

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:3337

ANSWERED ON:06.09.2007

MODERNISATION AND EXPANSION OF STEEL PLANTS

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Will the Minister of STEEL be pleased to state:

- (a) the details and present status of the projects for modernization of steel plants in the country, plant-wise;
- (b) the time by which modernization process will be completed;
- (c) the estimated expenditure thereon, plant-wise; and
- (d) the estimated requirement of additional manpower, capital machinery and land for expansion of steel plants in the country?

Answer

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

(a)&(b) Both the major steel-making companies under the administrative control of the Ministry of Steel, i.e. the Steel Authority of India Ltd.(SAIL) and Rashtriya Ispat Nigam Ltd.(RINL) are undertaking ambitious modernization and expansion plans. SAIL proposes to modernize and expand capacity at its plants to increase production of hot metal from present level of 14.6 million tonnes per annum (2006-07) to 26 million tonnes per annum by the year 2010-11 and the expansion plan will be completed by 2010 progressively. The Rashtriya Ispat Nigam Ltd. (RINL) proposes to expand its capacity to increase production of hot metal from the present level of 4.05 million tonnes per annum (2006-07) to 6.50 million tonnes per annum by the year 2009-10 and the expansion plan is expected to be completed by March, 2010.

M/o Steel does not monitor and maintain the details and status of projects for modernization in the private sector.

(c) As on date, SAIL has approved the expansion/substance schemes of all major steel plants at a present indicative cost of about Rs.49,000 Crores. Plant-wise details of the same is as under:

(Rs. in crores)

SAIL Total Investment

IISCO Steel Plant (ISP)	8871
Durgapur Steel Plant (DSP)	5549
Rourkela Steel Plant (RSP)	7668
Bokaro Steel Plant (BSL)	8399
Bhilai Steel Plant (BSP)	11262
Salem Steel Plant (SSP)	1419
Sustenance Scheme	6065

Total 49233

The anticipated cost of expansion of Rashtriya Ispat Nigam Limited (RINL) taking into consideration the packages/items ordered and the balance works out to Rs.11,200 Crores.

(d) For meeting the requirements of enhanced production, SAIL will be increasing its labour productivity through efficient operations and higher levels of automation. There would be requirement for recruitments in project area to meet the work load in expansion projects. However, there would be progressive reduction in number of employees in the works and non- works areas due to yearly separation. Selective recruitment will also be undertaken for recouping separations and improving the age mix of the work force. Requirement of expansion projects shall also be met partially through retraining and redeployment of existing employees.

The total requirement of capital machinery for expansion of SAIL are yet to be finalized as tendering activity for various packages of expansion plans are in progress.

365 Acres of additional land is required only for expansion of IISCO Steel Plant (ISP) of SAIL and no additional land is required for

expansion of others Steel Plants of SAIL.

As per project report submitted by the consultant for the expansion of RINL, the estimated requirement of additional manpower is 1995, the estimated capital machinery cost is Rs.7424 Crores and the estimated requirement of land is 750 Acres within the existing plant boundary wall.