

(c) The expenditure on the project incurred upto 31-3-77 amounts to Rs 1326 crores. The project is estimated to cost Rs. 560 crores including Rs 128.81 crores for Stage-I. The Budget provision for 1977-78 is Rs 1307 crores.

(d) and (e) The scope of the project has been slightly increased by the Consultants based on techno-economic considerations.

Reorganisation of SAIL

1432 SHRI M RAM GOPAL REDDY: Will the Minister of STEEL AND MINES be pleased to refer to the reply given to USQ No 1566 on 23.6.77 in detail.

(a) whether Government have since decided to reorganise Steel Authority of India Ltd and

(b) if so the reasons therefor and what is the proposed reorganisation?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI KARIA MUNDA) (a) Yes Sir—

(b) As a result of a careful review of the existing organisational structure and functioning of Steel Authority of India Ltd it has been felt that it would be greatly conducive to the efficiency of the steel industry if public sector steel plants are brought under the over-all control of an integral company so that it can function as an integrated steel complex and all activities which are not directly related to steel production are kept outside its purview.

The broad features of the proposed reorganisation are as under—

(i) Hindustan Steel Limited Bokaro Steel Limited, Salem Steel Limited, SAIL International Ltd Bhilai Ispat Limited Rourkela Ispat Limited and Durgapur Mishra Ispat Limited which are wholly-owned sub-

sidaries of Steel Authority of India Limited (SAIL) will be merged in SAIL and these will function as divisions of SAIL.

(ii) The shares presently held by Government in Indian Iron and Steel Company Limited will be transferred to SAIL and it will become a subsidiary of SAIL. After the shares held by the financial institutions and others are also taken over, IISCO will also become a division of SAIL.

(iii) Metallurgical and Engineering Consultants (India) Limited Hindustan Steelworkers Construction Limited and National Mineral Development Corporation wholly-owned subsidiaries of SAIL will become independent companies under the direct administrative control of the Department of Steel Kiriburu and Meghatapur Iron Ores Mines of NMDC will however be transferred to SAIL to serve as captive units of Bokaro Steel Plant.

(iv) Bharat Refractories Limited a wholly-owned subsidiary of Bokaro Steel Limited and all other refractories units will come under the direct control of the Department of Steel.

(v) Central Coal Washeries of Hindustan Steel Limited at Dugda Bhojudih and Patherdih will be transferred to Bharat Coking Coal Limited.

(vi) There will be functional divisions in SAIL to look after matters of policy at the corporate level and to manage the affairs of its various units.

(vii) Maximum autonomy will be given to the Chief Executives of the various units as to ensure that these units work with optimum efficiency.

It is proposed to give effect to these proposals by means of legislation.