

MINISTRY OF STEEL

DEMAND NO. 92

Ministry of Steel

A. The Budget allocations, net of recoveries and receipts, are given below:

		<i>(In crores of Rupees)</i>											
Major Head	Actual 2009-2010			Budget 2010-2011			Revised 2010-2011			Budget 2011-2012			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	4.14	67.56	71.70	35.00	71.62	106.62	29.00	72.94	101.94	39.00	70.76	109.76	
Capital	3.00	...	3.00	1.00	...	1.00	1.00	...	1.00	1.00	...	1.00	
Total	7.14	67.56	74.70	36.00	71.62	107.62	30.00	72.94	102.94	40.00	70.76	110.76	
1. Secretariat-Economic Services	3451	...	18.63	18.63	...	18.05	18.05	...	19.49	19.49	...	20.37	20.37
Iron and Steel Industries													
2. Scheme for Promotion of Research & Development in Iron & Steel Sector	2852	4.14	...	4.14	35.00	...	35.00	29.00	...	29.00	39.00	...	39.00
3. Subsidies													
3.01 Interest Subsidy to Hindustan Steelworks Constructions Limited for loans raised for implementation of VRS	2852	...	42.95	42.95	...	48.69	48.69	...	48.69	48.69	...	46.90	46.90
3.02 Interest Subsidy to MECON Limited for loans raised from banks for implementation of VRS	2852	...	5.05	5.05	...	4.04	4.04	...	4.04	4.04	...	2.83	2.83
Total- Subsidies		...	48.00	48.00	...	52.73	52.73	...	52.73	52.73	...	49.73	49.73
4. Waiver of Guarantee Fee													
4.01 Hindustan Steelworks Construction Limited	2852	...	6.10	6.10	...	6.10	6.10	...	6.10	6.10	...	6.10	6.10
4.02 MECON Limited	2852	...	1.55	1.55	...	1.20	1.20	...	1.20	1.20	...	0.85	0.85
4.03 Less Receipts netted	0075	...	-7.65	-7.65	...	-7.30	-7.30	...	-7.30	-7.30	...	-6.95	-6.95
Net		...	...	...	...	...	...	...	...	...	...	...	...
5. Write off of loan													
5.01 Bird Group of Companies	2852	...	8.06	8.06	...	...	...	...	...	...	...	...	...
5.02 Less Receipt Netted	0852	...	-8.06	-8.06	...	...	...	...	...	...	...	...	...
Net		...	...	...	...	...	...	...	...	...	...	...	...
6. Waiver of Interest													
6.01 Bird Group of Companies	2852	...	720.63	720.63	...	...	...	...	...	...	...	...	...
6.02 Less Receipt Netted	0049	...	-720.63	-720.63	...	...	...	...	...	...	...	...	...
Net		...	...	...	...	...	...	...	...	...	...	...	...
7. Investment in Public Enterprises	6852	3.00	...	3.00	1.00	...	1.00	1.00	...	1.00	1.00	...	1.00

(In crores of Rupees)

	Major Head	Actual 2009-2010			Budget 2010-2011			Revised 2010-2011			Budget 2011-2012			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
8. Other Programmes	2852	...	0.93	0.93	...	0.84	0.84	...	0.72	0.72	...	0.66	0.66	
Grand Total		7.14	67.56	74.70	36.00	71.62	107.62	30.00	72.94	102.94	40.00	70.76	110.76	
	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total	
B. Investment in Public Enterprises														
7.01	Steel Authority of India Limited	12852	...	10606.00	10606.00	...	12254.00	12254.00	...	12254.00	12254.00	...	14337.00	14337.00
7.02	Rashtriya Ispat Nigam Limited	12852	...	2278.20	2278.20	...	4049.00	4049.00	...	2895.00	2895.00	...	3046.00	3046.00
7.03	Hindustan Steelworks Constructions Limited	12852	3.00	...	3.00	1.00	...	1.00	1.00	...	1.00	...	1.00	1.00
7.04	NMDC Limited	12852	...	378.88	378.88	...	611.00	611.00	...	720.00	720.00	...	3309.00	3309.00
7.05	KIOCL Limited	12852	...	6.15	6.15	...	75.00	75.00	...	85.00	85.00	...	98.00	98.00
7.06	Manganese Ore India Limited	12852	...	26.04	26.04	...	115.82	115.82	...	83.98	83.98	...	107.71	107.71
7.07	Bird Group of Companies	12852	...	3.49	3.49	...	40.00	40.00	...	77.00	77.00	...	136.00	136.00
7.08	MECON Limited	12852	...	4.73	4.73	...	2.00	2.00	...	2.27	2.27	...	2.00	2.00
7.09	MSTC Limited	12852	...	2.05	2.05	...	5.00	5.00	...	...	...	...	15.00	15.00
7.10	Ferro Scrap Nigam Limited	12852	...	10.14	10.14	...	12.00	12.00	...	12.00	12.00	...	12.00	12.00
Total		3.00	13315.68	13318.68	1.00	17163.82	17164.82	1.00	16129.25	16130.25	1.00	21062.71	21063.71	
C. Plan Outlay														
1.	Iron and Steel Industries	12852	7.14	13315.68	13322.82	36.00	17163.82	17199.82	30.00	16129.25	16159.25	40.00	21062.71	21102.71

1. **SECRETARIAT:** Provision is for Secretariat expenditure of the Ministry of Steel.

2. **SCHEME FOR PROMOTION OF RESEARCH & DEVELOPMENT IN IRON & STEEL SECTOR::** Provision has been made to promote and accelerate R&D for development of innovative/ path breaking and appropriate technologies for cost effective production of quality steel in an environment friendly manner.

3. **SUBSIDIES:** 3.01 Hindustan Steelworks Construction Ltd. : For payment of interest on loans raised from banks for implementation of Voluntary Retirement Scheme (VRS).

3.02 MECON Ltd. : For payment of 50% interest on the loans/bonds raised by the company from banks/ trusts for implementation of VRS.

4. **WAIVER OF GUARANTEE FEE:** 4.01 Hindustan Steelworks Construction Ltd. : For waiver of guarantee fee on the guarantee given by Govt. of India for cash credit and bank guarantee and for loans raised from banks for implementation of VRS. These are matched by receipts.

4.02 MECON Ltd. : For waiver of guarantee fee on the guarantee given by Govt. of India on loans/ bonds raised from banks/ trusts for implementation of VRS. This is matched by receipts.

7. **INVESTMENT IN PUBLIC SECTOR ENTERPRISES:** Provides for implementation of various capital schemes by the Public Sector Enterprises under the administrative control of Ministry of Steel. While most of the PSEs meet the capital expenditure on the schemes from their internal & extra budgetary resources (IEBR), budgetary support by way of equity investment and loans is extended to some of the financially weak enterprises.

7.01. **STEEL AUTHORITY OF INDIA LIMITED:** It has five major steel plants located at Bokaro, Bhilai, Rourkela, Durgapur and Burnpur and three Alloy and special Steels Plants at Durgapur, Salem and Bhadravati (Karnataka). Maharashtra Elektrosmet Ltd., which is engaged in the production of Ferro Alloys, is the only subsidiary of SAIL. Bharat Refractories Limited (BRL), a PSU under this Ministry

has also been merged with SAIL and re-named as SAIL Refractories Limited (SRU). The plan outlay of SAIL Plants/Units and its subsidiaries is being met from the IEBR of SAIL.

(i) Bhilai Steel Plant: Major portion (₹5730.00 crore) of the total outlay is for modernization and expansion the Plant. Balance outlay is for schemes like 700 TPD Oxygen Plant, Rebuilding of Coke Oven Battery (COB) No.6 and other ongoing and new schemes.

(ii) Durgapur Steel Plant: Out of total outlay of ₹950.00 crore, ₹775.00 crore is earmarked for expansion of the Plant. Other schemes covered under the outlay include implementation of ERP, Bloom Caster with associated facilities, Coal Dust Injection in BF- 3 & 4 and expenditure relating to Steel Processing Units at Srinagar and Kangra.

(iii) Rourkela Steel Plant: Major scheme included in the outlay is expansion of RSP (₹ 2619.00 crore). Other schemes are Rebuilding of COB No.4, Installation of 700 TPD Oxygen Plant, Installation of Coke Oven Gas Holder, Simultaneous blowing of BOF Converters of SMS-II and other ongoing and new schemes.

(iv) Bokaro Steel Plant: An outlay of ₹1700.00 crore has been provided, out of which ₹1309.00 crore expansion of Bokaro Plant and balance amount for Rebuilding of COB No.1 & 2, Installation of TB in Turbo Blower station, Upgradation of BF-2, Steel Processing Unit in Bettiah and other ongoing and new schemes.

(v) IISCO Steel Plant: Total outlay of ₹2100.00 crores allocated for plant. Major portion is for Expansion of ISP (₹2069.00 crore), Rebuilding of COB No.10 and balance amount is for other ongoing and new schemes.

(vi) Alloy Steels Plant: Outlay of ₹25.00 crore is for several completed and ongoing schemes costing less than ₹20 crore.

(vii) Salem Steel Plant: Out of total outlay of ₹100.00 crore allocated, major portion of the outlay is for Expansion of SSP (₹90.00 crore) and the remaining amount is for small value miscellaneous schemes.

(viii) Visvesvaraya Iron & Steel Ltd.: Outlay covers small value miscellaneous schemes.

7.02. **RASHTRIYA ISPAT NIGAM LIMITED:** This is the first shore-based Integrated Steel Plant set up in India away from major raw material sources with technical and financial co-operation from the erstwhile USSR. Being shore-based, it has the advantage of easier import of input materials and export of finished products. All the units of the Project were commissioned by July, 1992. Outlay has been made for expansion of RINLs production capacity to 6.5 million tonnes, AMR schemes, Coke Oven Battery No. 4 (Phase-I & II), Air Separation Plant, BF-1 category-1 repair, Pulverized Coal Injection, Acquisition of iron Ore Mines & Coking Coal mines, 67.5 MW TG-5 Power Evacuation System etc. Entire outlay will be met from I&EBR of the company.

7.03. **HINDUSTAN STEELWORKS CONSTRUCTION LIMITED:** Incorporated in 1964, this Company has the expertise for undertaking complete construction of modern steel plants as also projects in the infrastructure sector involving high degree of planning, co-ordination and modern

sophisticated techniques. Plan budgetary support has been provided as a token provision for restructuring of the PSU under consideration of the Government.

7.04. **NMDC Ltd.:** NMDC is the single largest producer of iron ore and diamonds in the country. The company is also entering into the field of producing high value products like Ferric Oxide, Iron Powder etc. Major portion of the plan outlay amounting to ₹ 2615.00 crore is earmarked for 3 million tonne Steel Plant in Chhattisgarh. Balance of plan outlay has been made for schemes/ projects like Bailadila Deposit-11B, Kumarswamy iron Ore Project, Pelletisation Plant at Donimalai, AMR/Township and R&D schemes etc.

7.05. **KIOCL Ltd.:** KIOCL was set up to manufacture iron ore concentrates for export to Iran. Consequent upon Iran's inability to lift iron-ore concentrates as per agreement, a Pellet Plant to utilise 3 million tonnes of concentrates was approved in May, 1981. The Project, implemented at a cost of ₹ 116.65 crores, commenced commercial production in April, 1987. However, as per the directions of Honourable Supreme Court, the company had to stop mining at Kudremukh w.e.f. 31.12.2005. Plan outlay is mainly for AMR schemes and Coke Oven Plant. Other schemes included R&D/ feasibility studies etc. Outlay is being met from I&EBR of the company.

7.06. **MANGANESE ORE (INDIA) LIMITED:** MOIL is jointly owned by Government of India and the Governments of Madhya Pradesh and Maharashtra. It is the largest indigenous producer of manganese ore in the country. To improve profitability, the company has diversified into manufacture of value added products like Electrolytic Manganese Dioxide and Ferro Manganese. Major portion of the outlay has been allocated for investment in joint venture for Ferro Manganese/ Silico Manganese Plant with SAIL (₹25.00 crore), Ferro Manganese Plant at Bobbili in joint venture with RINL (₹10.00 crore), sinking of vertical shaft at Ukwa Mine, AMR schemes, township, R&D/feasibility studies etc. Entire outlay will be met from I&EBR of the company.

7.07. **BIRD GROUP OF COMPANIES:** Bird Group of Companies, taken over by the Government of India in October, 1980, is mainly engaged in mining activities and activities related to sinking of deep tube wells and mineral exploration. Govt. of India on 10.09.2009 approved the restructuring proposal of Bird Group of Companies. Provision has been made for Afforestation & Lease matters, Mineral & Ore based exploration activities and AMR schemes. The total outlay will be met from I&EBR of the company.

7.08. **MECON LIMITED:** It is the first consultancy and engineering organisation in the country to be accredited with ISO:9001. The company not only provides consultancy services in the field of basic engineering, detailed engineering, project management etc., but has also developed considerable expertise in the design and supply of equipment for the ferrous, non-ferrous, oil and gas, petro- chemical and other general industries. Plan outlay (I&EBR) is for expansion, modification & augmentation of office space/guest house at various locations.

7.09. **MSTC LIMITED:** The company, a trading concern of Government of India, undertakes disposal of ferrous scrap and other secondary arisings generated in integrated steel plants, disposal of scrap, surplus stores, etc. from other public sector enterprises and Government Departments. After decanalisation, the Company has no canalised item and arranges imports of scrap as well as other items as per the needs of actual users in competition with the private sector. Outlay, to be met from IEBR, is for launching new schemes.

7.10. **FERRO SCRAP NIGAM LIMITED:** FSNL is a 100% subsidiary of MSTC Ltd. The Company undertakes recovery and processing of scrap from steel plants at Durgapur, Rourkela, Burnpur, Bhilai, Bokaro, Visakhapatnam and Dolvi. For processing the slag and reclaiming iron and steel from dumps the company has to depend on various types of equipment and modern technology. Plan outlay is for AMR schemes and is to be met from IEBR of the company.

8. **OTHER PROGRAMMES:** These include establishment expenses on office of the Development Commissioner for Iron & Steel (DCI&S), Kolkata, an attached office of the Ministry, and provision for Awards to Distinguished Metallurgists given annually. Though the office of DCI&S and its four regional offices has been closed down w.e.f. 23.5.2003, provision for salaries and other administrative expenses of the remaining staff has been made since, as per DOPT guidelines, all surplus employees continue to draw their salaries till such time they get redeployed to other posts or demit office on superannuation/ resignation/ voluntary retirement.