

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

STARRED QUESTION NO:173

ANSWERED ON:26.03.2012

PACE OF MODERNISATION PROCESS

Biswal Shri Hemanand ;Namdhari Shri Inder Singh

Will the Minister of STEEL be pleased to state:

(a) the status of modernisation of steel plants in the public sector;

(b) whether the programme for expansion and modernisation of various steel plants under the Steel Authority of India Limited particularly, the Bokaro Steel Plant is lagging behind the schedule leading to cost and time overruns;

(c) if so, the details thereof alongwith the reasons therefor, plant-wise; and

(d) the corrective measures taken/being taken by the Government to address the situation?

Answer

THE MINISTER OF STEEL (SHRI BENI PRASAD VERMA)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (A) TO (D) OF THE LOK SABHA STARRED QUESTION NO.173 FOR ANSWER ON 26/03/2012 TABLED BY S/SHRI INDER SINGH NAMDHARI AND HEMANAND BISWAL, MEMBERS OF PARLIAMENT REGARDING PACE OF MODERNISATION PROCESS.

(a) The Steel Authority of India Limited (SAIL) has undertaken modernization and expansion plan at its five integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur & Burnpur and special steel plant at Salem to enhance its crude steel production capacity from 12.8 Million Tonne Per Annum (Mtpa) to 21.4 Mtpa in the current phase with an estimated cost of around Rs.72,000 crore including mines development. Similarly, Rashtriya Ispat Nigam Limited (RINL) has undertaken modernization and expansion plan in its Visakhapatnam Steel Plant to enhance its liquid steel production capacity from 2.9 Million Tonne Per Annum (Mtpa) to 6.3 Mtpa in the current phase with an estimated cost of around Rs.12,000 crore.

(b)&(c): Expansion of Salem Steel Plant has been completed in Sep'10. For other plants viz, Bhilai Steel Plant, Durgapur Steel Plant, Rourkela Steel Plant and IISCO Steel Plant all major packages have been ordered and these packages are under various stages of execution. The current phase of modernisation and expansion is expected to be completed by 2013.

In case of Bokaro Steel Plant, some of the facilities have been completed which includes Up-gradation of Blast Furnace No.2, 2nd Ladle Furnace in Steel Melting Shop-II, Coal Dust Injection for Blast Furnace-2&3, Rebuilding of Coke Oven Battery No.1&2 and Installation of New Turbo-blower. The completion of New Cold Rolling Mill is lagging behind schedule of December, 2011. However, testing and trial runs have already been started and operation of the mill is likely to commence in few months. At present, no cost over-run is expected.

(d) SAIL has taken various measures for expediting the project works including enhancing delegation of powers at various levels for faster decision making, implementation of Integrated Project Management System, strengthening of project management organisation by recruiting/redeploying fresh/experienced project managers, assistance to contractors in the form of supply of steel, pipes and other SAIL products, constitution of Board Sub Committee (BSC) to review the implementation of expansion and modernisation plans of SAIL. Besides these, SAIL's modernisation and expansion programmes are reviewed regularly in the Ministry and corrective actions initiated, wherever required.