

LOK SABHA
STARRED QUESTION NO.*150
FOR ANSWER ON 02/03/2020

MODERNISATION AND EXPANSION OF STEEL PLANTS

*150. SHRI BALLI DURGA PRASAD RAO:
SHRIMATI QUEEN OJA:

Will the Minister of STEEL be pleased to state:

- (a) whether the Indian steel industry continues to grapple with uncertainties pertaining to availability of consistent supplies of raw materials i.e. coal and iron ore;
- (b) if so, the details thereof along with the action taken/proposed to be taken by the Government in this regard; and
- (c) the measures taken/proposed to be taken by the Government in regard to modernisation and expansion of the existing steel units as well as green-field plants to build a world class, cost competitive and socially responsible steel industry?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)to(c): A Statement is laid on the Table of the Lok Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (C) OF THE LOK SABHA STARRED QUESTION NO. *150 FOR ANSWER ON 02/03/2020 ASKED BY SHRI BALLI DURGA PRASAD RAO AND SHRIMATI QUEEN OJA, MEMBERS OF PARLIAMENT REGARDING “MODERNISATION AND EXPANSION OF STEEL PLANTS”

(a)&(b): The production of iron ore in the country is sufficient to meet the current demand/consumption of iron ore by domestic steel industry. However, the entire demand of coking coal is not met from domestic production as the availability of high-quality coking coal (low-ash coal) in the country is limited and thus no option is left but to resort to import of coking coal.

In order to further enhance the availability of iron ore in the domestic market, Ministry of Mines, Government of India vide Order dated 16.09.2019, SAIL has been allowed to make available in the open market 25 percent of its total mineral production in the previous year. Further, in another separate order dated 16.09.2019, SAIL has also been allowed to dispose of the old stock of 70 Million Tonnes of low-grade iron fines and ores (including slime) lying dumped across different captive mines of SAIL.

As regards coking coal, during 2018-19 the total demand of coking coal for steel industry was 58.37 MT. Out of this, 51.83 MT were met through imports, 1.6 MT was provided by Bharat Coking Coal Limited (BCCL) and Coal India Limited (CIL) and remaining was catered by captive collieries of SAIL and TATA Steel.

In order to secure coking coal supplies for the Indian steel industries, the Government has taken the following steps:-

- i. Setting up of new washeries by BCCL and CIL & enhancement in capacity of existing washery by SAIL.
- ii. To diversify the coking coal import sources, efforts are being made to import coking coal from US, Russia and Mongolia.
- iii. Recent allocation of Coking Coal Mines to Steel CPSEs, viz Tokisud North Coal Mine and Rohne Coal Mine to NMDC and Rabodih OCP Coal Mine to RINL.
- iv. To grant long term linkage of raw coking coal to SAIL from BCCL.
- v. Extension of Tasra Coking Coal Block lease in favour of SAIL.

(c) Steel is a deregulated sector and the role of Government is limited to that of a facilitator. The decisions to modernisation and expansion of steel plants & to set up new steel plants/Greenfield Projects are taken by the respective companies, based on commercial considerations, market dynamics and techno-economic viability of projects.

The steps of modernisation and expansion of Steel CPSEs are as under:

- i. SAIL had undertaken modernization and expansion of its five integrated steel plants at Bhilai (Chhattisgarh), Bokaro (Jharkhand), Rourkela (Odisha), Durgapur (West Bengal) & Burnpur (West Bengal) and Special Steel Plant at Salem (Tamil Nadu) to enhance its crude steel capacity from 12.8 Million tonne per annum (MTPA) to 21.4 MTPA.
- ii. RINL has completed its expansion programme for doubling its capacity from 3 MTPA to 6.3 MTPA in April, 2015 at an estimated cost of Rs 12,291 Cr. All the units are under operation. Along with modernization, one more Converter and Caster have been installed enhancing the production capacity by 1 MTPA. i.e., from 6.3 MTPA to 7.3 MTPA.
- iii. NMDC is in the process of setting up a 3.0 MTPA Integrated Steel Plant at Nagarnar, near Jagdalpur, Dist. Bastar, Chhattisgarh. The construction of plant is in advanced stage of completion.
