

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:3968  
ANSWERED ON:24.08.2004  
ALLOY STEEL PLANT  
Khan Shri Sunil

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

- (a) whether Alloy Steel Plant, Durgapur is making loss;
- (b) if so, the reasons therefor;
- (c) whether the price of scrap is very high;
- (d) whether the Government has any plan to launch & sponge iron unit for input price of scrap;
- (e) if so, the details thereof; and
- (f) the other steps taken by the Government to make the plant profitable?

**Answer**

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

(a) & (b): Yes Sir. Alloy Steel Plant (ASP), Durgapur is making losses. The major reasons for the losses are:

- High cost input materials
- High production cost and high manpower cost
- Locational disadvantage as ASP is away from traditional market for alloy and special steels which is in Western India

(c) Average scrap price has increased compared to corresponding period last year.

(d) & (e): There is no plan at present to set up a sponge iron plant by SAIL.

(f) As per revival plan of ASP, an investment of around Rs.48 crores is being made in Phase-I to minimise the losses of ASP, The major projects being planned by SAIL are:-

- Argon Oxygen Decarburisation Unit
- New Electric Arc Furnace
- Automatic Mould Level Controller
- Revamping of secondary steel making units
- Revamping of rolling mills and Forge Shop.