

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:2511
ANSWERED ON:08.08.2000
REVIVAL OF STEEL SECTOR
JAGANNATH MALLICK;SHIVAJI VITHALRAO KAMBLE

Will the Minister of STEEL be pleased to state:

- (a) whether there is a heavy loss in the Government owned Steel plants;
- (b) if so, the details thereof, plant-wise;
- (c) whether Integrated Steel Manufactures have represented to the Government for setting up of dedicated Steel Survival fund;
- (d) if so, the details in this regard;
- (e) the reaction of the Government thereto; and
- (f) the details of the action taken/proposed to be taken for revival of sagging performance of Steel Sector both in public and private sector?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) & (b): The losses of steel plants in the public sector in 1999-2000 are given below:

Sl. No.	Steel Plant under the Steel authority of India Limited (SAIL)	Amount of Loss (Rs. crores)
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1.	Durgapur Steel Plant	651
2.	Rourkela Steel Plant	704
3.	Alloy Steels Plant, Durgapur	260
4.	Salem Steel Plant	142
5.	Visvesvaraya Iron & Steel Ltd.	91
6.	Indian Iron & Steel Co. Ltd. (a subsidiary of SAIL)	210
Non-SAIL		
7.	Rashtriya Ispat Nigam Limited (Visakhapatnam Steel Plant)	568

(c) No, Sir.

(d) & (e): Do not arise.

(f) Government has since approved a plan for the business and financial restructuring of SAIL with a view to increasing its competitiveness and making it profitable.

As for Visakhapatnam Steel Plant, the Disinvestment Commission has recommended the writing-off of the accumulated losses of the company upto 31.3.99 and disinvestment of equity of not less than 51%.

As for the steel industry in the private sector, government have allowed un-restricted flow of foreign direct investment (FDI) in the

industry. It has constituted a high level committee to recommend measures for addressing the problems of the industry. The 'Round Table on Steel' held last year have made the following recommendations to improve the functioning of the steel sector:

- i) rationalisation of excise and customs duty;
- ii) streamlining of exports measures;
- iii) controlling cost escalation of inputs;
- iv) streamlining of clearance procedures of financial institutions; and
- v) steps for boosting steel consumption in infrastructure and non traditional sectors.