

NINL resumes blast furnace op in Kalinga Nagar

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IN a bid to shore up its sagging bottom-line, public-sector steel maker Neelachal Ispat Nigam Limited (NINL) has lined up a string of measures for this financial year.

The state-run unit has resumed its blast furnace operations at Kalinga Nagar in Odisha after completing capital repair work and has immediate plans to regain steel billet production after restarting the steel melting shop (SMS) in full capacity. Further, with the operationalisation of the 110 million tonne captive mines at Koira after it gets the final Stage-II forest clearance, NINL will have the potential of becoming one of the leading producers of steel in the State.

"Along with the ion of pig iron and improved hot metal production, NINL plans to resume steel billet production after restarting the steel melting shop in full capacity, which will impact the company's bottom-line", said S S Mohanty, vice-chairman & managing director, NINL.

The blowdown process of the blast furnace began on November 26 and subsequently, the capital repair work began from November 30. NINL aims to operate the blast furnace at 100 per cent capacity, higher than 50-55 per cent earlier. The company has set a daily production target of 3,500 tonnes per day.

According to analyst, the strategic location of NINL coupled

with its high grade iron ore deposits has lured steel giants like Steel Authority of India Ltd (SAIL) and Rashtriya Ispat Nigam Ltd (RINL) to have controlling stakes in the project. Both SAIL and RINL have made aggressive but unsuccessful bids to acquire this asset, purportedly with an eye on captive iron ore mines.

Earlier this year, the company said it plans to achieve steel output of five million tonnes per annum (mtpa) in two phases at a cost of ₹ 25,000-30,000 crore. The company's plan to expand steel capacity from 1.1 mtpa to five mtpa has been marred by slide in the steel market.

However, analysts pointed out that profitability of Indian steel companies is likely to improve despite an increase in raw material prices. "Operating conditions will be most supportive in India because of robust domestic demand and protectionist measures, and despite an increase in raw material prices and new capacity," Moody's said in its latest report 'Steel - Asia, 2018 outlook.'

Historically, MMT C-managed NINL has been one of the largest producers and exporters of pig iron.

The revival of NINL's plant operations is set to give some respite to both domestic and global pig iron market. Other products in NINL's portfolio are steel billets, LAM (low ash metallurgical) coke, nut coke, coke breeze, crude tar, ammonium sulphate and granulated slag.