

LOK SABHA
UNSTARRED QUESTION NO.1270
FOR ANSWER ON 11/02/2019

CRUDE STEEL PRODUCTION

1270. SHRI SANJAY DHOTRE:
SHRI RAHUL SHEWALE:
SHRI BHARTRUHARI MAHTAB:

Will the Minister of STEEL be pleased to state:

- (a) whether there is a gap between production capacity of crude steel and its actual production by the Public and Private Sector Companies in the country during each of the last three years and the current year, if so, the details thereof, Company-wise;
- (b) the number of Special Purpose Vehicles (SPVs) formed by the Government to bridge the said gap along with their achievements, SPV-wise;
- (c) the details of the investments made by the Public/Private Sector Companies for their expansion and modernisation to participate in the Make-in-India Programme of the Government since inception of the Programme in the country; and
- (d) whether the Government proposes to relax the norms for setting up of steel plants in order to increase Steel Companies' participation in the said Programme, if so, the details thereof?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

- (a) Yes, Madam. There is a gap between production capacity of crude steel and its actual production by the Public and the Private Sector Steel Companies. The details of four years from 2015-16 to 2017-18 and FY 2018-19 (upto Dec., 2019) are given at **Annexure-I**.
- (b) Based on the decision taken in the meeting of High Level Committee on Manufacturing held on 09.07.2013 to achieve the ambitious target of 300 Million Tonne Per Annum (MTPA) steel production capacity by 2025, a concept of Special Purpose Vehicle (SPV) was enunciated. Four mineral rich States, namely, Chhattisgarh, Odisha, Karnataka and Jharkhand were identified for setting up of Integrated Steel Plant through the SPV route. So far, Memorandum of Understanding (MoU) has been signed with the State Governments of Jharkhand and Chhattisgarh. The Greenfield integrated steel projects in Jharkhand and Chhattisgarh will be of the capacity of 3+3 or 4+2 MTPA capacity range, each.
- (c) Steel being a deregulated sector, investment, including under Make-in-India programme both for the fresh or the expansion and modernization, is made by prospective investors based on various factors including commercial consideration and market dynamics. Among the Public Sector, SAIL has undertaken expansion & modernization of its six steel plants at a total cost of Rs. 72,134 crore. RINL had undertaken expansion & modernization of Vizag Steel Plant at a total cost of Rs. 12,291 crore. The expansion & modernization of Vizag Steel Plant of RINL is completed. Further, RINL has also taken up modernization and expansion of Vizag Steel Plant at a cost of Rs. 3600 crores to increase the capacity from 6.3 to 7.3 MPTA. NMDC is setting up a Greenfield 3.0 MTPA integrated steel plant at Nagarnar.
- (d) Steel is deregulated industry and no license is required to make investment to set up a new steel plant, except for the statutory requirements related to land acquisition, environmental and forest clearance, water use, etc. The decisions in regards to investment in the steel capacities are based on various factors including commercial consideration and market dynamics.

Annexure-I referred to in Part (a) of Lok Sabha Unstarred Question No. 1270 for answer on 11.02.2019

PRODUCTION OF CRUDE/LIQUID STEEL

PRODUCER	2015-16			2016-17			2017-18			Apr. – Dec. 2018-19 (Prov)		
	Working Capacity	Production	% Utilization	Working Capacity	Production	% Utilization	Working Capacity	Production	% Utilization	Working Capacity	Production	% Utilization*
PUBLIC SECTOR												
SAIL	17519	14279	82	17519	14494	83	17519	15022	86	17519	11927	91
RINL	6300	3641	58	6300	3962	63	6300	4731	75	6300	3898	82
TOTAL	23819	17920	75	23819	18456	77	23819	19753	83	23819	15825	89
PRIVATE SECTOR												
Tata Steel Ltd.	9600	9960	104	12500	11688	94	13000	12459	96	13000	9767	100
Essar Steel Ltd.	10000	3685	37	10000	5392	54	10000	6753	68	10000	5566	74
JSW Steel Ltd.	16600	12679	76	16600	16506	99	18000	16407	91	18000	12635	94
JSPL	4850	3177	66	4850	3445	71	8600	4041	47	8600	3744	58
Other BOF	3160	2221	70	3760	2291	61	7682	5645	73	7682	1823	32
Other EAF	15641	13352	85	17127	13186	77	14408	8879	62	14408	9032	84
IF Units	38300	26796	70	39621	26972	68	42466	29221	69	42466	20667	65
TOTAL	98151	71870	73	104458	79480	76	114156	83378	73	114156	63234	74
GRAND TOTAL:	121970	89790	74	128277	97936	76	13795	103131	75	137975	79059	76

Source: Joint Plant Committee(JPC), * Calculated on pro-data basis.