

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:827
ANSWERED ON:31.07.2006
PRODUCTION COST OF IRON ORE/ LIMESTONE
Khairi Shri Chandrakant Bhaurao

Will the Minister of STEEL be pleased to state:

- (a) the production cost per tonne for iron ore and limestone produced by the different mines under Raw Material Division (RMD) of Steel Authority of India Limited (SAIL);
- (b) whether there is a difference of production cost in mines under RMD of SAIL;
- (c) if so, the reasons for this difference of production cost; and
- (d) the remedial measures proposed/taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

- (a) The cost of production is commercially sensitive information and its disclosure may not be in the commercial interests of the organization. Steel companies of other countries as well as domestic companies, which are having mines do not usually disclose their cost of production.
- (b) Yes Sir, the cost of production varies from mine to mine.
- (c) There are various reasons for difference in inter-se cost of production in mines, some of the major reasons are:
 - i) Level of Operations,
 - ii) Level of Mechanisation & Automation in the mines,
 - iii) Quantity of product excavated vis-à-vis desired quality, as lower quality of ore requires further processing and beneficiation.
 - iv) Location of excavation site to other allied units such as crushing plant, beneficiation unit and loading units etc.
- (d) In the corporate plan of SAIL, an investment plan for development of new mine as well as for augmenting the production facilities from the existing mines has been drawn out at an estimated expenditure of approximately Rs.2200 crores. This will help in improving the operating efficiency of mines.