

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:221
ANSWERED ON:05.12.2000
ROURKELA STEEL PLANT
BHARTRUHARI MAHTAB;TRILOCHAN KANUNGO

Will the Minister of STEEL be pleased to state:

- (a) whether the Rourkela Steel Plant (RSP) is incurring huge losses even after modernisation;
- (b) if so, the facts in this regard;
- (c) whether the production target has been achieved after modernisation of the Plant;
- (d) if so, the details thereof during each of the last three years;
- (e) if not, the reasons therefor;
- (f) the production target set for the next three years; and
- (g) the steps taken to achieve the target in RSP and make it a profit making unit?

Answer

THE MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) to (g): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (G) OF THE LOK SABHA STARRED QUESTION NO. 221 T ANSWERED ON 05/12/2000 TABLED BY SHRI TRILOCHAN KANUNGO AND SHRI BHARTRUHARI MAHTAB REGA ROURKELA STEEL PLANT

(a) & (b): The modernisation of Rourkela Steel Plant (RSP) was completed in November, 1999. RSP incurred a net loss of Rs.704 crores in 1999-2000.

(c) & (d): The targets for production of saleable steel and achievement during the last three years are as follows:-

(Unit : Million Tonnes)

Item	Target	Achievement
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1997-98	1.24	1.18
1998-99	1.39	1.11
1999-2000	1.23	1.17

(e) The target for production in 1999-2000 has not been achieved mainly due to regulation of production owing to sluggish market conditions.

(f) The targets for production of saleable steel by RSP, as set by Steel Authority of India Limited (SAIL), for the next three years are as follows:-

Unit : Million Tonnes)

Year	Target
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2001-02 1.62
2002-03 1.63
2003-04 1.64

(g) The following steps are being taken by RSP to turnaround and enable it to earn cash profit:

- Increase the volume of production of Hot Metal, Crude Steel and Saleable Steel;
- Increase the sales of its products particularly plates and HR coils;
- Product-mix optimization by increasing the proportion of value-added items;
- Decrease in consumption of coal by improving coke rate; and
- Savings in cost of power;