

# SAIL's ₹2,400 crore of capex projects delayed

**MISSING DEADLINE.** Miner working with States to renew lapsed licences

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Steel Authority of India Ltd (SAIL) – the largest state-run PSU steel maker – is witnessing a delay in ongoing projects worth ₹2,400 crore across its Bhilai, Rourkela, and Bokaro plants, even as the steel-maker is trying to renew lapsed lease licences of 13 non-commercial mines.

Projects involve modernisation of plants, addition and replacement. The cumulative value of the high-end capacity expansion and modernisation projects – valued at over ₹150 crore – taken up across the three plants are pegged at over ₹3,800 crore.

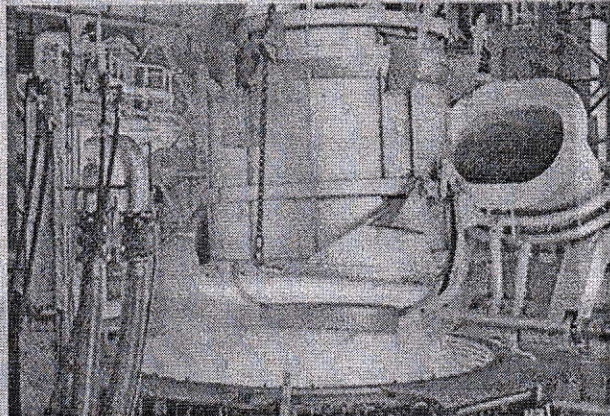
## POOR PERFORMANCE

The delay in completion is “mainly on account of poor performance of contractors or sub-contractors, poor mobilisation of resources by the contractors, delay in placement of orders and supply of materials or equipment,” it has been said in response to a question in the Rajya Sabha.

According to details available, modification of the washing circuit of the CSW Plant of Dalli Mines of Bhilai Steel Plant pegged at ₹168 crore is running behind schedule, while the re-building of two coke oven batteries (COB-7 and COB-8), at a proposed investment of ₹625 crore, at the plant is also delayed.

In the case of the Rourkela Steel Plant, the rebuilding of the second coke oven battery (COB-2), along with the augmentation of coke handling and gas handling facility, is running behind schedule. The proposed investment is ₹434 crore.

A delay has been noticed in the installation of the sinter plant at the Bokaro Steel Plant, and it has an estimated



**PLANS ON BACKBURNER.** A file pic of SAIL's Bhilai steel plant. Projects involve modernisation of plants and addition, modernisation, and replacement schemes.

## ● SUB-PAR SHOW

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investment of ₹1,111 crore. “However, there is no cost overrun,” Union Minister of Steel, Jyotiraditya Scindia, said in his written response.

Of the ongoing projects, the installation of a caster along with ladle furnace at the Rourkela Steel Plant, at an estimated investment of ₹1,105 crore, would lead to a capacity enhancement of crude steel making by 0.4 million tonne per annum. “The project is not delayed and there is no cost overrun,” it was said in the response.

## MINE LEASES

Meanwhile, in an internal note, the Steel Ministry has mentioned that of the 19 non-

operational mines of SAIL, leases of 13 had lapsed on March 2022. “Matter regarding order for extending the period of starting mining operations by SAIL on a case-to-case basis ... as a one-time measure is pending with Ministry of Mines,” it said adding that following the advice of the Mines Ministry, SAIL was directed (by Steel Ministry) to pursue the matter with the State governments.

Accordingly, mining is expected to start across 6.9 square miles of Bolani iron ore mines in Odisha. Contract for operationalisation is under final stages, sources aware of the development told *bustnessline*.

Timeline for grant of licences (or extension) is expected by this month for 247 hectares of South Central in Jharkhand (for Lease I, II & III of Kiriburu Meghatuburu iron ore mines); in Jhillingburu-II mines of Jharkhand; for ML-139 in Odisha, among others.

In the case of others – like Jhillingburu-1 of Jharkhand – applications have been made for stage 2 forest clearances. Some mines like Topailore in Jharkhand had expected to start dispatch of iron ore from February.