
Delay in iron ore lease holds up TATA Steel Orissa project

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BL reported that a delay in allotment of the iron ore lease is holding up TATA Steel's 6 million tonne project at Kalinganagar in Orissa.

Mr B Muthuraman MD of TATA Steel said that according to an agreement with the Orissa Government, it was to have got the lease for iron ore mining after putting in place 25% of the equipment required for the project.

Mr Muthuraman said "We have met our commitment and are waiting for the state to allot the mines."

He said "Though the Greenfield projects in Chhattisgarh, Jharkhand and Orissa are delayed, the company has not shunned any projects. We will focus spending on value creating assets with accelerated benefits. The Brownfield expansion at Jamshedpur will be completed on time."

TATA Steel signed MoU with the Government in 2004 to set up the plant. As per report, the company had lined up an investment of INR 15,400 crore and acquired most of the 1,360 hectares needed for the project. It had also placed orders worth INR 6,500 crore for equipment such as blast furnace, steel melting shop and other civilian structures. The first phase was to have kicked off by 2008 but was delayed for a host of reasons.

(Sourced from Business Line)

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