

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.2873
FOR ANSWER ON 28/03/2022

COMPARATIVE COST OF STEEL PRODUCTION

2873. SHRI K.J. ALPHONS:

Will the Minister of STEEL be pleased to state:

- (a) what is the comparative cost of production of various categories of steel by public sector undertakings and private sector undertakings;
- (b) what action has been taken to bring down the cost of production in public sector undertakings; and
- (c) whether these actions were effective?

ANSWER

THE MINISTER OF STEEL

(SHRI RAM CHANDRA PRASAD SINGH)

(a)to(c): Steel being a de-regulated sector, the cost of production is influenced by various factors like global market conditions, trends in price of raw materials, logistics cost, power and fuel cost etc. The role of the Ministry is that of a facilitator. Decisions regarding cost of production of steel is taken by individual company (both private and public sector) based on techno-commercial considerations. However, individual Steel Public Sector Undertakings have taken various initiatives to reduce the cost of production. Some of the initiatives in this direction include:-

- Usage of Iron Ore Slime in place of Iron Ore Fines for Sinter making.
- Usage of Nut Coke and Pulverized Coal to reduce the costlier BF coke in Blast Furnaces.
- Usage of CRMP screenings & LD slag in place of BF grade Lime stone in Sinter making.
- Usage of Metallurgical Wastes generated in-house in place of Iron Ore Fines in Sinter making.
- Project on conversion of Metallurgical Waste generated in the plant into 'BOF briquettes' (used as coolant in converters) and 'Micro pellets' (as a replacement of iron ore fines in Sinter making) is under progress.
- Generation of Power from Waste gases and Waste energy. Power generation of 120 MW using 100% BF gas in Captive Power Plant-2 (CPP-2) is first of its kind in Indian Steel Industry.
- Optimization cost of Explosive, equipment, & other capital goods Plant spares, conveyor belts (steel cord, Nylon), HEMM spares and Raw Material to reduce cost of production further.
- Monitoring of heads which have direct impact on cost savings and some identified different heads are:-
 - (a) Diesel Consumption per ton of excavation.
 - (b) Lubricant Consumption per ton of excavation.
 - (c) Excavation in Ton per KG of Explosive.
 - (d) Industrial Electricity consumption per ton of excavation.
