

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1033
ANSWERED ON:04.03.2013
STEEL PROCESSING UNITS
Patel Shri Bal Kumar

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has proposed to set up ten Steel Processing Units at ten different places in India to meet the specific requirements of the consumers;
- (b) if so, the details thereof and the progress made in this regard along with the time frame within which the same are likely to become functional;
- (c) whether there has been no remarkable progress in the development of each of these processing units;
- (d) if so, the details thereof and the reasons therefor; and
- (e) the details of the specific steps being taken by the Government to ensure that these units become functional at the earliest?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a)to(e): There are 11 nos. of Steel Processing Units (SPUs) which are to be set up to meet the specific requirements of the consumers in different States by Steel Authority of India Limited (SAIL) as indicated below:

Bihar - At Bettiah, Mahnar and Gaya

Madhya Pradesh - At Hoshangabad, Ujjain and Gwalior

Himachal Pradesh - At Kangra

Uttar Pradesh -At Lakhimpur and Barabanki

Jammu & Kashmir -At Srinagar

Assam - At Guwahati

The SPUs at Bettiah and Kangra were accorded final approval in July 2008 and July 2010 respectively. In November 2011, SAIL Board has accorded final approval for setting up of SPUs at Lakhimpur and Barabanki in Uttar Pradesh and at Hoshangabad, Ujjain and Gwalior in Madhya Pradesh on Joint Venture basis.

Production has commenced at SPU, Bettiah. For SPU at Kangra work suspended at site since mid-February 2012 as per the order of Ministry of Defence. Commissioning activities for SPU at Kangra will be started after clearance from Ministry of Defence. SPUs at Hoshangabad, Gwalior, Ujjain, Lakhimpur and Barabanki have been considered under Joint Venture and Joint venture companies have been formed and units are expected to be completed in 18 months after land is transferred to the Joint Venture Company.

For the SPUs at Gaya, Guwahati, Mahnar and Srinagar final approval of SAIL Board is yet to be accorded. However, present status of these SPUs are as follows:-

SPU at Gaya -. Conversion of agricultural land for industrial use is pending.

SPU at Guwahati- Concessions and Benefits is being sought from the State Government.

SPU at Srinagar: In Nov. 2011 Govt. of J&K has extended the desired Concessions and Benefits. The project will be considered on Joint Venture basis, the modalities are being worked out.

SPU at Mahnar - Soil investigation and site survey report indicated that the land is low lying and significant land filling is required. This has an adverse impact on the financial viability of the project.

In order to ensure that these units become functional at the earliest, progress of SPUs are being monitored regularly at company level as well as Government level.