

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 152**  
**FOR ANSWER ON 04/12/2023**

**MODERNIZATION OF SAIL**

152. SHRI DHIRAJ PRASAD SAHU:

Will the Minister of STEEL be pleased to state:

- (a) the target for increasing the production in Steel Authority of India Limited (SAIL) in terms of million tons in the proposed modernization, the unit-wise details of present production capacity, proposed capacity and cost thereof;
- (b) the details of means through which funds would be arranged for the proposed production increase, the details thereof;
- (c) the details of the new shops to be built under the proposed production increase; and
- (d) the details of the provision made to ensure that the proposed increase in production capacity is completed in time?

**ANSWER**

THE MINISTER OF STATE IN THE  
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)to(c): At present, SAIL is having its Crude Steel operating capacity 19.51 MTPA. In line with National Steel Policy, 2017 of Government of India, SAIL envisages to increase its Crude Steel capacity to around 35.65 MTPA by 2030-31 in the first phase of Modernization Expansion and Augmentation Plan (MEAP).

However, the expansion is subject to following:-

- (i) Demand Growth for finished steel to absorb the enhanced level of steel production in the sector.
- (ii) Resource availability to finance CAPEX with sustainable Debt: Equity ratio.
- (iii) Captive iron ore sources for supporting the enhanced capacity.

Contd..

The envisaged Plant-wise Crude Steel Capacity of SAIL after proposed MEAP is as following:

<b>Steel Plant</b>	<b>Operating Crude Steel Capacity (MTPA)</b>	<b>Envisaged Crude Steel* Capacity (MTPA)(Pre-DPR)</b>
Bhilai Steel Plant (BSP)	6.00	6.80
Durgapur Steel Plant (DSP)	2.20	6.09
Rourkela Steel Plant (RSP)	3.80	8.34
Bokaro Steel Plant (BSL)	4.60	7.03
IISCO Steel Plant (ISP)	2.50	6.98
Alloy Steel Plant	0.23	0.23
Salem Steel Plant	0.18	0.18
<b>SAIL</b>	<b>19.51</b>	<b>35.65*</b>

\*Provisional subject to finalisation of DPR having details of new facilities/shops to be built

The Proposed production increase would be funded by a mix of internal accruals and market borrowings. Ballmark expenditure of the likely investment is around Rs. One lakh ten thousand crores.

(d) Various provisions are being made by SAIL to ensure that the proposed increase in production capacity is completed in time. These include planning of expansion in phased manner since bunching together/simultaneous implementation of multiple high value projects has been found to lead to resource crunch and consequent delays, reinforcing monitoring of the progress of activities related with the MEAP, review & updation of Project Manuals and delegation of Powers as per requirement for faster decision making, Implementation of Integrated Project Management System, etc.

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