

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3774
ANSWERED ON:30.07.2009
EXPANSION OF STEEL PSUS
Balram Shri P.

Will the Minister of STEEL be pleased to state:

- (a) whether there is any proposal to focus on expansion of Public Sector Undertakings in steel sector in the current Five Year Plan;
- (b) if so, the details thereof, State-wise including the steel projects of Andhra Pradesh;
- (c) the funds released and spent for the steel projects infrastructure during the last three years and the current year; and
- (d) the financial condition of each steel project?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF STEEL (SHRI A. SAI PRATHAP)

(a)&(b): The Steel Authority of India Ltd. (SAIL) has undertaken modernization and expansion plan for its five Integrated steel plants namely Bhilai Steel Plant (Chattisgarh), Bokaro Steel Limited (Jharkhand), Rourkela Steel Plant (Orissa), Durgapur Steel Plant and IISCO Steel Plant (West Bengal) and Salem Steel Plant (Tamil Nadu). SAIL's installed capacity of hot metal is expected to increase from 13.82 million tonnes per annum (MTPA) to 23.46 MTPA.

Rashtriya Ispat Nigam Limited (RINL), which is located at Visakhapatnam in Andhra Pradesh, is expanding its liquid steel capacity from 3 MTPA to 6.3 MTPA. The expansion is expected to be completed within the Eleventh Five Year Plan.

NMDC Limited is setting up a 3 MTPA integrated steel plant at Nagarnar (Chattisgarh) which is likely to be commissioned by the end of September, 2013. Besides, merger of SAIL with NMDC is going to be completed soon and after completion of merger, NMDC has planned for expansion of sponge iron production to 2.6 lakh tonnes per annum and also for manufacturing steel with a capacity of 0.3 MTPA at plant at Paloncha, Andhra Pradesh.

(c)&(d): SAIL's actual expenditure on its modernization and expansion so far, is Rs.5,713 crore. The financing of the project is being met through internal accruals and external resources.

RINL has spent an amount of Rs.4,041 crore so far. RINL is utilizing its own internally generated funds.

NMDC Ltd. has so far spent Rs. 25 crore on its modernization project. SAIL has spent an amount of Rs.123.02 lakh during the last two years for the preparatory works for its proposed expansion plan. There is no financial problem in respect of these projects and the same are progressing satisfactorily.