2015-16. These projects were not derailed on account of capital or a constraint on demand, but on account of the extraordinarily tardy progress and:

- a) Criminal delays in environment (including forest department) approval for the project;
- b) Difficulty in land acquisition; and
- c) Non-allotment of iron ore or coal mines.

The last problem was compounded by the ban (hopefully temporary) on iron ore mining — first in Karnataka, then Goa and, now to some extent, in Odisha, on account of the blatant violation of environmental and mining norms by commercial mine operators. This ban has impacted the availability of iron ore in the country and the price, which, unlike in the rest of the world, has been very high (making it almost unaffordable). It has effectively cut the lifeline of the iron and steel industry. The government, instead of putting in place appropriate measures to prevent such gross

misuse in the future or allocating or re-allocating mines to actual users and not to traders, has chosen to ignore the gravity of the situation. We also need to understand one cardinal principle: economic development is not cost-neutral. The cost of economic development needs to be paid in terms of a potentially adverse environment impact such as a reduction in forest cover (in the near term). What, however, is feasible and possible is to: (i) restore the forest cover in the medium term (three to five years); and (ii) effectively reverse the negative impact on the environment. In many places, Coal India, Tata Steel and others have demonstrated that the land can be restored to its original condition by responsible and responsive management.

Environmentalists' campaigns against creating new capacities or augmentation of additional capacities have put on hold all new investments. I, however, think it is a case of mis-information being touted as the enlightened voice of reason. Economic development and environmental rejuvenation need to coexist for a higher quality of life for people, failing which we will remain poor and economically disadvantaged. Over-zealous activist should, in fact, demand effective implementation of ameliorative measures instead of opposing industrial development. They should demand regulatory measures to penalise those who violate the norms of environment protection. But a broad-brush treatment of obstructing investment is self-defeating. The steel industry is faced with uncertainty about the availability of raw material and difficulty in fresh capacity creation for regulatory reasons. If these issues are not addressed swiftly, this basic infrastructure industry will be effectively killed.

Source: Business Standard

SAIL BSP bags Greentech Environment Excellence Award

Bhilai Steel Plant, the highest profit making unit of the public sector Steel Authority of India Ltd, has won the Greentech Environment Excellence Gold Award for the year 2012. The award was instituted by Greentech Foundation, New Delhi. An official statement of the plant said that "Bhilai Steel Plant has been selected for its highest level of commitment to environmental management. The award was handed over to Mr S Chandrasekaran CEO of BSP on November 8th 2012." Also present on the occasion were Mr S Shekhar ED (M& BP), Mr M Akhouri ED (MM), Mr YK Degan ED (W), Mr LT Sherpa ED (P&A), Mr SB Jagdale ED I/c (projects), Mr PK Sinha ED (Mines), Mr Gayalal GM (F&A), Ms RC Kulkarni GM (power facilities), Mr SPS Jaggi GM (BE) and other senior officers of environment management department of the plant. Congratulating the BSP fraternity for receiving this prestigious award, Mr S Chandrasekaran CEO of BSP said that the message be conveyed to all BSP employees that they are playing a leading role in achieving excellence in every field. Our journey towards excellence must continue. The award was given away during a Global Environment & CSR Conference organized by the Greentech Foundation at Hyderabad on October 31st 2012. Mr SK Ghosh GM (CO & CCD) received the award from Mr. A K Hazarika, Ex Director (on-shore) ONGC Ltd, New Delhi.

Source: Steel Guru

SAIL announces Q2 2012 financial result

Steel Authority of India Limited achieved a 12% jump in Q2 profit over CPLY. Profit before tax and Profit after tax in Q2FY13 were INR 788 crore and INR 543 crore respectively, as against INR 706 crore and INR 485 crore in CPLY. Sales turnover achieved by the company in July to September 2012 at INR 11976 crore is higher than CPLY. Mr CS Verma chairman of SAIL said that "Higher production along with improvement in key Techno Economic parameters gave us profitability gains. Besides, growth in sales realization gave us added benefits. Going forward, we are optimistic about the growth in the Indian Steel Industry and SAIL is appropriately ramping up its production to meet the growing demand." The sustained emphasis on operational improvements resulted in 3% reduction in energy consumption and 8% increase in BF productivity in Q2 FY13. With a thrust on enriching product mix, the company achieved, a growth of 7.5% in the sales of value added steels in Q2. Net Worth increased to a level of INR 41,053 crore as on 30th September, 2012 as against INR 39,811 crore on 31st March 2012. With a production of 3.6 million tonnes of hot metal, 3.39 million tonnes of crude steel and 3.18 million tonnes of saleable steel, SAIL recorded a growth of 7%, 5% and 4% respectively in Q2FY'13 over YoY. Under its ongoing Modernization & Expansion Plan, several facilities are in different stages of completion and a few of them have been made operational. Significant project milestones achieved during the first half of the year include, starting of heating of new Coke Oven Battery & completion of project work of the Wire Rod Mill at ISP, Burnpur; completion of 700 TPD ASU 4 at Oxygen Plant II at BSP; commencement of Sinter production in the new sinter plant & heating of

New Coke Oven battery at RSP. In the coming months, two large 4060m³ blast furnaces at ISP & RSP would commence production, enhancing the hot metal capacity by 5 million tonnes per annum.

Source: Steel Guru

Steel makers investing in pellet capacities

Steel makers such as SAIL and Jindal Steel are stepping up investments in beneficiation and pelletisation capacities. Such a move is aimed at utilizing the low grade iron ore fines, which hitherto were considered as a mining waste. The move assumes significance as pellets made by fines, a by-product of iron ore mining, could help alleviate raw material shortage of steel makers to some extent. The stock piling of iron ore fines are seen as an environmental hazard and pelletisation would help avoid that. "Indian companies are increasingly investing in mineral processing technologies for beneficiating and pelletising iron ore fines," said Sudhir Srivastava, Senior Vice-President, Metso Minerals (India) Pvt Ltd. Moreover, the gradual depletion of high grade iron ore reserves is prompting the steel makers and mineral companies to go for processing technologies, he said. The Finnish firm Metso has signed up contracts with JSW Steel, JSPL, Essar and Bhushan Steel over the past one year to supply a host of equipments. SAIL is in the process of setting up 4 mt a year pellet plant at Gua mines to utilise the iron ore fines. The Indian Bureau of Mines estimates the current pelletisation capacity in the country at around 20 million tonnes a year. The country needs to create a pellet capacity of another 50 mt to meet the targeted steelmaking capacity of 180 mt by 2020. At the recent India Steel Summit, the Mines Ministry officials advocated the need for the steel sector to incentivise faster growth of such capacities. Essar Projects, the engineering, procurement and construction (EPC) arm of the Essar Group, sees a big potential in building pellet and beneficiation plants as mineral rich States are insisting on value addition. "We have been shortlisted by Jindal Steel and Power Ltd and Mittal Corp Ltd to set up beneficiation and pelletisation plants," said A.V. Amarnath, CEO of Essar Project's Mineral and Metals Strategic Business Unit. Mittal Corp is setting up a 1.5-mt a year pellet and beneficiation plant in Karnataka, while JSPL is in the process of setting up a 4-mt a year pellet plant in Orissa. Essar Projects has set up an 8-mt a year pellet plant in Vizag and 6 mt a year plant in Paradip for Essar Steel.

Source: Business Lines

Miners look to pellet making as iron ore fines exports drop

Faced with stiff margins pressure in iron ore fines exports due to poor demand and higher transportation cost and taxes, most of the miners of the state are now planning to foray into pellet production to cater to the rising demand of the domestic steel industry for the commodity. "Iron ore fines exports have come down to a level that is a fraction of what it used to be a couple of years ago. Fines were being shipped out as the Indian steel industry did not have the technology to use it. But if the material is converted into pellets, then it can be used by the domestic industry and demand for the commodity is expected to rise in future," pointed out a senior officer of a leading miner company here. "Keeping this in view, many miners are intending to produce pellets from fines near their leasehold areas and have already sent proposals to the government in this regard," he added. On May 27 this year, after reviewing the status of various steel projects in the state, the government had said, it has received at least 20 proposals to set up iron ore beneficiation plants and pellet units. Two weeks ago, Industrial Infrastructure Development Corporation of Odisha (Idco) gave administrative approval for acquisition of 21 acres land at Champadihil village under Jhumpura tehsil in Keonjhar district for establishment of an iron ore pellet plant having capacity of 300,000 tonne per annum (TPA). The plant will be set up by Keonjhar-based Kashvi International (Private) Limited, engaged in iron ore fines export since 2009. Most of the pellet plants would take at least five years to get completed due to bureaucratic procrastinations and other lengthy clearances process, but the amount of capacity addition would be huge, the mining company official said. "As per our internal projection, Odisha will produce about 30 million tonne pellets every year by 2017," he said.

Since last year, many players engaged in mining and export of the iron ore have expressed interest to set up pellet plants in the state, citing lull in the outbound shipment businesses with the imposition of heavy export duty amid poor international demand, especially from China. Miners and mineral traders such as Mr. K J S Ahluwalia, MGM Minerals and Mr. Indrani Patnaik have proposed to set up pellet plants. Similarly, Brahmani River Pellet Ltd (BRPL), a unit of UK-based mineral trader Stemcor Group and Essar Steel are ready with their pellet-making units and are awaiting raw material linkages. Iron ore pellets are formed out of powdery iron ore fines, and are used as an alternative to lumpy iron

ore, which can be directly fed to blast furnaces. So far, the fines were mainly exported to China in the absence of technology to use fines for steel making. In 2011-12, fines exports from Odisha nearly halved to just 13 million tonne due to poor demand and transportation problems, and as a result, huge dumps of fines were stacked at mining sites, affecting the production of lumps. Hence, steel plants resorted to pellet imports. In past couple of months, Bhushan Steel imported about 80,000 tonne of iron ore pellet from Brazil. Similarly between February and July, Steel Authority of India (SAIL) ordered 179,000 tonne of iron ore pellet from Mangalore plant of Kudremukh Iron Ore Company Ltd (KIOCL) for its Bokaro plant. In 2012-13 budget, indicating the government's intention to encourage utilisation of low quality iron ore in the country, the then Finance Minister Shri Pranab Mukherjee had announced to reduce import duties on pellet plant equipment. The minister had proposed to slash basic customs duty on plant and machinery imported for setting up of iron ore pellet plants from 7.5 per cent to 2.5 per cent.

Source: Business Standard

Steel industry reels under input cost pressure

Steel industry is facing uncertain future in near term till local demand improves. Prices of raw material like iron ore and coking coal are firming up. This is at a time when overall steel demand from auto, construction and capital goods sectors is dull. Over the last quarter steel and raw material prices fell in tandem with each other due to the global demand crunch. But the coking coal and iron ore prices are on the rise again. Steel companies have to take hit on their margins till raw material prices moderate or steel demand improves which will give them room to pass on input cost.

According to spokesperson of JSW Steel, "Iron ore prices have risen by around Rs400/tn compared to FY12 level." In international market, prices of iron ore and coking coal have risen by nearly 13 per cent from October 2012 while steel demand has not increased. JSW Steel, which posted a net profit of Rs 691 crore in the second quarter of current fiscal said in an analyst meet recently, "Whilst, domestic steel demand is expected to be steady, rising imports and availability of mineral resources will be major deterrents." The steelmakers had to follow the global peers and cut steel prices by upto Rs 3000 per tonne, or 4-5 per cent. They are now staring at rising input prices but the demand is waning even after the steel price cut last quarter. An analyst tracking the steel sector said, "no improvement in demand is not a good sign and we hope that the reform announcements coupled with infrastructure projects revive the steel demand in India." Regarding passing on increasing burden of input cost by increasing steel prices, representatives with two leading steel makers said that, their strategy was to "wait and watch". As one of them representing a leading South India based steel firm said, "they can increase prices only if demand improves but in absence of that they may have to take hit on the margins". Even CapitalLine analysis said that, soft demand from auto and construction sectors with the rising local iron ore prices and firm met coke prices supported by rupee depreciation drive steel margins under pressure. Even after the steel price fall in the last quarter, the Indian steel industry has witnessed a subdued demand growth of 2.8 per cent during July to September as against 7.7 per cent in the previous quarter. Only companies having raw material inventory will have some cushion but that too only for one or two months. As Nemani and Yadav of Nomura explained, "half the coking coal contracts are still on a quarterly basis, and hence, the lag remains high for some companies which keeps an inventory of 45-60days. This means that the current year will more or less pass off with low raw material rates." The steel industry in India requires about 118 million tonnes of iron ore per annum.

Source: Business Standard

NMCC asked to examine impact of steel imports from China

The government has asked National Manufacturing Competitiveness Council (NMCC) to examine whether increased imports of raw material for stainless steel products from China are causing market disruption. The Ministry of Finance, which has already started a probe into it apart from NMCC, has also asked the Standard Board of Safeguards to hold a meeting. "The Board requested NMCC to carry out a study on sales invoices and examine their impact on the competitiveness of the user industry of the product under consideration," according to an official document. The Board has also sought clarifications from DG (Safeguards) for quantum of duty proposed to be imposed, total production of the product under consideration and whether scrap can be used for production of hot-rolled steel. Jindal Stainless, seeking protection for domestic producers, had recently complained to the Directorate General of Safeguards (DGS) that increased imports of 'Hot Rolled Flat Products of

Stainless Steel of 300 series' from China is causing market disruption in India. DGS, under the Revenue Department, Ministry of Finance, has powers to investigate existence of market disruption to domestic industry due to increased imports and recommend safeguard duty. The industry has requested for immediate imposition of safeguard duty -- a levy to protect a specific industry from an unexpected build-up of imports -- on the shipments of the raw material from the neighbouring country for four years. After examining the complaint, the DGS found "prima facie" increased imports of hot rolled flat products of stainless steel have caused and are threatening to cause market disruption to domestic producers. "... and as such it has been decided to initiate an investigation...," DGS said in a notice.

Imports from China have increased phenomenally from 5,364 MT in 2009-10 to 36,183 MT in 2011-12. Jindal Stainless' complaint said while domestic production increased due to setting up of a new unit in Odisha (which started functioning from July, 2011), the surge in imports was greater than the increase in production in 2011-12 over 2009-10. Capacity utilisation of the local industry also declined significantly from 91 per cent in 2009-10 to 58 per cent in 2011-12. However, inventories witnessed a massive surge from 4,257 MT in 2009-10 to 15,498 MT in 2011-12, "reflecting the plight of the domestic industry," it had said.

Source: The Financial Express

SAIL likely to bid for 2 steel units in Orissa

The Steel Authority of India (SAIL) is expected to submit an offer in December 2012 to the Orissa government to take over two units of government-owned IDCOL — Kalinga Iron Works (KIWL) and IDCOL Ferro-chrome Alloys (IFCAL). "We have appointed SBI Cap as the merchant banker for evaluation of the two units in Orissa," a senior SAIL official told FE. Stating that SBI Cap's report is expected shortly, he said SAIL is likely to submit its proposal for the takeover shortly. Meanwhile, the Ranchi-based Centre of Engineering and Technology (CET) of SAIL is also doing technical appraisals of the plants. Currently, a team from CET is visiting the KIWL and IFCAL plants in the state to do technical studies. The CET will suggest the investment required for the modernisation and technology upgradation of the plants. IDCOL's KIWL, which has three blast furnaces manufacturing pig iron, has run into huge losses due to mis-management and obsolete technology. Presently, only one of the three blast furnaces is in operation producing about 1.5 lakh tonne of pig iron per annum. Idcol is operating the Roida-C iron ore mines on behalf of Orissa Mining Corporation (OMC) to feed its KIWL plant. The mine is now left with little reserve of sponge iron grade ores. IFCAL is currently producing about 18,000 tonnes of ferro alloys per annum. The Tailingi Chromite Mines (TCM)-A is now a dead mine. Idcol, however, has got the Tailingi Chromite Mines -B which has a reserve of about 17 million tonne. The mines, which has got the Stage-I forest clearance, would take about 4/5 months to become operational as it would have to get the Stage- II clearance and rehabilitate 77 families. SAIL, in fact, is proposing plant dismantling the pig iron making facilities of KIWL at Barbil in Keonjhar district.

Source: The Financial Express

SAIL stops mining at Bolani as clearance expires

Steel Authority of India Ltd (SAIL) has stopped production at Bolani iron ore mine, one of its major mines, in Joda mining circle following expiry of the working permit for this mine. The PSU steel major had received working permit for the maximum allowable period of two years after the grant of stage-I forest clearance. The company now has to wait for the stage-II forest clearance before restart of operation at the mine. "Efforts are on to obtain stage-II clearance. Since this is a government-owned entity, there may not be major delay in getting the clearance. By the end of this month, hopefully, we will be able to operate," said a senior official of SAIL. The company was granted stage-I forest clearance in November 2010. Since then it was operating the mine by obtaining temporary working permit from the Union Ministry of Environment and Forest (MoEF). The permit was being extended every three or four months for a total period of two years. SAIL was operating the Bolani mine under deemed extension clause as per the provisions of the Mineral and Mineral (Development and Regulation) Act, 1957. Earlier in February 2012, it had to stop mining briefly for about two weeks pending extension of the working permit. The process of getting stage-II clearance remain grounded for months as both the Central and state environment ministries were not ready to clear SAIL application, citing danger to wild life, especially elephants, due to mining activity.

However, the state forest department was convinced after SAIL Chairman Mr. C S Verma assured about the wellbeing of animals of the area during his meeting with Chief Minister Naveen Patnaik in

October this year, added the SAIL official. Bolani mines, spread over 1,321 ha in Keonjhar district under Joda mines circle, possess one of the best quality iron ores that are primarily used for the Durgapur and Rourkela plant of SAIL. Out of the total area, about 1,225 ha belong to forest category. The mine has an estimated iron ore reserve of about 150 million tonne. In 2008, SAIL had announced to invest Rs 120 crore to develop Bolani mine that included deploying highly efficient earth moving equipment and other effective mining method. Following the expansion, Bolani mine alone will supply about 10 million tonne iron ore every year to the national steel producer. The company currently produces approximately 13 million tonne steel out of its several plants located in different parts of the country and has plans to increase the output to 23 million tonne by the end of 2012-13. It is expected to increase iron ore production to 38 million tonnes, in line with the company's Rs 70,000-crore mega expansion plans.

Source: Business Standard

Indian steel industry must gain competitive edge through innovation - Mr Beni Prasad Verma

Mr Beni Prasad Verma Minister of steel said that Indian Steel Industry must gain competitive edge through innovation. He said this at the Golden Jubilee celebration of the National Metallurgists' Day Awards organized by Indian Institute of Metals in Jamshedpur. Mr Verma said that the most important challenge is to gain a competitive edge in the global market through innovative means. He said that elaborating on the challenges before the steel industry, the other thrust areas include production of Green Steel and ensuring Zero Accidents in operations. He enumerated the efforts being made by Government of India to promote the steel sector and ensure raw material security for the domestic steel industry. Speaking about the role played by the Ministry in the development of the nation, he said that the steel industry has the potential to be a catalyst of growth in the future and lead to progress of the nation in the times to come. On the occasion, he felicitated Prof. S Ranganathan with the Lifetime Achievement award, Mr Sadhan Kumar Roy with the National Metallurgist (Industry) award and Prof. K Bhanu Sankara Rao with the National Metallurgist (Research & Academia) award. Metallurgist of the Year, Young Metallurgist of the year and Certificate of Excellence were also presented by the Steel Minister. He added that Bhilai Steel Plant of SAIL and Visakhapatnam Steel Plant of RINL had bagged the Steel Minister's Trophies for the year 2008-09 and 2009-10 respectively. The Secretary, Ministry of Steel, Mr D R S Chaudhary Chairman of SAIL, Mr C S Verma officials of IIM and eminent persons from the metal and steel industry were also present on the occasion.

Source: Steelguru

Mr Verma says steel companies to innovate and manufacture products

PTI reported that Mr Beni Prasad Verma Steel Minister recently asked steel companies to innovate and manufacture products that can be used in households. Mr Verma said that "Such items will help fulfill market demand and increase sales," while inaugurating the steel pavilion at the India International Trade Fair 2012. He complimented the exhibitors for the efforts made for popularizing steel and promoting its use in the country while observing the exhibits put up by ten Public sector companies under the Ministry of Steel besides three private sector companies. He also appreciated Steel Authority of India for displaying light weight steel, which can be used for manufacturing LPG cylinders. This year's theme for the pavilion was Skilling India which depicts the impact of steel on the society. The participants showed off their products and services and connect of these products with the populace in general.

Source: Steelguru

India may become 2nd largest producer of crude steel by 2015

Frost & Sullivan reported that Indian steel is one of the most important industrial sectors in a country and due to its wide application across sectors its growth and consumption are directly proportional to the country's GDP. The steel sector contributes to nearly 2% of the country's GDP and employs over 5 lakh people. Market Insight from Frost & Sullivan finds that the per capita steel consumption rose from 38 kilogram in 2005-06 to 57 kilogram in 2011-12. In 2011, overall steel consumption in India was around 67 million metric tonnes per annum and the GDP growth was approximately 8%, compared to 30.7 million tonnes per annum consumption of steel and GDP growth of approximately 3.8% a decade ago, in 2001. Favorable government policies for this sector along with the country's economic growth have contributed to the steel sector's fast paced growth. Production of crude steel increased from 27.3 million tonne to 71.3 million in the last 10 years at a compound annual

growth rate of 10% due to advancements in traditional steel making.

Electric arc and induction furnaces have been the key drivers for increase in crude steel production. Indian crude steel production capacity is expected to reach 112.5 million tonne by FY 2016. In 2010-11, total installed capacity stood at 78 million tonne and capacity utilization was in the range of 84%.

Mr Venkatesan Subramanian Director of Metals & Minerals, Frost & Sullivan said that "Currently India is the world's fourth largest producer of crude steel and if all planned capacity expansion projects become operational, it is expected to become the world's second largest producer by 2015."

Mr Subramanian said that "Around 300 MoUs have been signed with various states for planned capacity of around 488.56 million tonne by 2020 and major investments are planned for the states of Orissa, Jharkhand, Karnataka, Chhattisgarh and West Bengal. The intended steel capacity build up in the country is likely to result in an investment of approximately INR 5,000 billion to INR 10,000 billion by 2020." Traditionally, construction and infrastructure sector together have had the highest demand for steel in the country. Indian finished steel production in 2011-12 stood at 70.32 million tonne and is forecast to touch 92.29 million tonne in 2015-16. He said that "Among steel intensive industries in India, construction registered the highest growth rates over the past consecutive 5 years. Manufacturing is the second highest steel consumer segment followed by automotive, both of which are poised to witness impressive growth over the future."

The factors driving the growth of this sector include:

- ❖ Expanding construction, automotive and other downstream segments
- ❖ Overall increase in manufacturing due to global entrants
- ❖ Availability of large consumer base due to India's demographics
- ❖ Capacity expansions planned by major steel producers
- ❖ Availability of adequate iron ore reserves to meet domestic demand

Increasing imports and competition from international steel manufacturers in recent years due to price considerations, specific quality, grades and sizes, mainly from China and the CIS countries is a growing challenge for the sector. Moreover, delayed clearances from authorities for mega projects due to regional issues, environmental and land concerns, inadequate infrastructure and inefficient transport systems, fluctuations in raw material prices and insufficient availability of power and coking coal are posing threats that may prevent the sector from reaching its potential. To tackle these emerging competitive challenges the Indian Government and steel manufacturers need to leverage available opportunities such as high domestic demand, unexplored rural markets, abundant iron ore and coal availability, growing exports, lesser costs for per ton production, and availability of skilled labor, etc.

Source: Steel Guru

Union government extends RINL Navratna status by 1 year

Business Line reported that the Union Government has accorded approval for extending Navaratna status to Rashtriya Ispat Nigam Ltd for a year that is till November 2013. The company's performance, investment of huge amounts in expansion and plant modernization and completion of all formalities for an IPO were considered by the Government in taking the step. Mr A P Choudhary CMD of RINL thanked the Union Ministry of Steel and the Government for extending Navaratna status to RINL. He said that RINL had always been in the forefront in fulfilling its commitments to the Government and other stakeholders. On the marketing scenario, he said that sales of long steel products had shown signs of recovery and demand was expected to register a sharp improvement considering the dry season and growth in infrastructure work. International prices of scrap, finished products and all steel related items had risen considerably fuelling growth in demand. RINL had drawn up a strategy to reorient its product mix in line with the requirements of the steel market. Mr T K Chand Director of RINL said that RINL was the single largest exporter of pig iron in India and even in the domestic market RINL was likely to make record sales of pig iron, by products and steel products given the positive sentiment in the market and the stepped up delivery and customer services. Mr Choudhary said that more employment would be generated for the local people as the management was looking at investing more capital in the plant here. The RINL was also discharging its duty as a good corporate citizen by taking up various schemes under the head of corporate social responsibility.

Source: Steel Guru

SAIL Hikes 12th Five Year Copex Plan by 33 per cent

SAIL has hiked its planned expenditure during the 12th Five Year Plan by 33% to INR 65,000 crores on modernisation and expansion. Steel Minister Mr. Beni Prasad Verma said "The Ministry is directly responsible for investment of public sector units which we will expedite. The 12th Plan target of INR 45,000 crores for SAIL has been increased to INR 65,000 crores.

SAIL has pegged INR 45,000 crores outlay on modernisation and expansion for the 12th Plan Period ending 2017, including INR 14,500 crores during the current fiscal. During the 11th Plan, its capital expenditure was INR 40,321 crores.

Source: Steel Tech

Tata Steel's Capacity to Go up to 33.5 Mtpa by 2014

Tata Steel Group's plant capacity will go up to 33.5 Mtpa by 2014 with the 2.9 Mtpa expansion of Jamshedpur plant and commissioning of the first phase of the 3 Mtpa Odisha unit, Chairman Mr. Ratan Tata has said. Tata said the on-going 2.9 Mtpa expansion in Jamshedpur is expected to go on stream this financial year, taking the Company's production capacity in India to 9.7 Mtpa. "Therefore, Tata Steel by 2014 would have a global steel capacity of 33.5 Mtpa," he said in the company's Annual Report for 2011-12. Talking about Tata Steel's India operations, he said "It will continue to remain strong on account of robust demand in the country. At the same time, the Steel major's European operations would continue to be under enormous stress for the next year or two until the Western European economy recovers", he added. In 2011-12, Tata Steel had produced 14.27 Mt in Europe, down from 14.80 Mt in the previous year. "The unprecedented rise in iron ore and coking coal prices coupled with the acute decline in market demand will continue to negatively impact Company's European operations," Tata said, adding that his firm has already started the restructuring and capacity rationalising process to reduce costs. The European operations of the Company were particularly impacted in the second and the third quarter of the last financial year owing to high raw material costs.

Source: Steel Tech

Steel Minister Compliments RINL Performance

Hon'ble Steel Minister Shri Beni Prasad Verma complimented RINL for registering growth in profit and several production areas while reviewing the company's performance during H₁ of 2012-13.

RINL posted growth in hot metal, liquid steel and value added steel production, Captive power generation, operating profit and profit after tax during H₁ of 2012-13. A marginal shortfall in the saleable steel production was registered due of acute power crisis in the State of Andhra Pradesh and heavy rainfall. During H₁, RINL improved its rural marketing network by 69% and growth in sales increased to 88% Significant growth was achieved in converter lining life, specific Water consumption and labour productivity. RINL, paid Rs. 1414.51 crores to Government of India in H₁ towards dividend and redemption of preferential capital. On the expansion front, new blast furnace, oxygen plant, turbo blower, power and utility systems were commissioned and are currently in operation. Order for new pressure reducing station has been placed and is expected to be commissioned by March/April 2013. The balance units viz., sinter plant and wire rod mill would be commissioned by end of 2012. The company signed MOU with NMDC for transportation of iron ore through slurry pipeline from Bailadilla to Visakhapatnam and setting up of palletisation plant at Visakhapatnam. RINL signed an MOU with Power Grid Corporation of India for manufacturing transmission line towers and another MOU for manufacturing CRGO and CRNO steel. The Company's expenditure on CSR activities grew by 10% during the review period.

Source: Steel Tech

JSPL Announces Production in Angul

Jindal Steel and Power Ltd. (JSPL) has started commercial production of India's widest 5.0 metre wide Plate Mill in Angul in the state of Odisha, which is the part of the planned first phase of Mtpa integrates steel plant in Angul. This Plate mill has an annual capacity of 2 Mtpa. The Company is targeting to produce 15,000tonnes in the next month and then increase the production gradually. This 5 metre wide plate mill at Angul is a part of the Company's forward integration process of completing the process chain to produce value added discrete plates. The technology and equipments is supplied by Siemens VAI UK and capable of rolling wide width range and steel grades like structural, boiler quality, shipbuilding and pipeline plates up to X-80 grades. The plate mill is equipment with walking beam type of reheating furnace technology supplied by Fives Stein France

with level 2 automation, Siemens VAI patent Mulpic cooling system, hot leveller and GE GMBH online ultrasonic testing facility for excellent plate's surfaces quality and close dimensional tolerances and flatness control. The plate mill is a part of integrated steel complex and being set up along with 1.6 Mtpa steel melting shop at a combined price of Rs. 4923 crores. SMS is likely to be commissioned towards the end of FY 2013.

Source: Steel Tech

JFE Steel to Provide Auto Grade Steel Technology to JSW Steel

JFE Steel Corporation announced that it has signed an agreement with its strategic partner JSW Steel, to provide manufacturing technology for the production of automotive steel in Cold Rolling Mill 2 (CRM-2) at Vijaynagar, which is expected to start operations by autumn 2013. Under the agreement, JFE Steel which has a 15% stake in JSW will provide assistance to develop various grades of steel, including steel for external panels for automobiles in high strength viz JFE-HITEN, JAZ®, zinc-coated steel sheets with excellent lubrication, etc., to meet the high end and diverse local demands from automakers with production bases in India. JFE Steel will also provide technical assistance for the operations of the 2.3 Mtpa cold rolling mill (PL-TCM), 1.9 Mtpa continuous annealing lens (CAL), AND 0.4 Mtpa continuous galvanising Line (CGL) at CRM-2. This fully integrated manufacturing facility will enable JSW to achieve its ultimate goal. India's auto mobile industry is expected to maintain a sustainable growth far into the future. The CRM-2 capacity will help JSW immensely to make a full-scale entry into the automotive steel market and expand steel sales. JFE Steel will also strive to leverage its strategic collaboration with JSW Steel products and pursue its growth strategy in the Indian automotive steel sheet market.

India Celebrates 100 Years of Stainless Steel with a Bang

India celebrated completion of 100 years of stainless steel on October 10th 2012, as part of the global celebrations of relatively new corrosion resistant material and the product, which was first created, patented and produced in the year 1912. From small beginnings a hundred years ago, stainless steel has grown to be an integral part of our lives. Utilised primarily for its corrosion resistance, stainless steel is also found in applications where strength, hygiene, human safety and aesthetics are important. In India, the stainless steel community celebrated the landmark event in a daylong conference on "100 years of Stainless Steel – Towards Building Corrosion Free India" in New Delhi, where more than 200 renowned stakeholders from the stainless steel community which included stainless steel producers, processors, government bodies, national and international certification and consultancy authorities & academic Institutions participated in the deliberations.

Mr. Sudhir Vasudev, CMD of ONGC while inaugurating the event said "Stainless steel is the fastest growing segment of the metals industry, its applications are diverse and new applications are being constantly being developed. It has become major part in all of our lives, and has truly changed the world. In India demand for stainless steel is on constant increase due to awareness about the product and availability of right grades and sizes. The demand for the corrosion free metal is on increase in high end industries including Oil & Gas, Energy and shipping related industries, railways, ports, infrastructure and automotive where corrosion is a serious issue." Mr. Pronab Sen, Principal Advisor with the Planning Commission said "While stainless steel share in the steel big picture in India is the highest in the world but the per capita usage in India is abysmally low. Due to lower penetration of stainless steel in infrastructure areas, our country loses INR 2 trillion (USD 40 billion) every year due to corrosion of infrastructure, industrial equipment and other vital installations, according to last estimates from Corrosion Management Committee of CII. Corrosion has a huge economic and environmental impact on virtually all facets of the world's infrastructure, from highways, bridges, and building oil and gas, chemical processing, water and wastewater systems and particularly industrial structures. In addition to causing severe damage and threat to public safety, corrosion disrupts operations and requires extensive repair and replacement of failed assets. We are a resource crunched nation and we cannot afford this luxury at all."

Short range outlook for apparent steel use steel products (2011-2013)

| Regions | ASU, Mt | | | Growth Rates, % | | |
|---------------------|---------|---------|---------|-----------------|---------|---------|
| | 2011 | 2012(f) | 2013(f) | 2011 | 2012(f) | 2013(f) |
| European Union (27) | 153.1 | 144.5 | 148.1 | 5.9 | -5.6 | 2.4 |
| Other Europe | 33.2 | 34.4 | 36.0 | 12.7 | 3.8 | 4.5 |
| CIS | 54.8 | 55.2 | 57.4 | 13.8 | 0.8 | 3.9 |

| | | | | | | |
|-------------------------------|----------------|---------------|---------------|------------|------------|------------|
| NAFTA | 121.3 | 130.4 | 135.1 | 9.0 | 7.5 | 3.6 |
| Central & South America | 45.7 | 47.4 | 50.4 | 2.6 | 3.8 | 6.3 |
| Africa | 23.9 | 25.3 | 27.3 | -3.4 | 5.8 | 7.7 |
| Middle East | 48.2 | 49.9 | 52.8 | 2.9 | 3.5 | 5.9 |
| Asia & Oceania | 900.6 | 922.2 | 947.9 | 5.9 | 2.4 | 2.8 |
| World | 1380.99 | 1409.4 | 1454.9 | 6.2 | 2.1 | 3.2 |
| Developed Economies | 395.6 | 394.6 | 402.1 | 6.2 | -0.3 | 1.9 |
| Emerging Developing Economies | 985.2 | 1014.8 | 1052.8 | 6.3 | 3.0 | 3.7 |
| China | 623.9 | 639.5 | 659.2 | 6.2 | 2.5 | 3.1 |
| BRIC | 759.7 | 779.9 | 806.0 | 6.4 | 2.7 | 3.3 |
| MENA | 59.8 | 62.7 | 66.9 | -2.0 | 4.9 | 6.7 |
| World excl. China | 757.0 | 769.9 | 795.6 | 6.3 | 1.7 | 3.3 |

Source: Steel Tech

Indian Dream of 200 million tonnes by 2020

India's 200Mtpa steelmaking capacity target by 2020 may see a shortfall of around 30 Mt in the absence of a clear policy on raw materials. Tata Steel MD Mr. H. M. Nerurkar said "Our policy on raw material, particularly on iron ore, is not clear. Unless this happens, it is not going to enhance capacity. That's a major issue." Mr. Nerurkar said the target of having 200 million tonnes installed steelmaking capacity in the country appeared to be on track earlier, but now it seems to be a difficult one. He told "The predictions of 2020 of 200 Mtpa earlier appeared to be absolutely on track. Now the way the Greenfield projects in India are getting delayed, in a way the economy has not grown the way it was growing, 200 Mtpa by 2020 appears to be difficult now." He said "The target appears tall. I personally feel it will be more towards 170 MT or like that. That is the way it looks."

Source: Steel Tech

Meeting Steel target of 200 mt by 2020, a challenging task ahead

Indian steel industry is set to achieve the target of 200 million tonne by 2020 to meet the rapid demand from the domestic market. By 2020 with the achievement of targeted production, India would be notching second place in global steel production. Accordingly, Indian steel ministry has prepared a R & D roadmap that seeks to incentivize investments in R & D by steel makers. More importantly, usage of low grade iron ore and non-coking coal for steelmaking was one of the important agendas set by the Steel Ministry. Though India is the second fastest growing producer and consumer of steel along with China, the balance of power in the steel industry has decisively swung towards the emerging world. For India to retain this growth momentum, though, several infrastructural and operational hurdles need to be overcome. Indian steel industry heavily rely on coking coal imports apart from iron ore availability. These are the major resources and ensuring their security to meet the targeted production capacity in the coming year is the biggest challenge facing the country. The next few years are going to be critical for long-term development of the Indian steel industry.

India's per capita steel consumption needs to be enhanced from the existing 56 kg which is still lower by almost 30% from the global average.

More importantly, Indian steel industry need to compete with Chinese steel market to avoid dumping of steel in the domestic market with installation of advanced production capabilities. While discussing the burning issue of raw material availability and other issues confronting the industry, top steel leaders have expressed their concern over land acquisition issues and urged the development of mining activities plan to be taken further on a priority basis. Besides, there should be single window clearances for mining leases, enhancing R & D expenditure to reduce energy consumption and building port, rail and road capacity for easier transportation of raw materials. According to Mr. A. P. Choudhary, Chairman and Managing Director, RINL, the government should encourage shore-based mega steel plants. This, he felt, would address the concerns of water availability and infrastructure. Mr. Dilip Oomen, Managing Director and CEO, Essar Steel India Ltd. said it was imperative that government policies be an enabler for growth. He also called for transparency in pricing, policy commitment and raw material security. Public and private players discussed their intention to expand their existing capacities of steel. The per capita consumption of steel has grown to 56 kg in 2011 compared to 31 kg in 2003. However, the per capita consumption is still less than 30% of the world

average and offers opportunities for growth. The 12th five year plan of the government has envisaged an investment of \$1 trillion in infrastructure that will boost the demand for steel.

Source: MMR

SAIL to invest Rs 45k crore in 12th Plan

The public sector steel giant, SAIL is expecting to complete the Rs 16,000-crore modernisation at Burnpur in West Bengal by the end of 2013. The project is part of the Rs 72,000-crore expansion to shore up total capacity to 24 mt. IISCO, at present produces 0.2 million tonne (mt) of hot metal annually, against a nameplate capacity of 0.78 mt. After expansion, the hot metal production will increase to 2.5 mt a year. The total hot metal capacity of the company is slated to move up from 14 mt to 19 mt during the fiscal. The commissioning of the IISCO project had been delayed due to prolonged agitation from protesters who had refused to relocate a deity (Jhorabudi) from the site, as SAIL was not accepting their demand for jobs. "Nearly Rs. 13,000-crore have been spent on modernisation and are set to open the project in a phase-wise manner. According to Mr. C S Verma, CMD of the company, SAIL was also planning to make ready its two other projects in the State, that include the expansion of the Durgapur and alloy steel plants, by the end of this fiscal. He further added that the steel-maker was planning to set up specialised alloy steel plant in the Kulti near Burnpur. SAIL would invest Rs 6,000 to 7,000 crore in setting up the 1.2 million tonne plant. Overall, SAIL has decided to spend Rs 45,000 crore in the 12th Five year plan which is slated to end on March, 2017 on capacity addition, a jump from Rs 40,312 crore in the 11th Five year plan, including Rs 14,500 crore during the current year. SAIL has posted more than Rs 50,000 crore turnover in FY 12. SAIL Chairman Mr. C S Verma said, "Steel industry requires continuous capital investments for technological up-gradation and addition, modification of its capital assets, which are essential to maintain the market competitiveness and meet the challenging needs of customers."

Source: MMR

RINL spending Rs 19,000cr on VSP expansion

Rashtriya Ispat Nigam Ltd. (RINL) is to invest Rs. 19,000 crore over the next three years on expansion, modernisation and up-gradation of the Visakhapatnam Steel Plant (VSP). The company has proposed an increase in capacity from 3.6 tonne to 6.3 tonne per annum in line with the National Steel Policy. Currently, RINL has a steelmaking capacity of 3 million tonne per annum (mtpa) and is the second largest state-owned steel maker in the country after SAIL. The company, which had clocked its best-ever annual turnover in 2011-12 at Rs 14,457 crore, is in final stages of increasing its capacity to 6.3 mtpa. Besides, it has been planning to set up a new 4 mtpa unit, meant to produce flat products, at an investment of about Rs 22,000 crore in the coming years.

Source: MMR

RINL proposes 10 mtpa beneficiation, pellet unit

RINL is considering to set up 10 million tonne per annum (mtpa) iron ore beneficiation and pellet plant at Bhilwara, said Chairman and Managing Director, Mr. A P Choudhary recently. The public sector steel maker expects to secure an iron ore mineral concession from the Rajasthan Government soon. The Rajasthan Government has recommended allotment of one iron ore mine to RINL at Bhilwara and the proposal is under active consideration of the Mines Ministry. The last stage formalities are being worked out and we expect to get a mineral concession for the Bhilwara iron ore mine, said Mr. Choudhary. The estimated iron ore reserve at the Bhilwara mine is pegged at 320 mt.

Source: MMR

JSW Steel to invest Rs. 12,660 crore

JSW Steel announced the merger of JSW Ispat with itself to create the second largest domestic steel producer with a 14.3 million tonne per annum production capacity. Jindal said that post-merger, the combined entity will be expanded in the next two years. JSW Steel Ltd. plans to establish a coke oven plant of 1 million tonne per year capacity and a pellet plant of 4 million tonne/annum at JSW Ispat Steel (JISL) Ltd.'s Dolvi steel complex. The move is expected to help accelerate the turnaround of JSW Ispat. An investment of about Rs 660 crore in various projects including enhancement of production, railway siding, gas-based power plant and cold-rolling facility at Dolvi is also on the anvil, both by the parent company and by JISL. JISL said its lime production capacity was 600 tonne per day (tpd) while the requirement was over 1,200 tpd and this was expected to rise to around 1,800 tpd once the steel-making capacity was hiked to 5 mtpy. To meet the need for lime, it has planned to set up a lime calcining plant of 600 tpd capacity at Dolvi at an estimated cost of Rs 75 crore. A railway

siding facility adjacent to Dolvi steel complex is planned to be commissioned in 15 months at an investment of Rs 90 crore. The company said that to ensure regular supply of power and save on costs, a gas-based power plant of 55 Mw capacity using waste gas being generated by the blast furnace as feed-mix has been proposed at a cost of about Rs 155 crore. The project is expected to be commissioned in 18 months. A Kalmeshwar complex at an investment of Rs 40 crore has been proposed. Significantly, all these projects are to be financed through internal accruals. To ensure the raw material integration and save input costs JSW Steel plans to set up a coke oven plant of 1 million tonne per annum capacity and a pellet plant of 4 mtpa capacity at the Dolvi steel complex. This would protect JISL from market risks in sourcing quality coke and pellets for its steelmaking operations. JSW Steel Ltd. has also proposed to establish a 0.8 million tpa cold-rolling facility at the Dolvi steel complex to augment JISL's efforts to capture downstream opportunities. The project is expected to cost around Rs 300 crore and is likely to be commissioned within 18 months. JSW Steel Ltd has pumped in Rs 2,157 crore in JISL by way of subscription of equity shares in JISL. JSW Steel also had, through an open offer, further acquired 8,99,40,890 shares, enabling it to take over management control of the company. The infusion of funds by JSW Steel has enabled JISL to meet its long-term working capital requirements and achieve savings in interest costs, the directors of JISL said in their annual report for 2010-11.

Source: MMR

Why steel is going from hot to cold

After having waited for about six years to get his \$30-billion projects off the ground (one in Odisha and the other in Jharkhand, each capable of producing up to 12 million tonnes of steel per annum), steel tycoon Mr. Lakshmi Niwas Mittal said at a recent seminar in New York that the Indian government was condemning millions to stay poor by not expediting industrialisation. It was a damning indictment of the Indian government. Naturally, the observation didn't go down well with New Delhi. But, Mittal only said what most steel barons in the country have been grumbling about for a while, first privately and now publicly: The zing is out of steel, negativity pervades the sector.

Rough estimates suggest that at least 35-40 million tonnes of capacity has been cancelled or postponed over the past few years, putting a question mark over the steel ministry's dream of taking the installed capacity to 200 million tonnes from 90 million tonnes now. The investment envisaged in the new capacity was a whopping Rs 630,000 crore, bulk of it from private steel producers. A large chunk of that is unlikely to happen in the foreseeable future. All told, 222 memoranda of understanding were signed by steel companies, which included the likes of ArcelorMittal, Posco, Tata Steel, JSW Steel, Bhushan Steel and many others, with the mineral-rich states of Jharkhand, Odisha and Chhattisgarh, starting from 2005. But, seven years later, wrangles over land acquisition, slow-paced environmental go-aheads, controversies over allocation of raw material (iron ore and coal) and a huge shortage of iron ore have held up a majority of these projects. Consider the case of Posco. The South Korean giant had signed an agreement with the Odisha government for a \$12-billion plant in 2005, but, it's been an unending battle since, mainly over land acquisition. On June 21, the memorandum of understanding finally expired; hectic parleys are now underway for renegotiation in the terms and conditions. The story repeats itself for almost all projects. That's the reason for Mittal's remark.

Who's responsible?

In most of the cases, the buck stops at the government's door: Either at the Centre or in the state. In Jharkhand, the rehabilitation and resettlement policy is yet to be notified, making acquisition of large tracts of land difficult. For companies that dared to purchase land directly from villagers and tribes, getting clear land titles is almost impossible. Jharkhand accounts for 40 per cent of the new capacities announced. Bhushan Steel Director Mr. Nittin Johri says everything that is stuck "is at the government's level and only the government can undo it". Essar Steel India Managing Director & CEO Mr. Dilip Oomen adds: "In order to encourage the creation of capacity, there should be single-window clearance for all approvals. Steel is a capital-intensive industry: No investor can afford project delays, as this will add to the project cost. If India does not create capacities to meet the growing demand, it may end up becoming a large importer of steel."

Not everybody agrees the sector is in the dumps. A World Steel Association (WSA) study, which

covered 62 countries, showed in October 2012, growth in crude steel production in India over the previous year was 5.7 per cent, close behind China at 6 per cent. And, over a 10-month period, India overtook China (2.1 per cent) with 3.8 per cent growth. But, there could be a slowdown ahead. WSA had said in its October study that due to unfavourable domestic and economic conditions, India's steel demand growth was projected to slow down to 5.5 per cent in 2012 and five per cent in 2013; WSA's projection for 2012 was 7.9 per cent in October 2011. Rashtriya Ispat Nigam Chairman & Managing Director Mr. A P Choudhary says the Ministry of Steel has achieved its target of total production capacity of 90 million tonnes by 2012. The catch here is that most of this capacity addition has come through brownfield expansion, and not new projects.

The signals are clear. Average capacity utilisation in India is at about 80 per cent, around the same level as that a year ago. The difference from last year, however, is that prices have dropped in the domestic market by about \$120 a tonne on account of imports. "As on March 31, 2012, the installed capacity in the country was 90 million tonnes, but production was 70 million tonnes," JSW Steel Joint Managing Director & Group CFO Mr. Seshagiri Rao says. JSW Steel's factory at Vijaynagar in Karnataka was working at 80 per cent of capacity in October – it is now down to 70 per cent. There are other instances as well. Hospet Steel, a joint venture between Mukand and Kalyani Steels which can produce up to 700,000 tonnes of steel in a year, is operating just one of its three furnaces.

Source: Business Standard

India should be energy surplus - Mr Anil Agarwal Chairman Vedanta

Known in the industry as 'Metal King' Mr Anil Agarwal can easily earn a moniker like 'takeover tycoon'. While strategic acquisitions have helped him build a business empire worth USD 70 billion, what places him in the unique league of visionaries is his foresight to identify assets and turn them around. BALCO and Hindustan Zinc stand out as extraordinary stories of transformation even though the list could be extended to Sesa Goa, Konkola Copper Mines in Zambia and many others. Hindustan Zinc has grown fivefold from less than 2 lakh tonnes to over 1 million tonne of metal production. The silver vertical was almost non-existence at the time of disinvestment in 2002. But today, Hindustan Zinc is India's largest silver producer. The trajectory of BALCO tracks a similar breathtaking journey. After taking over Cairn India last year, Mr Agarwal is nurturing a new vision to make India an energy sufficient nation. Mr Agarwal said that "The production levels of Cairn India have already started increasing. The near-term growth is seen at 2.4 lakh barrel per day". Cairn India is one of the largest private-sector crude oil producers in India and contributes 20% to India's oil production. But he said they want to ramp up production further, and to achieve 3 lakh bpd, they need to explore more blocks. Besides oil and gas, Vedanta Resources has rolled out an ambitious pipeline of power projects with some contribution from renewable energy.

Mr Agarwal said that "We are targeting to produce 10,000 megawatt (MW) of thermal power in coming two-three years, out of which more than 50% has already been commissioned and operational. The company is also one of the largest promoters of green energy with 275 MW of wind farms in Rajasthan, Karnataka, Gujarat, Tamil Nadu and Maharashtra." Although he grew up in Gorla Toli, one of the most backward areas in Patna, Mr. Agarwal owes his business acumen to Marwari roots. His parents originally hailed from Rajasthan but later migrated to Bihar. After college, he came to Mumbai with a dream and started a scrap business. That led him to try his hands at various other ventures and in the process, he shut down nine businesses in a span of just 10 years. Mr Agarwal said that "When you struggle you actually learn a lot." Today, he sits over a business empire that spans over several geographies but the heart lies in India where Vedanta has invested about USD 16 billion of foreign capital.

Source: Steel Guru

IIM – JRD Tata Award for "Excellence in Corporate Leadership in Metallurgical Industries"

Dr. Sanak Mishra, Past President, IIM and member of IIM DC, has been conferred the prestigious IIM – JRD Tata Award for "Excellence in Corporate Leadership in Metallurgical Industries". He received this award at the NMD meet at Jamshedpur on 17th November 2012. This Award constitutes a payment of Rs. 5,00,000/- and presentation of a Scroll of Honour.

Dr. Sanak Mishra, a visionary leader of Corporate India, is Vice President of ArcelorMittal, the largest producer of steel in the world, and Chief Executive Officer (CEO) of its Greenfield Projects in India.

Prior to that, he was whole-time Director of the Steel Authority of India Limited (SAIL), the Public Sector Maharatna Company, and concurrently served as Managing Director (2002-05) of its Rourkela Steel Plant (RSP). He was one of the principal architects of the turnaround of SAIL during 2000-2002 and contributed significantly to its further growth. He is well known in management literature for the "SAMSKAR" code of leadership practice, which he designed and implemented and brought about a dramatic organizational, financial, cultural and social transformation of the Rourkela Steel Plant and the Steel City during 2002-2004- thereby molding RSP to become one of the best industrial enterprises of India and the Rourkela Steel City a vibrant, green and clean place to live in. His commitments to environment, sustainability and social responsibility are exemplary. He set up the Institute of Peripheral Development.



Dr. Mishra stood First in the entire State of Orissa in the Matriculation examination of 1961 and obtained B.Sc. Honours degree in Physics from Ravenshaw College and Bachelor of Engineering degree in Metallurgy from the Indian Institute of Science at Bangalore. He then received the MS (1968) and PhD (1973) degrees in Metallurgical Engineering from the University of Illinois at Urbana-Champaign, in USA. A part of his doctoral thesis research was conducted at the Massachusetts Institute of Technology (MIT). He was awarded the prestigious Alexander von Humboldt Fellowship from Germany in 1980 and was Visiting Scientist for two years at the Aachen Technical University. He has also been Visiting Scholar at the University of Pittsburgh. Dr. Mishra made fundamental and seminal contributions to the study of low temperature magnetism, atomic order-disorder transformations and crystallographic textures in metals and alloys. As a founder member of the R&D Centre for Iron & Steel (RDCIS) at Ranchi he was a key driver in its growth as a world-class institution and developed a plethora of new products.

Dr. Sanak Mishra is the current Chairperson of the International Organisation of Materials, Metals and Minerals Societies (IOMMMS), a world body headquartered in USA. He was the President of the Indian Institute of Metals during 2009-10 and Vice President of the Indian National Academy of Engineering in 2007&'08. He has been AICTE-INAE Distinguished Visiting Professor at IIT Delhi during 2004-07; Member, Board of Management of Department of Atomic Energy's Nuclear Fuels Complex (NFC) and Member, Board of Governors of the Engineering Council of India.

He received, from the Ministry of Steel, Govt. of India, the National Metallurgists' Day Award in 1988 and the National Metallurgist Award in 2003. He was conferred the Honorary Membership of the Indian Institute of Metals in 2005, the Centenary Year Distinguished Alumni Award from the Indian Institute of Science in 2008 and the Distinguished Merit Alumni Award from the Department of Materials Science & Engineering at the University of Illinois, USA in 2010.

For his outstanding contributions to science, engineering, technology, industry and society, Dr. Mishra has received numerous honours, such as the Platinum Medal, JRD Tata Gold Medal, Birla Gold Medal and Kamani Gold Medal from the Indian Institute of Metals; Bharat Shiromani Award; the Udyog Ratna Award from the Institute of Economic Studies; Visveswaraya Medal from the Institution of Engineers; Prof. Jai Krishna Memorial Award from the Indian National Academy of Engineering, Pathani Samanta Pratibha Samman of Orissa, etc.

Dr. Mishra is Fellow of the National Academy of Sciences, Indian National Academy of Engineering, Indian Institute of Metals, Institution of Engineers, Computer Society of India, Institute of Directors and the All India Management Association.

Representation of IIM DC in the Committees of IIM

The Indian Institute of Metals (IIM) operates at National Level through various committees which are constituted by its National Council. The National Council at its meeting held at New Delhi on 18th October 2012 decided the composition of the various Committees.

Among other members from various Chapters of IIM, Shri S C Suri, Vice Chairman of IIM DC, has been included in the Asset Management Committee (2012-14) and Shri Raj Tiwari, Past Chairman, IIM DC finds his place in the two committees—Chapter Relations Committee (2012-14) and IIM Services to Industry Committees (2012-14). The IIM DC extends its felicitation for their inclusion the above committees.