



Sponge Iron Units in Sundargarh District Anticipate Better Days Ahead

Indications of proactive steps by the State and Central Governments have instilled new hope among the beleaguered private sector iron and steel industries of the State including those of Sundargarh district who are hopeful of better days ahead.

Industry sources claimed that from 2,000, Odisha has become the largest sponge iron producer of the country having 104 sponge iron plants of which 45 are based in Sundargarh. But, due to staggering cost of iron ore over the past four years, the plants incurred huge loss affecting about 60 induction furnace units and 12 large steel re-rolling mills in the district.

Former president of Odisha Sponge Iron Manufacturers' Association (OSIMA) Gouri Shankar Agarwal told that a high-level meeting held under the chairmanship of Steel and Mines Minister Prafulla Mallick recently advised private iron ore mine owners to augment production and move out unsold stocks at a reasonable price.

The Government felt rise in production and dispatch of iron ore would additionally enhance Government revenue in shape of royalty and VAT. The Odisha Mining



Corporation was also advised to augment iron ore supply to Odisha-based industries, Agarwal said. For global factors, sponge iron price has been reduced by `5,000 per tonne and iron ore price to `2,900 from `5,700 per tonne. Given the huge profit margin, iron ore cost should stabilise at `2,500 per tonne for survival of industries, Agarwal said.

Agarwal also lauded the State Government's initiative to rationalise iron ore transportation cost and hoped the sick industries would bounce back shortly.

A few months back, a delegation of Rourkela Chamber of Commerce and

Industry (RCCI) had impressed upon Union Finance Minister Arun Jaitley to ensure restructuring of loans and longer repayment period to help the battling industries survive.

According to sources, at least one sponge iron plant and eight induction furnace units in Sundargarh were dismantled and sold in scraps for loan defaults.

Local industrialists said rise in import duty by five per cent would help in curbing import of steel products, while the Centre's decision to boost infrastructure sector would give rise to increased demand for steel and cement.

JSW Steel's August Production Falls 4%



JSW Steel reported a four percent fall in crude Steel production in August at 10.66 lakh tonnes versus 11.16 lakh tonnes in the same month last year, according to a regulatory filing on BSE, pointing at a continuing difficult time for Indian steelmakers.

The Sajjan Jindal-led steelmaker, along with other steel companies in India, is suffering due to influx of cheap Chinese steel in the country. Indian steelmakers are cutting prices to compete with Chinese products, which are putting pressure on their profit margins.

Tomar Receives the Dividend Cheque from MSTC Ltd.

Shri Tomar was handed over the dividend cheque for the financial year 2014-15 for an amount of `16.37 Crore by Shri S. K. Tripathi, CMD/MSTC. In the Annual General Meeting held on 14th September 2015 at Kolkata, MSTC's dividend was declared at 207% of the paid up equity capital for the financial year 2014-15. MSTC has also declared issue of Bonus Share at 1:1 ratio.

MSTC is a Mini Ratna category I PSU under Ministry of Steel. It is a profit making and dividend paying company. MSTC closed the financial year 2014-15 with a Profit before Tax (PBT) of `131.47 Crore.

Total volume of business during the year is `29923 Crore a growth of about 19%. There has been an increase in company's reserve by around 11%.

In the year 2014-15, as a follow up of Supreme Court directive MSTC created history and successfully auctioned 29 and allotted 41 coal mining blocks to steel, cement & power sector and State owned



entities in a transparent and fair manner. MSTC also conducted Global e-Tender-cum-e-Auction in multi-currency of Red Sander Wood for the state of Andhra Pradesh valuing `850 Crore. All these businesses made MSTC one of the largest e-commerce companies in the country.

By its work, MSTC promotes the stated policy of the Government of India for adopting e-Governance for ensuring efficiency, economy and equity in Govt. business decisions.