

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:469
ANSWERED ON:17.07.2002
PRODUCTION COST
ANANDRAO ADSUL

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the Steel Authority of India is proposing a plan to put down its production cost; and
(b) if so, the details thereof and the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Yes, Sir. To improve financial performance and cost competitiveness, Steel Authority of India Limited has undertaken various cost control measures in the following major areas of operation:

- Reduction in consumption of coking coal and other raw materials; lower expenditure on stores and spares/contractual maintenance and savings in power and fuel consumptions.
- Improvement in techno-economic factors like blast furnace productivity, energy consumption, mill yields, etc.
- Reduction in purchase cost in areas like ferro-alloys, refractories, rolls etc.
- Austerity measures for reduction of other administrative expenses.

Despite substantial increase in prices of almost all the major inputs like indigenous coal, imported coal, power etc. during the last five years, the variable cost of production during 2001-2002 remained at the level of 1996-97, due to the cost control measures undertaken by SAIL.