

MINISTRY OF STEEL

DEMAND NO. 73

Ministry of Steel

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

		<i>(In crores of Rupees)</i>								
Major Head	Budget , 2000-2001			Revised, 2000-2001			Budget, 2001-2002			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	1.50	44.73	46.23	...	418.95	418.95	10.00	62.41	72.41	
Capital	13.50	4.00	17.50	10.00	4.00	14.00	14.00	2.00	16.00	
Total	15.00	48.73	63.73	10.00	422.95	432.95	24.00	64.41	88.41	
1. Secretariat-Economic Services	3451	...	6.69	6.69	...	6.47	6.47	...	6.70	6.70
Iron and Steel Industries										
2. Non-Plan loans to Public Enterprises										
2.01 Bird Group of Companies	6852	...	4.00	4.00	...	4.00	4.00	...	2.00	2.00
3. Subsidies										
3.01 Interest Subsidy to Hindustan Steelworks Construction Limited for loans raised for implementation of VRS	2852	...	33.45	33.45	...	27.00	27.00	...	35.00	35.00
3.02 Subsidy to Hindustan Steelworks Construction Limited for waiver of guarantee fee	2852	...	0.92	0.92	...	0.92	0.92	...	0.92	0.92
3.03 Subsidy to Steel Authority of India Limited for its subsidiary Indian Iron & Steel Company Ltd for										
- Waiver of Government of India Loan	2852	...	...	...	...	216.39	216.39	...	...	...
- Waiver of Interest on GOI Loan	2852	...	...	...	...	164.61	164.61	...	...	...
Total	...	...	...	...	...	381.00	381.00	...	...	...
3.04 Interest Subsidy to Steel Authority of India for loans raised from banks for implementation of VRS	2852	...	...	...	...	...	...	...	16.25	16.25
Total	...	34.37	34.37	...	408.92	408.92	...	52.17	52.17	
4. Grants-in-Aid to Public Enterprises for VRS										
4.01 Bharat Refractories Ltd.	2852	...	...	...	...	...	...	10.00	...	10.00
5. Investment in Public Enterprises										
4852	0.50	...	0.50	...	...	...	...	0.50	...	0.50
6852	13.00	...	13.00	10.00	...	10.00	13.50	...	13.50	
Total	13.50	...	13.50	10.00	...	10.00	14.00	...	14.00	
6. Other Programmes	2852	...	3.67	3.67	...	3.56	3.56	...	3.54	3.54
7. Lump sum provision for projects/ Schemes for the benefit of the North Eastern Region & Sikkim	2552	1.50	...	1.50	...	...	...	...	...	...
Grand Total		15.00	48.73	63.73	10.00	422.95	432.95	24.00	64.41	88.41
B. Investment in Public Enterprises	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
5.01 Steel Authority of India Ltd.	12852	...	800.00	800.00	...	500.00	500.00	...	500.00	500.00
5.02 Rashtriya Ispat Nigam Ltd.	12852	...	110.00	110.00	...	156.33	156.33	...	60.00	60.00
5.03 Sponge Iron India Ltd.	12852	3.00	...	3.00	1.00	...	1.00	3.00	...	3.00
5.04 Hindusthan Steelworks Construction Ltd.	12852	2.50	...	2.50	2.50	...	2.50	4.00	...	4.00
5.05 Bharat Refractories Ltd.	12852	4.00	17.00	21.00	3.50	17.00	20.50	4.00	10.40	14.40
5.06 National Mineral Development Corporation Ltd.	12852	...	449.11	449.11	...	135.64	135.64	...	301.00	301.00
5.07 Kudremukh Iron Ore Company Ltd.	12852	...	186.00	186.00	...	186.00	186.00	...	282.00	282.00
5.08 Manganese Ore India Ltd.	12852	...	11.77	11.77	...	12.60	12.60	...	11.60	11.60
5.09 Bird Group of Companies	12852	4.00	...	4.00	3.00	...	3.00	1.00	2.00	3.00
5.10 MECON Ltd.	12852	...	4.85	4.85	...	5.00	5.00	2.00	5.00	7.00
5.11 MSTC Ltd.	12852	...	0.50	0.50	...	5.15	5.15	...	1.35	1.35
5.12 Ferro Scrap Nigam Ltd.	12852	...	15.00	15.00	...	15.00	15.00	...	15.00	15.00
5.13 Research and Technology Mission	12852	...	95.00	95.00	...	95.00	95.00	...	96.65	96.65
Total		13.50	1689.23	1702.73	10.00	1127.72	1137.72	14.00	1285.00	1299.00
C. Plan Outlay										
1. Iron & Steel	12852	15.00	1689.23	1704.23	10.00	1127.72	1137.72	24.00	1285.00	1309.00
Total		15.00	1689.23	1704.23	10.00	1127.72	1137.72	24.00	1285.00	1309.00

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

2. **Non-plan loan to public enterprises :** The provision is intended to meet gap in resources of the Bird Group of Companies.

3. **Subsidies:** The provision has been made for the following purposes:

(a) Hindustan Steelworks Construction Limited:

- (i) For payment of interest on loans raised from banks for implementation of Voluntary Retirement Scheme (VRS).
- (ii) For waiver of guarantee fee for the guarantee given by GOI for cash credit and bank guarantee, and

(b) Steel Authority of India Limited:

- (i) For payment of interest on loans raised from banks for implementation of Voluntary Retirement Scheme (VRS).
- (ii) For waiver of loans and interest thereon given by Government of India to Indian Iron and Steel Company Ltd., a subsidiary of SAIL

4. **Grant-in-Aid to Public enterprises for Voluntary Retirement Scheme:** The provision has been made for implementation of Voluntary Retirement Scheme in Bharat Refractories Ltd.

5. **Investment in Public Sector Enterprises :** In order to implement various capital schemes by the public sector enterprises, under the administrative control of Ministry of Steel, budgetary support by way of equity investment and loans is extended to these enterprises. The equity and loan-wise break-up of the budgetary support to these enterprises and the I.E.B.R. are given in Expenditure Budget Vol.I.

6. **Other Programmes:** These include establishment expenses on office of the Development Commissioner for Iron & Steel, an attached office of the Ministry and awards to distinguished metallurgists given annually.

5.01 **Steel Authority of India Limited :** It has six major steel plants under its control located at Bokaro, Bhilai, Rourkela, Durgapur and Salem. The Indian Iron Steel Co. Ltd. (IISCO) which owns an integrated steel plant at Burnpur is the subsidiary of SAIL. The plan outlay of SAIL Plants/Units and its subsidiaries is being met from out of the internal and extra budgetary resources.

- (i) **Bokaro Steel Plant :** Outlay covers replacement of 100 ATA Main Steam Pipeline etc., Additions, Modifications and Replacements (AMR), etc., and balance payment for contract closure of completed schemes.
- (ii) **Bhilai Steel Plant :** The major Scheme covered is installation of Sinter Plant No. III. The other schemes include Transportation of Sinter Fines, Flux storage & reclaiming facilities, etc., Additions, Modifications and Replacements (AMR), etc., and balance payment for contract closure of completed schemes.
- (iii) **Rourkela Steel Plant :** Outlay covers Facility for Synthesis Gas Production, Additions, Modifications and Replacements (AMR), etc., and balance payment for contract closure of completed schemes.
- (iv) **Durgapur Steel Plant :** The major scheme covered in the outlay is Reconstruction of Blast Furnace No. 3. The other schemes include Revamping of Boiler No. 5 & 6 in Power Plant, Additions, Modifications and Replacements (AMR), etc., and balance payment for contract closure of completed schemes.
- (v) **Alloy Steel Plant :** Outlay covers expenses on Proj. Yield improvement facilities and balance payment for contract closure of completed schemes, etc.

(vi) **Salem Steel Plant:** Outlay covers Additions, Modifications and Replacements (AMR), etc., and balance payment for contract closure of completed schemes.

(vii) **Indian Iron & Steel Co. Ltd.:** Provision is for Additions, Modifications and Replacements (AMR), etc., and balance payment for contract closure of completed schemes.

5.02 **Rashtriya Ispat Nigam Ltd.(RINL) :** This is the first shore-based Plant set up in India with technical and financial cooperation from erstwhile USSR. All the units of the project have been commissioned by July 1992. The final cost of the steel plant was approved at Rs.8529.13 crore. Outlay has been made for balance payment of 3 million tonnes Steel Plant, and Additions, Modifications and Replacements(AMR). No budgetary support has been provided for RINL

5.03 **Sponge Iron India Ltd. (SAIL):** Provision has been made for Additions, Modifications & Replacements (AMR). Entire provision made in Budget is through Budgetary support.

5.04 **Hindustan Steelworks Construction Ltd.(HSCL):** Incorporated in 1964, this company has the expertise for undertaking complete construction of modern steel plant as also projects outside steel sector. Provision is for purchase of construction equipment and revamping of existing equipment/machinery and connected capital expenditure for executing works at various sites of construction. The entire provision made in the budget is to be met through budgetary support.

5.05 **Bharat Refractories Limited (BRL) :** It has four units: Bhandaridah Refractories Plant, Ranchi Road Refractory Plant, Bhilai Refractory Plant and IFICO Refractories Plant under its control. Provision has been made for Refractories for Continuous Casting and for Additions, Modifications & Replacement (AMR) to be met partially from budgetary support.

5.06 **National Mineral Development Corporation(NMDC):** NMDC is the single largest producer of iron ore and diamonds in the country. It is engaged in exploration, development and exploration of various other minerals such as Dolomite, Limestone, Magnesite, Graphite, Tungsten, Tin etc. Provision has been made for schemes like Bailadila Deposit 10/11A; Uniflow System; Kumaraswamy - Phase I & II, NMDC Iron & Steel Plant Geedam, TC Plant at Deposit 14/11C, Gold Deposit in other African Countries, Diamond Mining Project Angola, Gold Mining in Tanzania etc. Investment in Joint Ventures; Additions, Modifications & Replacements (AMR), R&D and township. Total outlay is being met from Internal and Extra Budgetary Resources without seeking any budgetary support.

5.07 **Kudremukh Iron Ore Co. Ltd. :** was set up to produce iron ore concentrates mainly for export to Iran. Consequent on Iran's inability to take 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 cost of Rs.116.65 crores, commenced its commercial production in April, 1987. The provision has been made for Coke Oven Project; Recovery of iron ores from Tailings; Nellibeedu Mine Development; Power Project; Ductile Iron Spun Pipe Plant; Additions, Modifications & Replacements(AMR), and R&D and Feasibility Studies, Total Outlay is being met from Internal & Extra Budgetary Resources without seeking any Budgetary support.

5.08 **Manganese Ore India Ltd. (MOIL) :** MOIL is jointly owned by Government of India and the Governments of Madhya Pradesh and Maharashtra. It is the largest indigenous producer of high grade manganese ore in the country. Provision has been made for executing schemes like Mechanisation of Ore Handling in the under ground mines; High intensity magnetic separation plant at Dongri Buzurg using dry process. etc., Additions, Modifications and Replacements(AMR); Research & Development/feasibility studies

and township. Total Plan Outlay is being met from Internal & Extra Budgetary Resources without seeking any Budgetary support.

5.09 Bird Group of Companies : Bird & Co. Ltd. taken over by the Government of India in October, 1980 is mainly engaged in mining and refractory activities. The provision has been made for Additions, Modifications and Replacement (AMR) Schemes etc., which are being financed through budgetary support.

5.10 MECON Ltd. : It is premier design, engineering and consultancy organisation rendering services not only to iron & steel industry, but also to non-ferrous metals, chemical, mining, refractory, power plants, environmental engineering, general engineering, cement and ocean engineering industries. The provision has been made for investment in joint ventures R&D Schemes and Computers. The total Plan Outlay is being met from Internal & Extra Budgetary Resources without seeking any Budgetary support.

5.11 MSTC Ltd.: The Company undertakes disposal of ferrous scrap and other secondary arisings generated in integrated steel plants; disposal of scrap and surplus stores, etc. from other public sector enterprises and Government Departments. It also

imports ferrous and non-ferrous scrap, finished steel and petroleum products. The provision has been made for Company's entry into Joint Ventures as a part of its diversification programmes. Total Plan outlay is being met from internal & extra budgetary resources without seeking any budgetary support.

5.12 Ferro Scrap Nigam Ltd. (FSNL): FSNL a subsidiary of MSTC Ltd. is a Joint Sector Company in which MSTC holds 60% equity shares with the remaining 40% being held by M/s Harsco Corporation Inc, USA. The Company undertakes recovery and processing of scrap from slag and refuse dumps in the Steel Plants at Rourkela, Burnpur, Bhilai, Bokaro, Vizag and Durgapur. For processing the slag and reclaiming iron and steel from dumps, the Company have to depend on various types of equipments and modern technology. Also, for regular usage of such equipment, the company has to resort to Addition, Modifications and Replacements. Total plan outlay is being met from Internal & Extra Budgetary Resources without seeking any Budgetary support.

5.13 Research & Technology Mission: Provision has been made for funding research & development and science and technology activities.