including demand-supply for various items/grades of steel in the domestic market, fluctuations in value of currency, import regulations etc. However, the Government of India has taken the following steps to protect/promote the domestic steel industry and enhance steel production:-

(i) Notified Coal Mines (Special Provisions) Amendment Act, 2015 on 30.03.2015 and auctioned Coal Mines.

(ii) Notified Mines and Minerals (Development and Regulations Amendment) Act, 2015 on 27.03.2015.

(iii) Imposed Export Duty at the rate of 30% ad valorem on all varieties of iron ore with effect from 30.12.2011 and 5% ad valorem on iron ore pellets with effect from 27.01.2014. Further Export Duty at the rate of 10% has been levied on iron ore containing less than 58% Fe content with effect from 30.04.2015.

(iv) To ensure that only quality steel is imported, Government has notified Steel and Steel Product (Quality Control) Order dated 12.03.12 as last amended on 04.12.14.

(v) Raised peak rate of basic customs duty on both flat and non-flat steel to 15% from 10%.

(vi) Hiked import duty on ingots & billets, alloy steel (flat & long), stainless steel (long) and non-alloy long products from 5 % to 7.5% and non-alloy and other alloy flat products from 7.5% to 10%. This was further revised in August, 2015 on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%.

(vii) Directed in November, 2014 that import of rebars may be strictly as per Steel Product Quality Control Order 2012 to block influx of cheap imports of boron added rebars.

(viii) Imposed in June, 2015, an Anti-Dumping Duty for five years on imports of certain variety of hot-rolled flat products of stainless steel from China ($ 309 per tonne), Korea ($ 180 per tonne) and Malaysia ($ 316 per tonne).

(ix) Imposed in September, 2015 provisional Safeguard Duty of 20% on hot-rolled flat products of non-alloy and other alloy steel, in coils of a width of 600 mm or more, for a period of 200 days.

Reported loss to SAIL in the first quarter

1253. SHRI DEVENDER GOUD T.: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that Steel Authority of India Limited (SAIL) has reported ₹ 322 crores loss in the first quarter of this fiscal;

(b) the reasons for losses in spite of reduction in the expenses;

(c) how cheap imports from China, Russia, Korea and Japan contributed this unexpected loss;

(d) whether SAIL asked Government to contain cheap imports from the above countries by imposing additional duties, etc.;

(e) the efforts being made to bring back SAIL on the road of profitability; and

(f) how the fall of Yuan impacted the profits of SAIL?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI VISHNU DEO SAI): (a) and (b) Yes, Sir. The major reasons for losses are reduction in Net Sales Realisation of saleable steel, increase in royalty on iron ore, volatility in foreign exchange rates and higher incidence of capital related expenses; *i.e.* interest and depreciation, etc.

(c) The prices of steel products, which are market driven, have decreased drastically due to increase in imports at very low prices. The prices of HR coils and re-bars imported from China have declined by 43% and 38%, respectively, in October, 2015 as compared to October, 2014. Low priced imports from other countries like Japan and Korea (FTA countries) and Russia are also arriving into India. Indian market prices have dropped in line with the prices in the international markets, severely affecting profitability of domestic steel companies including SAIL.

(d) Yes, Sir. The domestic steel industry including SAIL has raised the issue of surge in steel imports at low prices from China and other various countries at various forums of the Government. SAIL along with other players in domestic Steel Industry has been pursuing various available trade remedial measures.

(e) Efforts being made to bring back SAIL on road of profitability include production optimization and product-mix improvement, operational efficiency improvement and cost reduction, improvement in techno-economic parameters, rationalizing production from relatively inefficient routes of production and rationalization of manpower. However, the profitability is mainly related to external factors particularly the steel prices in the market.

(f) Due to devaluation of Yuan, the Chinese steel exports have become cheaper as compared to the domestic steel. The domestic producers have had to reduce prices in line with imported products, thereby impacting profitability of domestic steel producers including SAIL to a large extent.