

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2720
ANSWERED ON:26.08.2013
COMMERCIAL USE OF INDUSTRIAL SLAG
Yadav Shri Madhusudan

Will the Minister of STEEL be pleased to state:

- (a) whether there is a variation in the rates of unprocessed industrial slag produced in the Steel Authority of India Limited (SAIL) plants and other companies;
- (b) if so, the details thereof and the reasons therefor along with the efforts made by the Government to bring uniformity in the prices of industrial slag produced in the steel plants across the country;
- (c) whether SAIL including Bhilai Steel plant has entered into an agreement with large cement companies for the supply and utilisation of industrial slag produced in its plants and if so, the details thereof along with the targets fixed for cement production by each plant and the actual production, plant-wise;
- (d) whether the joint venture for cement production is not doing well and SAIL is facing losses as a result and if so, the details thereof and the reasons therefor; and
- (e) whether the industrial slag is being supplied to these large cement companies at cheaper rates as compared to the small scale cement factories/ plants and if so, the details thereof and the action taken by the Government in this regard?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

- (a)&(b): The prices of unprocessed industrial slag are market-driven. Prices may vary from plant to plant and between companies depending on the usage/demand of unprocessed Blast Furnace (BF) Slag in that particular area. So far as SAIL is concerned, unprocessed industrial slag is sold only by Bhilai Steel Plant (BSP).
- (c) The Steel Authority of India Limited (SAIL) has entered into a Joint Venture with M/s Jaiprakash Associates Limited and setup 2.2 MTPA capacity cement plant at Bhilai using Blast Furnace slag from SAIL's Bhilai Steel Plant. SAIL has also entered into a Joint Venture with M/s Jaiprakash Associates Limited and setup cement plant of 2.1 Million Tonnes per annum capacity at Bokaro using Blast Furnace slag from Bokaro Steel Plant. For both the Joint Ventures, SAIL is to supply 1.0 Million Tonnes of Slag in line with the Slag Sale Agreement entered into with the Joint Venture companies. Both the cement Joint Ventures i.e M/s Bhilai Jaypee Cement Limited (BJCL) and M/s Bokaro Jaypee Cement Limited (BoJCL) are separate legal entities and M/s Jaiprakash Associates Limited has a majority stake in them. SAIL is not involved in the day to day functioning of these companies.
- (d) M/s BoJCL, earned a net profit of Rs 136 crore in 2012-13 and declared a dividend of 25%. M/s BJCL, initially incurred losses, due to lower realisation of cement price in the region around Bhilai. However, the trend has been reversed during October 2012–March 2013 when the Company has earned a Cash profit of Rs.26.43 crore.
- (e) The committed quantity of BF slag is being supplied to the JVs companies as per the provisions of Slag Sale Agreement between concerned plant of SAIL and concerned JV company. Surplus slag, if any is sold at competitive market price obtained through open tender/ e-auction.