

Margin will squeeze due to high input cost: Ratan Tata

Tata group chairman Ratan Tata Thursday said the profit margin of the group companies may suffer due to the high prices of raw materials.

Speaking at Tata Steel's shareholders' meeting, Tata said: 'With challenges of battling record raw-material costs, our profit margin will squeeze. Although it is difficult to ascertain now.'

Earlier this year, steel makers like ArcelorMittal and Posco raised prices after a threefold increase in coking coal rates and two-fold hike in iron-ore costs. Due to government directive, Tata had to hold prices in India.

Apart from this, Greenpeace activists have raised criticism against Tata group's Dhamra port project in Orissa. The Greenpeace alleged that the port, being developed by a joint venture between the Tata group and Larsen and Toubro, would affect breeding of Olive Ridley turtles and the coastal environment.

The Tatas responded by saying that a feasibility study was conducted before the project was launched and the coastal environment, marine life and Olive Ridley turtles' breeding zones were carefully studied. Due sanctions were also taken from the relevant authorities based on independent studies.

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