

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1889

ANSWERED ON:19.08.2013

SICK STEEL PLANTS

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Will the Minister of STEEL be pleased to state:

- (a) the number of steel plants which are in profit earning condition along with the number of steel plants that have been declared sick or have been closed down due to the losses incurred by them in the country, State-wise;
- (b) whether the Government has taken any measures for the revival/ restructuring of such sick plants/units and if so, the details thereof, plant-wise/unit-wise and if not, the reasons therefor;
- (c) whether the Government proposes to set up new steel plants in the country during the next two years particularly in the backward regions of the country;
- (d) if so, the details thereof, State-wise along with the time-frame within which these plants are likely to be set up along with the steps being taken by the Government to promote investments in the domestic steel industry; and
- (e) the per capita consumption of steel in the country particularly in the rural areas and the areas identified by the Government where the consumption of steel is likely to be increased in the future along with steps taken by the Government to increase investments and ensure the quality in the steel sector?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)&(b): There are two public sector steel manufacturing companies in the country namely, Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL). Both are profit making Public Sector Enterprises. However, some plants/units of SAIL have reported losses. As SAIL on the whole is making net profit, at present the question of taking any measures for revival/restructuring of these loss making plants/units does not arise. Steel is a deregulated sector. Therefore, the information about private sector steel plants is not maintained by the Ministry of Steel.

(c)&(d): SAIL has been nominated by the Government for revival of closed fertilizer unit of Fertilizer Corporation of India Limited (FCIL) at Sindri, Distt-Dhanbad, Jharkhand. As part of its revival process, SAIL has inter-alia decided to set up a 5.6 MTPA steel plant through the Special Purpose Vehicle (SPV) "SAIL-Sindri Projects Ltd." which has already been incorporated for further necessary action.

(e) According to a report, per capita consumption of total finished steel (alloy+non-alloy) in the country was 60 kg including 9.8 kg in rural areas. Some of the areas identified for increasing consumption of steel in rural areas, apart from its use in building activities are low cost steel housing for economically challenged people, steel culverts, steel agricultural implements, steel storage bins etc. For ensuring the quality of steel, necessary action is taken as per provisions of the Bureau of Indian Standards Act 1986.