

Despite project delays, SAIL pushes ahead with ambitious expansion plans

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The Steel Authority of India Ltd (SAIL) is navigating a critical phase of capacity expansion, safety upgrades and project realignment, even as it grapples with significant delays across several flagship projects.

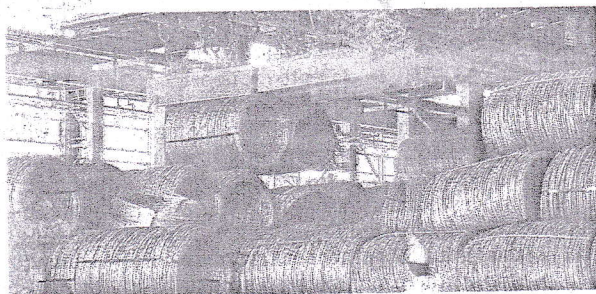
In a review meeting at the Ministry, held earlier this month, some of its projects were found to have been delayed by nearly two years (22 months). Capex target for FY26 has been pegged at ₹7,500 crore, which will include some part of its second phase expansion projects. Against a budgeted capex of ₹400 crore in April, the spending was about ₹500 crore.

In FY25, the company's capex was around ₹5,879 crore, which is 3.5 per cent higher than the allotted ₹5,700 crore.

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PROJECT DELAYS

Among the most pressing concerns are delays in several major infrastructure undertakings. At Bhilai Steel



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Plant (BSP), the rebuilding of coke oven batteries (COB) 7 and 8, originally scheduled for completion in December 2023, is now expected to conclude only by October 2025, running 22 months behind schedule with physical progress of 66 per cent as of April, per documents reviewed by *businessline*.

Similarly, Bokaro Steel Plant's (BSL) New Sinter Plant has seen repeated setbacks, with its completion now pushed to June 2027 — a full decade after the initial October 2017 target.

The project's cost has swelled to over ₹1,752 crore from its original estimate, it was revealed.

At Rourkela Steel Plant (RSP), while progress has been swifter on some fronts — notably the first coke pushing from COB 2

achieved in November 2024 — other expansions, such as the installation of the fourth slab caster and ladle furnace, are inching towards a likely July finish, marginally behind the May 2025 deadline.

MINES EXPANSION

In contrast, SAIL's mines expansion plans are gaining ground.

The Tasra coal mine is gearing up to reach its target capacity of 4 mtpa by September 2027. The associated coal washery, with a capacity of 3.5 mtpa, has secured key environmental clearances and is expected to be operational by September this year.

The iron ore mines at Gua are set for 150 per cent capacity expansion — to 10 mtpa — from the existing 4 mtpa. It is another strategic invest-

ment pegged at nearly ₹5,693 crore progressing through detailed planning and tendering stages. At least six shorter infra packages (multiple smaller projects) are involved.

Similarly, the Taldih (iron ore) mines are set for a four-fold capacity jump to 8 mtpa with site preparations, civil works and equipment orders actively underway.

Key challenges remain around forest clearances and railway encroachments, but site work, including excavation and construction of critical infrastructure, has commenced.

At Rowghat mine (iron ore), production capacity is slated to increase by 150 per cent to 5 mtpa by FY27, from the existing 2 mtpa.

Infrastructure around Rowghat station and related logistics is on schedule for completion around December. However, performance of the Mine Developer and Operator (MDO) is "under close scrutiny", a Steel Ministry official said, adding that there is a "possibility of contract termination, if agreed milestones aren't met".

"MDO is under contract termination... At present, the MDO has mobilised resources for development of the mine," SAIL officials reportedly said.