



Telangana Plans to set up Steel Plant at Bayyaram



The Telangana state government announced that it has decided to go full steam with its plans of setting up an integrated steel plant at Bayyaram in Bhadradi-Kothagudem district, despite the Centre cold-shouldering this long-standing demand.

The K Chandrasekhar Rao government has decided to set up a special purpose vehicle for project and MECON, a public sector undertaking under the Union Ministry of Steel, will submit a detailed project report by the end of the month. Principal secretary, Industries and

Commerce, Jayesh Ranjansaid in a press report that it will have a clear picture about the details, including cost of the project by the end of the month.

For every one million tonnes of capacity of producing steel, a minimum investment of INR 600 crore is needed. MECON experts had told the state that it should have a minimum capacity of three million tonnes which would cost roughly INR 1,800 crore. This investment does not include the cost involved in acquiring land and laying a rail line.

While the DPR is being readied, the state has also roped in Rail Vikas Nigam Limited to submit a report on laying the 214-km line between Bailadila and Manuguru near Kothagudem.

For nearly five years, central government agencies have maintained that the Bayyaram iron ore reserves are insufficient and of low grade. The state government, however insists that it is a suitable location as the plant will use high grade ore from neighbouring Bailadila in Chhattisgarh. About five million tonnes of iron ore a year needed for the plant can be transported from Chhattisgarh by laying a dedicated railway line from Bayyaram to Bailadila.

