

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1013

ANSWERED ON:04.03.2013

NEW STEEL PLANTS

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

- (a) the total number of sanctioned, operational, incomplete and pending steel projects in various States including Bihar, Uttar Pradesh and West Bengal during each of the last three years and the current year;
- (b) the total amount allocated, released and expenditure incurred for such projects during the said period;
- (c) the reasons for delay in the execution and completion of these sanctioned plants within the scheduled time frame along with the time by which the pending and incomplete projects are likely to be completed;
- (d) whether the Government proposes to set up new steel plants across the country;
- (e) if so, the details thereof, State-wise/location-wise along with their proposed capacity and employment generation potential of these plants; and
- (f) the details of the measures being taken by the Government to meet the increasing demand of the steel in the domestic market?

**Answer**

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(c): Steel is a de-regulated sector and decisions relating to project investments and implementation are taken by the concerned investors looking at market conditions. Most of these steel units have come up/are being set up in private sector about which data is not maintained by Ministry of Steel. As far as Public Sector Undertakings under Ministry of Steel are concerned, SAIL and RINL have undertaken modernization and expansion projects at its Integrated Steel Plants (at Bhilai, Bokaro, Rourkela, Durgapur, Burnpur and at Salem of SAIL and Vizag Steel Plant of RINL) to enhance its crude steel production capacity. The expansion of Salem Steel Plant of SAIL has already been completed and the other projects are in various stages of progress. Out of a total indicative investment for the current modernization and expansion plan of about Rs.72,134 crore, SAIL has so far incurred an expenditure of Rs.42,136 crore till January, 2013. RINL has so far spent about Rs.10,104 crore against an estimated cost of Rs.12,291 crore for its modernization plans till January, 2013.

NMDC Ltd., another Central Public Sector Enterprise under the administrative control of Ministry of Steel, is setting up a 3 million tonne per annum Greenfield Integrated Steel Plant at Nagarnar, Bastar District in Chhattisgarh at an estimated cost of Rs.15,525 crores. NMDC Ltd. has so far spent about Rs.1819 crore for the project.

Some of these projects have been delayed due to various reasons like unforeseen soil conditions, slow execution of work by contractors etc.

(d)to(f): Steel is a deregulated sector and the decision regarding setting up of steel plants is taken solely by the investors based on assessment of prevailing and expected market/economic conditions. The Government has taken the following measures to facilitate the growth in the steel sector:

i) An Inter-Ministerial Group (IMG) has been set up in the Ministry which is vested with the job of monitoring and co-ordinating the issues concerning major steel investments both in public and private sector. The meetings of IMG are held and follow up actions are taken on regular basis.

ii) Public Sector Undertakings under this Ministry namely SAIL, RINL and NMDC are in the process of implementing scale expansions in the crude /finished steel capacity.

iii) Import of critical raw material for steel industry such as coking coal, non-coking coal, scrap etc. are subject to zero or very low customs duty.

iv) To increase availability of iron ore to the domestic industry and to encourage domestic value addition, duty on export of iron ore (except pellets) has been increased to 30%.