

LOK SABHA
UNSTARRED QUESTION NO.216
FOR ANSWER ON 25/04/2016

STEEL PRODUCTION

216. SHRI SANJAY DHOTRE:
SHRI BHARTRUHARI MAHTAB:

Will the Minister of STEEL be pleased to state:

- (a) whether there is a gap between production capacity of crude steel and its actual production by the Public and Private Sector Companies in the country during each of the last three years and the current year and if so, the details thereof, company-wise;
- (b) the number of Special Purpose Vehicles (SPVs) formed by the Government to bridge the said gap, SPV-wise;
- (c) the details of the investments made by the Public/Private Sector Companies for their expansion and modernisation across the country to participate in the Make-in-India Programme of the Government since its inception; and
- (d) whether the Government proposes relaxation in norms for setting up of new steel plants in order to increase steel companies' participation in the said programme and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF
STEEL AND MINES

(SHRI VISHNU DEO SAI)

(a) Yes, Madam. There is a gap between production capacity of crude steel and its actual production by the Public and the Private Sector Steel Companies. The current financial year has just begun. Therefore, details for four years from 2012-13 to 2015-16 are given at **Annexure-I**.

(b) Based on the decision taken in the meeting of High Level Committee on Manufacturing held on 09.07.2013 to achieve the ambitious target of 300 Million Tonne Per Annum (MTPA) steel production capacity by 2025, a concept of Special Purpose Vehicle (SPV) was enunciated. Four mineral rich States, namely, Chhattisgarh, Odisha, Karnataka and Jharkhand were identified for setting up of Integrated Steel Plant through the SPV route. So far, Memorandum of Understanding (MoU) has been signed with the State Governments of Jharkhand and Chhattisgarh. The greenfield integrated steel projects in Jharkhand and Chhattisgarh will be of the capacity of 3+3 or 4+2 MTPA capacity range, each.

(c) Steel being a deregulated sector, investment, including under Make-in-India programme both for the fresh or for the expansion and modernisation, is made by prospective investors based on various factors including commercial consideration and market dynamics. Among the Public sector, SAIL has undertaken expansion & modernisation of its six steel plants at a total cost of Rs. 72,134 crore. RINL had undertaken expansion & modernisation of Vizag Steel Plant at a total cost of Rs. 12,291 crore. The Expansion & Modernisation of Salem, IISCO, Rourkela, Durgapur and Bokaro Steel Plants of SAIL are completed and that of Bhilai Steel Plant is scheduled for completion by December, 2016. The expansion & modernisation of Vizag Steel Plant of RINL is completed. Further, RINL has also taken up modernisation and expansion of Vizag Steel Plant at a cost of Rs. 3600 crores to increase the capacity from 6.3 to 7.3 MTPA. NMDC is setting up a greenfield 3.0 MTPA integrated steel plant at Nagamar.

(d) Steel is deregulated industry and no license is required to make investment to set up a new steel plant, except for the statutory requirements related to land acquisition, environmental and forest clearance, water use, etc. The decisions in regards to investment in the steel capacities are based on various factors including commercial consideration and market dynamics.

Annexure –I referred to in Part (a) of Lok Sabha Unstarred Question No. 216 due for answer on 25/04/2016

PRODUCTION OF CRUDE/LIQUID STEEL

(₹000 tonnes)

P R O D U C E R	2012-13			2013-14			2014-15			2015-16*		
	Working Capacity	Production	% Utilisation	Working Capacity	Production	% Utilisation	Working Capacity	Production	% Utilisation	Working Capacity	Production	% Utilisation
S A I L	13019	13411	103%	13019	13575	104%	17519	13909	79%	17519	14279	82%
R I N L	2910	3071	106%	2910	3202	110%	2910	3296	113%	6300	3640	58%
TOTAL : (Public Sector)	15929	16482	103%	15929	16777	105%	20429	17205	84%	23819	17919	75%
(Public Sector) PRIVATE SECTOR												
Tata Steel Ltd.	9600	8130	85%	9600	9155	95%	9600	9331	97%	9600	9959	104%
Essar Steel Ltd.	8540	4163	49%	8540	3245	38%	8540	2854	33%	10000	3685	37%
JSW Steel Ltd.	14600	11230	77%	14600	12227	84%	14600	13136	90%	16600	12624	76%
JSPL	2400	3031	126%	2400	2836	118%	4000	3557	89%	4000	3175	79%
Other E A F Units/Corex-BOF/MBF-EOF	12010	9695	81%	14697	9874	67%	15888	14613	92%	17388	14469	83%
IF Units	33945	25685	76%	36494	27579	76%	36794	28283	77%	36794	27945	76%
TOTAL : (Private Sector)	81095	61934	76%	86331	64916	75%	89422	71774	80%	94382	71857	76%
GRAND TOTAL :	97024	78416	81%	102260	81693	80%	109851	88979	81%	118201	89776	76%

Source: JPC, *provisional
