

LOK SABHA
UNSTARRED QUESTION NO.17
FOR ANSWER ON 03/02/2020

DEBT ON STEEL INDUSTRIES

17. SHRIMATI SHARDABEN ANILBHAI PATEL:

Will the Minister of STEEL be pleased to state:

- (a) whether the steel industries in the country have heavy burden of debt;
- (b) if so, the details thereof;
- (c) whether the production and demand of steel are on decline due to increase in the cost of raw materials, electricity and global competition; and
- (d) if so, the steps being taken by the Government to resolve these problems?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)&(b): No, Sir. Steel is a capital-intensive industry with long gestation period. Steel companies require capital for activities such as capacity expansion and technological upgradation. The ideal Debt to Equity ratio for capital intensive & long gestation period sectors like power & steel is 2:1. The Indian steel sector Debt to Equity ratio is presently less than 2:1.

(c)&(d): No, Sir.
