
KIOCL to restart pig iron production

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It is reported that KIOCL Ltd is planning to restart its pig iron production at its blast furnace unit in Mangalore.

Mr K Ranganath CMD of KIOCL said “We are sending the proposal to the board to restart operations at BFU.”

Mr Ranganath said “The company produced 157,000 tonnes of pig iron in 2007-08, but production declined to 118,000 tonnes in 2008-09. This fiscal year, until the closure of BFU in September, the company produced around 62,000 tonnes of pig-iron. However, the company will start operating BFU, which has an annual installed capacity of 216,000 tonnes, as it has to supply pig iron to its long time customers.”

The KIOCL has suspended operations at its BFU in September last following the fall in prices of pig-iron in the domestic market. Pig-iron prices that stood at 35,000 per tonne in September 2008 tumbled to below INR 18,000 in December 2008. Now the price has increased to INR 21,000, but still, it may create loss for the company as the price of coke, a main raw material for pig-iron stood at INR 22,000 per tonne.

(Sourced from <http://www.financialexpress.com>)

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