

**GOVERNMENT OF INDIA  
STEEL  
LOK SABHA**

UNSTARRED QUESTION NO:1496

ANSWERED ON:21.07.2014

MODERNISATION OF STEEL PLANTS

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**Will the Minister of STEEL be pleased to state:**

- (a) the status of modernisation of the public sector steel plants, State-wise;
- (b) whether the programme for expansion and modernisation of various steel plants under the Steel Authority of India Limited (SAIL) is lagging behind the schedule leading to cost and time overruns;
- (c) if so, the details thereof along with the reasons therefor including for Visvesvaraya Iron and Steel Plant, Plant-wise; and
- (d) the corrective measures taken by the Government in this regard?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL, MINES AND LABOUR AND EMPLOYMENT (SHRI VISHNU DEO SAI)

(a) Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) have undertaken modernization and expansion at Bhilai Steel Plant (BSP) in Chhattisgarh, Bokaro Steel Plant (BSL) in Jharkhand, Rourkela Steel Plant (RSP) in Odisha, Durgapur Steel Plant (DSP) in West Bengal, IISCO Steel Plant (ISP) in West Bengal, Special Steel Plant (SSP) in Tamilnadu and Vizag Steel Plant (VSP) of RINL in Andhra Pradesh to enhance crude steel production capacity from 12.8 Million Tonnes Per Annum (MTPA) to 21.4 MTPA and liquid steel capacity of RINL from 3.0 MTPA to 6.3 MTPA respectively.

The expansion project at Salem Steel Plant has been completed in September, 2010. At Rourkela Steel Plant, country's largest Blast Furnace (4060 cum) is operational since Aug'13. Three new Coke Oven Batteries, one each at RSP, ISP and DSP are operational. Two new Sinter plants at RSP & ISP and one new Sinter machine at BSP have been put into operation. The 3rd Slab Caster at RSP and Wire Rod Mill at ISP have also been completed. Hot trials have been taken in 1st Billet Caster of ISP. 3rd BOF & Plate Mill Rolling facilities at RSP have been completed in Jun'14. At Bokaro Steel Plant, up-gradation of one Blast Furnace and re-building of two Coke Oven Batteries have been completed. Testing and trials for various facilities in the new Cold Rolling Mill at BSL are on.

SAIL is continually investing in Visvesvaraya Iron and Steel Plant (VISP), Bhadravati for overall growth & improving profitability of the Plant. SAIL has already implemented a 350x350 mm single strand bloom caster with 1,25,000T annual capacity and one 30T Pusher type Reheating Furnace for Primary Mill.

Execution of almost all major packages of Stage-I of 6.3 MTPA expansion plan of RINL-VSP is completed. Production has already commenced from major Units, viz., Raw Material Handling Plant, Sinter Plant-3, Blast Furnace-3, Turbo Blower-4, Steel Melting Shop-2, Wire Rod Mill-2 and other auxiliary systems viz., Water systems, Power systems, and other Utility systems. With respect to Stage-II Units of expansion plan, Furnaces of both the Mills of Stage-II, i.e. Special Bar Mill and Structural Mill are planned to be commissioned by 3rd quarter of 2014. The indicative cost of the expansion plan of RINL-VSP plant is about Rs. 12,291 crore.

RINL has also undertaken modernization and up-gradation to upkeep the health of the existing facilities like both the Blast Furnaces, all the three LD Converters of Steel Melting Shop and also both the Sinter Machines at an estimated cost of Rs. 2409 crores. After completion of existing expansion and modernisation, the capacity of production will be enhanced to 7.3 MTPA of Liquid Steel. The category-1 repair of Blast Furnace-1 has been completed and testing and commissioning works are in progress. The entire modernisation programme along with additional Converter and Caster in Steel Melting Shop-2 is expected to be completed progressively by 2016-17.

(b)&(c): The indicative cost of current phase of expansion and modernisation plan of SAIL is about Rs.61,870 crore and there has been no cost overrun. The initial timeframe for completion of expansion programme of SAIL Plants/ Units was 2012-13. There have been some delays in the course of implementation affected mainly due to unforeseen soil conditions encountered, under estimation of quantities by the consultant, Logistic problems due to brownfield nature of job, inadequate mobilization of resources by the contracting agencies including PSU contractors. As per the revised schedule, the expansion programme is expected to be completed by December, 2014 in BSL, March, 2015 in DSP, June, 2015 in BSP, December, 2014 in RSP and December, 2014 in ISP.

(d) Various corrective steps like review & updation of Project Manuals, 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, constitution of Board Sub Committee (BSC) to monitor the

implementation of Expansion Plans have been taken. Other measure undertaken include extensive use of video conferencing for review meetings, discussion & sharing of problems of various plants during heads of Projects meetings, establishing project control rooms at plants, assistance to contractors in the form of supply of steel, pipes & other SAIL products, provision of space for fabrication yard inside/outside the plant to facilitate the contractor in fabricating structures and reducing transportation delays etc. Progress of modernisation and expansion of plants are regularly reviewed at the level of Minister and Secretary in the Ministry.