

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:3479  
ANSWERED ON:14.08.2001  
VISAKHAPATNAM STEEL PLANT  
NANDIPAKU VENKATASWAMY

**Will the Minister of STEEL be pleased to state:**

- (a) whether it is a fact that the Visakhapatnam Steel Plant (VSP) is running into huge losses since its inception;
- (b) if so, whether it is also a fact that it has achieved the targeted production and profits during 1999-2000 and 2000-2001;
- (c) if so, whether the Union Government have taken any steps to disinvest the VSP despite its running into profits;
- (d) if so, the details thereof;
- (e) if not, whether the Government propose to expand the VSP; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Visakhapatnam Steel Plant has been incurring losses since its inception. The physical and financial performance of VSP during the years 1999-2000 and 2000-01 is as under:

Item	Unit	1999-2000	2000-01			
		Target	Actual	Target	Actual	(Prov)

Hot Metal	`000 tonnes	3400	2943	3120	3165	
Liquid Steel	`000 tonnes	2650	2656	2530	2909	
Saleable Steel	`000 tonnes	2305	2382	2217	2507	
Cash Profit	In crores	-22.97	-130	-55	160	
Net Profit/Loss	In crores	-470.24	-562	-531	-293	

(c)to(f): A detailed proposal consisting of dispensations from the Government like setting off of the accumulated losses, capacity expansion, providing Government Guarantee for raising funds and extension of Govt. Guarantee for working capital loan was considered by the Government but the proposal was found not viable. The Disinvestment Commission proposed writing off of the entire accumulated losses of the company as on 31.3.1999 along with disinvestment of not less than 51% of its remaining equity to a strategic buyer. No time frame has been decided for the revival plan of RINL.