

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.1741
FOR ANSWER ON 30/11/2016

FACTORS AFFECTING PSU STEEL COMPANIES

1741. SHRIMATI SASIKALA PUSHPA:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that one factor or the other affects the public sector steel manufacturing industries which are under the control of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL);
- (b) if so, the details of problems faced by each public sector steel companies and solutions recommended by Government in this regard; and
- (c) the number of steel plants under these two authorities and their performance status, viz., profit making or loss incurring, plant-wise?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a)&(b) Yes, Sir. The public sector steel manufacturing industries under Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) are affected by factors like slow growth in steel demand, falling prices on account of global steel glut leading to import of steel at very low prices resulting in surge in steel imports during 2014-15 and 2015-16.

The Government of India took various steps to support the domestic steel sector, some of which are as given below:

- i. Increase in peak rate of Custom Duty on steel to 15%. Effective rate of import duty was increased in phases to 10% on Long products and 12.5% on Flat products from pre-revised level of 5% and 7.5% respectively.
- ii. Against a petition by the domestic steel producers, Safeguard duty on HR Coils of 20% notified in September, 2015 provisionally and final notification issued for the same in March, 2016 extending 20% Safeguard duty up to September, 2016. Thereafter, phased reduction to 18% (till March, 2017), 15% (till September, 2017) and 10% by March, 2018.
- iii. The Government of India notified Minimum Import Price (MIP) on select steel products (5th February, 2016) and further extended it on certain steel products for two months with effect from 5th August, 2016 and again for two months with effect from 5th October, 2016.
- iv. Provisional Anti-dumping duty notified on import of flat products (Hot Rolled & Cold Rolled) and on Wire Rods from China, Japan, Korea, Russia, Brazil, Indonesia & Ukraine vide notifications dated 8th August, 2016, 17th August, 2016 and 2nd November, 2016.
- v. Government amended the Steel and Steel Products (Quality Control) Order, 2012 from time to time to ensure that only quality steel is imported into India.

Contd....2/-

(c) The plant-wise Profit (+)/ Loss (-) of SAIL is given as under:-

(Rs. in crore)

Plant/ Unit	2013-14	2014-15	2015-16
Bhilai Steel Plant (BSP)	2085	2232	405
Durgapur Steel Plant (DSP)	416	506	-527
Rourkela Steel Plant (RSP)	212	232	-2524
Bokaro Steel Plant (BSL)	202	451	-2203
IISCO Steel Plant (ISP)	-653	-1072	-1939
Alloy Steel Plant (ASP)	-93	-134	-83
Salem Steel Plant (SSP)	-376	-355	-466
Visvesvarya Iron Steel Plant (VISL)	-123	-97	-116
SAIL Refractory Unit (SRU)	3	7	21
Chandrapur Ferro Plant (CFP)	-78	-45	-78
Raw Material Division (RMD)/ Central Units	1628	634	310
SAIL Profit (+)/ Loss (-) Before Tax	3225	2359	-7198
Tax	608	266	3061
SAIL Profit (+)/ Loss (-) After Tax	2616	2093	-4137

RINL is a single unit steel producing CPSE. The Profit (+)/ Loss (-) of RINL is given as under:

(Rs. in crore)

Particulars	2013-14	2014-15	2015-16
Profit After Tax (PAT)	366	62	(-) 1421
