



**D.B. SUNDARA RAMAN**  
Chairman  
Indian Ferro Alloys Producers  
Association



**D**. B. Sundara Raman joined Tata Steel as a Graduate Trainee in 1990 after completing B.Sc. Engineering in Mining discipline from NIT, Rourkela. He has worked in various capacities in Coal & Iron ore mines of Tata Steel for the last 25 plus years and currently working as Executive in Charge (Ferro Alloys & Minerals).

He holds a First Class Mine Manager's Competency Certificate in Coal from DGMS.

Subsequently, he has completed General Management program from XLRI, Jamshedpur.

Besides various internal training programs conducted within India, he has also attended the following programs, abroad:

1. Tata Group Executive Leadership Development Program at UK.
2. Sustainable Mineral Institute at Brisbane, Australia.
3. Sr. Executive Management Programme at CEDEP, France
4. Global Leadership Development Programme.

Raman is a member in Institute of Engineers, Jamshedpur Chapter, MEAI and the Indian Mining and Engineering. He has published a number of papers on topics related to Sustainable Mining and Innovation.

Currently, he is the Chairman of IFAPA and also the Mining & Metals Sub Committee of CII, Eastern region.

*"High Power tariff in most of the states and little export incentives are the pain points for the industry. Added to that, increase in Royalty and DMF have also raised the input cost of raw materials to this industry. As Ferro Alloys industry is dependent on imported Manganese ore as well as low Phos Coke, import duty on these would further increase the woes of this industry."* In an exclusive interaction with **Editorial Assistant, Trupti Jagtap** of **Steelworld**, **D. B. Sundara Raman** has discussed about the issues faced by the Ferro alloys industry. Excerpts

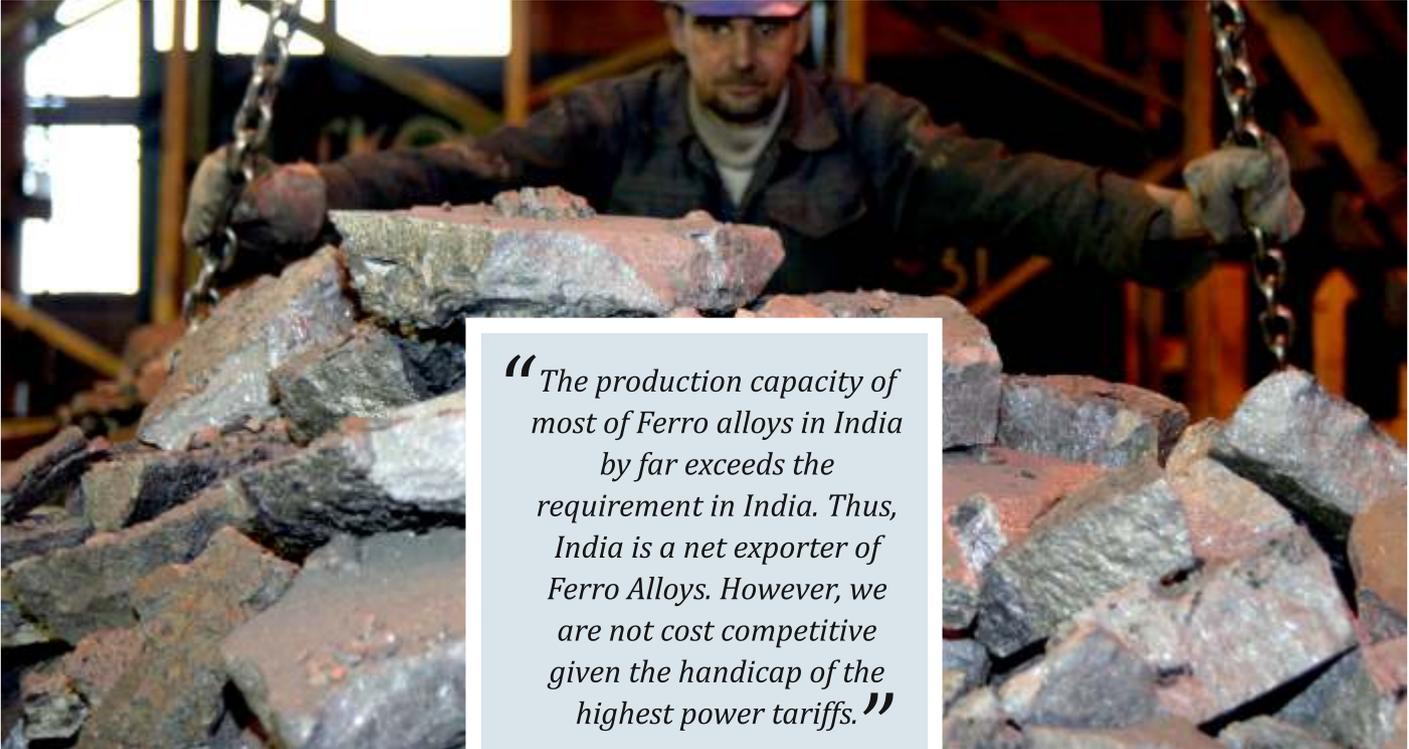
## Ferro Alloy Industry Seems Gloomy

**What steps have been taken by the ferro alloys industry for the growth of the Steel Industry and also to cater to the international market?**

- Ferro alloys are used as input to steel making. The growth of Ferro Alloys industry is closely linked to the growth of Steel Industry. Having said that, the Ferro alloys capacity in India is fully geared to meet 100% requirement of both High Carbon and Stainless Steel industries. And the excess production beyond domestic requirement can cater to the International market as well.

**What is the production capacity of Ferro alloys in India in 2015-16? Tell us about the products which get imported every year.**

- Approximate smelting capacity for Ferro alloys in India is around 5 million tonnes. But due to various reasons, the industry is not able to produce to its capacity. Roughly, India would have produced about 3.5 million tonnes in the last year. Medium Carbon Ferro Manganese,



*“The production capacity of most of Ferro alloys in India by far exceeds the requirement in India. Thus, India is a net exporter of Ferro Alloys. However, we are not cost competitive given the handicap of the highest power tariffs.”*

Manganese Metal, Manganese Flakes, Low Carbon Ferro Chrome are some of the products which get imported.

#### **How much Ferro alloys is imported in the country annually?**

- India imports mainly noble Ferro alloys and some special (low carbon etc) Ferro alloys as most of the bulk Ferro alloys requirements are being met in India itself. Though there have been cases of imports of some bulk Ferro alloys, they are more of exception than norm. Last year about 80,000-90,000 MT Ferro alloys was imported.

#### **Tell us about the man power, latest equipment and technologies, which have given recognition and position in the international market.**

- Most of the manpower involved in the production of Ferro alloys are skilled. The chemical and physical specs of these alloys play a significant role in the final grade of steel or stainless steel produced hence it is very important to have skilled manpower in the entire value chain. In India we mostly have submerged arc furnaces for production of Ferro alloys. Though India is not a technology leader but we are a technology adopter suiting our demographic conditions.

So, Indian Ferro Alloy Industry is more seen as employment generator than technological leader.

#### **What kind of support do you expect from the govt. to increase its exports and earn substantial foreign exchange for the country?**

- The production capacity of most of Ferro alloys in India by far exceeds the requirement in India. Thus, India is a net exporter of Ferro Alloys. However, we are not cost competitive given the handicap of the highest power tariffs.

The Industry expects a level playing field compared to other exporting countries (South Africa, Khazakistan, Malaysia etc.)

Secondly, this sector was given some incentives in form of focused product scheme where the producer used to get a 4% reward on his exports. This, under the new MEIS scheme, has been reduced to 2%.

Similarly there was 1.7% incentive as duty drawback which has been reduced to 1.4%. So what was once 5.7% (4+1.7) has now come down to 3.4% (2+1.4). The industry expects resumption of the benefits which is to boost further exports which can earn higher foreign exchange.

#### **What kind of difficulties do the producers face and how does IFAPA help them to overcome these problems?**

- As mentioned earlier, High Power tariff in most of the states and little export incentives are the pain points for the industry. Added to

that, increase in Royalty and DMF have also raised the input cost of raw materials to this industry.

As Ferro Alloy Industry is dependent on imported Manganese ore as well as low Phos Coke, import duty on these would further increase the woes of this industry.

There is also currency devaluation / depreciation in major exporting countries like South Africa and Khazakistan which makes it easier for a buyer to overlook Indian producers.

IFAPA is continuously bringing up these issues to the attention of relevant ministries like Ministry of Mines, Ministry of Steel, Ministry of Commerce and Industries etc. for favourable decisions which provide some relief to the Ferro alloys industry.

#### **What kind of future plans does IFAPA have to shape the industry?**

- As of now we are taking up the various issues mentioned above at various forums. We are hopeful of positive outcomes and support from the respective State Governments and the Union Govt. of India.

IFAPA is also vociferously supporting the concept of “Make in India” and boost to Infrastructure development which would enable us to utilise the capacity to the fullest possible extent.