



**PRAKASH TATIA**  
Chairman  
Sponge Iron & Manufacturing  
Association

## Sponge Iron Sector Aims to Improve

**P**rakash Tatia, Chairman, Sponge Iron & Manufacturing Association (SIMA) is a Mechanical Engineer & PGDM is presently working as Director with Welspun Steel Limited. He started his career with M. N Dastur & Company in 1976 and having almost 40 years of varied experience in Sponge & Steel Sector includes 23 years in Birla Group. He is also in Steel Committee of FICCI & CII.

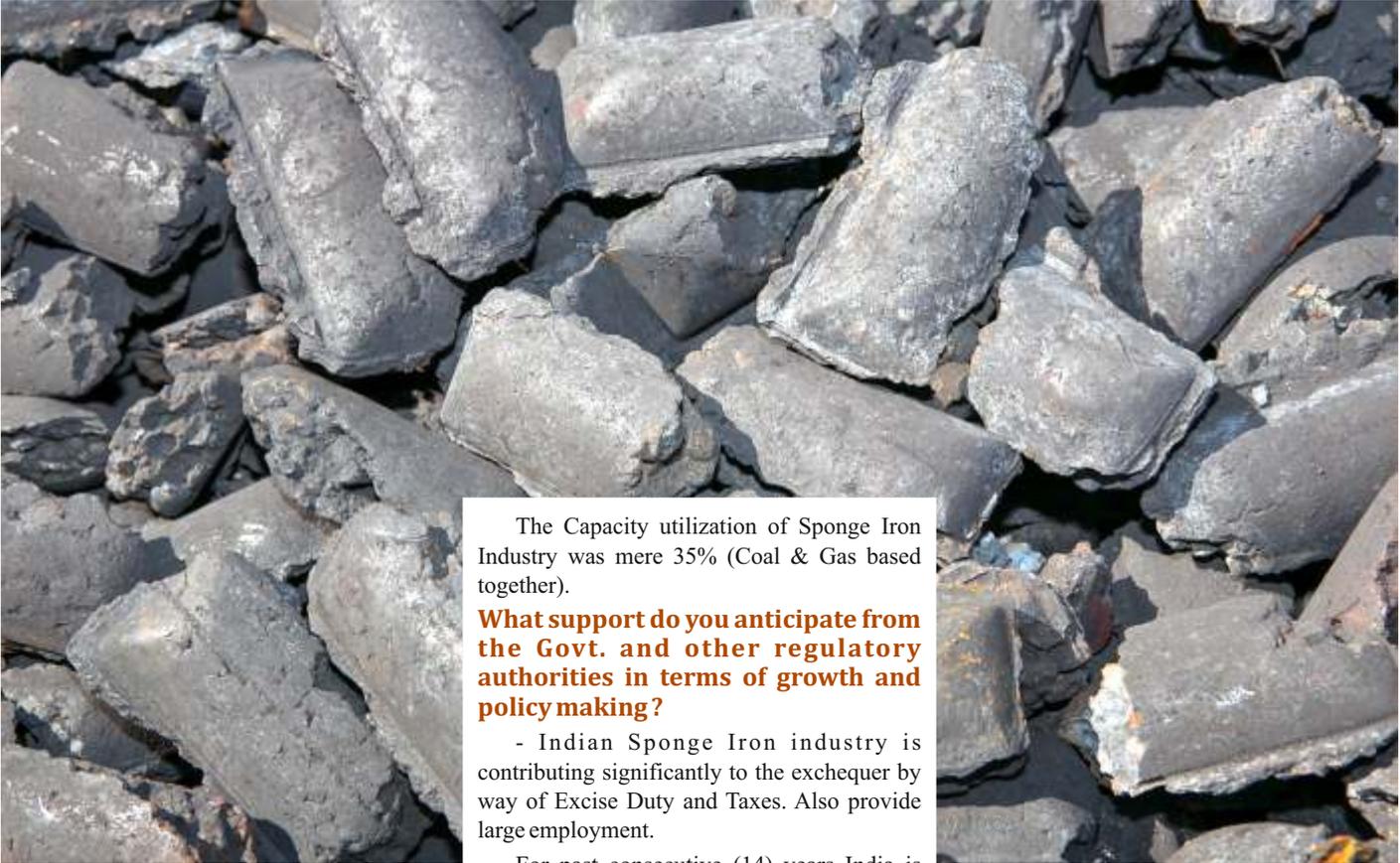
*“Major challenge is cost competitiveness. Past couples of years were very challenging for the manufacturing industries and Sponge sector was no exception. For the survival, all measures required for cost reduction including up-gradation of technology, automation etc. were taken by the industry.” In an exclusive interview with **Editorial Assistant, Trupti Jagtap** of **Steelworld**, **Prakash Tatia** talks about the contribution of Indian Sponge iron industry. Excerpts*

**SIMA takes up image building exercise at regular intervals to project and ensure the continuous development and growth of the sponge iron industry, what are the developments came into existence till date and what kind of growth do you foresee in future?**

- Firstly, I am clear that with the pragmatic approach of the Government and focus on development, Steel sector is going to grow to meet the steel demand. It is also evident that alone primary (integrated) sector will not be able to meet the growing steel demand and

secondary sector will play the vital role. Even now also, more than 50% of country's steel production is from secondary sector wherein Sponge Iron industry is contributing significantly.

India having plans to increase the capacity 250 to 300 Million Tonnes in next decade, Sponge Iron sector will also have promising growth as ample resources of Iron Oxides and non-coking coal are available. Government is also recognizing this fact. Time to time, SIMA is taking up the issues with the Government for availability of key raw materials at affordable prices and getting very supportive response.



The Capacity utilization of Sponge Iron Industry was mere 35% (Coal & Gas based together).

**What support do you anticipate from the Govt. and other regulatory authorities in terms of growth and policy making?**

- Indian Sponge Iron industry is contributing significantly to the exchequer by way of Excise Duty and Taxes. Also provide large employment.

For past consecutive (14) years India is largest producer of DRI in the world, a matter of pride. This achievement is possible with the continuous support of the Steel Ministry/ Government. We expect Government to continuously provide the support and the basic raw materials mainly Iron Oxide and Non-coking coal to be made available to meet the industry requirements and at affordable prices.

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**SIMA has organized 3rd India international DRI Summit 2016, what are the objectives of the summit and what kind of response is expected from the participants?**

- Yes, SIMA is organizing 3rd India International DRI Summit 2016 on 19th Aug.

**Which are the major challenges faced by the sponge iron industry in India? What steps are taken by SIMA to overcome these challenges?**

- Major challenge is cost competitiveness. Past couples of years were very challenging for the manufacturing industries and Sponge sector was no exception. For the survival, all measures required for cost reduction including up-gradation of technology, automisation etc. were taken by the industry. Now we feel on ex-plant basis, our cost is well comparable with bench mark. Unfortunately, subsequent logistic costs and other incidental expenses like various taxes and duties and high capital cost makes the overall cost at customers end high compare to other substitutes mainly imported steel scrap in case of Sponge Iron sector.

Time to time SIMA was taken up the concern of steel scrap imports to the authorities but so far no major measures are taken to restrict import of steel scrap.

In FY 16, 6.2 MMT Steel scrap imported in the country, an increase of 13% compared to FY15. At the same time our DRI production remained flat in FY 16 i.e. 17.87 MMT (FY 15 was 17.46 MMT).

2016 at Hotel Shangri-La, New Delhi. This is truly knowledge based conference on DRI, wherein we are inviting global experts to present the Technical papers. Through ‘Steelworld’ magazine also we would request the readers to attend this one day conference. This event is being supported by Ministry of Steel, Govt. of India and we expect good participation from India & abroad.

Last similar Summit was held in 2014, which was attended by more than 200 delegates from India & 15 Countries.

**How will ‘Make in India’ concept help DRI and Sponge iron industry?**

- Make in India mission of Government will definitely support in the future growth of this sector. We all know DRI is manufactured metallic and hardly having any tramp elements (unlike Steel Scrap) and which is key requisite for making quality/Special Steel. The banner of ‘Make in India’ will give boost to the domestic steel demand, especially in quality steel and to meet the stringent quality steel requirement for sectors like defence, aviation, railways, power, engineering etc., DRI being a clean metallic will play the important role.