



9th August, 2018

**Shri Chaudhary Birender Singh**

Hon'ble Minister of Steel

Government of India

Udyog Bhawan, Dr. Maulana Azad Road

New Delhi – 110 011

Tel: (011) 2306 1486 / 2345, Fax: (011) 2306 1395

E-mail: steelministeroffice@gmail.com, minister.steel@nic.in

Respected Sir,

**Re:** Impractical ratio of conversion from iron to steel considering for allocation of Rakes under Priority 'C' by EDRM of Indian Railway for movement of Iron ore by Steel Producing Company

We would like to bring to your kind notice that Steel Producing Companies are facing constrains for getting railway rake to move Iron ore and iron ore fines (being their principal raw material) for Pig iron/Sponge Iron plants.

Further it is imperative to mention that movement of Iron ore rakes to steel plants is being made under Priority 'C' category allocated by EDRM office of Indian Railways.

We would like to put on record that since about more than a decade Railways have been considering conversion factor of 1.7 MT of Iron ore to Pig Iron/Sponge Iron and accordingly based on production the priority "C" allocation for number of rakes is being allotted thereby the steel producing company can place their indents for allotment of rakes.

We would like to reveal that quality of Iron ore has been degraded drastically in recent few years back as evident from the fact that earlier the grade of iron ore in terms of Fe was 65-66% which has now come down to 62-63%. Previously only iron ore was used for making pig iron but from past few years a portion of iron ore is being replaced by sinter and iron ore fines are used for manufacturing of sinter.

Due to degradation in the quality of ore and fines as explained above, it is becoming increasingly difficult to restrict the consumption to 1.7 mt of iron ore plus fines for production of 1mt of Pig Iron / Sponge iron.

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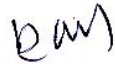
It has been given to understand us by Railway offices that the guideline of conversion ratio is being issued by Ministry of Steel as such we urge your good office to revise Iron ore to Pig Iron ratio keeping in view of the fact stated here in above.

We are hopeful that our request will be looked into in right perspective and necessary action will be taken by Ministry of steel so that all secondary steel producers can get the required number of rakes to operate their plant in full swing.

We shall be grateful if immediate step is taken by your kind self in regard to the above.

Thanking you,

Yours faithfully



( **Ramesh Agarwal** )  
President

Copy to:

**Dr. Aruna Sharma**

Secretary, Ministry of Steel  
Government of India  
Udyog Bhawan, Dr. Maulana Azad Road  
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**Shri Girish Pillai**

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Railway Board  
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**Shri Ratnasanu Das**

Executive Secretary  
Joint Plant Committee  
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Ballygunge Circular Road  
Kolkata – 700 019  
E-mail: jpcindiansteel@nic.in

3<sup>rd</sup> August, 2018

---Ministry of Steel

--JPC

-- Copy of Member Traffic Indian Railways

Dear Madam,

Sub: Impractical ratio of conversion from Iron to steel considering for allocation of Rakes under Priority 'C' by EDRM of Indian Railway for movement of Iron ore by Steel Producing Company.

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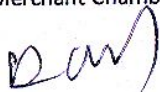
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Yours Faithfully

For Merchant Chambers of Commerce & Industries



(Authorised Signatory)