

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO. 2558
FOR ANSWER ON 08/08/2022

CAPACITY EXPANSION OF SAIL

2558 SHRI G.V.L. NARASIMHA RAO:

Will the Minister of STEEL be pleased to state:

- (a) the details of steel production capacity of Steel Authority of India Limited (SAIL) and its expansion plans till 2030;
- (b) the proposed scale of indicative investment by SAIL for Modernisation and Expansion Programme to 50 million tonnes per annum by 2030;
- (c) the sources of funds for expansion, details thereof;
- (d) the cumulative expenditure incurred so far on modernisation and expansion plan;
- (e) the findings of the land bank study undertaken by SAIL for expansion;
- (f) whether non-availability of land posed a challenge for capacity expansion;
- (g) whether SAIL is permitted to takeover Visakhapatnam Steel Plant, RINL or allowed to participate in the bid to acquire RINL; and
- (h) if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)&(b): The current crude steel production capacity of Steel Authority of India Ltd.(SAIL) is 20.63 Million Tonne per annum. In line with the envisaged enhancement of crude steel production to 300 Million Tonne by 2030, SAIL has planned to raise their crude steel production capacity to 35 Million Tonne per annum by 2030-31.

The proposed scale of indicative investment by SAIL to reach the capacity of around 35 Million Tonnes per annum of crude steel will be around Rs 1,10,000 crore.

(c)&(d): The projects for expansion of capacity for SAIL are financed through a combination of debt and equity which is normally in the ratio of 1:1. The project planning has to go through the preparatory stage before arriving the stage of execution, where the expenditure is incurred. Since these projects are at preparatory stage, expenditure towards execution of these projects has not incurred.

(e)&(f): The land bank study is in progress. However, preliminary study indicates availability of land for the expansion project envisaged in the first phase.

(g)&(h): The intent of New Public Sector Enterprise (PSE) Policy is to minimize the presence of Government in the Public Sector Enterprises (PSEs). To make available newer investment opportunities for private sector so as to allow infusion of private capital, technology, innovation and best management practices, allowing public sector to take over/bid for another public sector identified for disinvestment will defeat the purpose.

Therefore, it is not possible for SAIL to participate in the bid to acquire RINL.
