

MINISTRY OF STEEL

DEMAND NO. 95

Ministry of Steel

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

| | | <i>(In crores of Rupees)</i> | | | | | | | | | | | |
|---|------------------|------------------------------|--------------|------------------|--------------|--------------|-------------------|--------------|--------------|------------------|--------------|--------------|-------|
| Major Head | Actual 2013-2014 | | | Budget 2014-2015 | | | Revised 2014-2015 | | | Budget 2015-2016 | | | |
| | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total | |
| Revenue | 8.00 | 64.84 | 72.84 | 20.00 | 67.74 | 87.74 | 7.00 | 65.92 | 72.92 | 15.00 | 67.95 | 82.95 | |
| Capital | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| Total | 8.00 | 64.84 | 72.84 | 20.00 | 67.74 | 87.74 | 7.00 | 65.92 | 72.92 | 15.00 | 67.95 | 82.95 | |
| 1. Secretariat-Economic Services | 3451 | ... | 20.10 | 20.10 | ... | 23.26 | 23.26 | ... | 21.37 | 21.37 | ... | 23.35 | 23.35 |
| Iron and Steel Industries | | | | | | | | | | | | | |
| 2. Promotion of Research & Development in Iron & Steel Sector | | | | | | | | | | | | | |
| 2.01 Scheme for Promotion of Research & Development in Iron & Steel Sector- Ongoing R&D Projects | 2852 | 8.00 | ... | 8.00 | 6.00 | ... | 6.00 | ... | ... | ... | ... | ... | |
| 2.02 Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets & Other Value Added Innovative Steel Products (New Component) | 2852 | ... | ... | ... | 12.00 | ... | 12.00 | 0.50 | ... | 0.50 | 1.00 | ... | 1.00 |
| 2.03 Development of Innovative Iron/Steel making Process Technology (New Projects under existing Scheme) | 2852 | ... | ... | ... | 2.00 | ... | 2.00 | 6.50 | ... | 6.50 | 14.00 | ... | 14.00 |
| <i>Total- Promotion of Research & Development in Iron & Steel Sector</i> | | 8.00 | ... | 8.00 | 20.00 | ... | 20.00 | 7.00 | ... | 7.00 | 15.00 | ... | 15.00 |
| 3. Subsidies | | | | | | | | | | | | | |
| 3.01 Interest Subsidy to Hindustan Steelworks Construction Limited for loans raised for implementation of VRS | 2852 | ... | 44.05 | 44.05 | ... | 44.11 | 44.11 | ... | 44.11 | 44.11 | ... | 44.11 | 44.11 |
| 4. Waiver of Guarantee Fee | | | | | | | | | | | | | |
| 4.01 Hindustan Steelworks Construction Limited | 2852 | ... | 5.18 | 5.18 | ... | 5.18 | 5.18 | ... | 5.18 | 5.18 | ... | 5.18 | 5.18 |
| 4.02 Less Receipts netted | 0075 | ... | -5.18 | -5.18 | ... | -5.18 | -5.18 | ... | -5.18 | -5.18 | ... | -5.18 | -5.18 |
| <i>Net</i> | | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 5. Grants to Bisra Stone Lime Company Ltd, a Company under Bird Group of Companies | 2852 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |

(In crores of Rupees)

| | Major Head | Actual 2013-2014 | | | Budget 2014-2015 | | | Revised 2014-2015 | | | Budget 2015-2016 | | | |
|--|--|------------------|-----------------|-----------------|------------------|-----------------|-----------------|-------------------|-----------------|-----------------|------------------|-----------------|-----------------|----------|
| | | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total | Plan | Non-Plan | Total | |
| 6. Other Programmes | 2852 | ... | 0.69 | 0.69 | ... | 0.37 | 0.37 | ... | 0.44 | 0.44 | ... | 0.49 | 0.49 | |
| Total-Iron and Steel Industries | | 8.00 | 44.74 | 52.74 | 20.00 | 44.48 | 64.48 | 7.00 | 44.55 | 51.55 | 15.00 | 44.60 | 59.60 | |
| 7. Investment in Public Sector Enterprises | 6852 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | |
| Grand Total | | 8.00 | 64.84 | 72.84 | 20.00 | 67.74 | 87.74 | 7.00 | 65.92 | 72.92 | 15.00 | 67.95 | 82.95 | |
| | 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 | ... | 9890.00 | 9890.00 | ... | 9000.00 | 9000.00 | ... | 7800.00 | 7800.00 | ... | 7500.00 | 7500.00 |
| 7.02 | Rashtriya Ispat Nigam Limited | 12852 | ... | 1517.35 | 1517.35 | ... | 1724.17 | 1724.17 | ... | 1722.24 | 1722.24 | ... | 1801.00 | 1801.00 |
| 7.03 | Hindustan Steelworks Constructions Limited | 12852 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 7.04 | NMDC Limited | 12852 | ... | 2518.14 | 2518.14 | ... | 4345.00 | 4345.00 | ... | 3555.00 | 3555.00 | ... | 3588.00 | 3588.00 |
| 7.05 | KIOCL Limited | 12852 | ... | 0.77 | 0.77 | ... | 50.00 | 50.00 | ... | 13.00 | 13.00 | ... | 27.00 | 27.00 |
| 7.06 | Manganese Ore India Limited | 12852 | ... | 85.65 | 85.65 | ... | 192.05 | 192.05 | ... | 153.04 | 153.04 | ... | 127.47 | 127.47 |
| 7.07 | Bird Group of Companies | 12852 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... |
| 7.08 | MECON Limited | 12852 | ... | 5.98 | 5.98 | ... | 5.00 | 5.00 | ... | 5.00 | 5.00 | ... | 5.00 | 5.00 |
| 7.09 | MSTC Limited | 12852 | ... | ... | ... | ... | 45.00 | 45.00 | ... | 5.00 | 5.00 | ... | 10.00 | 10.00 |
| 7.10 | Ferro Scrap Nigam Limited | 12852 | ... | 7.60 | 7.60 | ... | 12.00 | 12.00 | ... | 12.00 | 12.00 | ... | 12.00 | 12.00 |
| Total | | ... | 14025.49 | 14025.49 | ... | 15373.22 | 15373.22 | ... | 13265.28 | 13265.28 | ... | 13070.47 | 13070.47 | |
| C. Plan Outlay | | | | | | | | | | | | | | |
| 1. | Iron and Steel Industries | 12852 | 8.00 | 14025.49 | 14033.49 | 20.00 | 15373.22 | 15393.22 | 7.00 | 13265.28 | 13272.28 | 15.00 | 13070.47 | 13085.47 |

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

2. **Promotion of Research & Development in Iron & Steel Sector:**

2.01. **Scheme for Promotion of Research & Development in Iron & Steel Sector - Ongoing R&D Projects:** 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.

2.02. **Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets and other value added innovative Steel products (New Component):** Provision has been made for a new component of the existing R&D Scheme of Ministry of Steel for development of

technology for cold rolled grain oriented (CRGO) steel sheets and other value added innovative steel products.

2.03. **Development of Innovative Iron/Steel making process/technology (New Projects under existing Scheme):** Provision has been made for a new project under the existing R&D scheme of Ministry of Steel for Development of innovative iron/steel making process/technology.

3. **Subsidies:**

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

4. **Waiver of Guarantee Fee:**

4.01. **Hindustan Steelworks Construction Ltd.:** For waiver of guarantee fee for loans raised from banks for implementation of VRS

4.02. The provisions are matched by receipts.

6. **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 have 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.

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 Salem and Alloy Steels Plant at Durgapur. With effect from 16.2.2006, Indian Iron & Steel Company (IISCO), which has an integrated steel plant at Burnpur and was a subsidiary of SAIL, has been merged with SAIL and renamed as IISCO Steel Plant. Maharashtra Elektros melt Ltd., which is engaged in the production of Ferro Alloys, is 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 are being met from the IEBR of SAIL.

(i) Outlay of ₹ 2586 crore has been provided for Bhilai Steel Plant of which ₹ 2287 crore is for Modernization and Expansion of the Plant. Balance outlay is for schemes like Coke Oven Battery-9, upgradation of stoves of BF-4, modification of Mid-Stack Cooling System BF-7 and other ongoing, completed & new schemes.

(ii) Outlay of ₹ 730 crore has been provided for Durgapur Steel Plant of which ₹ 564 crore is earmarked for Modernization and Expansion of the Plant. Other schemes covered under the outlay include installation of Bell Less Top Charging System in BF, installation of Steel Processing Unit at Kangra, Wheel Machining Facilities at Wheel Machine Shop, Modification / Modernization of Gas Cleaning Plant of BF-3, Rebuilding of COB No. 5 and other ongoing, completed and new schemes.

(iii) An amount of ₹ 1250 crore has been provided for Rourkela Steel Plant (RSP). Major scheme included in the outlay is Modernization and Expansion of RSP (₹ 404 Crore). Other schemes are Rebuilding of COB No 3, Upgradation of Blast Furnace No.1, Additional Heat Treatment Facilities in Special Plate Plant and other ongoing, completed & new schemes.

(iv) Outlay of ₹ 940 crore has been provided for Bokaro Steel Plant, of which ₹ 499 crore is earmarked for Modernization and Expansion of the Plant. Other schemes covered under the outlay are Rebuilding of COB No. 7, Replacement of Converter Shell Triunion of SMS and other ongoing and new schemes.

(v) Outlay of ₹ 1100 crore has been provided for IISCO Steel Plant (ISP). Major portion is for Modernization and Expansion of ISP (₹ 1043 crore), Rebuilding of COB No. 10 and balance amount is for other ongoing, completed and new schemes.

(vi) Outlay of ₹ 6 crore for Alloy Steels Plant is for several completed, ongoing schemes and new schemes.

(vii) Outlay of ₹ 27 crore has been allocated for Salem Steel Plant (SSP). Major portion of the outlay is for Expansion of SSP (₹ 22 crore) and the remaining amount is for ongoing, completed and new schemes.

(viii) Outlay of Rs 520 crore has been allocated for Raw Materials Division. Major portion of the outlay is for enhancement of production capacity at Gua along with Pellet Plant (₹ 300 crore). Other major schemes are Expansion of Meghahatuburu & Bolani Mines and the remaining amount is for ongoing, completed and new schemes.

(ix) Remaining outlay of ₹ 341 crore has been provided for Visvesvaraya Iron & Steel Ltd. (₹ 5 crore), Central Units of SAIL (₹300 crore including investments through Joint Ventures of ₹ 250 crore), Chandrapur Ferro Alloys Plant (₹ 36 crore) for various ongoing and new schemes / projects and research work.

7.02. **Rashtriya Ispat Nigam Limited:** Visakhapatnam Steel Plant under RINL is the first shore based integrated steel plant in India, with technical and financial cooperation from erstwhile USSR. All the units of 3 MTPA original project were commissioned and in operation since July, 1992. The expansion to 6.3 MTPA capacity worth ₹ 12300 crores approx. Was taken up in 2005-2006 mostly with internal accruals and Phase - I comprising of Sinter Plant, Blast Furnace, Steel Melt Shop, Wire Road Mills with auxiliaries was commissioned by March 2014 progressively and are under operation. Phase - 2 units i.e. Special Bar Mill and Structural Mills were scheduled for commissioning by December, 2014 and the furnaces were lighted up in Sept, 2014. However due to the devastating HUDHUD cyclone, the roof sheeting of these Mills got damaged/uplifted and the testing and trial runs of these units got affected. Commissioning of both these Mills is now planned by April, 2015.

Capital Repairs and Modernization of the original units have already been taken up and Category- I Capital Repairs of Blast Furnace - I have been completed in July, 2014. Capital Repairs -Modernization of other major units like Blast Furnace-2, Sinter Plant and Steel Melt Shop Converters have been taken up and are expected to be completed progressively by 2016-17. To take care of the increased hot metal production after the Capital Repairs, One additional Converter and Caster are being installed in SMS - 2 and planned to be commissioned progressively by 2016-17.

An outlay of ₹ 1402 Crores has been made for the year 2015-16 for implementation of the above works and other AMR schemes for RINL. Plan outlay of OMDC and BSLC for the year 2015-16 is Rs 57.35 crores and Nil respectively. The entire outlay is without any grants from Government of India.

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. No plan outlay has been proposed for HSCL. The restructuring of the PSU is 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 (total outlay ₹ 3588.00 crore) earmarked for 3 MTPA Steel Plant at Nagarnar in Chhattisgarh. Balance of plan outlay has been made for schemes/ projects like Bailadila Deposit-11B, Kumarswamy iron Ore Project, Pelletisation Plant at Donimalai and Bachel, AMR/Township and R&D scheme.

7.05. **KIOCL Ltd.:** KIOCL was set up to manufacture iron ore concentrates for export to Iran. Consequent upon Iran 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 Honble Supreme Court, the company had to stop mining at Kudremukh w.e.f. 31.12.2005. Plan outlay of ₹ 27.00 crore allocated in 2015-16.

7.06. **MOIL Ltd.:** 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. Outlay of ₹ 127.47 crore has been provided for sinking of vertical shaft at Ukwa, Munsar, Chikla, Balaghat and Gumgaon Mine, Investment in joint venture for Ferro Manganese/Silico Manganese Plant with SAIL and RINL, Development of new areas and acquisition of land, forest and environment clearance including prospecting and exploration and AMR schemes, township, R&D/feasibility studies etc. Entire outlay will be met from IEBR of the company.

7.08. **MECON LIMITED:** It is the first consultancy and engineering organisation in the country to be accredited with ISO: 9001-2008. 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 of ₹ 5.00 crore (IEBR) 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/procurement of scrap, minerals stores, etc. of public sector enterprises and Government Departments through electronic portals/e-commerce. The Company arranges imports of scrap as well as other items as per the needs of actual users in competition with the private sector. Outlay of ₹ 10.00 crore has been earmarked for setting up of Shredding Plant is to be met from I&EBR.

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 of SAIL/RINL and plants of BHEL, Haridwar and JSW, 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 of ₹ 12.00 crore is for AMR schemes and is to be met from IEBR of the company.