

LOK SABHA
UNSTARRED QUESTION NO.1917
FOR ANSWER ON 30/07/2018

MODERNISATION OF STEEL PLANTS

1917. SHRI SISIR KUMAR ADHIKARI:
SHRI JANARDAN SINGH SIGRIWAL:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has taken a decision of 'No Investment' policy in the steel PSUs of the country and if so, the details thereof along with the current status of strategic disinvestment of SAIL subsidiaries;
- (b) the details of the modernisation and expansion plans undertaken by the public sector steel plants, plant-wise including the Salem Steel Plant;
- (c) whether there has been delay in the execution of these expansion plans and if so, the reasons therefor along with the present status of the execution of work and the time likely to be taken for their completion, plant-wise;
- (d) the details of the total expenditure incurred/likely to be incurred on this expansion exercise, along with the total steel produced during each of the last three years and the likely increase in the total production capacity after the completion of said exercise, plant-wise;
- (e) whether the said expansion plan is likely to result in generation of employment opportunities and if so, the details thereof along with the details for the present total manpower strength in the various plants of the Steel Authority of India Limited, plant-wise;
- (f) whether the legal heirs of the families whose land had been required for setting up the public sector steel plants have been adequately compensated and provided with employment; and
- (g) if so, the details thereof and if not, the reasons therefor along with the policy being followed by the Government in this regard?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

(a) No, Madam. The Government has not taken any decision on 'No Investment' policy in steel PSUs of the country. The Government of India accorded 'in-principle' approval for strategic disinvestment of three units of SAIL viz. Salem Steel Plant (SSP), Alloy Steels Plant (ASP) and Visvesvaraya Iron & Steel Plant (VISP) on 27th October, 2016. Expression of Interest for Alloy Steel Plant was floated and responses have been received.

(b)to(d): The details of modernisation and expansion plans of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL), plant-wise, are given at **Annexure-I**.

(e) Yes, Madam. The details are attached as **Annexure-II**.

(f)to(g): Yes, Madam. SAIL and RINL have provided employment to more than 28000 and 7650 persons respectively under displaced category and compensation was deposited with respective state Governments.

(Annexure-I for part (b) to (d) Lok Sabha Unstarred Question No. 1917 for answer on 30.07.18)

Modernization, expansion, expenditure and production plans

SAIL Units

1. SAIL had undertaken modernization and expansion to enhance its crude steel capacity from 12.8 Million Tonne Per Annum (MTPA) to 21.4 MTPA. The indicative investment for Modernization & Expansion is Rs. 61,870 crore. The cumulative expenditure incurred till Jun.'18 is Rs. 67,767 crore towards Modernisation & Expansion, Mines and related sustenance schemes.
2. The major plant-wise details of production capacity (present and expanded), indicative investment/ expenditure and total cumulative expenditure incurred till Jun.'18 are:-

Plant	Existing Crude Steel Capacity (Mtpa)	Expanded Crude Steel Capacity (Mtpa)	Approved Cost (Rs. Cr.) (Gross)	Expenditure (till Jun.'18) (Rs. Cr.) (Gross)
Bhilai Steel Plant (BSP)	3.93	7.0	18,847	18,832
Durgapur Steel Plant(DSP)	1.8	2.2	3,164	3,140
Rourkela Steel Plant(RSP)	1.9	4.2	12,922	12,665
Bokaro Steel Plant(BSL)	4.36	4.61	6,951	6,076
IISCO Steel Plant(ISP)	0.5	2.5	17,961	18,719
Salem Steel Pant(SSP)	-	0.18	2,138	2,373

3. Crude Steel and Saleable Steel production by SAIL during last three years is given below:-

Item (Million Tonne)	2015-16	2016-17	2017-18
Crude Steel production	14.3	14.5	15.0

4. The plant-wise completion details (schedule/actual) of Modernisation and Expansion are given below:-

Plant	Schedule	Actual
Salem Steel Pant	Mar.'10	Sep.'10
Rourkela Steel Plant	Mar.'13	Dec.'14
IISCO Steel Plant	Dec.'10	Dec.'14
Durgapur Steel Plant	Dec.'12	Jun.'15
Bokaro Steel Plant	Dec.'11	Sept.'15
Bhilai Steel Plant	Mar.'13	Jun.'18

(Annexure-I for part (b) to (d) Lok Sabha Unstarred Question No. 1917 for answer on 30.07.18)

5. Reasons for delay in execution:

- a) Expansion plans for capacity enhancement by SAIL were taken up during the economic upturn (2006 onwards). Reluctance of limited technology suppliers to do civil & structural work etc. leading to splitting of turnkey packages, causing interface problem due to involvement of multiple agencies.
- b) The projects being mainly brown field in nature faced the challenges of retrofitting of new technology in the existing technology and, due to the compact layout, space was a big constraint leading to problems of interface and logistics.
- c) Lack of resources/ slow mobilization of resources and fund constraints of the contractors leading to risk purchases & fresh ordering in some cases.

RINL

Status of 6.3 MTPA Expansion:

- 1) RINL has completed its capacity expansion from 3 million tons per annum (mtpa) to 6.3 mtpa of liquid steel in April, 2015. Modernization of major units & Up-gradation to 7.3 Mtpa Liquid Steel was completed in December, 2017.
- 2) Major reasons for delay include contractual delays relating to civil structural/electrical/supply packages, etc. including external factors such as long monsoon period leading to temporary flooding of the construction site as also cyclone Hudhud which struck Visakhapatnam on 12th October, 2014 and caused damage to the expansion area including equipment/machinery and power lines.
- 3) RINL has undertaken expansion of the Visakhapatnam Steel Plant at an approved cost of Rs.12291 crore. Total expenditure incurred towards expansion from 3 mtpa to 6.3 mtpa is Rs.12,095 crore. Further, RINL had taken up modernization/upgradation of the older units at an approved cost of Rs.3530 crore. An expenditure of Rs.2754 crore has been incurred on the modernization/upgradation of the units.
- 4) Crude steel production during the last three years is as under:-

Unit: Million tonnes

Year	Actual Production
2015-16	3.64
2016-17	3.96
2017-18	4.73

(Annexure-II for part (e) Lok Sabha Unstarred Question No. 1917 for answer on 30.07.18)

1. Employees recruited against modernization and expansion since 2009-2010 onwards as on 1.7.2018 is as under:-

Plant	Recruitments
BSP	1920
DSP	396
RSP	1786
BSL	802
ISP	3698
SSP	238
Total	8840

2. The present total manpower strength in five Integrated Steel Plants of SAIL is as under:-

Plant	Manpower as on 1.7.2018
BSP	22015
DSP	9356
RSP	14275
BSL	13057
ISP	6710
Other plants/units	10076
Total	75489
