
Visa Steel applies for mining leases in Orissa and Chattisgarh

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Mr Vishambhar Saran chairman of Visa Steel said that steel prices may be falling but that of primary raw materials such as pig iron, coke and coking coal continue to remain stable.

Visa Steel expects to receive captive mining leases in Orissa soon and begin production of special and stainless steel.

Mr Saran said that “We have applied for mining leases in Orissa and Chhattisgarh. But I expect to get the mining lease in Orissa first. We have met our expenditure requirements and now it is up to the Government.”

The Visa Steel Chairman added that the company is planning to begin operations at its Kalinganagar plant in Orissa during September to December 2010.

He said that “Once we complete our steel production facilities in Orissa, our annual turnover would be close to INR 2750 crore from steel operations, and coke and ferrochrome sales. This puts us firmly on track to meet our turnover target of INR 5000 crore in the next five years.”

November saw major steelmakers across the country reducing flat product prices by INR 1250 to INR 1500 a tonne. According to Mr Saran said that in the short term, prices should stabilise close to the current levels. With the demand for steel in the country continuing to be sluggish, the prices are unlikely to go up in the short term.

Mr Saran added that the low demand scenario would also result in a correction of the Steel Ministry’s target of 124 million tonnes of steel a year by 2012. He said that “Prices are going down because there is not enough demand. It is a bit unrealistic to expect demand to more than double over the next two and a half years. I think the demand is likely to grow to around 90 million tonnes a year by 2012.”

Mr Saran however added that the growth in demand is based on the assumption that demand from the realty sector and the Government picks up by March next year.

(Sourced from Moneycontrol.com)

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