

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:371
ANSWERED ON:19.12.2005
STEEL PLANTS IN THE COUNTRY
Nikhil Kumar Shri ;Pathak Shri Brajesh

Will the Minister of STEEL be pleased to state:

- (a) the number of steel plants in the country, at present, State-wise;
- (b) the number of profit making / sick steel plants, out of the above;
- (c) whether the Government proposes to revive the sick steel plants;
- (d) if so, the details thereof alongwith the expenditure likely to be incurred thereon;
- (e) whether the Government has ascertained the reasons for some public sector steel plants running into losses;
- (f) if so, the details thereof; and
- (g) the action proposed / taken in this regard?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a)to(g): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (G) OF THE LOK SABHA STARRED QUESTION NO.371 TO BE ANSWERED ON 19/12/2005 TABLED BY S/SHRI NIKHIL KUMAR AND BRAJESH PATHAK, MEMBERS OF PARLIAMENT REGARDING STEEL PLANTS IN THE COUNTRY

- (a) The number of steel plants, State-wise, under public and private sector in the country is given at Annexure.
- (b) There are no sick steel plants in the public sector. Financial performance of the private sector steel plants is not monitored by the Government.
- (c)&(d): Does not arise in view of (b) above.
- (e)to(f): All plants including subsidiaries of SAIL are making profits except Alloy Steel Plant (ASP) and Salem Steel Plant (SSP) which have registered marginal losses of Rs.16 crores and Rs.10 crores respectively during the first half of the current year. Even though ASP has been showing steady improvement in performance, it suffered a loss during H1 2005-06 primarily because it has low volume of finished products resulting in lower net sales realization, which is not able to compensate for escalation in input material cost such as scrap, nickel and ferro-alloys. Despite making marginal profit during 2003-04 and 2004-05 SSP has sustained a loss during the first half of 2005-06 because it has been adversely affected due to volatility in demand and reduction in prices of stainless steel in the international market
- (g) To improve the performance of its Steel Plants, SAIL has prepared a corporate plan 2012 based on market, business and technical analysis for the concerned steel plants. A total investment of about Rs. 2,000 crores is envisaged for Special Steel Plants in the Corporate Plan, out of which Rs. 460 crores and Rs. 1,266 crores will be spent on ASP and SSP respectively. The performance of ASP has already improved since it has made marginal profit in the last quarter of 2004-05 and reduced its losses during 2005-06 till date. To improve the financial performance of ASP, Argon-Oxygen-Decarborization (AOD) facility is being installed. The modernization plan for SSP is under finalization by SAIL.

Annexure

List of steel plants, State-wise, under public and private sector in the country

1. Public Sector

- i. Bokaro Steel Plant Jharkhand
- ii Bhilai Steel Plant Chhattisgarh
- iii Rourkela Steel Plant Orissa
- iv Durgapur Steel Plant West Bengal
- V Alloy Steel Plant West Bengal
- Vi Vishveshvarya Steel Plant Karnataka
- Vii Salem Steel Plant Tamil Nadu
- viii Indian Iron & Steel Co. (Subsidiary) West Bengal

Rashitriya Ispat Nigam Ltd. (RINL)

- i Vishakhapatnam Steel Plant. Andhra Pradesh

2. Private Sector (Main producers, Major Producers and Secondary Producers, as on 1.8.2005.

State wise details of Steel Plants :-

Region State Number

North Uttar Pradesh 93

Chandigarh 2
 Delhi 10
 Haryana 31
 Himachal Pradesh 11
 Jammu & Kashmir 5
 Punjab 101
 Rajasthan 23
 Uttaraanchal 23

Total 299

South Tamil Nadu 33

Pondicherry 22
 Karnataka 7
 Kerala 25
 Andhra Pradesh 10

Total 97

East West Bengal 38

Orissa 44
 Jharkhand 24
 Bihar 7
 Meghalaya 10
 Assam 7

Total 130

West Chhattisgarh 43

Dadra Nagar Haveli 18
 Daman 9
 Goa 18
 Gujarat 57
 Maharashtra 72
 Madhya Pradesh 17

Total 234

All India 760

(Source : Joint Plant Committee)