

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) and (b) In a memorandum given to the then Finance Minister in October, 1984, a Group of non-resident Indians from United Arab Emirates (UAE) had, inter alia suggested certain changes in the procedural framework and appointment of a high powered committee to look into the problems faced by the non-resident Indians. They had also suggested for relaxation of the 5% ceiling for NRI holdings under the Portfolio Investment Scheme and also sought additional tax concessions.

(c) Reserve Bank of India is already in the process of setting up a committee to review the existing procedures followed by it and the commercial banks in connection with various facilities under the NRI schemes so as to further simplify these procedures. The policies for encouraging investments by non-resident Indians have been reviewed by Government from time to time, and the Government does not consider it necessary at present to constitute a high powered committee to go into this matter.

Huge Losses Suffered by SAIL and its Constituent Steel Plants

293. SHRI Y. S. MAHAJAN : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the Steel Authority of India Limited and its constituent steel plants have suffered huge losses during 1982-83 and 1983-84;

(b) whether Government have analysed the causes of such losses, if so, the details thereof;

(c) whether the losses are due to defective production, planning, cost-structure, pricing policies, accumulation of stock, marketing strategies, high level of inventories, power supply and inefficiency and corruption; and

(d) the concrete remedial steps Government have taken or propose to take to remove these bottlenecks so that the steel sector where the public sector

investment is the largest is brought out of the red and generate some surpluses ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) to (c) It is correct that SAIL incurred losses in 1982-83 and 1983-84 of Rs. 105.76 crores and Rs. 214.50 crores respectively, this loss is likely to be brought down very substantially in 1984-85. The main reason for the losses has been that the price increases allowed to the steel plants during the past few years did not fully compensate the producers for the escalations in the costs of inputs.

Other reasons for losses have been high inventory of steel in 1982-83, the constraints of coking coal, power supply, obsolete technology and ageing of plants requiring higher maintenance—all these factors also affected the financial performance of the steel plants.

(d) Efforts are being made to ensure adequate inputs and of the right quality, better maintenance, increase in capacity utilisation and attainment of improved technological norms. Efforts are also being made to contain expenditure, reduce inventories and to adopt cost reduction measures.

Losses Suffered by Coal India Limited and its Subsidiaries.

294. SHRI Y.S. MAHAJAN : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether the Coal India Ltd. and its constituent units viz. Bharat Coking Coal Ltd., Central Coalfields Ltd., and Eastern Coalfields Ltd., have suffered heavy losses during the years 1982-83 and 1983-84 ;

(b) whether Government have analysed the causes of such losses ;

(c) if so, the details thereof ; and

(d) the concrete measures Government have taken or propose to take to bring these public enterprises out of the red ?