CHAPTER – III

PROFILE OF VISAKHAPATNAM STEEL PLANT

The Steel plant is located 26 KM south of Visakhapatnam city. The Company also has a Blast Furnace grade Limestone captive mine at Jaggayapeta, a captive mine for Dolomite at Madharam and a Manganese ore captive mine at Cheepurapalli. It also has a mining lease for river sand of river Champavathi. But the vistas of excellence unfolding through the kaleidoscope that is VSP, does not rest with inherent beauty of the location or the sophistication of technology. They march ahead parading one aspect after another, covering the entire gamut of India’s proudest, boldest and most unique experiment in the Steel Industry. In its unyielding journey, Visakhapatnam Steel Plant has come a long way and has become the shining star on the industrial horizon, a symbol of every changing and endless new possibilities. Recapitulation of the efforts involved in making this gigantic plant possible evokes a tremendous sense of awe.

Making the impossible possible lies in man’s determination, and Sri Tenneti Viswanatham garu was one such personality. He was an outstanding poet, patriot, scholar and statesman. He took part in the freedom struggle under the leadership of Mahatma Gandhi, and was imprisoned for eight years. Sri Tenneti Viswanatham headed the all party agitation in 1966 demanding the 5th integrated Steel plant for Andhra Pradesh at Visakhapatnam. Struggle of thousands and lakhs of such selfless people has paved the way for establishing such a big plant. VSP salutes all those who made VSP possible and pays tributes to these persons who were paragons of dedicated service to society, its welfare and reformation.

Visakhapatnam Steel Plant (VSP) is the top 80th largest steel manufacturing company in the world by 2008 and the total productivity is 3.2 mt and 3.1 mt in the
years 2007 and 2008 respectively, however, by 2009 & 2010 it world level largest steel production organisations rank is improved and reached to 46th position. VSP is with a rated capacity of 3.4 million tonnes liquid steel, is the country’s first shore based integrated steel plant in the public sector. The project was conceived in 1971, to uphold the sentiments of people of Andhra Pradesh, who waved a relentless crusade for the same. To meet the growing domestic needs of steel, Government of India decided to set up an integrated steel plant at Visakhapatnam. An agreement was signed with erstwhile USSR in 1979 for cooperation in setting up 3.4 million tonnes integrated steel plant at Visakhapatnam. The foundation stone for the plant was laid by then the Prime Minister of India, Mrs. Indira Gandhi on 20th January, 1971.

The consultants M/S M.N. Dastur & Co (P) Ltd submitted a techno-economic feasibility report in 1972. USSR offered assistance in building up the plant in 1973 and in terms of this agreement a comprehensive report was submitted in November 1980. In June 1979, the Government approved the proposal for setting up of an Integrated Steel Plant at Visakhapatnam with production capacity of 3.4 million tonnes of liquid steel per annum at a total cost of Rs. 2,256 Crores. Based on comprehensive report of Dastur Co (P) Ltd, the project cost was updated to Rs. 3,897.28 Crores as of 4th quarter of 1981 prices. The project cost estimate was further updated to 1st quarter of 1985 price level which worked out to Rs. 7,464 Crores. In view of fund constraints and taking into account the need for higher utilization of the facilities in order to contain the capital investment to bare minimum level, a Rationalized Project Concept with 3.0 million tonnes liquid steel capacity at an estimated cost of Rs. 5,967 Crores (based on the 1st quarter of 1985)
was evolved. However, on completion of construction and commissioning of the whole plant in 1992, the cost escalated to around Rs. 8,500 Cr.

Production Departments of VSP:

1. **Coke Ovens:**

   Coke is hard, porous mass obtained by fractional distillation of coal in absence of air at a temperature of 1250° C for a period of 16 to 18 hours. It is used as fuel and reducing agent for reduction of iron ore in blast furnace. Coke is produced in coke ovens. Besides coke production, coal chemicals such as Tar, Benzol and Ammonium based products are produced. Its initial installed capacity is 22,61,000 tonnes per annum and three Batteries of 67 ovens and 7 Mtrs height are used.

2. **Sinter Plant:**

   Sinter is obtained by agglomeration of fines of iron ore, coke, lime stone and metallurgical waste. Sinter increases the productivity of Blast Furnace, improves quality of pig Iron and decreases consumption of coke rate. Its initial installed capacity per annum is 52, 56, 000 Tonnes and two sinter machines of 312 Sq. Mtr. grate area each are used.

3. **Blast Furnace:**

   Pig iron (Hot metal) is produced in Blast Furnace. The furnace is named as Blast furnace as i.e., run with blast at a high temperature of 1150° C. Iron ore, Sinter, Coke, and Lime stone etc., raw materials are required. For production, there are two Blast furnaces, one is known as Godavari furnace of 3,200 Cu. Mtr. volumes and another one is known as Krishna furnace of 3,200 Cu. Mtr. volumes. Its initial installed capacity is 34, 00,000 tonnes per annum.
4. **Steel Melt Shop:**

Hot metal produced in Blast furnace is converted into steel by LD converters. Then this steel is subjected to homogeneous treatment with argon rising and cast blooms in continuous casting machine. Three LD converters each of 133 Cu. Mts. volume and 64 stand bloom casters are used for production. Its annual initial installed production capacity of this plant is 30, 00,000 tonnes.

5. **Rolling Mills:**

Blooms cannot be used as they are, in daily life. These blooms have to be reduced in size and properly shaped to fit for various jobs. Rolling is one of the mechanical processes to reduce large size section into smaller ones. The blooms from CCM are heated and rolled into various products of different specifications at three capacity sophisticated and speed rolling mills.

1. **Light, Medium Merchant Mill (LMMM):**

LMMM produces TEMPCORE re-enforcement bars and billets. Initially four stand finished Mills are available and its initial installed annual capacity is 710, 000 tonnes.

2. **Wire Rod Mill (WRM):**

WRM produces rounds and ribber wire rods. 2 X 10 stand finished mills are used initially for production activity and its initial installed capacity is 850, 000 tonnes per annum.

3. **Medium Merchant and Structural Mill (MMSM):**

MMSM produces rounds, squares, flats, equal and unequal angles, T bars channels and beams. Initially six stand finished mill are used and its initial annual installed production capacity is 850, 000 tonnes.
The Major Departments:

The major departments of Visakhapatnam Steel plant; Finance and accounts department, sales and marketing and personnel department with reference to my study as important of any organisation.

Finance and Accounts Department:

Finance & Accounts Functions centre around arranging the finances, facilitating, accounting the operations and compliance with various statutes. Finance function is general discipline having universal application. As such, it has its role in all forms and types of business i.e. from a sole trader to the joint Stock companies, whether it is Indian or Multi-National Company. The function encompasses broadly, Finance, Accounting, MIS Audit and taxation areas. Function covers the areas of arising of Finances viz., Capital, loans, working capital and servicing thereof. Finance also covers areas of controls viz., Budgetary Control and Cost Control.

Accounting Department deals with recording of daily transactions, compilation of Annual Accounts and their audit by various agencies, viz, Statutory Auditors appointed under the companies Act, Audit by Comptroller & Auditor General of India in case of Government Companies, Internal Audit and Special Audits. Taxation includes tax planning and complying with provisions of various tax laws such as sales Tax, Central Excise, Income Tax Act, Wealth Tax Act, Service Tax etc.

Though Finance & Accounts function is a general function having universal application, it becomes necessary to modulate it to suit the requirements of the specific industry it serves, and accordingly formulate suitable systems and procedures. For instance, in the area of costing, appropriate costing system is
required to be laid down keeping in view the manufacturing process. Accordingly, the costing system in VSP is based on process costing. Similarly, Budgeting is done department wise. Various products manufactured by VSP are sold through its all India Branch network. For this purpose, materials are moved from the plant to various branches. This calls for proper documentation of dispatches, receipt of stocks, issue of stocks and stock balancing, apart from handling of money on sales, monitoring of outstanding debtors for credit sales, payment of excise duty while clearing the material from the plant, remittance of sales tax on sales, transfer of funds from the branches to headquarters etc.

Finance is also associated in finalization of export orders, facilitating shipment of goods, complying with the various formalities, negotiation of documents and realization of money. Finance function can be summed up when it is related to each of the factors of production. The various factors required for production are – Men, Materials, Machinery, Money and Management for any industry. In case of VSP also, it is true that these five factors of production play a vital role. The various functions of F and A Department relating to each of the factors of production are:-

1. **Men:**

   More than 16,400 persons are employed in VSP, who are to be paid salaries, and the benefits extended to the employees do not end with the monthly payment of salaries. The various employees benefit schemes, some of which are statutory and some of which are optional and adopted by the company need to be monitored. In our case, Employees’ Provident Fund is administered by a private Trust created by the management with the participation of representatives of the employees and management. The periodical contributions recovered from the
employees and employer’s contributions are credited to the individual employee’s account, and employee wise accounts are maintained. These accounts are periodically audited and the accounts rendered. Gratuity payments, workmen compensation, and medical reimbursement are handled by Pay & PF section of F&A Department. Apart from this, various facilities in the form of Medical, School Fees Reimbursement etc., are also handled and accounted for by F&A Department. F&A department also complies with court orders for deduction from salaries of employees who have defaulted to unit companies, or stood guarantors for co-employees, kith & kin who have defaulted in payment of installments to chit companies and remits the same to courts. About 700 such orders are being coupled complied with now, and the F&A dept has advised employees to desist from such activities / stand as guarantor as in turn employees who stood as guarantors & their families suffer for breach committed by benefactors.

2. **Materials:**

Various raw materials are converted into finished goods and sold. For this value addition, input materials are required. In the process of facilitating availability of input materials viz., Iron Ore, Coal, Limestone, Refractories, etc. finance plays a vital role while finalizing the orders for supply by the MM department by associating with them. In the process, it helps in proper evaluation of tenders and suggests availment of concessions available under different taxation laws. The total material related functions span from the time of budget preparation before commencement of the financial year to ultimate consumption. The intermediary stages involve raising of indents, floating of tenders, evaluation of tenders, placement of orders, receipt of material, issue of material, balancing of stocks, verification and evaluation for the purpose of annual closing of accounts.
Material procurement in VSP, both from indigenous and overseas sources, involve opening of letters of credit, servicing of the credits, accounting for the supplies, consumption and ultimate valuation of the closing stock. The involvement of finance can be better understood when we note that the imports of raw materials are made by opening of letters of credit for a 180 days period on soft interest terms through banks to the tune of more than `1200 crores. While the prevailing rate of interest for rupee loans / working capital is around 10.5 per cent per annum, credit is availed on imported supplies by availing dollar loans at an interest of about 2.5 per cent per annum. Such credit is monitored and serviced by the finance department. Finance department arranges to issue concessional sales tax forms for availing sales tax benefits on purchase of various input materials. In all cases where Modvat can be availed thereby reducing the material cost component, such Modvat is availed by facilitating the compliance of the host of central excise producers. The implication on this account alone is over `50 crores per annum for VSP.

3. Machinery:

It is machinery which facilitates the value addition and quality product. The plant machinery accounts for substantial portion of the total capital outlay of the plant at about `8500 crores. F&A department is involved in the process of procuring machinery, installation & their commissioning activities. They keep track of the costs incurred and co-ordinate for capitalization of all plant & machinery, so that correct depreciation amount on machinery utilized for the production is charged to the profit & loss account of relevant period, so that funds are available for replacement of the asset at the end of life of the asset. In case of plant & machinery, which facilitates production, the expenditure is incurred on one
time basis on initial procurement and installation by way of capital cost. Thereafter on maintenance, this is of revenue nature.

4. **Money:**

   Money is the prime mover and without it, no project can come up, no facility created and operated. In short, nothing can move without money. Mobilization of money will not be possible unless it is serviced or compensated for its value. The compensation for use of money is by way of interest or dividends. Unless attractive dividend is paid, no investor comes forwarded to invest in the project. Unless the lender is sure of realization of the loan and interest on the loan given by him, he will not come forward to lend the money. Therefore, it becomes necessary to service the loans by timely repayment of installments and payment of interest. The enterprise is to be run in a most efficient & profitable manner, so that the share capital can be serviced reasonably by declaration of dividends to keep the interest of investors intact. In a capital intensive industry like steel, the gestation period is long, i.e. the industry takes long time to reach full capacity production levels, and therefore revenue surpluses cannot be generated in a short period. Hence private participation was not forthcoming. Steel being basic industry and required for development and growth of the nation, these were hitherto financed by the government. Thus, the entire share capital of RINL amounting to `7827 crores is contributed by the Government of India. The remaining part of capital expenditure was incurred by availing loans from financial institutions like UTI, GICI, ONGC, LIC, and other Commercial Banks. VSP has also availed deferred credit from foreign suppliers of the plant. These are regulated and serviced by the F&A Department.
5. **Management:**

It is the Management, who coordinates the various factors of production and facilitates production and sales. This is the brain, which conducts the affairs of the company, both manufacturing and selling. Management, for taking vital decisions, largely depends upon the finance department. It is the finance department which keeps records of the data, both quantitative and financial. It facilitates past data as a guide and projects plans for the future. Budget and Budgetary Control is one such management tool. Budgeting facilitates laying down the defined goals of the company and the means to achieve such goals both in quantitative and monitory terms. Company level budgets are prepared well in advance and are divided to departmental and sectional budgets. Control is facilitated by measuring the actual with the budgets. Deviations and variations are identified regularly and corrected by appropriate and timely actions. This is facilitated by the budget section of the finance department. Another area of management control is cost control. For a commercial establishment to reap the maximum benefit the costs will have to be low and the sales realisation has to be highest. If the sales realisation does not match with the cost, the undertaking ends up in a loss. Costing section of F&A department prepares the cost sheet for each of the production area detailing the expenditure under different heads viz., Manpower cost, material consumption, machinery etc, in comparison to the budgeted costs and previous performance. This helps in taking corrective measures wherever the costs have gone up, either because of under utilization of capacity, over-consumption of materials or loss of production due to breakdowns or increase in the material costs due to higher procurement costs, etc. Based on such analysis, it becomes possible for the production department to review their operations and take corrective measures.
F&A Department has other functions, viz; statutory compliance under the companies Act, Income Tax Act, wealth Tax Act, Central Excise Act, Provident Fund Act and Gratuity Act, etc. Under the Companies Act, every Company is under obligation to place annual reports before the general body within six months from the end of the financial year duly audited by Chartered Accountants. VSP being a company registered under the Indian Companies Act has also got a similar obligation. F&A Department facilities the Audit of the Comptroller and Auditor General of India. It also facilitates filing of return of income Tax under the Income Tax Act, tax deduction at source from payments to contractors, salaries to employees, remittance of Wealth Tax and filing of Wealth Tax return, remittance of periodical Sales Tax on sales, submission of monthly return, completion of Annual assessments, remittance of Excise Duty while clearing materials, filling monthly returns under Central Excise Rules, remittance of various salary deductions to respective agencies, viz., family pension scheme, LIC premia, Income Tax, etc.

The total production so turned out using the different factors of production discussed above, viz., Men, Material, Machinery, Money and Management, is sold in the market. The inputs are paid for and the outputs are realised. However there is a time lag in realization of sales resulting in a short fall of cash requirements. The gap in financial terms is called Working Capital and its monitoring is called working capital management. This is taken care by the cash section of F&A Department. This section keep liaison with commercial Banks and arranges for working capital in the form of cash credit, letters of credit and bank guarantees for procurement of input materials.
F&A department has a separate Internal Audit wing for audit of affairs of the 21 branches spread all over the country, apart from the HQ, dealing with material procurement, marketing and production.

As could be understood from the above, it can only be said that there is no activity, which can be complete without involvement of the Finance Department, one way or the other.

Sales:

VSP sell the majority of our products to domestic customers. In the Financial Years 2010, 2011 and 2012 sales to domestic customers accounted for approximately 96.7 percent, 96.3 percent and 97.1 percent respectively, of our turnover. The following Table (3.1) sets forth VSP sales by region for the periods indicated:

**Table 3.1 VSP Sales by Region**

<table>
<thead>
<tr>
<th>Market/Region</th>
<th>Financial Year 2010</th>
<th>% of Total</th>
<th>Financial Year 2011</th>
<th>% of Total</th>
<th>Financial Year 2012</th>
<th>% of Total</th>
<th>Three Months Ended June 30, 2012</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic</td>
<td>102,840</td>
<td>96.7%</td>
<td>110,845</td>
<td>96.3%</td>
<td>140,467</td>
<td>97.1%</td>
<td>24,428</td>
<td>97.3%</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>40,906</td>
<td>38.5%</td>
<td>40,260</td>
<td>34.9%</td>
<td>49,494</td>
<td>34.2%</td>
<td>8,944</td>
<td>33.6%</td>
</tr>
<tr>
<td>North</td>
<td>23,562</td>
<td>22.2%</td>
<td>24,330</td>
<td>21.1%</td>
<td>32,074</td>
<td>22.2%</td>
<td>2,968</td>
<td>10.1%</td>
</tr>
<tr>
<td>South¹</td>
<td>17,785</td>
<td>16.7%</td>
<td>21,876</td>
<td>19.0%</td>
<td>26,487</td>
<td>18.3%</td>
<td>5,816</td>
<td>19.9%</td>
</tr>
<tr>
<td>West</td>
<td>14,652</td>
<td>13.8%</td>
<td>16,197</td>
<td>14.1%</td>
<td>20,491</td>
<td>14.2%</td>
<td>5,200</td>
<td>17.8%</td>
</tr>
<tr>
<td>East</td>
<td>5,935</td>
<td>5.6%</td>
<td>8,382</td>
<td>7.3%</td>
<td>11,971</td>
<td>8.3%</td>
<td>4,600</td>
<td>15.7%</td>
</tr>
<tr>
<td>Export</td>
<td>3,510</td>
<td>3.3%</td>
<td>4,235</td>
<td>3.7%</td>
<td>4,151</td>
<td>2.9%</td>
<td>788</td>
<td>2.7%</td>
</tr>
<tr>
<td>Total</td>
<td>106,350</td>
<td></td>
<td>115,170</td>
<td></td>
<td>144,618</td>
<td></td>
<td>29,216</td>
<td></td>
</tr>
</tbody>
</table>

¹ Excluding the state of Andhra Pradesh
VSP's customers are divided into three segments: project users, industrial users and retailers.

- Project users consist of infrastructure and construction companies. VSP provide mainly rebars and structural products to project users;
- Industrial users, which includes actual users of our Company's products across various industry segments, consist of a wide range of large, medium and small scale industries, who mainly purchase plain wire rods, rounds and squares; and
- Retailers are parties who mainly procure products to sell to end users.

Marketing and Distribution:

VSP sell our steel products either directly to customers or through stockyards located across the country. The Company has a wide marketing distribution network spread across the country. VSP have five regional offices located at Visakhapatnam, Chennai, Mumbai, Delhi and Kolkata. Furthermore, we have 23 branch offices and 22 stockyards. Four stockyards, located at Bombay, Chennai, Visakhapatnam and Hyderabad, are owned by VSP, and the remaining 18 are operated by consignment agents. The consignment agents are chosen through an open national tender, a process by which prospective agents are selected by our Company, and sign seven year contracts with us. VSP have also signed seven year contracts with six consignment sales agents, where VSP do not have branch offices. There are also more than 128 retailers spread across the country. The Figure (3.1) below illustrates VSP marketing network.
VSP rely on a variety of marketing methods, such as sales through MOUs, direct sales to projects through participation in tenders, sales to state small industries corporations and national small industries corporations as per government allocation, e-auctions and spot sales. VSP also use our brand name to market our products. For example, rebars are branded as “VIZAG TMT,” and structural products are branded as “Vizag UKKU,” (“ukku” means steel in the Telugu language).
Major Sources of Raw Materials:

Raw materials required for production in Visakhapatnam Steel Plant are: Iron ore Lumps & Fines, BF Limestone, SMS Limestone, BF Dolomite, SMS Dolomite, Manganese ore, Boiler Coal and Medium Coking Coal. The main source of raw materials are at Bailadilla (MP), Jaggayyapeta (AP), UAE, Madharam (AP), Madharam (AP), Chipurupalli (AP), Talcher (Orissa), Australia and Gidi/Swang/Rajarappa/Kargali respectively.

Water Supply:

Requirement of water during construction was made from Meghadri Gedda and Raiwada Schemes of A.P. Government. Operational water requirement of 36 Mgd is being met from the Yeleru water Supply scheme.

Power Supply:

Peak construction power required was arranged from Gajuwaka power station. Operational requirement of 180 to 200 MW is being met through captive power plant. The capacity of power plant is 286.5 MW. Visakhapatnam Steel Plant is exporting around 60 MW power to APSEB.

Advent of “Centre for Business System (CBS)” and “Corporate Strategic Management (CSM):

The CBS was formulated to cater to the strategic needs of the Visakahapatnam Steel Plant. The focus of CBS is to study world-class initiatives and develop suitable framework for their adoption and implementation on an organisation-wide basis at VSP. CBS was inaugurated on 18th December, 2003. On this occasion, a booklet on “Strategy to achieve the Vision, Mission & Objectives of Visakahapatnam Steel Plant” was released. Visakahapatnam Steel Plant’s
Knowledge Management Portal “Gnana” was launched on 26th July 2004, basically to capture and share unique experience in day to day operations.

CBS has four teams to assist other departments in implementation of the initiatives identified and thus guide VSP to achieve it’s cherished vision of becoming a world-class integrated steel plant. The four teams are:

- Corporate Management
- Technology & Automation
- Marketing Research
- Intellectual Capital Development

The above teams initiate activities pertaining to implementation of various aspects of the Business Excellence Model, alignment and integration of organisational activities through Process Management, research on the latest technological developments in the steel industry for suitable adoption and benchmarking, initiatives leading to improved customer satisfaction, knowledge sharing initiatives like Knowledge Management etc. Groups of self organized employees from different areas of common interest called Communities of Practices (CoPs) have been initiated which promote collaboration, information exchange and sharing of best practices among them. The CBS has been merged with Corporate Planning Department and renamed as “Corporate Strategic Management” in order to suit the changing trends.

**Vision, Mission and Objectives:**

**Vision:**

To be a continuously growing world class company, for this:

- Harness our growth potential and sustain profitable growth.
• Deliver high quality and cost competitive products and be the first choice of customers.

• Create an inspiring work environment to unleash the creative energy of people.

• Achieve excellence in enterprise management.

• Be a respected corporate citizen, ensure clean and green environment and develop vibrant communities around us.

Mission:

To attain 16 million tonnes liquid steel capacity through technological upgradation, increase operational efficiency and expansion; to produce steel at international standards of cost and quality; and to meet the aspirations of the stakeholders.

Objectives:

Expand plant capacity to 6.3 Mt by 2008-09 with the mission to expand further in subsequent phases as per the Corporate Plan.

• Sustain gross margin to turnover ratio > 25%

• Be amongst top five lower cost liquid steel producers in the world by 2009-10.

• Achieve higher levels of customer satisfaction than competitors.

• Instill right attitude amongst employees and facilitate them to excel in their professional, personal and social life.

• Be recognized as an excellent business organisation by 2008-09.

• Be proactive in conserving environment, maintaining high levels of safety and addressing social concerns.
**Human Element in Visakhapatnam Steel Plant:**

Human Resource initiatives at Visakhapatnam Steel Plant are closely linked to the Corporate Strategy of the organisation. The organisation has long drawn plans aimed at individual and overall development of its human resources. The organisation has harmonious industrial relations where the entire workforce works as a good team for the progress of the company. The productive environment prevailing in the company fosters an atmosphere of growth—both for the employees and for the company.

The organisation has introduced multi-skill concept since inception and the employees are trained to imbibe this. For this purpose the organisation designed HR policies and key initiative for human resource development.

**HR Policy:**

VSP believes that employees are the most important resources. To realize the full potential of employees, the company is committed to:

- Environment that makes the employees committed and motivated for maximizing productivity.
- Establish systems for maintaining transparency, fairness and equality in dealing with employees.
- Empower employees for enhancing commitment, responsibility and accountability.
- Encourage teamwork, creativity, innovativeness and high achievement orientation.
- Provide growth and opportunities for developing skill and knowledge.
- Ensure functioning of effective communication channels with employees.
HRD Group- Key Initiatives:

- In-house training programs
- Nominations to external training programs
- Organisation Research, Employees’ satisfaction surveys & voice of Employees’ Index.
- Organisation Development
- Membership with professional bodies
- Performance Appraisal for Executives
- Human Resource Information System
- In-plant training for management students.
- Lectures by eminent personalities.
- Corporate presentations.
- Interactions with professionals, academicians and consultants
- Knowledge Management
- Initiative on ‘Six Sigma’
- Emancipation of women through WIPS, Women Development Programs (Spring Boards)
- Thrust of Business Excellence Model (BEM)
- Chairman ‘tho maata’ (to speak with Chairman)

Man-Power Details:

The total man-power in the organisation is shown in Table. 3.2. It is clear from the table that the total manpower of the organisation as per manpower position report on 31st March, 2007 is 16,401 employees of whom 3,860
are executives, 814 are junior officers and non-executives are 11,727. For operation convince of the organisation has divided into work division, projects, mines and other divisions. Out of 16,401 employees of whom 13,454 employees are in Works Division, 345 employees are in Project Division, 351 employees are in Mines Division and the remaining 2,251 employees are in other Divisions.

Based on the employees’ gender are classification of employees and shown in Table. 3.3. It is cleared from the table that out of 16,401 employees 15,968 employees are gents, whereas only 433 employees are female. That means 97.36 per cent of the employees are male in the organisation and only 2.64 per cent of the employees are females.

### Table 3.2

**Division-Wise Man-Power Position at Visakhapatnam Steel Plant**

*As on 31st March 2011*

<table>
<thead>
<tr>
<th>Category of Manpower</th>
<th>Division</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Works</td>
<td>Projects</td>
</tr>
<tr>
<td>Executives</td>
<td>2,735</td>
<td>263</td>
</tr>
<tr>
<td>Junior Officers</td>
<td>559</td>
<td>18</td>
</tr>
<tr>
<td>Non-executives</td>
<td>10,160</td>
<td>64</td>
</tr>
<tr>
<td>Total</td>
<td>13,454</td>
<td>345</td>
</tr>
</tbody>
</table>

**Source:** Human Resource Information Section, HRD Group, Visakhapatnam Steel Plant.
Table 3.3

Gender-wise classification of Employees in Visakhapatnam Steel Plant

As on 31st March 2011.

<table>
<thead>
<tr>
<th>Category of Manpower</th>
<th>Gender Classification</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Executives</td>
<td>3,669 (95.05)</td>
<td>191 (04.95)</td>
</tr>
<tr>
<td>Junior Officers</td>
<td>756 (92.87)</td>
<td>58 (07.13)</td>
</tr>
<tr>
<td>Non-executives</td>
<td>11,543 (98.43)</td>
<td>184 (01.57)</td>
</tr>
<tr>
<td>Total</td>
<td>15,968 (97.36)</td>
<td>433 (02.64)</td>
</tr>
</tbody>
</table>

Source: Human Resource Information Section, HRD Group, Visakhapatnam Steel Plant.

Out of the 16,401 employees, 10,533 employees are non-executives. These non-executive employees are also classified based on the skill and shown in the Table. 3.4 The table describe the facts that the employees are classified based on the skill-wise into highly skilled, skilled and unskilled employees. Out of the 10,533 non-executive employees, 6,486 employees are skill employees, 2,180 employees are the unskilled employees and 1,867 employees are highly skilled employees. That mean out of 10,533 non-executive employees, 61.58 per cent of are skilled category employees, 20.70 per cent of the employees are unskilled employees and 17.72 per cent of the employees are highly skilled employees.
Table 3.4

Skill-Wise Distribution of Non-Executives in Visakhapatnam Steel Plant

As on 31st March 2011

<table>
<thead>
<tr>
<th>Skill</th>
<th>No. of Employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highly Skilled</td>
<td>1,867</td>
<td>17.72</td>
</tr>
<tr>
<td>Skilled</td>
<td>6,486</td>
<td>61.58</td>
</tr>
<tr>
<td>Unskilled</td>
<td>2,180</td>
<td>20.70</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,533</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: Human Resource Information Section, HRD Group, Visakhapatnam Steel Plant.

However, manpower of VSP in registered employees in works department increased from 13,454 to 14703 and contract employees 7259 by the year of 2012-13. Details of manpower in works department shown in Table(3.5)

Table(3.5): Manpower of VSP in Works Department (2012-13)

<table>
<thead>
<tr>
<th>Woks Departments</th>
<th>Reg. Emp.</th>
<th>Cont. Emp.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACS</td>
<td>66</td>
<td>91</td>
<td>157</td>
</tr>
<tr>
<td>BF</td>
<td>1317</td>
<td>380</td>
<td>1697</td>
</tr>
<tr>
<td>CED</td>
<td>70</td>
<td>698</td>
<td>768</td>
</tr>
<tr>
<td>CME</td>
<td>154</td>
<td>18</td>
<td>172</td>
</tr>
<tr>
<td>CMG</td>
<td>4</td>
<td>--</td>
<td>4</td>
</tr>
<tr>
<td>CMM</td>
<td>387</td>
<td>52</td>
<td>439</td>
</tr>
<tr>
<td>COCCP</td>
<td>1511</td>
<td>1007</td>
<td>2518</td>
</tr>
<tr>
<td>CRG</td>
<td>24</td>
<td>--</td>
<td>24</td>
</tr>
<tr>
<td>CRMP</td>
<td>319</td>
<td>119</td>
<td>438</td>
</tr>
<tr>
<td>DNW</td>
<td>158</td>
<td>42</td>
<td>200</td>
</tr>
<tr>
<td>EMD</td>
<td>245</td>
<td>69</td>
<td>314</td>
</tr>
<tr>
<td>EnMD</td>
<td>36</td>
<td>91</td>
<td>127</td>
</tr>
<tr>
<td>ERS</td>
<td>113</td>
<td>10</td>
<td>123</td>
</tr>
<tr>
<td>ES&amp;F</td>
<td>660</td>
<td>223</td>
<td>883</td>
</tr>
<tr>
<td>ETL</td>
<td>61</td>
<td>--</td>
<td>61</td>
</tr>
<tr>
<td>Department</td>
<td>Staff</td>
<td>Managers</td>
<td>Total</td>
</tr>
<tr>
<td>--------------</td>
<td>-------</td>
<td>----------</td>
<td>-------</td>
</tr>
<tr>
<td>FMD</td>
<td>416</td>
<td>73</td>
<td>489</td>
</tr>
<tr>
<td>INSTMN</td>
<td>350</td>
<td>40</td>
<td>390</td>
</tr>
<tr>
<td>IT</td>
<td>87</td>
<td>35</td>
<td>122</td>
</tr>
<tr>
<td>L&amp;H</td>
<td>29</td>
<td>19</td>
<td>48</td>
</tr>
<tr>
<td>LMMM</td>
<td>620</td>
<td>251</td>
<td>871</td>
</tr>
<tr>
<td>M&amp;CR</td>
<td>12</td>
<td>--</td>
<td>12</td>
</tr>
<tr>
<td>MGMT SERVICES</td>
<td>20</td>
<td>--</td>
<td>20</td>
</tr>
<tr>
<td>MMS</td>
<td>5</td>
<td>--</td>
<td>5</td>
</tr>
<tr>
<td>MMSM</td>
<td>553</td>
<td>172</td>
<td>725</td>
</tr>
<tr>
<td>PD</td>
<td>30</td>
<td>15</td>
<td>45</td>
</tr>
<tr>
<td>PEM</td>
<td>100</td>
<td>6</td>
<td>106</td>
</tr>
<tr>
<td>PPM</td>
<td>87</td>
<td>--</td>
<td>87</td>
</tr>
<tr>
<td>QA&amp;TD</td>
<td>354</td>
<td>14</td>
<td>368</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>12</td>
<td>--</td>
<td>12</td>
</tr>
<tr>
<td>RED</td>
<td>213</td>
<td>382</td>
<td>595</td>
</tr>
<tr>
<td>RMD</td>
<td>40</td>
<td>--</td>
<td>40</td>
</tr>
<tr>
<td>RMHP</td>
<td>646</td>
<td>308</td>
<td>954</td>
</tr>
<tr>
<td>RS&amp;RS</td>
<td>232</td>
<td>30</td>
<td>262</td>
</tr>
<tr>
<td>SED</td>
<td>35</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>SMD</td>
<td>25</td>
<td>--</td>
<td>25</td>
</tr>
<tr>
<td>SMS</td>
<td>2177</td>
<td>870</td>
<td>3047</td>
</tr>
<tr>
<td>SP</td>
<td>711</td>
<td>577</td>
<td>1288</td>
</tr>
<tr>
<td>SSD</td>
<td>23</td>
<td>334</td>
<td>357</td>
</tr>
<tr>
<td>StED</td>
<td>34</td>
<td>542</td>
<td>576</td>
</tr>
<tr>
<td>TELCOM</td>
<td>140</td>
<td>29</td>
<td>169</td>
</tr>
<tr>
<td>TIC</td>
<td>7</td>
<td>--</td>
<td>7</td>
</tr>
<tr>
<td>TPP</td>
<td>506</td>
<td>199</td>
<td>705</td>
</tr>
<tr>
<td>TRAFFIC</td>
<td>754</td>
<td>143</td>
<td>897</td>
</tr>
<tr>
<td>TS</td>
<td>23</td>
<td>--</td>
<td>23</td>
</tr>
<tr>
<td>UTL</td>
<td>288</td>
<td>55</td>
<td>343</td>
</tr>
<tr>
<td>WC</td>
<td>28</td>
<td>--</td>
<td>28</td>
</tr>
<tr>
<td>WMD</td>
<td>390</td>
<td>150</td>
<td>540</td>
</tr>
<tr>
<td>WORKS</td>
<td>48</td>
<td>--</td>
<td>48</td>
</tr>
<tr>
<td>WRM</td>
<td>583</td>
<td>210</td>
<td>793</td>
</tr>
<tr>
<td><strong>Total Works Depts.</strong></td>
<td><strong>14703</strong></td>
<td><strong>7259</strong></td>
<td><strong>21962</strong></td>
</tr>
</tbody>
</table>

Source: Personnel manual

The organisation lays great emphasis on human resource development and efforts were focused towards facilitating the organisation to meet the challenges of new business realities in the changing economic scenario. Keeping in view the expansion of the plant, emphasis is being placed on specific position related
training needs and there is an attempt to continue on optimum utilisation of the human resources to achieve the higher productivity and establishment of work culture in line with the HR policy.

Training and Development:

The need of induction training, skill up gradation, unit training, computer related training, refresher training, foreign training, faculty development etc., are attended by the Training & Development Centre, while management development and attitudinal development are taken care at the Centre for HRD. Training in certain specialized areas like safety, fire prevention, occupational health etc., is also taken up by departments specializing in respective fields. VSP also provide learning opportunities to individuals by nominating them to external training programmes for enhancing their knowledge. Employees are sponsored for external training programmes including seminars and competitions organized by various professional bodies and institutes like CII, IISI, INSSAN, ASSOCHAM, INSDAG, AIMA, NIPM, LPAI, ISTD, ICWAI, CSI, SCOPE, VSC, ACFI, RDCIS, CBI Academy, NPC etc.

Towards achieving synergy and group concept, the HRD focused on many skilled training programmes for enhancement of employee’s competencies. During the financial year 2004-05 the VSP was organized 117 in-house training programs to train 3362 employees, 316 external training programs to cover 1198 employee and 9441 mandays was spend for training and development. Whereas during 2005-06, the organisation conducted 106 in-house training programs covered by 3382 employees and 354 external training programs with 1281 employees, and 9909 mandays was spend for these programmes. However, during, 2006-07, 112 in-house and 392 external training programmes conducted and to train 3920
executive employees and 1124 non-executive employees were covered. Total 10227 mandays were spend for this purpose during the year 2006-07 (Table. 3.13).

Compensation:

Visakhapatnam Steel Plant is a Central Government Undertaking and its employees’ remuneration is decided by Pay Commission. The pay structure consists of certain grades, scale and range of pay in each scale. The pay structure is consisting of basic pay, dearness allowance, bonus and other allowances. The pay commission is revised the salaries for once in every 10 years. The latest pay commission implemented from 1.1.1997. According to 1997 wage agreement the minimum amount of basic pay for unskilled employees is Rs. 4000/- pm. In addition to basic pay the organisation provides dearness allowance, house rent allowance (10 per cent of basic pay), city compensation allowance (Rs. 65/- to Rs. 240/- pm based on employees cadre), conveyance allowance (Rs. 400/- pm), night shift allowance (Rs. 20/- per night shift) and washing allowance (Rs. 25/- pm).

Welfare Facilities:

Welfare has been given the utmost emphasis in the overall policy of Human Resource Management of the organisation. Pursuant to this policy, VSP has taken several initiatives for introducing and implementing non-statutory welfare schemes which impact and propagate the feeling that the company cares for its employees. Some of the non-statutory welfare and social security schemes for the benefit of the employees and their family members are detailed below:

- **Housing Facilities:** The organisation has well laid out township-Ukkunagaram, consisting of 8,696 quarters with all modern amenities like water supply, underground sewerage, schooling, recreation facilities, parks,
shopping complexes, temples, ATMs etc., for its employees. Cell Centres are in place for improving the response time in attending to various maintenance complaints in township. Apart from this, there are 386 quarters at captive Mines.

➢ Educational Facilities: VSP acts as a catalyst in promoting quality education by encouraging reputed educational institutions. There are nine English medium schools, two telugu medium schools in and around Ukkunagaram and one junior college. Also there is one English medium school at each mine i.e., at Jaggayapeta and Madharam. Commensurate encouragement exists to provide scholarships to entitled employees and their wards.

➢ Medical Facilities: The organisation provides comprehensive health care scheme involving inpatient and out-patient treatment in company run hospital to all employees and their family members along with retired employees and their spouse. The company also provides special treatment at referral hospital to the employees and their dependents.

➢ Facilities for Recreation: Ukkunagarm, the township built for the employees of Visakhapatnam Steel Plant, is a place where people from almost all the regions in the country and professing different religions, live in peace, amity and brotherhood. VSP has been endeavouring to make Ukkunagaram a truly Cosmopolitan Cultural Centre by encouraging and promoting various cultural activities and fine arts. Towards this, the organisation established: Community Welfare Centre, Library-cum-Reading Room, Sports Facilities/Complex, Parks, Employees Consumers’ Co-operative Stores etc.
Management of Industrial Relations:

Presently, 20 registered Trade Unions are functioning at VSP. Out of these, three unions Viz., Visakha Steel Employees Congress (INTUC), Steel Plant Employees Union (CITU) and Visakha Steel Workers Union (AITUC) have the support of more than 90 per cent of the total votes. There are 17 unions operating for espousing the cause of contract labour. In addition, tow unions each are also separately registered at organisation captive mines located at Jaggayyapeta and Madharam. By and large, a smooth and cordial industrial climate prevails at VSP. The mandays lost were brought to ‘NIL’ since 2003 which indicates the peaceful and harmonious industrial relations scenario in Visakhapatnam Steel Plant.

The Code of Discipline adopted in the State of Andhra Pradesh has envisaged determination of majority union by way of secret ballot elections at an interval of every four years. So for nine elections have been held at VSP since November, 1985. in the ninth election held in the 2005, Visakha Steel Employees Congress (INTUC) has emerged as the majority union and was conferred the status of recognition for a period of two years. Integration of various activities close monitoring and review enabled conduct of Trade Union elections without much disturbance to the production activities. Despite intense electioneering, labour productivity was still kept at a high peak.

Till date around 70 numbers of Memorandum of Understandings (MOU), Memorandum of Settlements (MOS) was arrived at by duly following proper collective bargaining process. These notable features are getting unions’ commitment for realization of Mission & Objectives, increase of production and productivity, improving discipline etc. The practice of resolving any issue with the recognized union through mutual discussions was being followed in VSP in a
cordial atmosphere. However, this resulted in intense inter-union rivalries and implementation of issues settled with recognized union was found to be difficult for both the unions and management. To overcome such a situation, an institutional framework has been evolved for joint consultation with representatives of three major unions and the representatives of the management providing scope for major unions and the representatives of Management providing scope for consultations in all major areas like production, productivity, quality, safety etc. The settlement is still being pursued in true letter and spirit.

**Workers’ Participation in Management:**

To uphold the spirit of participation in management and give way for participative culture in this organisation, a total of 82 Joint Committees consisting of representatives both from management and workers at Corporate, Shop/Department levels, welfare Committees at Department and Apex level have been constituted/ reconstituted to discuss issues relating to production, productivity, quality, safety, corporate affairs and also other work related points like incentives, job rotation, deployment and redeployment etc., sporadic incidents, sudden work stoppages and pressure tactics have diminished to a satisfactory degree because of the availability of participative for a as an institutional machinery for ventilating grievances and resolving genuine demands of the employees.

To augment this, a total of 667 participative committee meetings were held during the year 2006-07, which interalia includes Shop-floor Cooperation Safety Committee, VSP Provident Fund Trust, Superannuation Benefit Fund Trust, Canteen Managing Committee, Welfare Committee meeting etc. A large number
of employees participation was also ensured through the formation of ‘Quality Circles’ and effective implementation of ‘Suggestion Scheme’.

**Organisation Structure of Personnel Department:**

Human Resources have been given utmost importance, with appointment of a Director (Personnel) to look after whole gamut of HRM functions at VSP. General Managers of Personnel & Industrial Relations, Management Services, Personnel & Administration, Medical, GM (HRD, T&DC) report to Director (Personnel) and looks after the respective functions. While the GM (P&A) looks after recruitment, HR functions of Senior Officers, the ED (P&IR) looks after HR functions of the rest of the manpower and gives due emphasis to Industrial Relations, Employees Welfare, Rules & Policies, Plant Personnel, Contract Labour, Canteen Management, etc. The organisation structure personnel department of the plant is as shown in the Figure (3.2).
Figure – 3.2: Organisation Chart (Personnel Department)
The above structure of personnel department derived from the organisation structure of steel plant, The organisation structure of the plant is as shown in the Figure (3.3).

**Figure 3.3 Organisation Chart**
Core values of VSP:

- Commitment.
- Customer Satisfaction.
- Continuous Improvement.
- Concern for environment.
- Creativity and Innovation.

Quality, Environment and Occupational Health & Safety Policy of VSP:

Visakhapatnam Steel Plant is committed to meet the needs and expectations of customers and other interested parties, occupational health and safety of our work force to preserve the environment. To accomplish this we will-

- Supply quality goods and services to customers’ satisfaction.
- Document, implement, maintain & periodically review the management systems including the policy, objective and targets.
- Use resources efficiently, reduce wastage & prevent pollution.
- Comply with all relevant legal, regulatory and other requirements applicable to products, activities and processes in respect of quality, environment, occupational health & safety, and also ensure the same by contractors.
- Continually improve quality, environment, occupational health and safety performance with respect to products, activities, processes, premises and services.
- Encourage development and involvement of employees.
• Maintain high level of quality, environment, occupational health and safety consciousness amongst employees and contract workers by imparting education and training.
• This policy is communicated to all the employees and contract workers and is made available to interested parties on request.

**VSP’s Future Plans:**

The Expansion Project for increase in capacity to 6.3 Mtpa Liquid Steel is under implementation. Capacity Augmentation would help the Company consolidate its Leadership in Bars and Structural Markets, and help the country in bridging the demand – supply gap.

RINL/VSP is continuing its efforts to have raw material security through the joint venture route, and in this direction a separate Special Purpose Vehicle for overseas coal mines i.e. International Coal Ventures Ltd (ICVL) has been formed. Further, JV for Ferro Alloys with M/s MOIL was entered into. Besides, various proposals for limestone and iron ore are under active consideration.

Also, major equipment like Blast Furnaces and Converters has exceeded their normal life and are therefore due for major repairs, revamp and modernization. The schedules for the same have been drawn up till 2011-12.

**Care for Society:**

While the company earned Profits consecutively for the sixth successive year since 2002 – 03, it also continued its role as a responsible Corporate Citizen by focusing on community welfare schemes and rendering a helping hand to the needy. The company implemented various schemes and spent an amount of `22.83 crores, an increase of 66 per cent over the previous year.
The Board of Directors have recommended dividend for the year 2008-09 for the first time @ 10 per cent of PAT (profit after tax). The company would also be paying 7 per cent dividend on Preference Capital.

**Other Projects and AMR Schemes:**

RINL / VSP is currently executing and further contemplating several additions, Modification & Replacement (AMR) schemes to rejuvenate existing aging facilities for sustaining efficiency / productivity, and to imbibe latest energy efficient technologies.

Coke Oven Battery-iv, integrated with Coke Dry Cooling Plant-4, was made ready in April’09. Expenditure for the year 2008-09 for Coke Oven Battery-iv is ` 22.08 crores, and cumulative expenditure since inception till Mar.’09 is `300.86 crores.

Major AMR packages Ordered (other than 6.3 Mtpa Expansion packages) are Stacker-Cum-Reclaimed for cooking coal in Raw Material Handling Plant, Pulverized Coal injection for Blast Furnaces 1 & 2, Modification & up-gradation of continuous casting Machine 2 & combined Blowing of LC Converters for existing Steel Melt Shop, Air Separation Unit 4 & 5, Turbo Generator 5 & Boiler 6.

Major Packages in the process of being awarded are Coke Oven Battery-iv Phase II packages (Coal handling side & By Product side) and Augmentation of Iron Ore Storage in Raw Material Handling Plant.

**Corporate Social Responsibility:**

CSR initiatives in terms of giving training to ITI principals in Andhra Pradesh, training to school children on MS office package, vocational training covering 4489 students of engineering colleges and project work facilities / project based training were also imparted to students of various institutes and colleges.
Library services covering fresh procurement of 1393 books and 3790 journals were organized and as many as 13204 employees utilized the library.

**SWOT Analysis of VSP:**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Land and layout for expansion up to 16 Mt with proximity to port.</td>
<td>• No in-house key raw materials-iron ore / coal.</td>
</tr>
<tr>
<td>• Quality producer image.</td>
<td>• Lack of level playing field.</td>
</tr>
<tr>
<td>• High standing for customer service.</td>
<td>• Single location company – Only long products, exposed to cyclic markets.</td>
</tr>
<tr>
<td>• Committed work force.</td>
<td>• Major capital repairs and modernization now overdue.</td>
</tr>
<tr>
<td>• Ability to raise funds.</td>
<td>• High cost of servicing huge equity.</td>
</tr>
<tr>
<td></td>
<td>• Consumption of coking coal contracted at higher cost in 2008-09.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Potential for growth in domestic steel demand – low per capita consumption in India.</td>
<td>• High raw material prices &amp; shift of value chain towards raw materials.</td>
</tr>
<tr>
<td>• Huge investment planned in infrastructure in 11th plan.</td>
<td>• Oligopolistic coal supply side.</td>
</tr>
<tr>
<td>• Ease of imports / exports with adjacent upcoming Gangavaram Port (deep draft), VPT &amp; VSPL.</td>
<td>• Single iron ore supplier – located in disturbance prone areas.</td>
</tr>
<tr>
<td></td>
<td>• Predominant secondary sector in long products.</td>
</tr>
<tr>
<td></td>
<td>• VSP – high earning island.</td>
</tr>
</tbody>
</table>
Achievements and Awards:

The efforts of VSP have been recognized in various forms. Some of the major awards received by VSP are in the area of energy conservation, environment protection, safety, quality, Quality Circles, Rajbhasha, Sports related awards and a number of awards at the individual level. Some of the important awards received by the organisation are:

2004-05:

- Visakhapatnam Steel Plant stood at 67th position among the largest steel producing companies in the world as per the list issued by the International Iron and Steel Institute (IISI), Brussels.
- VSP bagged the coveted ‘Excellence Award for Turnaround’ instituted by SCOPE.
- VSP bagged the ‘Genentech Safety Silver Award’ for the year 2002-03 in the steel sector for implementing best safety standards.
- VSP won the rolling shield for ‘Ecological Protection’ instituted by the Ministry of Information and Broadcasting.
- VSP bagged the National Energy Conservation Award (First Prize) – 2003.
- QCFI-NMDC Trophy for best Quality Circle promoting Public Sector 2002-03.
- VSP’s QC teams ‘Lothki’ from BF, ‘Sravanthi’ from C&CCD, ‘Pratibha’ from MMSM and ‘Samisti’ from CMM bagged the Excellent QC Presentation Awards at the 17th National Convention on Quality Circles.
- VSP achieved ‘Excellent’ MOU rating for year 2002-03.
2005-06:

- ‘National Energy Conservation Award’ for 2004-05 (Second Prize) under the integrated steel plants category.
- Leadership & Excellence award in Safety, Health & Environment (SHE) Management was given by CII (Southern Region) on 24th February 2005.
- Business achievement awards for excellence in Environmental Conservation & Pollution Control by the Confederation of Asia Pacific Chamber of Commerce & Industry at New Delhi in February 2005.

2006-07:

- Golden Peacock award for excellence in environmental management given by the World Environment Foundation, New Delhi on 11th June 2006 at Palampur.
- ‘Mini Ratna’ status conferred on RINL (Category-1 PSE) by GOI in 20th May 2006.
- FAPCCI ‘Best Industrial Productivity Award’ in May 2006.
- INSAAN Award for Organisational Excellence Contest-2006.
- Vishwakarma Rashtriya Puraskar-2005 Awards for the consecutive second time.
• ‘Safety Innovation Award-2006’ awarded by the Institution of Engineers (India) for contributions in innovating, promoting and implementing the best safety practices.

• Award for Quality Circle Teams at CII and International conventions.


• Vizag Steel bagged the ‘CII Strong Commitment to Excellence Award-2006’.

• ‘National Energy /Conservation Awards 2006’ First Prize for the fourth consecutive year.

2007-08:

• ‘Ispat Suraksha Puraskar Award’ for ‘no fatal accident’ in 2006 and 2007 given by JCSSI.


• Sri PK Bishnoi, CMD was awarded a Gold Medal by the Hon’ble Prime Minister, Dr. Manmmohan Singh at the 95th Indian Science Congress at Andhra University, Visakhapatnam for his significant achievement for ‘Sustainable Development’, ‘Improving the Quality of life in society’ and ‘Supporting the cause of Science & Technology’.

• Second Prize for organisational Excellence by INSSAN

• Best Organisation Award conferred by QCFI, Visakhapatnam Chapter

• Sri PK Bishnoi, CMD was presented UDYOG RATNA award by the Institute of Economic Studies, New Delhi.
• Sri PK Bishnoi, CMD was presented ‘Excellence Award’ by the Delhi Telugu Academy.

• Two QC teams, ‘Samruddhi’ from SMS and ‘Trishakti’ from LMMM won Gold Medals at International Convention on Quality Control Circles 2008 at Beijing, China.

2008-09:

• Bagged the First Steel Minister’s Trophy for the year 2006-07.

• Adjudged ‘Energy Efficient Unit’ award by Confederation of Indian Industry Godrej Green Business Centre at the 10th National award.

• Won the TATA- Crucible Corporate Quiz for the best performance in the inter corporate business quiz.

• QC team won Gold & Bronze medals at the International Convention on Quality Control circles.

• Vishwakarma Rashtriya Puraskar Awards for the performance year 2007 fifth time in a row.

• Ispat Rajya Bhasha Trophy for popularizing the usage of Hindi.

• RINL ranked No.2 globally for the popularity of website among the global steel makers.

• The ‘Best Place to work for – 2009’award given by the Economic Times-Great Place to Work Institute.

• QCFI-NMDC Trophy. For the ‘Best Quality Circle Implementing Organisation’ given by QCFI

• CII Award for ‘5-S’ to WRM Dept. of VSP in November 2008 for Workplace Management.
Two QC teams, “Harmony” from WRM and “Vikas” from RMHP won EXCELLENT awards at International Convention on Quality Control Circles (ICQCC) at Dhaka, Bangladesh.

2009-10:

- Bagged third prize in ‘Public Relations National Awards-2009’ in the ‘Event Management’ category at the 31st All India Public Relations conference held in Chandigarh.
- ISPAT RAJYA BHASHA TROPHY for popularising the usage of Hindi.
- VSP bags ‘top assessee’ award for 2007-08 for paying highest central excise.
- Ukkuvani, the bi-monthly In-house journal was adjudged the ‘Best House Journal Devoted to Welfare of Employees’ for Employee welfare in ‘National Awards for House Journals’.
- Strategic Leadership Award For CMD of RINL by Asia Pacific Human Resource Management congress , New Delhi
- National Awards by Public Relations Society of India (PRSI)
- 5S "Strong Commitment" Award by CII for 5 S Excellence

2010-11:

The efforts of VSP has been recognized by various national and international institutions in 2010-11, reiterating excellence in all facets of organisational performance.
• VSP was conferred with ‘Navaratna’ status- joining an elite club of top 21st PSEs in the country.

• ‘Best Management Practices’ award by Government of Andhra Pradesh in recognition of VSP’s performance in the areas of production, productivity and labour practices.

• ‘Excellent Water Efficient Unit’ award by CII at ‘National Competition for Excellence in Water Management- 2010’ in recognition of the outstanding water management practices.

• ‘Indira Gandhi Rajbhasha Shield’ for effective implementation of official language in the organisation.

• ‘Steel Minister’s Trophy’ for 2009-10, as 2nd best integrated steel plants among the major steel plants in the country.

• ‘National Sustainability Award- 2010-11’ by Indian Institute of Metals (first prize) amongst Integrated Steel Plants.

• Recognition as one of ‘India’s Best Companies to Work for 2011’ – consecutively for the 3rd time – based on study conducted by the Great Place to Work Institute Inc. and The Economic Times.

• First prize in Indian National Suggestion Scheme Association (INSSAN) for ‘Organisational Excellence in Suggestion Scheme’ in Steel Units’ category.

• ‘Greentech Gold Award’ for outstanding achievement in Training Excellence by Greentech Foundation, Delhi.

2011-12:

• RINL-VSP bagged 'Excellent Energy Efficient Unit' Award of Confederation of Indian Industry (CII) at the 12th National Award for Excellence in Energy Management in Hyderabad on 25th Aug.

• Rolling Mills Department won the 'Ispat Suraksha Puraskar-2010' for the performance year 2009, for no fatal accident occurred during 2008-09. Joint Committee on Safety, Health & Environment in the Steel Industry (JCSSI) organizes this 'Ispat Suraksha Puraskar-2010' for Rolling Mills program 'Ispat Suraksha Puraskar' every year.

• VSP received Sustainability Award-2011, presented by Sri PK Misra, Secretary Steel.

• VSP bagged PM’s Shram Awards for the year 2008. Out of 5 Awards received, one is Shram Bhushan and four are Shram Vir Awards.

• VSP QC teams brought laurels to the Company by winning "Excellent" and "Distinguished" awards at the International Convention on Quality Control Circles (ICQCC'11) held at Yokohama, Japan from 11th to 14th September. The competition was organised by the Union of Japanese Scientists and Engineers (JUSE).

• RINL-VSP bagged 9 QCFI Awards during National Convention on Quality Concepts (NCQC), out of which 3-Par excellence, 2-Excellence, 2-Distinguished and 2-Consolation awards.
• RINL-VSP bagged the award for Organisational Excellence- INSAAN-Jamshedpur- 11.11.11.

• VSP won the National level Best Enterprise Award (III) in the 'Navratna' category for the recognition of the commendable work undertaken by the PSUs/PS Banks for the development of women in their PSUs.

• VSP QC & 5S Teams Excel at QCFI- NCQC 2011, Hyderabad
References:


7. Reports and Records of Visakhapatnam Steel Plant