
AP to ink MoU with iron ore miners for steel plant in Kadapa district

Friday, 11 May, 2007

It is reported that the Andhra Pradesh government is likely to sign a MoU with a group of investors for setting up a 4 million tonnes steel plant near Ambavarm village in Kadapa district of AP. The promoters propose to set up a steel plant with an initial capacity of 2 million tonnes which will be later scaled up to 10 million tonnes capacity. The initial investment for the proposed project is estimated to be INR 4,000 crore.

The state government has already identified 8,000 acres of land near Ambavaram village and is finalizing other details, which will be part of the MoU.

As per report, the promoters zeroed in on Kadapa district after considering locations in other Rayalaseema districts, mostly in Anantapur, which is bordering Karnataka and also a spillover region of iron ore reserves, in a bid to find water for their plant. Water is said to be the main reason that forced them to think beyond the Bellary region and Karnataka. The proximity to Krishnapatnam Obulavaripalem railway line, which is being actively used by iron ore exporters is another reason for choosing Kadapa district.

The promoters include iron ore miners and exporter Mr Janardan Reddy. Mr Reddy's firm currently supplies iron ore to JSW steel in Karnataka besides exporting the raw material to China. It has over 100 million tonne reserves in mines in the Bellary region and a few mines in the Anantapur area.

For more news visit at www.steelguru.com