

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:408

ANSWERED ON:22.12.2014

EXPANSION PLAN FOR SAIL

Choudhary Shri Ram Tahal;Giluwa Shri Laxman

Will the Minister of STEEL be pleased to state:

(a) whether the Government proposes to expand and modernise the plants of Steel Authority of India Limited (SAIL) as per its draft document "Vision 2025;

(b) if so, the details thereof along with the estimated funds mobilisation and sources of the funds mobilisation for the purpose, plant-wise;

(c) whether the SAIL has been borrowing funds from the market for expansion and modernisation of its plants and if so, the details thereof along with the total loans outstanding on SAIL at present; and

(d) the steps taken by the Government to reduce the market borrowing and the time by which it is likely to be repaid?

Answer

THE MINISTER OF STEEL AND MINES (SHRI NARENDRA SINGH TOMAR)

(a)&(d): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) OF THE LOK SABHA STARRED QUESTION NO.408 FOR ANSWER ON 22/12/2014 TABLED BY SHRI RAMTAHAL CHOUDHARY AND SHRI LAXMAN GILUWA, MEMBERS OF PARLIAMENT REGARDING EXPANSION PLAN FOR SAIL.

(a)&(b): Steel Authority of India Limited (SAIL) has prepared a draft plan 'Vision 2025' to realize its Brownfield potential of 50 million tonnes of hot metal production in a phase- wise manner.

The plant wise capacity as per the draft plan is as under:-

(Unit: Mtpa)			
Plant	Hot Metal capacity post on-going modernization	Hot Metal capacity per Vision 2025	Hot Metal capacity as
Bhilai Steel Plant (BSP)	7.5	10.5	
Durgapur Steel Plant (DSP)	2.4	9.3	
Rourkela Steel Plant (RSP)	4.5	10.8	
Bokaro Steel Plant (BSL)	5.8	14.1	
IISCO Steel Plant (ISP)	2.9	5.7	
SAIL (5 Integrated Steel Plants)	23.1	50.4	

The estimated investment for increasing SAIL's hot metal production from a level of around 23 million tonnes (planned under on-going modernisation and expansion) to 50 million tonnes would tentatively be around Rs.1,50,000 crores. Investment proposals are however, yet to be firmed up. The source of funding for capital expenditure of SAIL will be through a combination of debt & equity (including internal resources) while maintaining debt/equity ratio of 1:1.

(c) SAIL has been borrowing funds from the market to meet its working capital requirements and for expansion & modernization of its plants. The details of outstanding borrowings of the last three financial years and current financial year (April-Sept'14) is as under:

Rs. in Crore				
As on	31.03.2012	31.03.2013	31.03.2014	30.09.2014
Outstanding Borrowings	16320	21597	25281	25400

(d) SAIL's requirement for funds for the modernization & expansion of its plants till 2025 will be funded through a mix of internal resources and borrowings. The borrowings are re-paid as per the repayment schedule prescribed in the loan agreement.