

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1504  
ANSWERED ON:01.08.2000  
MECON COMPANY  
BRAJ MOHAN RAM

**Will the Minister of STEEL be pleased to state:**

- (a) whether the functioning of the Mecon Company at Ranchi in Bihar is satisfactory;
- (b) the details of the profit and loss of this company during each of the last three years; and
- (c) the steps proposed to be taken by the Government for the expansion of the company and for making it more profitable?

**Answer**

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) & (b): The functioning of MECON Limited has been adversely affected due to a slow down in the steel sector. The details of profit earned and losses suffered by MECON Limited during the last three years is as under:

(Rs. in crores)

Year	1997-98	1998-99	1999-2000 (Provisional)
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Profit/Loss	3.17	(-) 11.17	(-) 27.16
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(c) Government is not likely to take any steps for the expansion of the Company. However, following steps are being taken by the Company to increase its profitability:-

i) Downsizing of the company by giving Voluntary Retirement

ii) Diversification of MECON into non-steel areas like:-

- Infrastructure (Water supply, roads, ports, flyovers)
- Material Handling
- Power
- Environmental Engineering
- Ocean Engineering
- Oil & Natural Gas/Petro-Chemicals
- Defence
- Space
- Nuclear Power

iii) Restructuring of the organisation by creating `Lines of Business` in a phased manner with orientation to specific market segments to ensure greater thrust.

iv) Economy measures have been introduced to cut down non-value adding costs and reduce expenditure.