

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:2167  
ANSWERED ON:08.03.2000  
REVIVAL OF ALLOY STEEL PLANT DURGAPUR  
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**Will the Minister of STEEL be pleased to state:**

- (a) the loss incurred by Alloy Steel Plant Durgapur during the current year;
- (b) whether the Management of Steel Authority of India Limited have agreed to make the Alloy Steel Plant at Durgapur viable ;
- (c) if so, the details of revival of plant ; and
- (d) to what extent the measures taken by the SAIL have succeeded in revival of this plant?

**Answer**

MINISTER OF STATE FOR STEEL (SHRI DILIP RAY)

(a) Alloy Steel Plant incurred a loss of Rs.172 crores from April-December, 1999 during the current year.

(b) to (d): The Government has approved the financial restructuring of SAIL which includes eventual divestment of Alloy Steels plant. Meanwhile the management of SAIL is taking steps to make the plant viable.

A committee headed by Dr.S.K.Bhattacharya, Director (RDCIS) recommended the following measures to improve the viability of the Alloy Steels Plant, Durgapur.

MOU with 10-12 major customers who consume about 60% of billets, rounds and bars produced by ASP. Concept of key accounts managers can be introduced. Emphasis for increasing market share in eastern region from the present level of 24% Share in the other regions have to be maintained. Focus on high contributing products like billets, forgings, quenched & tempered plates. Concentrated efforts on fewer grades and products with larger quantity. Finding market of stainless steel slabs other than SSP. Process improvement measures for controlling variable cost inter-alia by way of reduction in raw materials, power and fuel consumption, improvement in yield and quality, etc, have also been suggested. Some of them will be implemented by March, 2000 without any investment, with benefits accruing from 2000-01.

Addition/modification of some facilities which have been suggested, with a total investment of Rs.8.8 crore will be implemented within a maximum period of 15 months, and benefits should accrue latest by 2001-02.

Impact of these measures will be evaluated after their implementation.