

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
STARRED QUESTION NO.*94
FOR ANSWER ON 27/11/2019

STEEL INDUSTRY UNDER DEBT BURDEN

*94. SHRI MANISH GUPTA:

Will the Minister of STEEL be pleased to state:

- (a) whether the steel industry in the country is heavily debt burdened, if so, the details thereof;
- (b) whether rising raw material costs, power costs and global competition is slowing production and demand, if so, the measures being initiated by Government to obviate these difficulties;
- (c) whether the targets for achieving a higher steel production capacity of around 300 million tonnes by 2030-31 is making progress, as the present capacity is less than 100 million tonnes; and
- (d) if so, the details thereof?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)to(d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) OF THE RAJYA SABHA STARRED QUESTION NO. *94 FOR ANSWER ON 27/11/2019 ASKED BY SHRI MANISH GUPTA, MEMBER OF PARLIAMENT REGARDING “STEEL INDUSTRY UNDER DEBT BURDEN”

(a) No, Sir. Steel is a capital-intensive industry with long gestation period. Steel companies require capital for activities such as capacity expansion and technological upgradation. The ideal Debt to Equity ratio for capital intensive & long gestation period sectors like power & steel is 2:1. The Indian steel sector Debt to Equity ratio is presently less than 2:1.

(b) No, Sir.

(c)&(d): Yes, Sir. The capacity for domestic crude steel production expanded from 109.85 MT in 2014-15 to 142.24 MT in 2018-19. Already, capacity addition to the tune of about 28 MTPA is underway.
