

**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 2007-2008			Revised 2007-2008			Budget 2008-2009			
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan	Total	
Revenue	1.00	84.50	85.50	1.00	75.53	76.53	18.50	77.23	95.73	
Capital	65.00	...	65.00	65.00	...	65.00	15.50	...	15.50	
<b>Total</b>	<b>66.00</b>	<b>84.50</b>	<b>150.50</b>	<b>66.00</b>	<b>75.53</b>	<b>141.53</b>	<b>34.00</b>	<b>77.23</b>	<b>111.23</b>	
1. Secretariat-Economic Services	3451	...	11.62	11.62	...	11.60	11.60	...	13.91	13.91
<b>Iron and Steel Industries</b>										
2. Scheme for Promotion of Research & Development in Iron & Steel Sector	2852	1.00	...	1.00	1.00	...	1.00	...	18.50	18.50
3. <i>Subsidies</i>										
3.01 Interest Subsidy to Hindustan Steelworks Construction Limited for loans raised for implementation of VRS	2852	...	56.02	56.02	...	56.02	56.02	...	56.02	56.02
3.02 Interest Subsidy to MECON Ltd. for loans raised from banks for implementation of VRS	2852	...	6.03	6.03	...	5.95	5.95	...	5.60	5.60
<i>Total</i>		...	62.05	62.05	...	61.97	61.97	...	61.62	61.62
4. 4.01 Subsidy to Hindustan Steelworks Construction Limited for waiver of guarantee fee	2852	...	6.60	6.60	...	...	...	...	...	...
4.02 Subsidy to BRL for waiver of guarantee fee	2852	...	0.54	0.54	...	...	...	...	...	...
4.03 Subsidy to MECON Limited for waiver of guarantee fee	2852	...	1.75	1.75	...	...	...	...	...	...
5. <i>Waiver of Guarantee Fee</i>										
5.01 Hindustan Steelworks Construction Limited	2852	...	...	...	...	6.10	6.10	...	6.10	6.10
5.02 Bharat Refractories Limited	2852	...	...	...	...	0.40	0.40	...	0.54	0.54
5.03 MECON Ltd.	2852	...	...	...	...	1.75	1.75	...	1.65	1.65
5.04 Waiver of penal guarantee fee - MECON Ltd.	2852	...	...	...	...	4.27	4.27	...	...	...
Less - Receipts netted	0075	...	...	...	...	-12.52	-12.52	...	-8.29	-8.29
<i>Net</i>		...	...	...	...	...	...	...	...	...
<i>Total</i>		...	70.94	70.94	...	61.97	61.97	...	61.62	61.62
6. Investment in Public Enterprises	4852	63.00	...	63.00	63.00	...	63.00	...	...	...
	6852	2.00	...	2.00	2.00	...	2.00	15.50	...	15.50
<i>Total</i>		65.00	...	65.00	65.00	...	65.00	15.50	...	15.50
7. Other Programmes	2852	...	1.94	1.94	...	1.96	1.96	...	1.70	1.70
<b>Grand Total</b>		<b>66.00</b>	<b>84.50</b>	<b>150.50</b>	<b>66.00</b>	<b>75.53</b>	<b>141.53</b>	<b>34.00</b>	<b>77.23</b>	<b>111.23</b>
<b>B. Investment in Public Enterprises</b>	Head of Dev	Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
6.01 Steel Authority of India Ltd.	12852	...	2641.00	2641.00	...	2007.00	2007.00	...	4674.00	4674.00
6.02 Rashtriya Ispat Nigam Ltd.	12852	...	3056.70	3056.70	...	1861.15	1861.15	...	4166.00	4166.00
6.03 Sponge Iron India Ltd.	12852	...	5.00	5.00	...	5.00	5.00	...	5.00	5.00
6.04 Hindusthan Steelworks Construction Ltd.	12852	1.00	...	1.00	1.00	...	1.00	6.50	...	6.50
6.05 Bharat Refractories Ltd.	12852	1.00	...	1.00	1.00	...	1.00	8.00	...	8.00
6.06 National Mineral Development Corporation Ltd.	12852	...	250.00	250.00	...	150.00	150.00	...	400.00	400.00
6.07 Kudremukh Iron Ore Company Ltd.	12852	...	75.00	75.00	...	45.00	45.00	...	100.00	100.00
6.08 Maganese Ore India Ltd.	12852	...	65.00	65.00	...	140.06	140.06	...	117.20	117.20

(In crores of Rupees)

	Head of Dev	Budget 2007-2008			Revised 2007-2008			Budget 2008-2009		
		Budget Support	IEBR	Total	Budget Support	IEBR	Total	Budget Support	IEBR	Total
6.09 Bird Group of Companies	12852	...	25.00	25.00	...	26.00	26.00	1.00	30.00	31.00
6.10 MECON Ltd.	12852	63.00	3.00	66.00	63.00	...	63.00	...	...	...
6.11 MSTC Ltd.	12852	...	5.00	5.00	...	13.60	13.60	...	5.00	5.00
6.12 Ferro Scrap Nigam Ltd.	12852	...	12.00	12.00	...	12.00	12.00	...	11.80	11.80
<b>Total</b>		<b>65.00</b>	<b>6137.70</b>	<b>6202.70</b>	<b>65.00</b>	<b>4259.81</b>	<b>4324.81</b>	<b>15.50</b>	<b>9509.00</b>	<b>9524.50</b>
<b>C. Plan Outlay</b>										
Iron & Steel	12852	66.00	6137.70	6203.70	66.00	4259.81	4325.81	34.00	9509.00	9543.00

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 evolve a new scheme/mechanism 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.

### 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.

### 5. Waiver of Guarantee Fee

**5.01 Hindustan Steelworks Construction Ltd.:** For waiver of guarantee fee on the guarantee given by Government of India for cash credit and bank guarantee and for loans raised from banks for implementation of VRS.

**5.02 Bharat Refractories Ltd. :** For waiver of guarantee fee on the guarantee given by Government of India for cash credit and bank guarantee limit and working capital requirements.

**5.03 MECON Ltd. :** For waiver of guarantee fee on the guarantee given by Government of India on loans/bonds raised from banks/trusts for implementation of VRS.

### 6. 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 and Extra Budgetary Resources (IEBR), budgetary support by way of equity investment and loans is extended to some of the financially weak enterprises.

**6.01 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. The plan outlay of SAIL Plants/Units and its subsidiaries is being met from the IEBR of SAIL.

(i) **Bokaro Steel Plant:** Outlay covers expenditure on augmentation of coking coal storage facilities, Provision of CDI system in BF-2 & 3, Installation of 2<sup>nd</sup> Ladle Furnace in SMS-II, upgradation of BF – 2 and other ongoing and new schemes.

(ii) **Bhilai Steel Plant:** The schemes covered are rebuilding of Coke Oven Battery No.5, Installation of Slab Caster, Main Step Down Station – 5 and 700 TPD Oxygen Plant and other ongoing and new schemes.

(iii) **Rourkela Steel Plant:** Major schemes included in the outlay are Installation of CDI system in BF 4, Rebuilding of COB-4, 700 TPD Oxygen Plant and Coke Oven Gas Holder.

(iv) **Durgapur Steel Plant:** The schemes covered under the outlay include Bloom Caster with associated facilities, Coal Dust Injection in BF- 3 & 4 and expenditure related to new schemes like Expansion of DSP.

(v) **IISCO Steel Plant:** Major portion of the outlay is earmarked for expansion of ISP. Provision has also been made for schemes like rebuilding of BF No.2 and Rebuilding of COB-10.

(vi) **Alloy Steels Plant:** Outlay is for several completed and ongoing schemes costing less than Rs.10 crore and for expansion of ASP.

(vii) **Salem Steel Plant:** Major portion of the outlay is for expansion of SSP. Provision has also been made for small value miscellaneous schemes.

(viii) **Visvesariya Iron and Steel Ltd.:** Outlay covers small value miscellaneous schemes and installation of Bloom Caster in SMS.

**6.02 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. The final cost of the steel plant was approved at Rs. 8529.13 crores. Outlay has been made for ongoing schemes like Capacity Expansion (Phase – I) and AMR schemes and new schemes like Coke Oven Battery No. 4 (Phase-I & II), acquisition of iron ore and coking coal mines, pulverized coal injection, iron ore storage facilities, power evacuation system, etc. The outlay will be met from the internal resources of the company.

**6.03 Sponge Iron India Limited :** 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 coking coal. The Unit, which went into regular operation in November, 1980, has been designed both for production and for R&D. The outlay is required for AMR schemes. No budgetary support has been sought.

**6.04 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. Plan outlay, to be met entirely from budgetary support, has been provided for procurement of construction equipments and machinery.

**6.05 Bharat Refractories Ltd. :** It has four units – Bhandaridah Refractories Plant, Ranchi Road Refractories Plant, Bhilai Refractories Plant and IFICO Refractories Plant under its control. The company manufactures various kinds of refractories for steel plants. Plan outlay has been provided for AMR Schemes and is to be met from budgetary support.

**6.06 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 schemes/projects like Bailadila Deposit-11B, windmill in Karnataka, investments in other ventures, Sponge Iron & Power Plant and for AMR, Township and R&D schemes. The total outlay is being met from IEFR of the company.

**6.07 Kudremukh Iron Ore Company Ltd. (KIOCL) :** Plan outlay is for expenditure on ongoing schemes like Ductile Iron Spun Pipe Plant, development of infrastructure for receipt of iron ore by rail at Mangalore, AMR schemes, R&D/feasibility studies and new schemes of Eco Town development, coal injection system and coke oven plant. Outlay is being met from IEFR without any budgetary support.

**6.08 Maganese Ore (India) Limited (MOIL) :** MOIL is jointly owned by Government of India and the Governments of Madhya Pradesh and Maharashtra. It is the largest indigenous producer

of maganese ore in the country. To improve profitability, the company has diversified into manufacture of value added products like Electrolytic Maganese Dioxide and Ferro Maganese. Provision has been made for executing major schemes like investment in joint venture for Ferro Maganese/ Silico Maganese Plant, Wind Power Generation, Sintering Plant at Balaghat and for AMR schemes, township and R&D/feasibility studies. Plan outlay is being met from IEFR of the company.

**6.09 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 afforestation & lease matters, mineral & ore based industries and AMR schemes. Except for Rs.1.00 crore budgetary support, outlay will be met from IEFR of the company.

**6.11 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 is for setting up of stockyard/warehousing facilities and will be met from IEFR of the company.

**6.12 Ferro Scrap Nigam Limited :** Earlier a Joint Sector Company between MSTC Ltd. and M/s Harsco Corporation Inc., USA, FSNL is now 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 has to depend on various types of equipment and modern technology. Plan outlay is for meeting expenses on AMR Schemes and is to be met from IEFR of the company.

**7. 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 awards to distinguished metallurgists given annually.