

THE MINISTER OF LABOUR AND REHABILITATION (SHRI R. K. KHADILKAR) : The progress made with the Dandakaranya development scheme being executed by the Dandakaranya Development Authority is indicated in the Chapter 'Dandakaranya Project' in the Annual Reports of the Department of Rehabilitation circulated to the Members of Parliament in the Budget Session every year.

Profits earned by Steel Plants in Public Sector

1752. **SHRI PRABODH CHANDRA** : Will the Minister of STEEL AND MINES be pleased to state :

(a) the time by which the Steel Plant in the Public Sector are expected to start making profits ; and

(b) the reasons for incurring losses by the Hindustan Steel Limited which is equipped with the latest machinery and equipments while an old machinery installed by Tatas about 50 years ago are making profits ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KAHN) : (a) and (b). Profitability is a function of costs, volume of production and prices. It has been estimated by Hindustan Steel Limited that on the basis of existing prices and costs, the three integrated steel plants under the Company can earn a profit if the volume of their production exceeds 84%, 81% and 63% of the installed capacity of Bhilai, Durgapur and Rourkela Steel Plants respectively. Accordingly, the Management is concentrating its efforts towards raising production as rapidly as possible and a number of steps have been taken in this direction.

The losses sustained by the Company over the years have been due to a number of reasons including such factors as inadequate utilisation of capacity, higher incidence of capital related charges, disturbed industrial relations in some of the plants, and escalations in cost elements. The capital related charges of TISCO are very much lower and their utilisation of capacity is greater.

Increase in Price of Steel

1753. **SHRI D. K. PANDA** :
SHRI JYOTIRMOY BOSU :

Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government have lately decided to increase prices of steel ;

(b) if so, the main features thereof ; and

(c) the reasons prompting Government to increase the prices ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KAHN) . (a) and (b). With effect from 22-7-1972, Government have allowed an increase in prices of the following three categories of steel, by the amounts indicated against each :

(i) Billets	Rs. 80/ per tonne
(ii) Bars and Rods and Wire Rods	Rs 85/-per tonne
(iii) Structural and Rails	Rs. 50/ per tonne

(c) The three main producers of steel, viz, Hindustan Steel Limited, Tata Iron & Steel Company Limited and Indian Iron & Steel Company Limited represented to Government in April/May 1972 for an increase in steel prices. In their representations, the main producers referred to various items of cost escalations which had not been covered by the increase in steel prices approved by Government on December 30, 1969 and also to further cost escalation factors which had taken place since then. The total effect of these escalations came to over Rs.100/- per tonne. Of this, Wages (including DA) accounted for over Rs 30 per tonne, Raw Materials over Rs 20/-, Refractorier, Rolls and Fule Oil over Rs. 25/-and other factors such as Railway Freight, consumable stores, power etc., over Rs. 32/-. They had pointed out that in the absence of a suitable price increase, their operating results were being adversely affected.

Government carefully considered these representations and came to the conclusion