

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:723
ANSWERED ON:28.11.2005
ESTABLISHMENT OF SPONGE IRON PLANTS
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Will the Minister of STEEL be pleased to state:

(a) the number of sponge iron plants proposed to be set up in the country both public and private sectors during the remaining period of 10th plan and the forthcoming 11th plan; and

(b) the extent to which it is likely to enhance the availability of steel in the country?

Answer

MINISTER OF CHEMICALS & FERTILIZERS AND MINISTER OF STEEL (SHRI RAM VILAS PASWAN)

(a) In terms of industrial policy in vogue, no permission of the Government is required to set up sponge iron plants in the country except for certain locational restrictions. As per available information, details of new sponge iron capacity coming up during the remaining period of 10th plan and the forthcoming 11th plan are as under:

New (Greenfield) plants

Year	No of units	Total Capacity (mt)
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Remaining period of 10th Plan (2005-06 & 2006-07)	52	4.593
11th Plan -1st year: 2007-08	6	1.254

Total	58	5.847
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Existing units proposing expansion

Year	No of units	Total Capacity (mt)
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Remaining period of 10th Plan (2005-06 & 2006-07)	72	5.465
11th Plan: First two years (2007-08 & 2008-09)	5	1.857

Total	77	7.322
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All the additional sponge iron capacity is coming up in the private sector.

(b) In steel making, usage of sponge iron only, produces a yield of 88 per cent (approximately). However, the extent to which the domestic availability of steel will increase will depend on the composition of the charge mix.