

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:179  
ANSWERED ON:20.02.2006  
PRODUCTION CAPACITY OF SAIL  
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**Will the Minister of STEEL be pleased to state:**

- (a) whether the Steel Authority of India Limited (SAIL) proposes to upgrade and increase the production capacity of some of its plants in the country;
- (b) if so, the details thereof;
- (c) whether the SAIL is contemplating to set up two pellet plants and develop two major mechanized iron ore mines;
- (d) the benefits likely to accrue therefrom;
- (e) whether the investments likely to be made in such plants have been worked out;
- (f) if so, the plans of SAIL to mobilize such funds; and
- (g) the time by which such plants are likely to be upgraded?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (DR. AKHILESH DAS)

(a)&(b): SAIL has prepared its Corporate plan up to 2011-12 which aims at reaching a production level of 22.6 MT of Hot Metal, including production by IISCO by 2012 from the present level of 13.2 MT in 04-05. This plan aims at exploiting fully the potential of available assets along with balancing and value addition facilities, differentiation through quality and services, profitability by excellence in operation and cost reduction and leveraging skill and knowledge base of the Company's human resources.

The unit wise planned capacity expansion is as follows:-

Plant Hot Metal (`000 T)

2004-05 (Actual) 2011-12 (Plan)

Bhilai Steel Plant	4511	7000
Durgapur Steel Plant	2017	3202
Rourkela Steel Plant	1691	2988
Bokaro Steel Plant	4132	6500
IISCO	684	2550
VISL	168	334

TOTAL HOT METAL 13203 22574

The capacity of Alloy Steels plant will be increased to 500,000 T of liquid steel from a level of 150,000 T in 04-05 and that of Salem steel plant to 358,000 T of saleable steel from a level of 149,000 T in 04-05.

(c)&(d): To meet the enhanced requirement of iron ore for Hot Metal growth, new mines have been planned to be developed over and above augmentation of existing mines. Two major mechanized mines to be developed are Chiria Mines in Jharkhand state and Rowghat mines in Chhatisgarh state. SAIL is in the process of obtaining necessary clearances from the respective authorities for development of the same.

SAIL, in its Corporate plan has envisaged to install two pellet plants, one to supply to DSP, RSP & BSL and another to BSP. With the

installation of the pellet plant the dependency on the iron ore lump will come down whose availability is lower than the Iron ore fines. Moreover due to high iron content and more uniform chemical composition because of fine grinding and upgrading during ore dressing, the flux and fuel requirement in the furnace will come down and slag volume will reduce which in turn will improve the productivity of Blast furnaces.

(e)to(g): The unit wise investments have been worked out which are as follows:-

Plant                      Total investment  
                                 up to 2011-12 Rs.in Crs

Bhilai Steel Plant	9000
Durgapur Steel Plant	2840
Rourkela Steel Plant	4590
Bokaro Steel Plant	6340
Alloy Steel Plant	460
VISL	299
Salem Steel Plant	1266
IISCO	8017
RMD	2170

Total Investment                      34982

The financing of investments has been planned primarily from internal resources. Borrowing also will be resorted to if required keeping the overall debt to equity ratio within 1:1.

All the schemes and projects in SAIL Plants are scheduled to be completed by 2011-12 in a phased manner.