

Joint Plan Committee Fund

†3533. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of STEEL be pleased to state:

(a) whether any Joint Plan Committee Fund has been established to provide subsidy to steel producers of the country;

(b) if so, the total corpus deposited in the fund during March, 2007;

(c) the sources of funding of the said fund and the average annual amount deposited in the said fund during last four years; and

(d) the purpose for which this subsidy is provided to steel produces from the said corpus?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA):
(a) There is no Joint Plan Committee (JPC) fund to provide subsidy to steel producers of the country. However, JPC acts as a secretariat of the Steel Development Fund (SDF) which provides financial assistance to the steel industry from the SDF corpus for taking up projects like technology upgradation, market development projects, Global Environment Facility of UNDP projects for environment and pollution control in the iron and steel sector, activities related to research and development and transport subsidy to the Small Scale Industries Corporations engaged in the distribution of steel.

(b) The liquid fund balance of the SDF as on 31st March, 2007 is Rs. 84.48 crores.

(c) The present source of funding of the SDF are the adhoc payments against due interests on the loans availed by the Steel Authority of India Ltd. (SAIL) and Tata Steel Limited (TSL) from the said fund. The amount received in the Fund from SAIL and TSL during the last four years are as under:—

Year	Amount in Rs. crores
2004-05	38.05
2005-06	33.50
2006-07	48.45
2007-08	40.00

(d) As stated in answer to part (a).

Reduction in the Consumer Sale Price

†3534. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the major steel producers of the country have reduced the consumer sale price of various products in the first week of April, 2008 at the request of the Government;

† Original notice of the question was received in Hindi.

- (b) if so, the extent of reduction in the prices together with the names of such produces;
- (c) whether the dividend of Steel Authority of India Ltd. will be reduced due to reduction in the sale price;
- (d) if so, the assessment in this regard; and
- (e) whether the SAIL will suffer losses in 2008-09 instead of earning profit?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA):

(a) and (b) The steel sector in the country is deregulated and therefore the prices are determined by the steel producers depending upon the market conditions. Therefore Government does not decide the selling price of steel. However, with a view to manage the rising inflation in the country, the Government has held extensive discussions with major steel producers as well as secondary steel producers during first week of April'08. As a result of these deliberations, the steel producers, sharing the concern of the Government towards rising inflationary trend in the country, voluntarily reduced the price of different long products, which includes bars, rods and structurals, used by even the common man for housing by amount ranging Rs. 4000-5000 per tonne. SAIL, RINL, Tata Steel and Essar Steel are the major producers, which voluntarily reduced their prices.

(c) and (d) Steel Authority of India Limited pays dividend as per the Government Guidelines subject to the recommendation of SAIL Board and approval by the shareholders.

(e) As per the Memorandum of Understanding (MoU) 2008-09 between Steel Authority of India Ltd. and Ministry of Steel, the estimated profit before tax is Rs. 7490 crore. However, the profit will depend upon various factors like cost of inputs, market condition, production and sales volume, product mix and techno-economic parameters.

Demand, production and price of steel

3535. SHRI SU. THIRUNAVUKKARASAR: Will the Minister of STEEL be pleased to state:

- (a) whether his Ministry is aware that the steel price is increasing every day;
- (b) the total production of steel in the country;
- (c) the total estimated demand in the country; and
- (d) the steps taken to control the price rise of steel?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI JITIN PRASADA):

(a) The Government is aware of the fact that the steel prices, both domestically as well as internationally, have witnessed an up trend in the recent times.

(b) The table below shows the production of crude steel and the production for sale of total finished steel (alloy and non-alloy) in the country in the last three years.