

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:1911

ANSWERED ON:19.08.2013

EXPANSION OF PROJECTS

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Will the Minister of STEEL be pleased to state:

- (a) whether the steel manufacturing industry is not able to produce steel as per its installed capacity and if so, the details thereof and the reasons therefor;
- (b) whether the Government has undertaken/proposes to initiate any capacity expansion and modernisation plan of its existing public sector steel plants and if so, the details thereof;
- (c) the total investment/expenditure incurred/likely to be incurred along with total installed production capacity of each plant and capacity likely to be enhanced as a result of these exercise, plant-wise;
- (d) the present status of these expansion and modernisation work of various plants and the time likely to be taken in completion of this exercise;
- (e) whether the Government has received any external assistance for the modernisation and expansion of steel plants in the country and if so, the details thereof, plant and country-wise; and
- (f) whether any of these programmes are running behind schedule leading to cost overruns and if so, the steps taken/being initiated by the Government to accelerate the completion of these projects and to augment the production capacity?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

(a) Overall capacity, production and capacity utilization of crude steel in India during the last five years is shown in the table below and indicates that average capacity utilization stood at 85% during the last five years:

Year	India : Crude steel (million tonnes or mt)		
	Capacity	Production	Capacity utilization (%)
2008-09	66.34	58.44	88
2009-10	75.00	65.84	88
2010-11	80.36	70.67	88
2011-12	90.87	74.29	82
2012-13#	96.71	78.31	81

Source: JPC; #provisional

(b)to(d): There are two Public Sector Steel manufacturing companies under the administrative control of Ministry of Steel viz. Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL). SAIL and RINL have undertaken modernization and expansion plans to enhance its present capacity of crude steel from 12.8 MT to 21.4 MT and 3 MT to 6.3 MT, respectively.

The indicative investment of SAIL for current phase of modernization and expansion is Rs. 61,870 crore. Besides, a provision of Rs.10,264 crore has been made towards investment in existing mines under Raw Materials Division (RMD) & development of Rowghat Mine. Expansion of Salem Steel Plant of SAIL has been completed in Septmeber, 2010. For other plants of SAIL efforts are being made to complete all major production units under current phase of modernization and expansion plan progressively by 2014.

RINL is also presently expanding its capacity of liquid steel as mentioned above against which the new Blast Furnace, Oxygen Plant, Power and Water system have been commissioned and are under operation. Other major units are being commissioned during the current fiscal.

Plant-wise details of investment, present installed capacity and enhanced capacity (post expansion) of SAIL and RINL are as under:-

SAIL Plants
Product : Existing Expanded Investment Expenditure
Crude Crude Crude (Rs. in Crs) incurred

Steel	Steel	Steel	till July 2013			
Capacity	Capacity					
(MTPA)	(MTPA)					
Bhilai Steel Plant	3.93	7.0	17,266	9,918		
Rourkela Steel Plant	1.9	4.2	11,812	9679		
Durgapur Steel Plant	1.8	2.2	2,875	1691		
Bokaro Steel Plant	4.36	4.61	6,325	3662		
ISP Burnpur	0.5	2.5	16,408	14890		
Special Steel	0.18	1902	2261			
Plant at Salem						
RINL:	3.0	6.3	12,291	#		
Visakhapatnam Steel Plant						
Product:	Liquid Steel					

(e) No, Madam.

(f) The implementation of modernization and expansion plan of SAIL/RINL have been delayed mainly due to unforeseen soil conditions encountered, under estimation of quantities by the consultants, Logistics problems due to Brown Field nature of job, inadequate mobilization of resources by the contracting agencies and lack of deployment of technically competent/skilled manpower by the contractors. All out efforts are being made to complete the process at the earliest.