

MINISTRY OF STEEL

DEMAND NO. 75

Ministry of Steel

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

		<i>(In crores of Rupees)</i>								
Major Head		Budget, 2001-2002			Revised, 2001-2002			Budget, 2002-2003		
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total
	Revenue	10.00	62.41	72.41	10.00	101.84	111.84	...	68.19	68.19
	Capital	14.00	2.00	16.00	14.00	91.45	105.45	12.00	2.00	14.00
	Total	24.00	64.41	88.41	24.00	193.29	217.29	12.00	70.19	82.19
1. Secretariat-Economic Services	3451	...	6.70	6.70	...	6.50	6.50	...	6.59	6.59
Iron and Steel Industries										
2. Non-Plan loans to Public Enterprises										
2.01 Hindustan Steelworks Construction Ltd.	6852	...	...	...	...	89.44	89.44	...	...	...
2.02 Bird Group of Companies	6852	...	2.00	2.00	...	2.00	2.00	...	2.00	2.00
	<i>Total</i>	...	<i>2.00</i>	<i>2.00</i>	...	<i>91.44</i>	<i>91.44</i>	...	<i>2.00</i>	<i>2.00</i>
3. Subsidies										
3.01 Interest Subsidy to Hindustan Steelworks Construction Limited for loans raised for implementation of VRS	2852	...	35.00	35.00	...	35.00	35.00	...	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 Interest Subsidy to Sponge Iron India Ltd. for waiver of interest	2852	...	...	...	...	36.78	36.78	...	...	...
3.04 Interest Subsidy to Steel Authority of India for loans raised from banks for implementation of VRS	2852	...	16.25	16.25	...	18.60	18.60	...	18.60	18.60
3.05 Interest Subsidy to MECON Ltd. for loans raised from banks for implementation of VRS	2852	...	...	...	...	0.48	0.48	...	3.47	3.47
	<i>Total</i>	...	<i>52.17</i>	<i>52.17</i>	...	<i>91.78</i>	<i>91.78</i>	...	<i>57.99</i>	<i>57.99</i>
4. Grants-in-Aid to Public Enterprises for VRS										
4.01 Bharat Refractories Ltd.	2852	10.00	...	10.00	10.00	...	10.00	...	...	...
5. Investment in Public Enterprises	4852	0.50	...	0.50	0.50	...	0.50	...	...	...
	6852	13.50	...	13.50	13.50	...	13.50	12.00	...	12.00
	<i>Total</i>	<i>14.00</i>	...	<i>14.00</i>	<i>14.00</i>	...	<i>14.00</i>	<i>12.00</i>	...	<i>12.00</i>
6. Accounting Adjustment in respect of revival plan of Sponge Iron India Ltd.										
6.1 Conversion of Loan into Equity	4852	...	...	...	...	0.01	0.01	...	...	...
7. Other Programmes	2852	...	3.54	3.54	...	3.56	3.56	...	3.61	3.61
Grand Total		24.00	64.41	88.41	24.00	193.29	217.29	12.00	70.19	82.19
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	...	500.00	500.00	...	450.00	450.00	...	500.00	500.00
5.02 Rashtriya Ispat Nigam Ltd.	12852	...	60.00	60.00	...	92.00	92.00	...	55.00	55.00
5.03 Sponge Iron India Ltd.	12852	3.00	...	3.00	3.00	...	3.00	...	5.00	5.00
5.04 Hindusthan Steelworks Construction Ltd.	12852	4.00	...	4.00	4.00	...	4.00	4.00	5.00	9.00
5.05 Bharat Refractories Ltd.	12852	4.00	10.40	14.40	4.00	0.50	4.50	5.00	8.00	13.00
5.06 National Mineral Development Corporation Ltd.	12852	...	301.00	301.00	...	169.00	169.00	...	527.05	527.05
5.07 Kudremukh Iron Ore Company Ltd.	12852	...	282.00	282.00	...	60.00	60.00	...	133.00	133.00
5.08 Manganese Ore India Ltd.	12852	...	11.60	11.60	...	14.22	14.22	...	32.50	32.50
5.09 Bird Group of Companies	12852	1.00	2.00	3.00	1.00	0.75	1.75	1.00	2.45	3.45
5.10 MECON Ltd.	12852	2.00	5.00	7.00	2.00	5.00	7.00	2.00	2.00	4.00
5.11 MSTC Ltd.	12852	...	1.35	1.35	...	1.35	1.35	...	20.00	20.00
5.12 Ferro Scrap Nigam Ltd.	12852	...	15.00	15.00	...	14.19	14.19	...	12.00	12.00
5.13 Research and Technology Mission	12852	...	96.65	96.65	...	95.00	95.00	...	95.00	95.00
Total		14.00	1285.00	1299.00	14.00	902.01	916.01	12.00	1397.00	1409.00
C. Plan Outlay										
1. Iron & Steel	12852	24.00	1285.00	1309.00	24.00	902.01	926.01	12.00	1397.00	1409.00

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:

Hindustan Steelworks Construction Limited:

3.01 For payment of interest on loans raised from banks for implementation of Voluntary Retirement Scheme (VRS).

3.02 For waiver of guarantee fee for the guarantee given by GOI for cash credit and bank guarantee,

Steel Authority of India Limited:

3.04(i) For payment of 50% 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,

Sponge Iron India Limited:

3.03 For payment of interest including penal interest on the loan taken by the company,

MECON Ltd.:

3.05 For payment of 50% interest on the loan taken by the company for VRS.

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. **Conversion of Loans:** Token provisions for conversion of outstanding loan into equity of Sponge Iron India Limited.

7. **Other Programmes:** These include establishment expenses on office of the Development Commissioner for Iron & Steel, an attached office of the Department 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 Salem and the Alloy steel Plant at Durgapur. 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 increase in liquid steel production increase in slab production improvement in liquid steel to saleable steel yield, reduction in energy consumption and increase in labour productivity etc.

(ii) **Bhilai Steel Plant:** The major Scheme covered installation of Sinter Plant No. III., Other on going schemes Additions, Modifications and Replacements (AMR), etc., and balance payment for contract closure of completed schemes etc.

(iii) **Rourkela Steel Plant :** Outlay covers modernisation including improvement of the quality of raw materials inputs for the production units, technological upgradation improvement in quality products reduction in energy consumption reduction in manpower cost and replacement of aged equipment and machinery.

(iv) **Durgapur Steel Plant :** The major scheme covered under

the outlay for replacement of old and obsolete equipment and technology, improvement of productivity of various units and quality products, improvement of yield conservation of energy reduction in the cost of production and to abate environmental pollution.

(v) **Alloy Steel Plant :** Outlay covers expenses for ongoing schemes and for balance payment for contract closure of completed scheme etc.

(vi) **Salem Steel Plant:** Outlay covers for continuing scheme and for balance payment for contract closure of completed schemes.

(vii) **Visvesariya Iron and Steel Plant :** Visvesariya Iron & Steel Plant (VISL) outlay covers the additions/modifications/replacements (AMR) schemes to replace the outdated equipment. No budgetary support has been provided to RINL.

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

5.02 **Rashtriya Ispat Nigam Ltd.(RINL) :** This is the first shore-based Integrated Steel Plant set up in India with technical and financial cooperation from the erstwhile U.S.S.R. 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 continuing scheme, new schemes additions/modifications/replacement obsolete equipment, township, research and development etc. The outlay proposed will be met from the internal resources of the company.

5.03 **Sponge Iron India Ltd. (SIIL):** The Sponge Iron Plant was set up with UNDP/UNIDO assistance to establish the techno-economic feasibility of producing Sponge Iron from Lump Iron Ore 100% non cooking coal. The outlay required for additions/modifications/ replacement of obsolete/old equipment etc. no budgetary support has been sought.

8.04 **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. Budgetary support has also been provided to the company for procurement of equipments and capital expenditure for executing the work at site.

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 Additions, Modifications & Replacement (AMR) scheme to be met by company and 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 exploitation of various other minerals such as Dolomite, Limestone, Magnesite, Graphite, Tungsten, Tin etc. Provision has been made for completion of continuing scheme like Bailadila -14 Modification, Bailadila 11C IInd Phase and Second Screening Plant, Central Workshop, Bailadila Deposit 10/11A, Ultra Pure Ferric Oxide Plant, Uni Flow System, Value Added Products of Blue Dust, Development of Limestone in Rajab, Development of Limestone in HP (SS), etc. The 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 are 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 continuing scheme viz pig iron plant, coke oven project, development of Neeliveedu mines, Gangrival Mines, power project, Lind Pellet Plant, Ductile Iron Spun Pipe project, and new schemes namely primary ore development equity participation in laying of railway line between Hassan & Bangalore and additions/modifications and replacement of old/obsolete machinery/equipment. Outlay is being met from internal and 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 producer of high grade manganese ore in the country. Provision has been made for executing for new schemes, AMR schemes townships research and development and feasibility studies. Total plan outlay is being met from internal and 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 Partially 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 information technology and

procurement of computer etc. The plan outlay is partially being financed through 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 is also responsible for trading in items procured from within India. After declassification, 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. The provision has been made for schemes like corner casting, pig iron and ductile spun pipe project, joint venture with SJK Steel Corporation and change of old machinery/equipment etc. The plan outlay is being met from internal and extra budgetary resources of the company.

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 re-processing of scrap from slag and refuse dumps, in the Steel Plants at Rourkela, Burnpur, Bhilai, and Bokaro. 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 of old machinery/equipment. 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 Proposals and science and technology activities.