

**MINISTRY OF STEEL****DEMAND NO.91****Ministry of Steel**

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

		<i>(In crores of Rupees)</i>								
Major Head	Budget 2004-2005			Revised 2004-2005			Budget 2005-2006			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	...	91.65	91.65	...	115.32	115.32	...	72.53	72.53	
Capital	15.00	73.89	88.89	15.00	74.89	89.89	15.00	2.00	17.00	
<b>Total</b>	<b>15.00</b>	<b>165.54</b>	<b>180.54</b>	<b>15.00</b>	<b>190.21</b>	<b>205.21</b>	<b>15.00</b>	<b>74.53</b>	<b>89.53</b>	
1. Secretariat-Economic Services	3451	...	8.04	8.04	...	8.50	8.50	...	9.66	9.66
<b>Iron and Steel Industries</b>										
2. Non-Plan loans to Public Enterprises										
2.01 Hindustan Steelworks Construction Ltd.	6852	...	71.89	71.89	...	71.89	71.89	...	...	...
2.02 Bird Group of Companies	6852	...	2.00	2.00	...	3.00	3.00	...	2.00	2.00
<i>Total</i>		...	73.89	73.89	...	74.89	74.89	...	2.00	2.00
3. Subsidies										
3.01 Interest Subsidy to Hindustan Steelworks Construction Limited for loans raised for implementation of VRS	2852	...	56.66	56.66	...	86.15	86.15	...	56.81	56.81
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 BRL for waiver of guarantee fee	2852	...	0.24	0.24	...	0.54	0.54	...	0.54	0.54
3.04 Interest Subsidy to Steel Authority of India Ltd. for loans raised from banks for implementation of VRS	2852	...	18.60	18.60	...	9.30	9.30	...	...	...
3.05 Interest Subsidy to MECON Ltd. for loans raised from banks for implementation of VRS	2852	...	3.33	3.33	...	6.89	6.89	...	1.75	1.75
<i>Total</i>		...	79.75	79.75	...	103.80	103.80	...	60.02	60.02
4. Investment in Public Enterprises	4852	7.00	...	7.00	7.00	...	7.00	7.00	...	7.00
	6852	8.00	...	8.00	8.00	...	8.00	8.00	...	8.00
<i>Total</i>		15.00	...	15.00	15.00	...	15.00	15.00	...	15.00
5. Other Programmes	2852	...	3.86	3.86	...	3.02	3.02	...	2.85	2.85
<b>Grand Total</b>		<b>15.00</b>	<b>165.54</b>	<b>180.54</b>	<b>15.00</b>	<b>190.21</b>	<b>205.21</b>	<b>15.00</b>	<b>74.53</b>	<b>89.53</b>
<b>B. Investment in Public Enterprises</b>	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
4.01 Steel Authority of India Ltd.	12852	...	650.00	650.00	...	650.00	650.00	...	1030.00	1030.00
4.02 Rashtriya Ispat Nigam Ltd.	12852	...	300.00	300.00	...	174.00	174.00	...	896.00	896.00
4.03 Sponge Iron India Ltd.	12852	...	9.00	9.00	...	9.40	9.40	...	5.00	5.00
4.04 Hindustan Steel Works Construction Ltd.	12852	3.00	...	3.00	3.00	...	3.00	4.00	...	4.00
4.05 Bharat Refractories Ltd.	12852	10.00	...	10.00	10.00	...	10.00	7.00	...	7.00
4.06 National Mineral Development Corporation Ltd.	12852	...	321.90	321.90	...	77.79	77.79	...	220.25	220.25
4.07 Kudremukh Iron Ore Company Ltd.	12852	...	54.00	54.00	...	54.00	54.00	...	225.00	225.00
4.08 Manganese Ore India Ltd.	12852	...	20.00	20.00	...	34.41	34.41	...	34.21	34.21
4.09 Bird Group of Companies	12852	1.00	15.00	16.00	1.00	43.62	44.62	...	17.38	17.38

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(In crores of Rupees)

	Head of Dev	Budget 2004-2005			Revised 2004-2005			Budget 2005-2006		
		Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
4.10 MECON Ltd.	12852	1.00	...	1.00	1.00	...	1.00	4.00	8.28	12.28
4.11 MSTC Ltd.	12852	...	5.00	5.00	...	5.00	5.00	...	5.00	5.00
4.12 Ferro Scrap Nigam Ltd.	12852	...	11.50	11.50	...	11.50	11.50	...	10.00	10.00
4.13 Research and Technology Mission	12852	...	60.00	60.00	...	60.00	60.00	...	...	...
<b>Total</b>		<b>15.00</b>	<b>1446.40</b>	<b>1461.40</b>	<b>15.00</b>	<b>1119.72</b>	<b>1134.72</b>	<b>15.00</b>	<b>2451.12</b>	<b>2466.12</b>
<b>C. Plan Outlay</b>										
1. Iron & Steel	12852	15.00	1446.40	1461.40	15.00	1119.72	1134.72	15.00	2451.12	2466.12

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

2. **Non-Plan loans to Public Enterprises:**

The provision is intended to meet gap in resources of (i) Hindustan Steelworks Construction Limited and (ii) Bird Group of Companies.

3. **Subsidies to Public Enterprises:**

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.

3.03 Bharat Refractories Limited: For waiver of guarantee fee for the guarantee given by GOI.

3.05 MECON LIMITED : For payment of interest subsidy on the loan taken by the Company for implementation of VRS.

4. **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.

4.01 **Steel Authority of India Ltd. :** It has six major steel plants under its control located at Bokaro, Bhilai, Rourkela, Durgapur, Salem and the Alloy Steels Plant at Durgapur. The Indian Iron Steel Company Limited (IISCO), which owns an integrated steel plant at Burnpur and Maharashtra Elektros melt Ltd., which is engaged in the production of Ferro Alloys, are the two subsidiaries 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 :** The major schemes covered are installation of CDI in Blast Furnace (BF) - 5 and other ongoing, completed and addition, modification & replacements (AMR) schemes.
- (ii) **Bhilai Steel Plant :** Outlay covers expenditure on re-building of Coke Oven Battery No.5, 15 MW Turbo Generator in Power Plant No.1, AMR schemes and for balance payment for contract closure of completed schemes.
- (iii) **Rourkela Steel Plant :** Outlay covers capital repair of BF 4, re-building of Coke Oven Battery No. 1, revamping of SP No.1 and for other ongoing and AMR schemes.

(iv) **Durgapur Steel Plant :** The major schemes covered under the outlay are Bloom Caster with associated facilities, replacement of TA - 1,2,3 at Old Power Plant, AMR schemes and other completed and ongoing schemes.

(v) **Alloy Steels Plant :** Outlay mainly covers expenses for Argon Oxygen Decarburisation, Electric Arc Furnace and Shifting of Ladles.

(vi) **Salem Steel Plant :** Provision is mainly for Additional Roll Grinding Machine and for other ongoing schemes.

(vii) **Visvesariya Iron and Steel Ltd. :** Outlay covers the expenditure on continuing schemes.

(viii) **Indian Iron & Steel Company Ltd. :** Provision is for rehabilitation schemes and one new Box Wagon Tippler with auxiliaries.

(ix) **Maharashtra Elektros melt Ltd. :** Provision is for installation of 33 MVA Furnace - Phase I.

4.02 **Rashtriya Ispat Nigam Ltd. :** 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. Outlay has been made for Coke Oven Battery No. 4, Expansion schemes, Degassing facilities in SMS, AMR schemes, township and other ongoing and new schemes. The outlay proposed will be met from the internal resources of the Company.

4.03 **Sponge Iron India Ltd. :** 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 and 100% non cooking coal. The outlay is required for new schemes, AMR schemes, township and R&D.

4.04 **Hindustan Steelworks Construction Ltd. :** 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. 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 total plan outlay is to be met from budgetary support .

4.05 **Bharat Refractories Ltd.:** It has four units - Bhandaridah Refractories Plant, Ranchi Road Refractories Plant,

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Bhilai Refractories Plant and IFICO Refractories Plant under its control. Provision has been made for AMR schemes to be met entirely from budgetary support.

**4.06 National Mineral Development Corporation (NMDC):** 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. NMDC's plan outlay has been made for continuing schemes like NMDC Iron & Steel Plant and Bailadila Deposit 10/11A, new schemes like Kumaraswamy Phase I & II and Deposit 11B, AMR Schemes, township, R&D and for conducting feasibility studies in India and abroad. The total outlay is being met from internal and extra budgetary resources of the company.

**4.07 Kudremukh Iron Ore Company 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 provision has been made for continuing schemes like Mine Development and development of infrastructure for receipt of iron ore by rail, AMR schemes and for feasibility studies. Outlay is being met from internal and extra budgetary resources without seeking any budgetary support.

**4.08 Manganese Ore (India) 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. Provision has been made for executing new schemes like Integrated Beneficiation Plant at Balaghat and sinking of new vertical shaft at Gumgaon Mine, AMR schemes, townships and R&D/feasibility studies. Total Plan outlay is being met from internal and extra budgetary resources of the company.

**4.09 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. The provision has been made for ore beneficiation/sponge iron plant, AMR schemes and afforestation expenses. The outlay will be financed partially through budgetary support.

**4.10 MECON Ltd. :** 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. The provision has been made for information technology and procurement of computers. The Plan outlay is being financed through budgetary support.

**4.11 MSTC Ltd. :** 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. The provision has been made for setting up of stockyard/ warehousing facilities. The Plan outlay is being met from internal and extra budgetary resources of the company.

**4.12 Ferro Scrap Nigam Ltd. :** Earlier a Joint Sector Company between MSTC Ltd. and M/s Harsco Corporation Inc., USA, FSNL has now become a 100% subsidiary of MSTC Ltd. with the acquiring of 40% equity shares held by M/s Harsco by MSTC. 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 have to depend on various types of equipment and modern technology. Plan outlay is for meeting expenses on AMR Schemes, to be met from internal & extra budgetary resources of the company.

**4.13 Research and Technology Mission :** R & T Mission provides financial assistance for the research and development activities in the Iron & Steel sector being carried out by the steel plants, academic institutions and research laboratories. Provision has been made for funding research & development proposals and is to be met out of the Steel Development Fund.

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