

Jindal Steel Plans to Bid for Stemcor's India Assets

The Jindal group flagship Jindal Steel & Power Ltd. (JSPL) plans to bid for the Indian operations of U.K. steel company Stemcor. The British company's Indian assets include an iron ore mine and an ore processing plant. The Jindal firm views Stemcor's facilities as a good source of raw material to feed JSPL's expanding steel business. Jindal Steel's Chief Executive, Ravi Uppal told reporters, *"We are interested in Stemcor's assets. Stemcor has decided to issue a tender to sell the assets and we will participate in the tender as and when it is issued."*

Stemcor is selling the Indian assets to raise funds for other operations as the company is hit by a global slowdown in demand for steel. Media reports suggested that Stemcor has also been in talks for selling its assets, with a few other Indian companies. Stemcor's India operations also include a pellet plant in Orissa and an iron-ore-slurry pipeline connecting the mine with the factory. It is also active in local steel trading.

Jindal Steel led by Naveen Jindal has a steel manufacturing capacity of three million metric tons per annum. The company plans to more than triple its present capacity by 2016. *"We need raw material to grow our core steel business. The opportunity is exciting,"* said Mr. Uppal.

Source: The Wall Street Journal, August 5, 2013