

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1335

ANSWERED ON:26.11.2009

EXPANSION/MODERNISATION OF STEEL PLANTS

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Will the Minister of STEEL be pleased to state:

- (a) whether the Government proposes to make investments for the expansion and modernisation of the steel plants in the country;
- (b) if so, the details thereof;
- (c) the details of investments/ expenditure likely to be made, plant-wise;
- (d) the production capacity of each plant likely to be enhanced as a result thereof, plant-wise;
- (e) the sources from which the funds are likely to be mobilised for the purpose; and
- (f) the time by which the said expansion / modernisation of steel plants is likely to be completed?

Answer

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

(a)&(b): Steel Authority of India Ltd. (SAIL) and Rashtriya Ispat Nigam Ltd. (RINL) have undertaken modernization and expansion projects for the integrated steel plants located at Bhilai, Bokaro, Rourkela, Durgapur, IISCO, Salem and Visakhapatnam. No investment by the Government is envisaged in these expansion plans of the steel plants.

(c)&(d): The details of the existing as well as the enhanced production capacity after implementation of the expansion plans and the likely investment are as follows:

Project	Installed Capacity- MTPA	After Modernization likely to be made MTPA	Investment (Rs. in crores)
Modernization & Expansion of Bhilai Steel Plant	4.08	7.5	17,266
Modernization & Expansion of Rourkela Steel Plant	2.0	4.5	11,812
Modernization & Expansion of Bokaro Steel Plant	4.59	5.77	6,325
Modernization & Expansion of IISCO Steel Plant	0.85	2.91	14,443

Modernization & Expansion of 2.09 2.45 2,875
Durgapur Steel Plant

Modernization & Expansion of 0.18(Saleable 0.34 1,902
Salem Steel Plant Steel)

Visakhapatnam Steel Plant 3.0(Liquid 6.3 12,228
Steel)

(MTPA) Million Tonnes per Annum

(e) RINL proposes to meet the investment on expansion of Visakhapatnam Steel Plant (VSP) from internal accruals and loans. The expenditure on the expansion plans of the steel plants at Bhilai, Rourkela, Bokaro, Durgapur, IISCO and Salem will be met by SAIL by mobilization of funds by combination of internal resources, additional placement of equity capital and borrowings on stand alone basis.

(f) The expansion plan of VSP is scheduled to be completed by December, 2011. The current phase of expansion plan of all other plants of SAIL is planned to be completed by 2012-2013.