

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

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

		<i>(In crores of Rupees)</i>									
Major Head		Budget 2009-2010			Revised 2009-2010			Budget 2010-2011			
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
	Revenue	26.00	81.36	107.36	13.00	74.85	87.85	35.00	71.62	106.62	
	Capital	8.00	...	8.00	3.01	...	3.01	1.00	...	1.00	
	Total	34.00	81.36	115.36	16.01	74.85	90.86	36.00	71.62	107.62	
1.	Secretariat-Economic Services	3451	...	19.71	19.71	...	19.18	19.18	...	18.05	18.05
Iron and Steel Industries											
2.	Scheme for Promotion of Research & Development in Iron & Steel Sector	2852	26.00	...	26.00	13.00	...	13.00	35.00	...	35.00
3.	<i>Subsidies</i>										
3.01	Interest Subsidy to Hindustan Steelworks Construction Limited for loans raised for implementation of VRS	2852	...	55.48	55.48	...	49.39	49.39	...	48.69	48.69
3.02	Interest Subsidy to MECON Ltd for loans raised from banks for implementation of VRS	2852	...	5.24	5.24	...	5.24	5.24	...	4.04	4.04
	<i>Total</i>		...	60.72	60.72	...	54.63	54.63	...	52.73	52.73
4.	<i>Waiver of Guarantee Fee</i>										
4.01	Hindustan Steelworks Construction Limited	2852	...	6.10	6.10	...	6.10	6.10	...	6.10	6.10
4.02	MECON Ltd.	2852	...	1.55	1.55	...	1.55	1.55	...	1.20	1.20
	Less - Receipts netted	0075	...	-7.65	-7.65	...	-7.65	-7.65	...	-7.30	-7.30
	<i>Net</i>		...	...	...	...	...	...	...	...	...
5.	<i>Write off of loan</i>										
5.01	Bird Group of Companies	2852	...	...	...	...	8.06	8.06	...	...	...
	Less Receipt Netted	0852	...	...	...	...	-8.06	-8.06	...	...	...
	<i>Net</i>		...	...	...	...	...	...	...	...	...
6.	<i>Waiver of Interest</i>										
6.01	Bird Group of Companies	2852	...	...	...	...	720.63	720.63	...	...	...
	Less Receipt Netted	0049	...	...	...	...	-720.63	-720.63	...	...	...
	<i>Net</i>		...	...	...	...	...	...	...	...	...
7.	Conversion of Loan into Equity										
7.01	Bird Group of Companies	4852	...	...	...	0.01	...	0.01	...	...	...
8.	Investment in Public Enterprises	6852	8.00	...	8.00	3.00	...	3.00	1.00	...	1.00
	<i>Total</i>		8.00	...	8.00	3.00	...	3.00	1.00	...	1.00
9.	Other Programmes	2852	...	0.93	0.93	...	1.04	1.04	...	0.84	0.84
Grand Total			34.00	81.36	115.36	16.01	74.85	90.86	36.00	71.62	107.62
B. Investment in Public Enterprises											
		Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
8.01	Steel Authority of India Ltd.	12852	...	10356.00	10356.00	...	10356.00	10356.00	...	12254.00	12254.00
8.02	Rashtriya Ispat Nigam Ltd.	12852	...	2437.00	2437.00	...	2224.48	2224.48	...	4049.00	4049.00
8.03	Hindusthan Steel Works Construction Ltd.	12852	7.00	...	7.00	3.00	...	3.00	1.00	...	1.00
8.04	Bharat Refractories Ltd.	12852	...	8.00	8.00	...	...	...	...	...	...
8.05	NMDC Ltd.	12852	...	700.00	700.00	...	543.00	543.00	...	611.00	611.00
8.06	KIOCL Ltd.	12852	...	85.00	85.00	...	10.00	10.00	...	75.00	75.00
8.07	Manganese Ore India Ltd.	12852	...	102.25	102.25	...	65.36	65.36	...	115.82	115.82
8.08	Bird Group of Companies	12852	1.00	15.61	16.61	...	15.61	15.61	...	40.00	40.00
8.09	MECON Ltd.	12852	...	2.00	2.00	...	5.00	5.00	...	2.00	2.00
8.10	MSTC Ltd.	12852	...	5.00	5.00	...	5.00	5.00	...	5.00	5.00
8.11	Ferro Scrap Nigam Ltd.	12852	...	11.80	11.80	...	12.00	12.00	...	12.00	12.00
Total			8.00	13722.66	13730.66	3.00	13236.45	13239.45	1.00	17163.82	17164.82
C. Plan Outlay											
1.	Iron & Steel	12852	34.00	13722.66	13756.66	16.01	13236.45	13252.46	36.00	17163.82	17199.82

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 activities in development of innovative/path breaking technologies utilizing Indian iron ore fines and non-coking coal, improvement of quality of steel produced through induction furnace route and beneficiation of raw materials like iron ore, coal etc. and agglomeration (e.g. Pelletisation).

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

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.

8. 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.

8.01 **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 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 IE BR of SAIL.

(i) **Bhilai Steel Plant** : Major portion (Rs.3258 crore) of the total outlay is for modernization and expansion of the Plant. Balance outlay is for schemes like 700 TPD Oxygen Plant, Rebuilding of Coke Oven Battery (COB) No.6, Mining Rights/Railway track-Rowghat and other ongoing and new schemes.

(ii) **Durgapur Steel Plant** : Outlay of Rs.300 crore has been provided for Durgapur Steel Plant, of which Rs.180 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 (Rs. 1645 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** : Outlay covers expenditure on expansion of Bokaro Plant (Rs.930 crore), Rebuilding of COB No.1 & 2, Installation of TB in Turbo Blower station, Upgradation of BF-2 and other ongoing and new schemes.

(v) **IISCO Steel Plant** : Major portion of the outlay is earmarked for expansion of ISP (Rs.3432 crore). Provision has also been made for rebuilding of COB No.10 (Rs.120 crore) and balance amount is for other ongoing and new schemes.

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

(vii) **Salem Steel Plant** : Expansion of SSP (Rs. 194 crore) accounts for major portion of the total outlay of Rs. 200 crore.

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

8.02 **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 Projects were commissioned by July, 1992. Outlay has been made for expansion of RINL's 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 IE BR of the company.

8.03 **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.

8.04 **Bharat Refractories Limited**: No separate plan outlay has been kept for Bharat Refractories Ltd. as it has been merged with SAIL and re-named as SAIL Refractories Unit (SRU).

8.05 **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. Plan outlay has been made for schemes/ projects like Bailadila Deposit-11B, Kumarswamy iron Ore Project, 3 million tonnes Steel Plant in Chhattisgarh, Pelletisation Plant at Donimalai and Bachel, AMR, Township and R&D schemes etc. Total outlay will be met from IE BR of the company.

8.06 **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 Rs. 116.65 crores, commenced commercial production in April, 1987. However, as per the directions of Hon'ble Supreme Court, the company had to stop mining at Kudremukh w.e.f. 31.12.2005. Plan outlay is mainly for AMR schemes. Other schemes included in the outlay are Ductile Iron Spun Pipe Plant, development of infrastructure for receipt of iron ore by rail at Mangalore, R&D/feasibility studies, Coal Injection System in Blast Furnace etc. Outlay is being met from IEBR of the company.

8.07 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 (Rs.40 crore), Ferro Manganese Plant at Bobbili in joint venture with RINL (Rs.15 crore), sinking of new vertical shaft at Gumgaon and U kwa mines, AMR schemes, township, R&D/feasibility studies etc. Entire outlay will be met from IEBR of the company.

8.08 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 IEBR of the company.

8.09 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 (IEBR) is for expansion, modification & augmentation of office space/guest house at various locations.

8.10 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.

8.11 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.

9. 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.