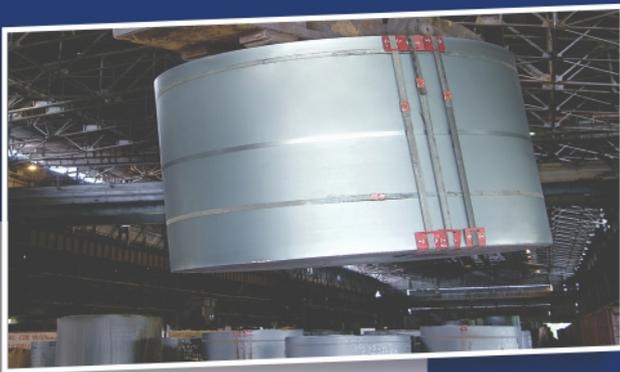
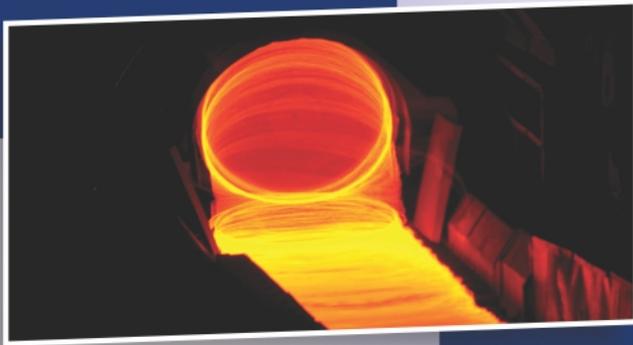
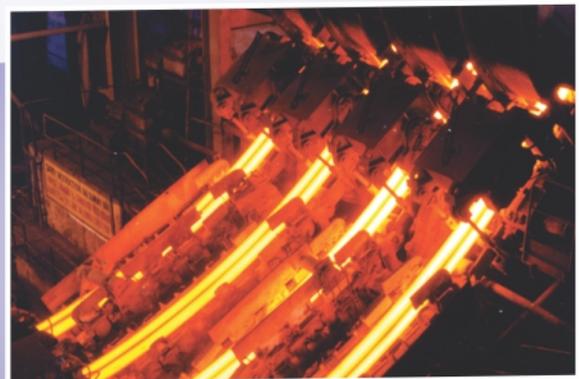


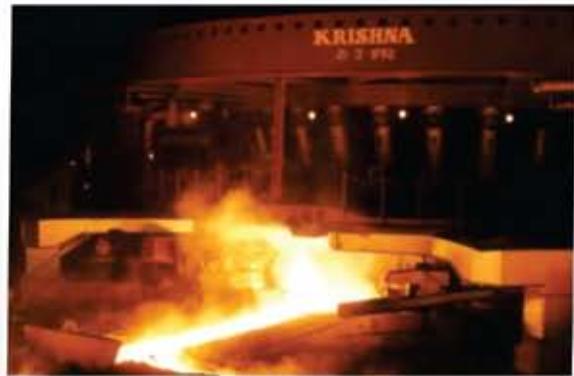
Annual Report 2011-12



MINISTRY OF STEEL
GOVERNMENT OF INDIA



Annual Report 2011-12



MINISTRY OF STEEL
GOVERNMENT OF INDIA

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The production, financial and other related figures for 2011-12 (April-December 2011) are provisional.



Hon'ble Union Minister for Steel, Shri Beni Prasad Verma addressing Dealers Meet at Lucknow.

CHAPTER-I

HIGHLIGHTS

1. TRENDS AND DEVELOPMENTS IN STEEL SECTOR

- India has become 4th largest producer of crude steel in the world as against the 8th position in 2003 and is expected to become the 2nd largest producer of crude steel in the world by 2015.
- India continues to maintain its lead position as the world's largest producer of direct reduced iron (DRI) or sponge iron.
- 301 MoUs have been signed with various States for planned capacity of around 488.56 million tonnes.

The break-up of 301 MoUs signed by various State Governments are given in the table below:

| State | No. of MoUs signed | Approx. Capacity (in million tonnes per annum) |
|----------------|--------------------|--|
| Orissa | 63 | 81.16 |
| Jharkhand | 49 | 105.11 |
| Chhattisgarh | 76 | 60.00 |
| West Bengal | 16 | 39.40 |
| Karnataka | 57 | 173.00 |
| Andhra Pradesh | 18 | 11.79 |
| Other States | 22 | 18.20* |
| Total | 301 | 488.66 |

*estimated

- Major investment plans are in the states of Orissa, Jharkhand, Karnataka, Chhattisgarh and West Bengal.
- The intended steel capacity build up in the country is likely to result in an investment of ₹5 -10 lakh crore by 2020.
- The steel sector contributes to nearly 2% of the GDP and employs over 5 lakh people.
- The per capita steel consumption has risen from 38 kg in 2005-06 to 55 kg in 2010-11.
- Capacity for crude steel production expanded from 51.17 million tonnes per annum (mtpa) in 2005-06 to 78 mtpa in 2010-11.
- Crude steel production grew at 8% annually [Compounded Annual Growth Rate (CAGR)] from 46.46 million tonnes in 2005-06 to 69.57 million tonnes in 2010-11.
- Production of finished steel stood at 66.01 million tonnes during 2010-11 as against 46.57 million tonnes in 2005-06, an average annual (CAGR) growth of 7%.
- Consumption of finished steel has grown at a CAGR of 9.6 % during the last six years.
- Export of finished steel during 2010-11 stood at 3.46 million tonnes while imports during 2010-11 stood at 6.79 million tonnes.

1.1 Highlights of Industry Scenario (upto December,2011)

During April-December 2011-12 (prov), the following was the industry scenario as compared to same period of last year:



The Ministry of Steel presented a Tableau titled “Steel Strengthens the Nation” in the Republic Day Parade 2012.

- Crude steel production was 53.357 MT, a growth of 3.5% over same period of last year. The Major Producers (Steel Authority of India Limited, Rashtriya Ispat Nigam Limited, Tata Steel, Essar, JSW Steel, JSW Ispat Steel and Jindal Steel & Power) together produced 29.984 MT during this period, which was a growth of 8.07% compared to last year. The rest i.e. 23.373 MT was the contribution of the Other Producers, which was a growth of 1.3% compared to last year.
- Pig iron production for sale in April – December 2011-12 was 4.247 mt, a growth of 0.7% over same period of last year. The Main Producers accounted for approximately 10% of the same, the rest (90%) being the share of the Other Producers.
- In case of total finished steel (alloy + non-alloy) during April – December 2011-12:
 - o Production for sale was at 52.061 MT, a growth of 7.5%
 - o Steel exports, at 3.048 mt saw a growth of 23.8% while steel imports were at 4.984 MT, a decline of 7%.
 - o India remained a net importer of steel.
- Domestic real steel consumption was at 50.865 MT and increased by 4.4%

1.2 Major Initiatives taken by the Ministry of Steel during the year

- In order to preserve iron ore resources for domestic use on cheaper rates, export duty on iron ore has been increased w.e.f. 30.12.2011 to 30% ad valorem on all varieties of iron ore (except pellets).
- The Joint Plant Committee (JPC) under the Ministry had initiated a study to assess the steel demand in the rural areas of the country and to examine the potential of increasing the level of steel consumption. The study covers 300 districts, 1500 villages, 4500 manufactures and 8000 retailers spread over all the 35 states and union territories of the country. The JPC has since submitted its report in July 2011 and the same is under examination.
- In accordance with the Government Decision, 51% shareholding of Government of India in Eastern Investments Company Limited (EIL) under Bird Group of Companies was transferred to Rashtriya

- Ispat Nigam Limited (RINL). Thus RINL has become the holding company of Eastern Investments Limited (EIL) and its subsidiaries Orissa Minerals Development Corporation (OMDC) and Bisra Stone Lime Company Ltd. (BSLC) are now subsidiaries of RINL w.e.f. 05.01.2011.
- “Steel Sports Policy” for the steel PSUs under the Ministry of Steel has been approved on 30th June 2011 for promotion of sports and encouragement of the outstanding sportspersons.
 - Sevottam Compliant Citizen’s Charter has been revised to provide prompt services to the citizens/ clients.
 - New National Steel Policy/Vision for the forthcoming 30 years is under preparation/finalization.
 - New Research & Development Policy for Steel Sector has been finalized/ adopted for implementation.
 - Website of the Ministry of Steel has been redesigned and made comprehensive and user-friendly.
 - An Action Plan and Quality Manual has been prepared for obtaining ISO:9001 certificate for the Ministry of Steel.
 - An Action Plan to mitigate potential areas of corruption in the Ministry of Steel has been prepared.
 - Four (04) new R&D projects in steel sector have been approved in different areas.
 - In the Ministry, action on rotational transfer policy for sensitive posts has been completed.
 - New techno-economic benchmarks have been evolved on international pattern for improvement in performance of Steel PSUs and its implementation is being monitored closely.
 - Steel Innovation Council for promotion of innovative ideas in Steel Sector has been set up in the Ministry of Steel. First meeting of the Council took place on 06.01.2012.
 - Under Results Framework Document (RFD) 2010-11, working of the Ministry of Steel was rated as “Excellent”.
 - The Ministry of Steel participated in the Republic Day Parade 2012 and showcased a tableau with the theme titled “Steel Strengthens the Nation”. The tableau presented steel indicating diversity of its utility in heavy machinery as well as in agricultural and rural sector.
 - Inter Ministerial Group (IMG) meetings under the Chairmanship of Secretary (Steel) are being held regularly to sort out infrastructural constraints of steel industry relating to railways, roads, ports, land etc.

1.3 Major Initiatives in the PSUs

1.3.1 Mega Expansion Plans of SAIL & RINL

The Steel PSUs are in the midst of the capacity expansion plans. The major thrust of the modernization and expansion plans is to adopt the best modern technology, which in addition to being cost effective should also be energy efficient and environment friendly. The progress of the expansion of SAIL & RINL is monitored on a regular basis in the Ministry. As a consequence of monitoring, a number of systemic improvements have been put in place in project implementation.

Steel Authority of India Limited (SAIL)

- (i) Steel Authority of India Ltd. has undertaken Modernisation and Expansion of its integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur & Burnpur and special steel plant at Salem. In the current phase, the crude steel capacity is being enhanced from 12.8 Million tonne to 21.4

million tonne per annum. The indicative investment for current Phase is about ₹62,000 crore. In addition, ₹10,000 crore (approximately) has been earmarked for modernisation and expansion of SAIL Mines.

- (ii) Orders for about ₹55,500 crore have been placed for various Modernisation and Expansion packages. Cumulative Expenditure until December, 2011 has been ₹31670 crore including expenditure of ₹7315 crore during current financial year upto December, 2011.
- (iii) Expansion of Salem Steel Plant has been completed. Also, some of the linked facilities have been completed in other plants. The execution of Modernisation and Expansion Plan is being done with full momentum. The current phase of Modernisation and Expansion is expected to be completed by 2012-13.

Rashtriya Ispat Nigam Limited (RINL) Vishakapatnam Steel Plant

Mega expansion of Rashtriya Ispat Nigam Limited (RINL) with the state of the art technology to double the capacity of the plant from 2.9 million tonnes to a level of 6.3 million tonnes per annum got completed (Stage I) and while several units are already under operation the balance are under integrated commissioning.

National Mineral Development Corporation (NMDC)

- (i) National Mineral Development Corporation is setting up a green field integrated steel plant of 3 million tonne per annum capacity in Nagarnar, Chhattisgarh with an estimated cost of around ₹15525 crore. The work for setting up the Plant is under progress.
- (ii) NMDC has signed an MoU with Russia's third largest steelmaker, Severstal, for a green field Steel Plant in Karnataka. The Company has signed an Implementation Framework with Severstal on 10th November, 2011 to set up 3 Million Tonnes per annum integrated Steel Plant in Karnataka.
- (iii) NMDC has signed an MoU with Legacy Iron Ore Ltd., Australia on 21.5.2011 for acquisition of 50% equity in the Company with a total investment of about Aus \$ 18.89 Million. The Share Subscription Agreement has been signed on 20.10.2011 and further formalities are being completed for acquisition of shares of the Company.
- (iv) The SAIL-led consortium AfISCO (Afghan Iron and Steel Consortium) won the status of 'Preferred Bidder' for blocks B,C, D for mining exploration rights at Hajigak, Afghanistan, having reserves of around 1770 million tones of iron ore. RINL and NMDC are also part of this consortium.

1.3.2 Merger/Acquisitions/Revival and Restructuring of PSUs

Following merger/revival/restructuring/acquisition/JV took place in regard to steel PSUs:-

- **SAIL- SCL Limited** - Joint Ventures (JV) with Govt. of Kerala to revive existing facilities at Steel Complex, Calicut has been effective from 13.02.2011. SAIL has formally taken over the management of the JV Company. Govt. of Kerala has been requested to expedite approval of rolling mill by JV Board.
- **JV with Kobe Steel for ITmk3 Technology** envisages installation of a 0.5 MTPA Iron Nugget plant at ASP, Durgapur. This unit will produce premium grade Iron Nuggets from iron ore fines and non-coking coal. Proposal for formation of a JV Company with M/s Kobe Steel (50:50 equity participation) is under consideration.
- A Joint Venture Company (JVC) called "International Coal Ventures Pvt. Ltd." comprising of SAIL, RINL, CIL, NTPC and NMDC has been set up for acquisition of coal mines in overseas

territories, with an equity base of ₹3500 crore to be leveraged with around ₹7000 crore of debt. The ICVL will function like a Navratna company with powers to clear proposals involving investment of upto ₹1500 crore. International Coal Ventures Pvt. Ltd. (ICVL) has been scouting for coal resources in the target countries of Australia, Canada, Indonesia, Mozambique and USA. An MoU was signed between ICVL and the Provincial Governor of Central Kalimantan, Indonesia on 25th January, 2011 which envisages direct allocation of mineral resources in the Province for ICVL.

- The consortium of SAIL and National Fertilizer Limited (NFL) has been nominated for revival of Sindri Unit of Fertilizer Corporation of India Limited, subject to clearance of Board of Industrial and Financial Reconstruction (BIFR). A Special Purpose Vehicle (SPV) under the name of “SAIL-Sindri Projects Ltd.” has been incorporated on 8.11.2011. Upon receipt of clearance of BIFR, a detailed proposal including investment plan would be firmed up by SAIL.
- Hindustan Steelworks Construction Ltd (HSCL) has been incurring losses since long. It was referred to BRPSE which recommended a revival package involving cash and non-cash assistance. Now a revised set of proposals have been prepared in consultation with concerned Ministries which does not involve any cash infusion. The restructuring of HSCL for its revival is near finalisation.
- After amalgamation with Steel Authority of India Limited (SAIL), erstwhile Maharashtra Elektros melt Limited (MEL), located at Chandrapur (Maharashtra) has now become a unit of SAIL with effect from 12.7.2011 (appointed date as 1.4.2010) and has been renamed as Chandrapur Ferro Alloy Plant (CFP) of SAIL.
- The Salem Refractory Unit of Burn Standard Company Limited (BSCL) has been transferred to the newly formed subsidiary of SAIL, namely SAIL Refractory Company Limited (SRCL) w.e.f. 16th December, 2011. The process of transfer was initiated on 10th June, 2010, when Government approved the financial restructuring of BSCL.
- Rashtriya Ispat Nigam Limited (RINL), Visakhapatnam Steel Plant and Power Grid Corporation of India Ltd. (POWERGRID) signed a Memorandum of Understanding (MoU) to set up a Joint Venture Company for manufacturing of Transmission Line Towers and Tower Parts including Research & Development of new high end products.

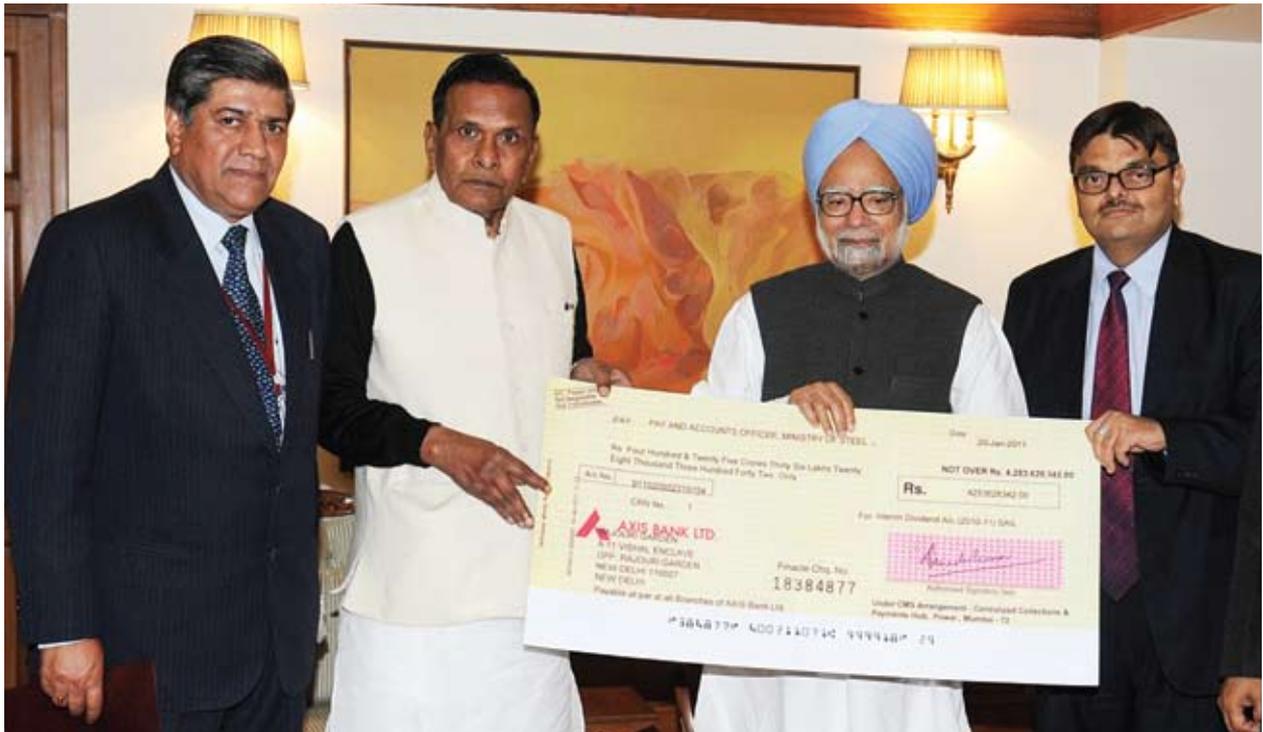
1.3.3 Expansion of Distribution Networks

Public sector steel units are expanding their dealer and distributor networks to reach district centers and remote areas of the country. Presently SAIL has a total marketing network of 2665 dealers, 66 warehouses, 37 branch sales offices and 27 customer contact offices in 630 districts of the country. SAIL has launched a new Rural Dealership Scheme in August, 2011 and is now under implementation with a view to expand its scope of business in rural areas of the country. The primary objective of the Rural Dealership Scheme is to meet the steel demands of the small rural consumers at block, tehsil and taluka levels.

1.4 Highlights of PSUs during April - December, 2011

1.4.1 Steel Authority of India Ltd. (SAIL)

- Profit before tax of ₹ 2849.51 crore and profit after tax of ₹ 1965.74 crore for the period ending 31.12.2011.
- Recorded a sales turnover of ₹ 35564 crore during April-December, 2011 which was 4.8% higher as compared to the corresponding period last year.
- Net worth of ₹ 38,618 crore as on 31.12.2011.



Hon'ble Union Minister for Steel, Shri Beni Prasad Verma (2nd from left), Steel Secretary Shri P.K. Misra (extreme left) and SAIL Chairman Shri C.S. Verma (extreme right) presenting a cheque of ₹425.36 crore to Hon'ble Prime Minister, Dr. Manmohan Singh as SAIL's interim dividend for FY'11 to the Government of India.

- The SAIL Board approved an interim dividend to the shareholders @ 12% of company's paid up share capital amounting to ₹ 495.66 crore for the financial year 2011-12.
- Produced 10.51 million tonne of hot metal, 9.96 million tonne of crude steel and 9.11 million tonne of saleable steel during April-December, 2011.
- SAIL has paid a dividend of ₹850.73 crore to the Government for the performance year 2010-11.

1.4.2 Rashtriya Ispat Nigam Ltd. (RINL)

- All time record Sales Turnover of ₹9,944 crore has been achieved during Apr-Dec'11; a growth of 28% over the corresponding period of last year (CPLY).
- Production continued to exceed 100% capacity utilization for the tenth consecutive year by achieving 111%, 108% and 110% capacity utilization for Hot Metal, Crude Steel and Saleable Steel respectively.
- Projected Sales during Apr-Dec 11 stood at 5.11 lakh tonne compared to 4.06 lakh tonne- a growth of 26% over corresponding period of last year.
- A growth of 4% in sales of Value Added Steel by recording a sale of 1.7 million tonne in Apr-Dec.'11.
- By-product sales of ₹385 crore touched new peak in Apr-Dec '11; a growth of 50%.
- Two new grades SAE 1019S grade for Seamless Tube Industry and C-70 for Tool Steel Industry introduced during current year.
- Current expansion to 6.3 mtpa of liquid steel brought to completion. Several units got commissioned and put in operation and these include:
 - Oxygen Plant commissioned during the year and is operating above 100% rated capacity.

- Ist billet produced in New Caster.
 - Ladle Heating Furnace commissioned
 - Blast Furnace-3 – Switched on with lighting up of all stoves and production of Hot Metal to commence this year itself.
 - Wires Rod Mill 2 - Reheating furnace commissioned and integrated commissioning of Mill with billet is in process.
 - Water system, Power system, Gas supply units, Chilled water plant also commissioned and under operation as per requirement.
- RINL has paid a dividend of ₹271.47 crore to the Government for the performance year 2010-11.

1.4.3 NMDC Ltd.

- NMDC sold 20.46 million tonne of iron ore in domestic market during 2011-12 (upto Dec'11) as against 16.33 million tonne during corresponding period of last year (CPLY).
- Total Sales of iron ore during 2011-12 (upto Dec'11) was 20.85 million as against 17.90 million tonne during CPLY.
- NMDC produced 20.28 million tonne of iron ore during 2011-12 (upto Dec'11) as compared to 16.53 million tonne in CPLY.
- NMDC has earned profit before tax of ₹8320.23 crore (upto Dec'11) during the year 2011-12 as compared to ₹6587 crore during CPLY.
- NMDC has paid a dividend of ₹1177.58 crore to the Government for the performance year 2010-11.

1.4.4 MOIL Ltd.

- MOIL Ltd. produced 7.55 lakh tonnes of manganese ore during 2011-2012 (upto December, 11).



Shri K.J. Singh, CMD, MOIL (second from left) handing over the Final Dividend Cheque of ₹ 54.10 crore for the year 2010-11 to Hon'ble Union Minister for Steel, Shri Beni Prasad Verma, (third from left) in the presence of Steel Secretary, Shri P. K. Misra (extreme right).

- The total income of the Company was ₹833.40 crore (provisional) during 2011-12 (upto December, 11).
- The profit before tax of the Company was ₹445.07 crore (provisional) during 2011-12 (upto December, 11).
- The profit after tax of the Company was ₹297.23 crore (provisional) during 2011-12 (upto December, 11).
- MOIL has paid a dividend of ₹84.16 crore to the Government for the performance year 2010-11.

1.4.5 MSTC Ltd.

- The total volume of business for the period April-Nov.'11 stands at ₹10938 Crore.
- On the e-Commerce front, MSTC have done a business of ₹8594 Crore during April-Nov.'11.
- Achieved highest ever profit before tax of ₹149 Crore during 2010-11. Profit before tax stands at ₹82 Crore during April-Nov.' 11.
- MSTC has been appointed as service provider by Hon'ble Supreme Court for conducting e-Auction for sale of IronOre lying at pit heads of iron ore mines in Bellary-Hospet area. The first e-Auction was held on 14.9.2011 and till Nov'11 MSTC disposed Iron Ore worth ₹ 1775 Crore.
- Tirupati Tirumala Devasthanam (TTD) nominated MSTC for e-Auction of 'Human Hair'. First e-Auction was held with commendable success and hair worth ₹ 133 Crore has been disposed of.
- MSTC has agreed in principle to explore the possibility of setting up of a shredding plant for processing of scrap material.
- MSTC has paid a dividend of ₹ 1.98 crore to the Government for the performance year 2010-11.

1.4.6 Hindustan Steelworks Construction Ltd. (HSCL)

During April-December,2011 :

- Overall performance of the Company improved over the corresponding period of last year (CPLY)
- Overall turnover increased by ₹160.38 crore (25.59%) over CPLY.
- Order Booking target of ₹1260 crore exceeded to record ₹1652.64 crore (131%). The MOU target of ₹1800 crore for 2011-12 will also be exceeded.
- Operational Profit recorded ₹41.12 crore. An improvement by ₹4.73 crore over the corresponding period last year.

1.4.7 MECON Ltd.

In September 2008, MECON achieved a landmark by turning its negative net worth into positive and by September 2009 it had wiped out its accumulated losses. As on 31.12.2011, the net worth of MECON stands at ₹236.21 crore (Prov.). This is a significant achievement as compared to the company's negative net worth of ₹ (-) 257.91 crore as on 31.03.04. MECON has paid a dividend of ₹3.15 crore to the Government for the performance year 2010-11.

1.4.8 KIOCL Ltd.

- Production of 2.93 lakh tonnes of pellets in the month of October 2011 is the highest quantity

- of pellets produced in any month after switching over to use of hematite ore sourced from outside sources since January 2006;
- Despatch of 3,26,837 tonnes of pellets during July 2011 is the highest quantity of pellets sold in any month during the year after the Company started production of pellets using hematite iron ore procured from outside source since January 2006;
 - KIOCL Limited entered into an MoU with Kerala State Industrial Development Corporation Ltd, (KSIDC) a Govt. of Kerala Undertaking in the presence of Hon'ble Minister of Steel, Govt. of India & Hon'ble Chief Minister of Kerala on 22-09-2011 for setting up of iron ore mining, beneficiation and pelletisation plant in State of Kerala;
 - KIOCL has paid a dividend of ₹15.70 crore to the Government for the performance year 2010-11.

1.4.9 Bird Group of Companies (BGC)

- (1) Eastern Investment Limited (EIL)
 - During 2011-12 (April-December 2011), profit before tax was ₹1.88 crore (provisional) and profit after tax was ₹1.48 crore (provisional).
 - EIL has paid a dividend of ₹0.15 crore to the Government for the performance year 2010-11.
- (2) The Orissa Minerals Development Company (OMDC)
 - During 2011-12 (April-December 2011), profit before tax was ₹7.56 crore (provisional) and profit after tax was ₹5.86 crore (provisional).
- (3) The Bisra Stone Lime Company Limited (BSLC)
 - During 2011-12 (April-December 2011), profit before tax was ₹(-)5.73 crore (provisional).
The operation of Mines activity has been suspended since November 2011, as well as Operation and Sales of BSLC have been stopped. As a result, generation of revenue has been affected badly, hence the above loss.

CHAPTER-II

ORGANISATIONAL STRUCTURE AND FUNCTIONS OF THE MINISTRY OF STEEL

2.1 Introduction

The Ministry of Steel is under charge of the Minister of Steel. The Ministry is responsible for planning and development of iron and steel industry, development of essential inputs such as iron-ore, limestone, dolomite, manganese ore, chromites, ferro-alloys, sponge iron etc. and other related functions. Details of the subjects allocated to the Ministry may be seen in Annexure-I. A list of public sector units under the administrative control of the Ministry of Steel is given at the end of this chapter. The list of Minister-in-charge and the officers down to the level of Deputy Secretary is given in Annexure-II.

2.1.1 Key Functions of the Ministry of Steel

- Development of Steel Plants in Public and Private Sectors, the re-rolling industry and ferro-alloys.
- Policy formulation regarding production, distribution, pricing of iron & steel and ferro alloys.
- Development of iron ore mines in the public sector and other ore mines like manganese ore, chrome ore, limestone and other minerals used in the iron and steel industry (but excluding mining lease or matters related thereto).
- Providing a platform for interaction of all producers and consumers of steel in the country.
- Identification of infrastructural and related facilities required by steel industry.
- Overseeing the performance of its PSUs and their subsidiaries.

2.1.2 Allocation of Responsibilities

The Ministry of Steel has a Secretary, four Joint Secretaries, three Directors, four Deputy Secretaries, one Joint Director (OL) and other supporting officers and staff. The Ministry also has a Financial Adviser in the rank of Additional Secretary, an Economic Adviser and a Chief Controller of Accounts. A Technical Wing under the charge of an Industrial Adviser gives advice in respect of technical matters besides discharging some secretariat work of technical nature like Research and Development Scheme.

2.2 Functions of Key Sections/Units in the Ministry

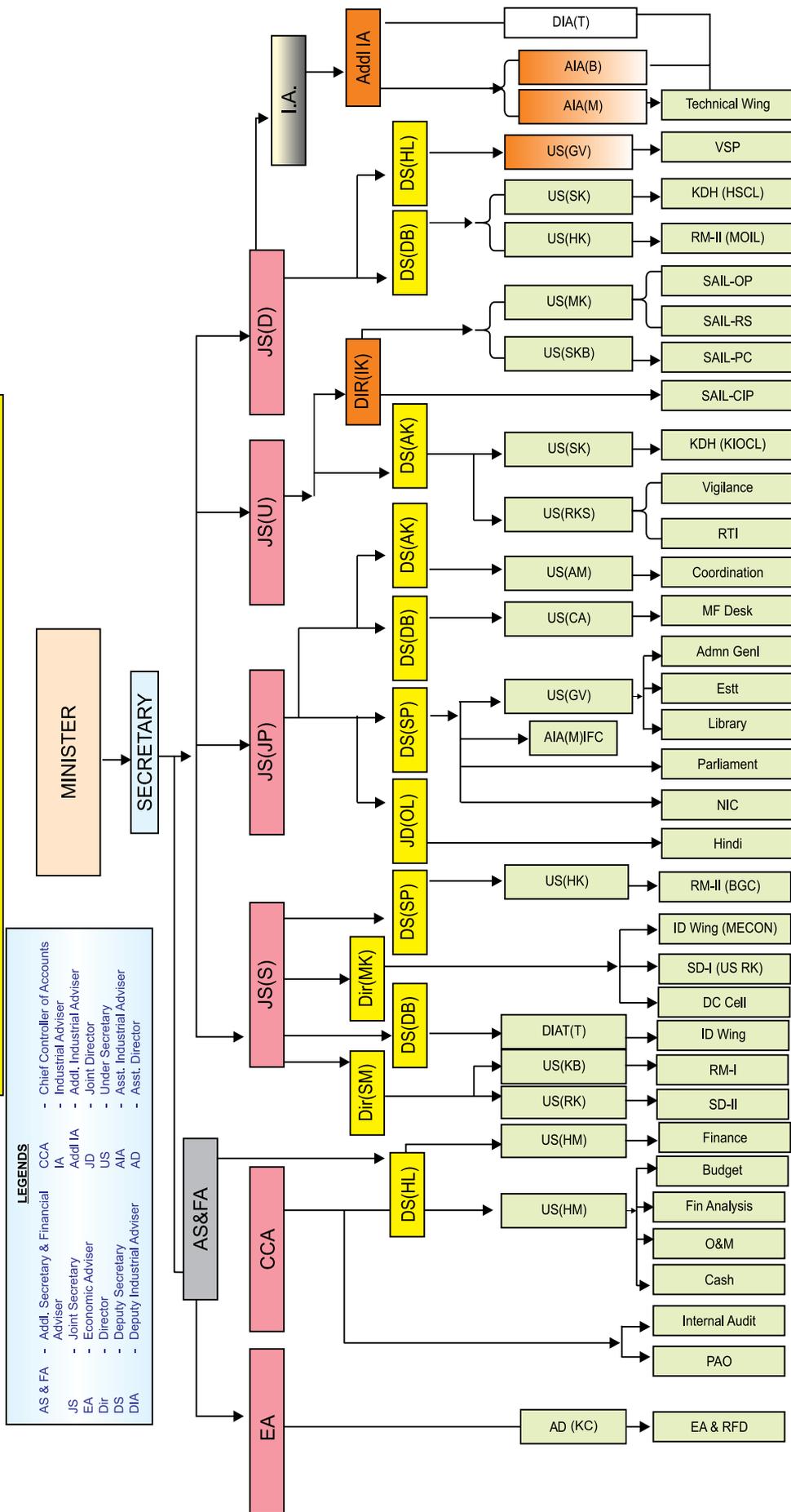
2.2.1 Administration

- General office administration and house-keeping.
- Office equipment, procurement and maintenance.
- Civil defence.
- Departmental security.
- Medical claims.
- Issue of various items of contingencies to the officers/officials of the Ministry.
- Protocol matters.

2.2.2 Establishment

Matters relating to Administrative/Personnel matters of all officers/officials in the Ministry of Steel, and issues related to the welfare of women.

ORGANISATION CHART OF MINISTRY OF STEEL AS ON 1.1.2012



2.2.3 Parliament Cell

Parliamentary matters relating to Ministry of Steel, meetings of the Consultative Committee and Standing Committee; visits of Parliamentary Committees/Study Group to PSUs/Projects under Ministry of Steel.

2.2.4 Library

The library looks after all matters relating to acquisition of books, manuals, newspapers, journals, other reference books and maintaining catalogues etc.

2.2.5 NIC Cell

NIC Cell provides Information and Communication Technology (ICT) support to the Ministry. This includes design, development and implementation of e-Governance, Application and ICT-enabled services on Ministry-wide intranet portal, design, hosting and maintenance of the Ministry's official website in National Informatics Centre (NIC) domain, capacity building in the area of information technology by conducting in-house training programmes for officials and staff of the Ministry and providing technical consultancy on ICT related matters to the Ministry, its PSUs and subordinate organisations.

2.2.6 Hindi Section

For implementation of the Official Language Policy, a Hindi Section functions in the Steel Ministry.

2.2.7 Right to Information Cell (RTI Cell)

This Cell looks after the work relating to implementation of the Right to Information Act, 2005 in the Ministry of Steel and monitoring its implementation in the Public Sector Undertakings and other offices under this Ministry, including submission of Annual Report relating to RTI activities to the Chief Information Commissioner.

2.2.8 Coordination Section

Matters requiring coordination in respect of the subjects allotted to various Sections/Desks and takes care of the following:

- Comments on the Draft Cabinet Notes received from other Ministries/Departments.
- Preparation of Brief Note/Agenda for Press Conferences/meetings of Hon'ble Minister.
- Preparation of Induction Note for Minister/Secretary and material for President's Address to Parliament.
- Circulation of guidelines/orders/instructions relating to Public Sector Enterprises issued by various agencies from time to time.
- Parliamentary Questions/Assurances of other Ministries/Departments pertaining to Ministry of Steel as a whole.
- Preparation of Annual Report of the Ministry of Steel.
- Finalisation and monitoring of the Citizens/Clients Charter of the Ministry.
- Monitoring of Centralised Public Grievance Redressal and Monitoring System (CPGRAMS).
- Monitoring of Security related matters of Steel Plants under the Ministry of Steel.

2.2.9 Vigilance Desk

The important activities looked after by this unit include:

- Identification of sensitive areas prone to malpractices/temptation and taking preventive measures to ensure integrity/efficiency in Government functioning.
- Scrutiny of complaints and initiation of appropriate investigation measures.

- Furnishing the comments of the Ministry to the Central Vigilance Commission (CVC) on the investigation reports of the Central Bureau of Investigation.
- Appointment of Chief Vigilance Officers (CVOs) in the PSUs in consultation with CVC and Department of Personnel & Training.

2.2.10 Technical Wing

Entrusted with full-fledged secretariat/administrative work relating to R&D, Energy & Environment Management, rendering technical advice, besides judging winners for the Prime Minister's Trophy for the best integrated steel plant.

2.2.11 Industrial Development Wing

Industrial Development Wing (IDW) is primarily concerned with the growth and development of iron and steel industry in the private sector.

2.2.12 Other Sections/Desks

SAIL OP, PC, CIP, RS Sections, RM-I and RM-II Sections, KDH Section, MF Desk, Steel Development and VSP Desks deal with all matters pertaining to their respective PSUs.

2.2.13 Development Commissioner for Iron & Steel (DCI&S) Cell

On the recommendation of the Expenditure Reforms Commission (ERC), an administrative decision was taken to close down the office of the Development Commissioner for Iron & Steel (DCI&S), Kolkata along with its four regional offices located at Chennai, Mumbai, Kolkata and New Delhi with effect from 23rd May, 2003. The residual work except the collection of data from secondary sector was transferred to DC Cell in the Ministry of Steel.

The DCI&S Cell is handling matters relating to allocation of Iron and Steel to Small Scale Industry (SSI) units through Small Scale Industries Corporation (SSIC)/National Small Scale Industries Corporation (NSIC).

In order to ensure that small scale industries obtain raw materials at reasonable price, the Government provides nominal handling charges of approximately ₹500-550 per tonne to the corporations. The allocation of iron and steel items during the last three years for the distribution to SSI units are as follows:

(Quantity in '000 MTs)

| Corporations | 2009-10 | 2010-11 | 2011-12* |
|--------------|---------|---------|----------|
| SSIC | 581 | 567 | 579 |
| NSIC | 162 | 199 | 205 |
| Total | 743 | 766 | 784 |

*As on 26th December 2011

2.2.14 Economic Analysis and RFD Division

- Preparation of Ministry's Annual Result Framework Document (RFD) for submission to Cabinet Secretariat.
- Monitoring the objectives/targets/success indicators included in RFD.
- Submission of major achievements in the form of monthly d.o. letter to the Cabinet Secretary.
- Monitoring techno-economic parameters of steel PSUs of the Ministry.
- Monitoring the Physical & Financial performance of the Steel PSUs.

2.3 Other Related Organs of the Ministry of Steel

2.3.1 Joint Plant Committee (JPC)

Accredited with ISO 9001: 2008 certification, Joint Plant Committee (JPC) is the only institution in the country, which is officially empowered by the Ministry of Steel / Government of India to collect data on the Indian iron and steel industry, resulting in the creation and maintenance of a complete databank on this industry.

JPC is headquartered at Kolkata with four regional offices in New Delhi, Kolkata, Mumbai and Chennai, engaged in data collection while the Economic Research Unit (ERU) at New Delhi serves as a wing of JPC to carry out techno-economic studies and policy analysis. JPC is headed by a Joint Secretary to Government of India, Ministry of Steel as its Chairman and has representatives from SAIL, RINL, Tata Steel and Railway Board as its Members.

The four Regional Offices of JPC play a pivotal role in close association with the headquarter at Kolkata:

- Collection of production, stock and raw material data from the producers.
- Collection of import and export data from the custom houses.
- Collection of domestic market prices.
- Regular follow-up/monitoring and related liaison activities with industry.
- Visit to defaulting steel producing units for on-spot data collection.
- Active role in field level collection during segment surveys.
- Organizational support to seminars/exhibitions including Ministry of Steel events like the Steel Consumers' Council meetings, steel pavilion at IITF.

2.3.2 Economic Research Unit

Research support, forecasting exercises and examination of policy matters/techno-economic studies are provided by the New Delhi based Economic Research Unit of JPC. In recent times, the ERU has completed work on the demand-supply estimation for the 12th Five Year Plan for Steel. The ERU also functions as the Secretariat to the prestigious Prime Minister's Trophy and the Steel Minister's Trophy.

2.3.3 Activities of JPC & ERU

Study on Rural Steel Demand:

JPC has conducted a study on assessment of steel demand in rural India. The study has brought to light information about the consumption level of steel in rural India, enabling one to understand the pattern and level of steel consumption – rural vis-à-vis urban India.

Fund Management Services by JPC

JPC serves as the Secretariat of the Steel Development Fund (SDF) Managing Committee. Secretary, Ministry of Steel is the Chairman while other members are Secretary, Ministry of Finance, Department of Expenditure, Secretary, Planning Commission, and the Jt. Secretary, MoS is the Member Secretary. SDF provides financial assistance to the industry for taking up projects on areas like technology up-gradation, measures connected with pollution control, activities related to R&D among others. JPC is also entrusted with the Secretarial functions of the Ferrous Scrap Committee (FSC), which includes among others, management of the Ferrous Scrap Development Fund (FSDF).

2.3.4 Ferrous Scrap Committee (FSC)

JPC has been entrusted with the secretariat functions of the Ferrous Scrap Committee (FSC) which inter-alia include management of the Ferrous Scrap Development Fund. FSC was established in 1979, vide notification of the Government of India, in the erstwhile Ministry of Steel, Mines and Coal, Department of Steel and was re-constituted on 28th July, 1997. At present, it comprises of the following members:

- Chairman - Joint Secretary, Ministry of Steel, Government of India.
- Director/Deputy Secretary (Finance), Ministry of Steel, Government of India.
- President, Iron, Steel Scrap & Shipbreakers Association of India.
- Chairman and CEO, Gujarat Maritime Board.

FSC performs the following functions:

- Support to Infrastructure development conducive to ship breaking activities.
- Support to Scrap handling / processing facilities.
- Conducting studies on various aspects of ship breaking.

2.4 List of Public Sector Units under the administrative control of the Ministry of Steel

| Sl. No. | Name of the Company | Headquarters | Subsidiaries |
|---------|--|---|--|
| 1. | Steel Authority of India Ltd. | Ispat Bhawan, Lodi Road, New Delhi - 110003 | SAIL Refractory Co. Ltd. Post Bag No.565 Salem-636005 (TN) |
| 2. | Rashtriya Ispat Nigam Ltd. | Administrative Building, Visakhapatnam - 530031 (Andhra Pradesh) | Bird Group of Companies AG 104, Saurav Abasan 2nd Floor, Sector II, Salt Lake City, Kolkata-700091 |
| 3. | NMDC Ltd. | Khanij Bhawan, 10-3 -311/A, Castle Hills, Masab Tank, Hyderabad-500028 (Andhra Pradesh) | J&K Mineral Development Corporation Ltd. 143-A, Gandhi Nagar, Jammu-180004 (J&K) |
| 4. | MOIL Ltd. | MOIL Bhawan, 1-A, Katol Road, Nagpur-440013 (Maharashtra) | |
| 5. | MSTC Ltd. | 225-C, Acharya Jagdish Chandra Bose Road, Kolkata-700020 (West Bengal) | Ferro Scrap Nigam Ltd., FSNL Bhawan, Equipment Chowk, Central Avenue, Bhilai-490001 (Chhattisgarh) |
| 6. | Hindustan Steelworks Construction Ltd. | 5/1, Commissariat Road, (Hastings), Kolkata - 700022 (West Bengal) | |
| 7. | MECON Ltd. | MECON Building, Ranchi-834002 (Jharkhand) | |
| 8. | KIOCL Ltd. | II Block, Koramangala Bengaluru-560034 (Karnataka) | |
| 9. | ICVL (SPV) | Ispat Bhawan, Lodhi Road, New Delhi - 110003 | |

**Maharashtra Elektros melt Ltd., has now become a unit of SAIL with effect from 12.7.2011 and has been renamed as Chandrapur Ferro Alloy Plant (CFP) of SAIL.*

CHAPTER-III

THE INDIAN STEEL SECTOR : DEVELOPMENT AND POTENTIAL

3.1 Introduction

At the time of independence in 1947, India had only three steel plants – the Tata Iron & Steel Company, the Indian Iron and Steel Company and Visveswaraya Iron & Steel Ltd and a few electric arc furnace-based plants. The period till 1947 thus witnessed a small but viable steel industry in the country, which operated with a capacity of about 1 million tonne and was completely in the private sector. From the fledgling one million tonne capacity status at the time of independence, India has now risen to be the 4th largest crude steel producer in the world and the largest producer of sponge iron. As per official estimates, the Iron and Steel Industry contributes around 2 percent of the Gross Domestic Product (GDP). From a negligible global presence, the Indian steel industry is now globally acknowledged for its product quality. As it traversed its long history since independence, the Indian steel industry has responded to the challenges of the highs and lows of business cycles. The first major change came during the first three Five-Year Plans (1952-1970) when in line with the economic order of the day, the iron and steel industry was earmarked for state control. From the mid-50s to the early 1970s, the Government of India set up large integrated steel plants in the public sector at Bhilai, Durgapur, Rourkela and Bokaro. The policy regime governing the industry during these years involved:

- Capacity control measures: Licensing of capacity, reservation of large-scale capacity creation for the public sector units.
- A dual-pricing system: Price and distribution control for the integrated, large-scale producers in both the private and public sectors, while the rest of the industry operated in a free market.



A panoramic view of the Blast Furnaces that form the skyline of SAIL's Bhilai Steel Plant.



Mrs. Indira Gandhi, former Prime Minister of India during her visit to the Plant in 1970, with Maj. General B.P. Wadhera, the then Director-in-Charge, Durgapur Steel Plant.

- Quantitative restrictions and high tariff barriers
- Railway freight equalisation policy: To ensure balanced regional industrial growth.
- Controls on imports of inputs, including technology, capital goods and mobilisation of finances and exports.

The large-scale capacity creation in the public sector during these years contributed to making India the 10th largest steel producer in the world as crude steel production grew markedly to nearly 15 million tonnes in the span of a decade from a mere 1 million tonne in 1947. But the trend could not be sustained from the late 1970's onwards, as the economic slowdown adversely affected the pace of growth of the Indian steel Industry. However, this phase was reversed in 1991-92, when the country replaced the control regime by liberalisation and deregulation in the context of globalisation. The provisions of the New Economic Policy initiated in the early 1990's impacted the Indian steel industry in the following ways:

- Large-scale capacities were removed from the list of industries reserved for the public sector. The licensing requirement for additional capacities was also withdrawn subject to locational restrictions.
- Private sector came to play a prominent role in the overall set-up.
- Pricing and distribution control mechanisms were discontinued.
- The iron and steel industry was included in the high priority list for foreign investment, implying automatic approval for foreign equity participation up to 50%, subject to the foreign exchange and other stipulations governing such investments in general.
- Freight equalisation scheme was replaced by a system of freight ceiling.

- Quantitative import restrictions were largely removed. Export restrictions were withdrawn.

The system, thereafter, underwent marked changes. For steel makers, opening up of the economy opened up new channels of procuring their inputs at competitive rates from overseas markets and also new markets for their products. It also led to greater access to information on global operations/techniques in manufacturing. This, along with the pressures of a competitive global market, increased the need to enhance efficiency levels so as to become internationally competitive. The steel consumer, on the other hand, was now able to choose items from an array of goods, be it indigenously manufactured or imported. This freedom to choose established the sovereignty of the consumer and galvanised steel producers to provide products/service levels in tune with the needs of the consumers. With the opening up of the economy in 1992, the country experienced rapid growth in steel making capacity. Large integrated steel plants were set up in the Private Sector by Essar Steel, Ispat Industries, Jindal Group etc. Tata Steel also expanded its capacity. To sum up, some of the notable milestones in the period were:

- Emergence of the private sector with the creation of around 9 million tonnes of steel capacity based on state-of-the-art technology.
- Reduction/ dismantling of tariff barriers, partial float of the rupee on trade account, access to best-practice of global technologies and consequent reduction in costs – all these enhanced the international competitiveness of Indian steel in the world export market.

After 1996-97, with the steady decline in the domestic economy's growth rate, the Indian steel industry's pace of growth slowed down and in terms of all the performance indicators – capacity creation, production, consumption, exports and price/ profitability – the performance of the industry fell below average. In foreign trade, Indian steel was also subjected to anti-dumping/ safeguard duties as most developed economies invoked non-tariff barriers. Economic devastation caused by the Asian financial crisis, slowdown of the global economy and the impact of glut created by additional supplies from the newly steel-active countries (the steel-surplus economies of erstwhile USSR) were the factors that pulled down growth levels.

However, from the year 2002, the global industry turned around, helped to a great extent by China, whose spectacular economic growth and rapidly-expanding infrastructure led to soaring demand for steel, which its domestic supply could not meet. At the same time, recoveries in major markets took place, reflected by increase in production, recovery of prices, return of profitability, emergence of new markets, lifting of trade barriers and finally, rise in steel demand – globally. The situation was no different for the Indian steel industry, which by now had acquired a degree of maturity, with emphasis on intensive R&D activities, adoption of measures to increase domestic per capita steel consumption and other market development projects, import substitution measures, thrust on export promotion and exploring global avenues to fulfil input requirements.

The rapid pace of growth of the industry and the observed market trends called for certain guidelines and framework. Thus was born the concept of the National Steel Policy, with the aim to provide a roadmap of growth and development for the Indian steel industry. The National Steel Policy (NSP) was announced in November 2005 as a basic blueprint for the growth of a self-reliant and globally competitive steel sector. The long-term objective of the National Steel Policy 2005 is to ensure that India has a modern and efficient steel industry of world standards, catering to diversified steel demand. The focus of the policy is to attain levels of global competitiveness in terms of global benchmarks of efficiency and productivity. The National Steel Policy 2005 seeks to facilitate removal of procedural and policy bottlenecks that affect the availability of production inputs, increased investment in research and development, and creation of road, railway and port infrastructure. The Policy focuses on the domestic sector, but also envisages a

steel industry growing faster than domestic consumption, which will enable export opportunities to be realised. Currently, the same is being updated, to be in sync with changing times.

3.2 Production, Consumption and Growth of Steel

The table below shows the trend in production for sale, import, export and real consumption of total finished steel (alloy + non-alloy) in the country:

| Year | Total Finished Steel (alloy + non-alloy) ('000 tonnes) | | | |
|-----------------|--|--------|--------|------------------|
| | Production for sale | Import | Export | Real Consumption |
| 2006-07 | 52529 | 4927 | 5242 | 46783 |
| 2007-08 | 56075 | 7029 | 5077 | 52125 |
| 2008-09 | 57164 | 5839 | 4437 | 52351 |
| 2009-10** | 60624 | 7382 | 3251 | 59339 |
| 2010-11* | 66013 | 6798 | 3461 | 65610 |
| Apr-Dec2011-12* | 52061 | 4984 | 3048 | 50865 |

Source: JPC; * =Prov. ** Revised figures

Crude steel production has shown a sustained rise since 2006-07 along with capacity. Data on crude steel production, capacity and capacity utilization are given in the table below:

| Year | Crude Steel | | |
|-------------------|------------------------|--------------------------|--------------------------|
| | Capacity ('000 tonnes) | Production ('000 tonnes) | Capacity utilization (%) |
| 2006-07 | 56843 | 50817 | 89 |
| 2007-08 | 59845 | 53857 | 90 |
| 2008-09 | 66343 | 58437 | 88 |
| 2009-10** | 75001 | 65839 | 88 |
| 2010-11* | 78001 | 69575 | 89 |
| Apr-Dec. 2011-12* | 84461 | 53357 | 84 |

Source: JPC; * =Prov. ** Revised figures

The above crude steel performance has been contributed largely by the strong trends in growth of the electric route of steel making, particularly the induction furnace route, which accounted for 32 per cent of total crude steel production in the country during 2010-11 (provisional) and has emerged as a key driver of crude steel production. The shares of the different process routes in total production of crude steel in the country during 2006-07, 2010-11 and April-December 2011-12 (Provisional) are shown in the table below and which indicate the emergence of the electric route of production compared to the oxygen route:

| Crude Steel production by Process Route | Percentage share (%) | | |
|---|----------------------|----------|-------------------|
| | 2006-07 | 2010-11* | Apr-Dec. 2011-12* |
| Basic Oxygen Furnace (BOF) | 50 | 45 | 43 |
| Electric Arc Furnace (EAF) | 20 | 23 | 26 |
| Induction Furnace (IF) | 30 | 32 | 31 |
| Total | 100 | 100 | 100 |

Source: JPC; * =Prov.

India is also a leading producer of sponge iron with a host of coal based units, located in the mineral-rich states of the country. Over the years, the coal based route has emerged as a key contributor and accounted for 78% of total sponge iron production in the country (2010-11; prov.) and near-80% during April-December 2011-12 (provisional). Capacity in sponge iron making too has increased over the years and stands at around 35 million tonnes. The table below shows the production of sponge iron in the country, indicating the break-up of the share of coal and gas based route of production:

| Year | Production of Sponge Iron (unit: million tonnes) | | | | | |
|------------|--|---------|---------|-----------|----------|---------------------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10** | 2010-11* | 2011-12* (Apr-Dec.) |
| Coal based | 13.08 | 14.53 | 15.57 | 18.18 | 20.92 | 17.08 |
| Gas based | 5.26 | 5.84 | 5.52 | 6.15 | 5.79 | 4.14 |
| Total | 18.34 | 20.37 | 21.09 | 24.33 | 26.71 | 21.22 |

Source: JPC; *=Prov. ** Revised figures

India is also an important producer of pig iron. Post-liberalisation, with setting up several units in the private sector, not only imports have drastically reduced but also India has turned out to be a net exporter of pig iron. The private sector accounts for 90% of total production for sale of pig iron in the country in 2010-11 (provisional). The domestic availability situation of pig iron is given in the table below:

| Pig Iron Domestic Availability Scenario ('000 tonnes) | | | | | | |
|---|---------|---------|---------|-----------|----------|---------------------|
| Year | 2006-07 | 2007-08 | 2008-09 | 2009-10** | 2010-11* | 2011-12* (Apr-Dec.) |
| Production for sale | 4953 | 5284 | 6207 | 5884 | 5541 | 4247 |
| Import | 3 | 11 | 8 | 11 | 9 | 7 |
| Export | 707 | 560 | 350 | 362 | 358 | 306 |
| Consumption | 4336 | 4621 | 5870 | 5531 | 5153 | 4060 |

Source: JPC; *=Prov. ** Revised figures

3.3 Global Ranking of Indian Steel

Global crude steel production reached 1515 million tonnes (mt) in 2011, a growth of 6.8% over 2010. China was the largest crude steel producer in the world with production reaching 683 mt, a growth of 8.9% over 2010. India was the 4th largest producer during this period and recorded a growth of 5.7% over 2010. India also emerged as the largest sponge iron producing country in the world in 2011.

| World Crude Steel Production in 2011* (mt) | | |
|--|---------------|------------|
| Rank | Country | Production |
| 1 | China | 683.26 |
| 2 | Japan | 107.59 |
| 3 | United States | 86.25 |
| 4 | India | 72.20 |
| 5 | Russia | 68.74 |

| | | |
|---|-------------|-------|
| 6 | South Korea | 68.47 |
| 7 | Germany | 44.29 |
| 8 | Ukraine | 35.33 |
| 9 | Brazil | 35.16 |
| 10 | Turkey | 34.10 |
| Source: World Steel Association Report dated 19.1.12; *=Provisional | | |

3.4 Steel: Key facts

| Indian Steel Scene: April – December 2011-12* | | |
|---|---------------------|--|
| Total Finished Steel (alloy+non-alloy) | Qty (million tonne) | % change over same period of last year |
| Production for sale | 52.061 | 7.5 |
| Import | 4.984 | -7.0 |
| Export | 3.048 | 23.8 |
| Real Consumption | 50.865 | 4.4 |
| Crude steel | | |
| Production | 53.357 | 3.5 |
| Capacity Utilization (%) | 84 | - |
| Source: JPC; * = Provisional | | |

Besides achieving the rank of the 4th largest global crude steel producer in 2011 (provisional), India has also made a mark globally in the production of sponge iron/direct reduced iron (DRI). Courtesy a mushrooming growth of coal-based sponge iron units in key mineral-rich pockets of the country, domestic production of sponge iron increased rapidly, enabling the country to achieve and maintain the number one position in the global market. With a series of mega projects, either being implemented or at the proposal stage, which once operational, will re-write the structure of the steel industry and its dynamics; and a domestic economy carrying forward the reform process further, the future of the Indian steel industry is definitely optimistic.

The data pertaining to production, consumption, import, export etc. of steel sector are at Annexure III-XI.

3.5 Trends in Production, Private/Public Sector

The following table highlights the total as also the contribution of the private and public sector in crude steel production in the country during the last five years and April-December of 2011-12:

| Indian Crude Steel Production (million tonnes) | | | | | | |
|--|---------|---------|---------|-----------|----------|---------------------|
| | 2006-07 | 2007-08 | 2008-09 | 2009-10** | 2010-11* | 2011-12* (Apr-Dec.) |
| Public Sector | 17 | 17.09 | 16.37 | 16.71 | 16.99 | 12.26 |
| Private Sector | 33.81 | 36.77 | 42.07 | 49.13 | 52.67 | 41.10 |
| Total Production | 50.81 | 53.86 | 58.44 | 65.84 | 69.57 | 53.36 |
| Share of Public Sector (%) | 33 | 32 | 28 | 25 | 24 | 23 |
| Source: JPC; *=Prov. ** Revised figures | | | | | | |

3.6 Plan Outlay for the 11th Five Year Plan (2007-12)

For the 11th Five Year Plan (2007-12), the Planning Commission has approved total outlay of ₹45607.08 crore (i.e. Internal and Extra Budgetary Resources [I&EBR] of ₹45390.08 crore and Gross Budgetary Support [GBS] of ₹217 crore).

(₹ in crore)

| Sl. No. | Name of the Scheme/programme | Outlay for 11th Plan (Approved) | | |
|---------|--|---------------------------------|-------|----------|
| | | I&EBR | GBS | Total |
| A. | Scheme of PSUs | | | |
| 1. | Steel Authority of India Ltd. | 27409.00 | 0.00 | 27409.00 |
| 2. | Rashtriya Ispat Nigam Ltd. | 9569.18 | 0.00 | 9569.18 |
| 3. | Sponge Iron India Ltd.* | 25.00 | 0.00 | 25.00 |
| 4. | Hindustan Steelworks Construction Ltd. | 0.00 | 35.00 | 35.00 |
| 5. | MECON Ltd. | 9.00 | 63.00 | 72.00 |
| 6. | MSTC Ltd. | 30.00 | 0.00 | 30.00 |
| 7. | Ferro Scrap Nigam Ltd. | 60.00 | 0.00 | 60.00 |
| 8. | NMDC Ltd. | 7147.00 | 0.00 | 7147.00 |
| 9. | KIOCL Ltd. | 650.00 | 0.00 | 650.00 |
| 10. | MOIL Ltd. | 342.90 | 0.00 | 342.90 |
| 11. | Bird Group of Companies | 148.00 | 1.00 | 149.00 |

* Merged with NMDC Ltd. w.e.f. 01.07.2010

| | | | | |
|----|--|-----------------|---------------|-----------------|
| B. | Scheme of Ministry of Steel | | | |
| 1. | Scheme for promotion of R&D in the Iron & Steel Sector | 0.00 | 118.00 | 118.00 |
| | Total (A+B) | 45390.08 | 217.00 | 45607.08 |

During the 11th Five Year Plan, a new scheme viz. "Scheme for promotion of Research and Development in Iron & Steel sector" has been approved with a budgetary provision of ₹118 crore for implementation. The scheme was approved by Ministry of Finance with the observation that the scheme may be initiated in the Financial Year 2009-10. Presently, eight projects have been identified for implementation under the scheme. A total amount of ₹40.70 crore has been spent upto December, 2011 under the scheme.

3.7 Role of the Ministry of Steel

The pre-deregulation phase has seen the Ministry of Steel in the key role of a regulator which was essential, given the operating economic conditions, the limited presence of industry and the scarcity of key raw material for steel-making at home. Through skillful and judicious decisions on allocation and pricing and formulating related policy measures, the Ministry of Steel had played an important role in taking the steel industry forward in this phase.

In the post-deregulation period, the role of the Ministry of Steel has primarily been that of a facilitator for the Indian steel industry, being responsible for the planning and development of the iron and steel industry, development of essential inputs such as iron ore, limestone, dolomite, manganese ore, chromites, ferro alloys, sponge iron, and other related functions. In its present day role, the Ministry of Steel is extending all possible support for the development of the Iron and Steel Industry in the country, in matters like:

- Facilitating expedited growth of steel capacity investments through active coordination and formulation of right policy directives. An Inter-Ministerial Group (IMG) is functioning in the Ministry of Steel, under the Chairmanship of Secretary (Steel) to monitor and coordinate major steel investments in the country.
- Providing linkage for raw materials, rail movement clearance etc. for new plants and expansion of existing ones.
- Facilitating movement of raw materials other than coal through finalisation of wagon requirements and ensuring an un-interrupted supply of raw materials to the producers.
- Regular interactions with entrepreneurs proposing to set up new ventures, to review the progress of implementation and assess problems faced.
- Identification of infrastructural and related facilities required by the steel industry, and coordination of infrastructure requirement of steel sector with the concern Ministries/Department.
- Promoting, developing and propagating the proper and effective use of steel and increasing the intensity of steel usage, particularly in the construction sector in rural and semi urban areas, through “Institute for Steel Development and Growth (INSDAG)” in Kolkata.
- Encouraging research and development activities in the steel sector. An Empowered Committee under the Chairmanship of Secretary (Steel) provides overall direction to research efforts on iron and steel in the country and approves specific research projects placed before it for funding, fully or partially, from the Steel Development Fund. Efforts are being made to further augment R&D activities in the country with Government budgetary support during the 11th plan period.
- Providing technical inputs to the Norms Committee in Director General of Foreign Trade (DGFT), Department of Commerce, to fix/revise input-output norms to facilitate export of iron, steel, ferro-alloy, refractories and engineering products.
- Providing technical input to Ministry of Environment & Forests (MoEF) for grant of Host Country Approval under the Clean Development Mechanism (CDM) and United Nations Framework Convention on Climate Change (UNFCCC).
- Co-ordinating with Bureau of Indian Standards for formulation /amendment of Indian standards for Iron & Steel products.
- Co-ordinating with Central Pollution Control Board/MoEF for environment management and pollution control and waste management.
- Facilitating improvement in performance of integrated steel plants through the Prime Minister’s Trophy Scheme, giving recognition to the best performing steel plant in India.
- Addressing the problem of shortage of technically qualified manpower to sustain development and growth of the iron and steel industry in India.
- The organisation of Steel Consumer Council provides a forum for interaction of all producers and consumers of steel in the country.

CHAPTER-IV

PUBLIC SECTOR

4.1 Introduction

The companies under the Ministry of Steel have performed well in the last five years. Profit After Tax (PAT) of the Companies under the Ministry of Steel was around ₹8390.34 crore during the year 2011-12 (upto December 2011). The details may be seen at Annexure-XIV(A). The contribution to Central and State Government exchequer by way of excise duty, customs duty, dividend, corporate tax, sales tax, royalty etc. was around ₹14554.78 crore during the year 2011-12 (upto December 2011). The details may be seen at Annexure-XV & XV(A).

4.2 Steel Authority of India Ltd. (SAIL)

The Steel Authority of India Limited (SAIL) is a company registered under the Indian Companies Act, 1956 and is an enterprise of the Government of India. It has five integrated steel plants at Bhilai (Chhattisgarh), Rourkela (Orissa), Durgapur (West Bengal), Bokaro (Jharkhand) and Burnpur (West Bengal). SAIL has three special and alloy steels plants viz. Alloy Steels Plant at Durgapur (West Bengal), Salem Steel Plant at Salem (Tamil Nadu) and Visveswaraya Iron and Steel Plant at Bhadravati (Karnataka). SAIL has also several units viz. Research and Development Centre for Iron and Steel (RDCIS), Centre for Engineering and Technology (CET), Management Training Institute (MTI) and SAIL Safety Organisation (SSO) all located at Ranchi, Central Coal Supply Organisation (CCSO) located at Dhanbad, Raw Materials Division (RMD), Environment Management Division (EMD) and Growth Division (GD) all located at Kolkata, and SAIL Refractory Unit at Bokaro. During the year, the Maharashtra Elektros melt Limited ("MEL"), the erstwhile subsidiary of SAIL was merged with it under Section 391-394 of the Companies



SAIL Chairman, Shri C.S. Verma receiving the SCOPE Meritorious Award for Environmental Excellence & Sustainable Development from President of India, H.E. Smt. Pratibha Devisingh Patil at Vigyan Bhawan, New Delhi on 11th April 2011, in the presence of Hon'ble Minister for Heavy Industries & Public Enterprises, Shri Praful Patel.



SAIL Chairman, Shri C.S. Verma receiving the MoU Excellence Award from Hon'ble Prime Minister of India, Dr. Manmohan Singh at Vigyan Bhawan in New Delhi on 31st January, 2012, in the presence of Hon'ble Minister of Heavy Industries & Public Enterprises Shri Praful Patel.

Act, 1956. MEL has now become a plant of SAIL and it has been renamed as Chandrapur Ferro Alloy Plant.

The Central Marketing Organisation (CMO), with its headquarters at Kolkata, coordinates the countrywide marketing and distribution network. The SAIL Consultancy Division (SAILCON) functions from New Delhi.

4.2.1 Capital Structure

The authorised capital of SAIL is ₹5000 crore. The paid-up capital of the company was ₹4130.40 crore as on 31st March, 2011, out of which 85.82% is held by the Government of India and the balance 14.18% by the financial institutions/GDR holders/banks/employees/individuals etc.

4.2.2 Further Public Offer

The Government has approved on 08th April, 2010 issue of additional share capital by SAIL amounting to 10% of the existing paid-share capital and 10% offer for sale of Government's share holding in two discrete tranches of equivalent amount. The FPO was to be effected at an appropriate time subject to the prevalent market conditions. Given the volatile condition of the market, the decision for effecting the first tranche has been deferred.

4.2.3 Financial Performance

The company recorded turnover of ₹47,041 crore in the financial year 2010-11. The post-tax net profit for the year was ₹ 4904.74 crore. The company has paid dividend @ 24 % of paid up equity capital for the year 2010-11. The sales turnover and net profit after tax upto December, 2011 were ₹35,564 crore and ₹1,965.74 crore respectively.

4.2.4 Production Performance

The details of the actual production are given below:

(‘000 tonne)

| Items | 2010-2011 | 2011-12 (upto December 2011) |
|----------------|-----------|------------------------------|
| Hot Metal | 14888 | 10518 |
| Crude Steel | 13761 | 9958 |
| Saleable Steel | 12887 | 9107 |

4.2.5 Raw Materials

SAIL has fulfilled the requirement of iron ore from its captive mines of its steel plants by producing about 24.45 million tonnes during 2010-11. The production of fluxes from captive mines was 2.33 million tonnes. During 2010-11, production in captive collieries of SAIL was about 1.10 million tonnes.

During 2011-12 (April-December’2011), production of iron ore, fluxes and Coal from SAIL’s captive collieries was 17.01 million tonnes, 1.49 million tonnes and 0.44 million tonnes respectively.

4.2.6 Manpower

The Manpower Strength of SAIL (including MEL/CFP) as on 1st April, 2011 was 111475 while as on 01.01.2012, it was 107841, (Executive 15751/ Non-Executive 92090), achieving reduction of 3634 manpower during the year 2011-12 (upto December, 2011).

4.3 Rashtriya Ispat Nigam Ltd. (RINL)

Rashtriya Ispat Nigam Limited (RINL), the corporate entity of Visakhapatnam Steel Plant (VSP) set up its first shore based integrated steel plant at Visakhapatnam in Andhra Pradesh. The plant was commissioned in August 1992 with a capacity to produce 3 million tonnes per annum (MTPA) of liquid steel. The plant has been built to match international standards with state-of-the-art technology, incorporating extensive energy saving and pollution control measures. RINLVSP has an excellent layout capable of expanding upto 20 MTPA. RINL-VSP is today on the growth path and almost doubling its capacity to 6.3 MTPA of liquid steel and the new units are set to come on stream progressively from 2011-12.

Within a short period of time since its commissioning, the plant achieved high levels of performance in production and technological norms. Right from the year of its integrated operation, VSP established its presence both in the domestic and international markets with its superior quality of products. VSP has been awarded all the three international standards certificates, namely, ISO 9001:2000, ISO 14001:1996 and OHSAS 18001:1999. RINL-VSP is the first Indian steel plant to get the ‘Capability Maturity Model Integrated (CMMI) - Level 3’ certification issued by ‘Software Engineering Institute (SEI) of Carnegie Mellon University’, USA for implementation of IT systems in VSP. RINL-VSP is the first PSE & first in steel sector in India to get BS EN 16001 (Energy Management System) certification. The company has emerged as a good corporate citizen & has contributed substantially for development of the region.



A Panoramic view of RINL's Visakhapatnam Steel Plant.

The physical performance in terms of production and percentage achievement of rated capacities along with financial/marketing performance for the year 2011-12 (Actual upto Dec.' 11 and forecast for the period Jan-Mar' 12) is as under:

| Item | 2010-11 | 2011-12 | |
|---|-------------|------------------|----------------------|
| | | Actual (Apr-Dec) | Forecast (Jan-Mar) * |
| Production (in Million Tonnes) & (Capacity Utilization in %) | | | |
| Hot Metal | 3.830(113%) | 2.848 (111%) | 1.052 (124%) |
| Crude Steel | 3.235(115%) | 2.297 (108%) | 0.888 (126%) |
| Saleable Steel | 3.077(116%) | 2.199 (110%) | 0.836 (126%) |
| Financial performance (₹ in Crs) | | | |
| Gross Turnover | 11517 | 9944.68 | 4439.14 |
| Profit After Tax | 658.49 | 401.27 | 218.83 |
| Net Worth | 13229 | 13630.49 | 13849.32 |

* Estimated figures

RINL's Value Added Steel production stood at 17.15 lakh tonnes, which is 78% of the Saleable Steel produced during Apr-Dec.'11.

4.4 NMDC Ltd.

NMDC Limited, incorporated on November 15, 1958, is a "Navratna" public sector company under the Ministry of Steel, Government of India, primarily engaged in the business of exploring minerals and developing mines to produce raw materials for the industry. It is also expanding its activities towards steel making and other value added products.



Shri Rana Som, CMD, NMDC receiving PSE Excellence Award 2011, from Shri Bhaskar Chatterjee, Secretary, DPE in the presence of Steel Secretary, Shri P. K. Misra.

From a single-product-single-customer company, NMDC has grown to be a major iron ore supplier to the domestic steel industries. NMDC is also doing exploration and prospecting works for high value minerals like diamond in Andhra Pradesh and gold in Tanzania.

NMDC operates the large mechanized iron ore mines in the Country at Bailadila (Chhattisgarh) and Donimalai (Karnataka). The Diamond Mine of NMDC is situated at Panna (Madhya Pradesh).

All the iron ore production units of NMDC have been accredited with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications. The R&D Centre of NMDC is accredited with ISO 9001:2008 certification.

As part of the Greenfield expansion / diversification programme, NMDC is setting up an Integrated Steel Plant of 3 MTPA capacity at Nagarnar, Chhattisgarh. The project is estimated to cost about ₹15,525 crore. Construction work has started.

NMDC is in the process of expanding its business through forward integration in both Greenfield and Brownfield projects by setting up (a) 2.0 mtpa Pellet Plant in Chhattisgarh (b) 1.2 mtpa Pellet Plant at Donimalai in Karnataka (c) 0.36 mtpa BHJ ore beneficiation plant at Donimalai.

NMDC has planned to expand its business through horizontal integration in the fields of Coal, Rock Phosphate, Lime Stone, Gold and Diamond.

NMDC has already diversified its activities in the field of renewable energy by setting up Wind Mill in Karnataka and is exploring the possibilities in solar energy.

4.4.1 CAPITAL STRUCTURE

The authorized share capital of the company is ₹ 400 crore. The paid up equity share capital is ₹ 396.47 crore.

4.4.2 FINANCIAL PERFORMANCE

The financial performance of the company for the year 2011-12 as against previous year 2010-11 is as below:

(₹ in crores)

| Item | 2010-2011 | 2011-12 | |
|-------------------|-----------|---------------------|------------------------|
| | | Upto Dec (Prov.) | Jan-Mar (Estimated) |
| Sales/Turnover | 11369 | 8623 | 3084 |
| Gross Margin | 9852 | 8327 | 2965 |
| Profit Before Tax | 9727.17 | 8320.23 | 2839.77 |

4.5 MOIL Ltd.

MOIL Ltd., earlier known as Manganese Ore (India) Limited, is a Miniratna Category I Public Sector Undertaking under the Ministry of Steel. It is the largest producer of Manganese ore in India. MOIL was established in 1962. At the time of inception, the Central Province Manganese Ore Co. Ltd. (CPMO) held 49% of shares and the remaining 51% in equal proportion by Govt. of India and the State Governments of Madhya Pradesh and Maharashtra. Subsequently, in 1977, Govt. of India acquired the shares held by CPMO in MOIL and MOIL became a wholly owned Govt. Company with effect from October, 1977.

MOIL produces and sells different grades of Manganese Ore. They are:

- High grade ores for production of Ferro manganese.



Integrated Manganese Beneficiation Plant of MOIL at Balaghat.

- Medium grade ore for production of Silico manganese.
- Blast furnace grade ore required for production of hot metal; and
- Dioxide for dry battery cells and chemical industries.

MOIL has set up a plant based on indigenous technology to manufacture Electrolytic Manganese Dioxide (EMD). This product is used for the manufacture of dry battery cells. EMD produced by the Company is of good quality and well accepted by the market. A Ferro manganese plant having a capacity of 10,000 MT per annum was set up in 1998 by MOIL Ltd. for value addition. MOIL Ltd. has also set up a 5,00,000 TPA Integrated Manganese Beneficiation Plant at Balaghat Mine and diversified in field of wind power generation by setting up 20MW wind farms in the Nagda and Ratedi hills near Dewas in Madhya Pradesh.

4.5.1 Capital Structure

As on 31.12.2011, the authorized and paid-up capital of the Company are ₹250 (Two Hundred Fifty) crore and ₹168.00 crore, respectively. Government of India holds 71.57% shares in MOIL with State Governments of Maharashtra and Madhya Pradesh holding 4.62% and 3.81% shares respectively.

4.5.2 Operational & Financial Results

The physical and financial performance of the Company for the year 2010-11 and current year are given below :-

(₹ in crores)

| Sl. No. | Item | 2010-11 | 2011-12 (Upto Dec., 2011) | Estimate (Jan-March,12) |
|---------|--------------------------------|---------|---------------------------|-------------------------|
| 1. | Production | | | |
| | a) Manganese Ore ('000 Tonnes) | 1151 | 755.36 | 316.76 |
| | b) E.M.D. (Tonnes) | 805 | 484 | 220 |
| | c) Ferro Manganese (Tonnes) | 9081 | 6510 | 2100 |
| 2. | Profit Before Tax | 880.15 | 445.07 | 153.93 |

4.5.3 MARKETING

The sales performance achieved during 2010-11 and 2011-12 (upto 31.12.2011) is as under:

| Sl. No. | Details | 2010-11 | | 2011-12 Upto 31-12-11 (Provisional) | |
|---------|-----------------|-------------------|---------------------|-------------------------------------|---------------------|
| | | Quantity (Tonnes) | Value (₹ in crores) | Quantity (Tonnes) | Value (₹ in crores) |
| 1. | ManganeseOre | | | | |
| | Domestic | 999249 | 1069.25 | 777725 | 621.67 |
| | Export | - | - | - | - |
| | Total | 999249 | 1069.25 | 777725 | 621.67 |
| 2. | EMD | 911 | 6.21 | 691 | 4.71 |
| 3. | Ferro Manganese | 6903 | 45.31 | 11655 | 64.59 |
| 4. | Slag | 14339 | 16.21 | 6491 | 5.61 |
| 5. | W.T.G.(KwH) | 22449760 | 8.31 | 19246200 | 6.82 |
| | TOTAL | | 1145.29 | | 703.40 |

4.6 MSTC Ltd.

MSTC Limited formerly known as Metal Scrap Trade Corporation Limited was set up in September 1964 for regulating export of ferrous scrap from India. The status of the Company underwent a change in February 1974 and it was made a subsidiary of Steel Authority of India (SAIL). In the year 1982-83, the Corporation was converted into an independent PSU under the Ministry of Steel. It was the canalizing agency for import of carbon steel melting scrap, sponge iron, hot briquetted iron and re-rollable scrap till February 1992. It was also the canalizing agency for import of old ships for breaking, import of which was decanalized and put under Open General Licence (OGL) with effect from August 1991.

Presently the Company undertakes trading activities, e-commerce, disposal of ferrous & non-ferrous scrap, surplus stores and other secondary arising generated mostly from Public Sector Undertakings and Govt. Departments, including Ministry of Defence, Human Hair of Tirupati Tirumala Devasthanam. Hon'ble Supreme Court has appointed MSTC through Central Empowerment Committee/Monitoring Committee for e-Auction of IronOre lying at pit heads of iron ore mines in Bellary-Hospet area. The Company also undertakes import of raw materials in bulk required by large industrial houses on back-to-back basis. The items of import include LAM Coke, Coking Coal, DR Pellets, HR Coils and Melting Scrap, Naptha etc. It also undertakes trading in items within the country in competition with any other private trader.

Capital Structure and Share Holding Pattern

As on 31.03.2011, the authorised capital of the Company is 50,00,000 equity share of ₹10/- each of ₹5.00 crore and paid-up capital 22,00,000 equity share of ₹10/- each of ₹2.20 crore, out of which, 89.85% is held by the Government of India and balance 10.15% by others. Bonus share issued at 1:1 in 1993-94.

4.7 Ferro Scrap Nigam Ltd. (FSNL)

FSNL is a wholly owned subsidiary of MSTC Ltd. with a paid-up capital of ₹200 lakhs. The Company undertakes the recovery and processing of scrap from slag and refuse dumps in the nine steel plants at Rourkela, Burnpur, Bhilai, Bokaro, Durgapur, Visakhapatnam, Dolvi Duburi and Haridwar. The scrap recovered is returned to the steel plants for recycling/disposal and the Company is paid processing charges on the quantity recovered at varying rates depending on the category of scrap. Scrap is generated during iron and steel making and also in the Rolling Mills. In addition, the Company is also providing steel mill services such as scarfing of slabs, handling of BOF slag, etc.

4.7.1 Physical Performance

The production performance of FSNL for the last two years and for the year 2011-12 (upto December 2011) is given below:

| Item | 2009-10 | 2010-11 | 2011-12* | 2011-12 |
|---|---------|---------|------------------|-----------------------|
| | | | (April-December) | (Jan-March-Estimated) |
| Recovery of scrap (lakh metric tonne) | 23.71 | 26.45 | 16.08 | 8.86 |
| Market Value of Production (₹ in crore) | 1043.40 | 1163.94 | 706.64 | 389.84 |
| * Provisional | | | | |

4.7.2 Financial Performance

(₹ in lakhs)

| Item | 2009-10 | 2010-11 | 2011-12* | 2011-12 |
|---|----------|----------|------------------|-----------------------|
| | | | (April-December) | (Jan-March-Estimated) |
| Total Turnover i.e, service charge realised including misc. income etc. | 15861.01 | 16853.20 | 11294.55 | 6223.24 |
| Gross Margin Before Interest & Depreciation | 2119.28 | 1346.30 | 244.56 | 134.75 |
| Interest & Depreciation | 1543.29 | 1168.29 | 1053.84 | 321.00 |
| Profit Before Tax | 575.99 | 178.01 | -809.28 | -186.25 |
| * Provisional | | | | |

4.8 Hindustan Steelworks Construction Ltd. (HSCL)

Hindustan Steelworks Construction Limited (HSCL) is one of the major construction agencies in the Public Sector established in 1964 under the administrative control of Ministry of Steel. The mandate for its incorporation was to mobilize indigenous capability for putting up integrated steel plants in the country. The organization rose to the occasion and successfully met the challenge by bringing together competent human resources and mobilizing a fleet of updated construction equipment. HSCL contributed immensely in setting up of almost every major steel plant in India. As the Company grew in resources and expertise, it diversified in other areas like Power Plants, Mining Projects, Irrigation Projects including Dams and Barrages, Oil Refineries, Railways, Airports, Buildings and Commercial Complexes, Rural Roads, Highways, Flyovers, minor and major Bridges for Railways and Road traffic, infrastructure for Educational Institutions, Health Centers and Hospitals etc. The Company undertook and successfully completed a number of Turn Key Projects for various clients. Today, HSCL is an ISO 9001-2008 Company and its capabilities cover almost every field of construction activities.



Extraction & transportation of ash from ashpond at Bokaro by HSCL.

4.8.1 Financial Performance

Starting with a modest ₹5 crore in 1965-66, the Company achieved a Turnover of ₹996.30 crore in 2010-11, which has been the highest since inception.

During 2010-11, the Company surpassed all its previous records and secured ₹1826 crore worth of orders. During 2011-12, the Order Booking is expected to rise further with ₹1652.64 crore already secured till December 2011.

Turnover and Order Booking registered CAGR of 23.28% and 33.53% respectively during the last six years from 2005-06 till 2010-11; much more than the overall industry growth rate of the country. The financial results also are improving with the Company earning an Operating Profit of ₹71.21 crore during FY11. Till FY11, HSCCL successfully executed projects worth ₹10600 crore with ₹5800 crore coming from Steel Sector.

4.8.2 Capital Structure

The authorised and paid-up share capital of the Company as on date is ₹150 crore and ₹117.10 crore respectively.

4.9 MECON Ltd.

MECON Limited, a Miniratna PSU under Ministry of Steel, is a premier multi disciplinary design, engineering, consultancy and contracting organization in the field of Metal, Power, Oil & Gas and Infrastructure sectors. MECON's mission is to provide technical consultancy - design and engineering; design and supply of plant, equipment and systems; implementation of new industrial ventures from concept to commissioning.

MECON has successfully turned many highly ambitious dream projects into reality. Second Launching Pad at Shriharikota, India's first indigenous launching pad at Satish Dhawan Space Centre, SHAR; Geo-Technical Centrifuge Facility at IIT Bombay, the 6th of its kind in the world, funded by DST, DRDO & Ministry of HRD; Coal Handling Facility from Ennore Berth to TNEB Power Plant, Asia's biggest Coal Handling facility from harbour to Power Plant with belt conveyor system of 11 kms. and capacity of 2 X 4000 tph; Project Seabird of Indian Navy, India's 1st Ship repair facility are to name a few recent ones.

Presently MECON is involved in almost all the mega steel projects in India both in public and private sectors. The Company is also deeply entrenched in other fields of diversification being Power, Oil & Gas and Infrastructure and is involved in large number of assignments in public and private sectors.

Along with India MECON has spread its wings in International market also by providing quality design, engineering & consultancy services for about 130 projects in different countries like Qatar, Saudi Arabia, Oman, UAE, Vietnam, USA, etc. MECON has an overseas office in Nigeria, and was engaged for engineering & consultancy services for 1.0 Mt/yr Integrated Steel Plant at Ajaokuta & Warri (Delta) Steel Company.

4.9.1 Financial Performance

MECON's financial growth has been incremental and remarkable over the years. MECON's turnover during FY 2010-11 was ₹641.38 crores. There has also been remarkable improvement in the net profit of the Company, which has gone up from ₹10.73 crores (during 2004-05) to ₹140.93 crores (during 2010-11). The Company has turned its net worth positive as on 31.03.2008 and the present net worth of the Company is ₹236.21 crores (Provisional) as on 31.12.2011. More importantly the Company has successfully wiped off its accumulated loss as on 30.09.2009.

4.10 KIOCL Ltd.

KIOCL Limited, a 100% Export Oriented Unit (EOU), ISO 9001-2008, ISO 14001-2004 and ISO 18001-2007 Company was established in April, 1976 to meet the long term requirements of Iran. An Iron Ore Concentrate Plant of 7.5 million tonne capacity was set up at Kudremukh. This project was to be financed in full by Iran. However, as Iran stopped further loan disbursements after paying US \$ 255 million, the project was completed as per schedule with the funds provided by Government of India.

While the project was commissioned on schedule, consequent upon the political developments in Iran, they did not lift any quantity of Concentrate. As a diversification measure, the Government approved the construction of a 3 million tonne per year capacity Pellet Plant in Mangalore in May, 1981. The capacity of the Pellet Plant was increased to 3.5 million tonne with additions/modifications. The plant went into commercial production in 1987 and is now exporting Iron Ore Pellets to China and also to domestic units. Consequent to Hon'ble Supreme Court's verdict, mining was stopped at Kudremukh w.e.f. 1.1.2006. Due to non-availability of Captive Iron Ore mine, the production activity is being carried out with Hematite Iron Ore sourced from NMDC and other agencies.

4.10.1 Production

The target set for production during the year 2011-12 is 3.0 million tonne of Pellets. Target set for production upto December 2011 during 2011-12 is 2.172 million tonne. Actual production upto December 2011 is 1.297 million tonne which represents 60% target fulfilment. The shortfall is because the pellet plant had intermittently stopped due to non availability of sufficient quantity of Iron Ore Fines after the Honble Supreme Court banned the mining activities in the State of Karnataka and also due to sluggish demand in DTA or overseas market and shed full condition.

Due to uneconomical reason and generating negative contributions, Blast Furnace Unit is kept under suspension w.e.f.5.8.2009. As such, no target is set for production during the year.

4.10.2 Financial Performance

The Sales revenue during 2010-11 and 2011-12(upto December 2011) is as under:

(₹ in lakhs)

| Year | Pellets | Blast Furnace Unit | Total |
|---------------------------|---------|--------------------|--------|
| 2011-12 (April-Dec. 2011) | 105125 | 548 | 105673 |
| 2010-11 | 174931 | 5415 | 180346 |

An overview of the performance of KIOCL during the year 2009-10, 2010-11 & 2011-12 (upto December, 2011), is indicated below:

(₹ in lakhs)

| Particulars | 2011-12 (upto December 2011) | 2010-11 | 2009-10 |
|----------------------|------------------------------|---------|---------|
| Total value of Sales | 105673 | 180346 | 99272 |
| Gross Margin | 7653 | 16271 | (13464) |
| Profit after Tax | 3154 | 7627 | (17727) |

4.11 Bird Group of Companies (BGC)

- (i) After the restructuring, as approved by the Government, EIL became subsidiary of RINL and holding company of OMDC and BSLC. EIL, BSLC and OMDC became PSUs w.e.f. 19.03.2010. Further, OMDC has been classified as schedule 'B' company w.e.f. 19.03.2010.

- (ii) The schedule status of BSLC is yet to be declared.
- (iii) As EIL is a Shell Company no proposal for classification of EIL is taken at present.

PERFORMANCE OF THE INDIVIDUAL OPERATING COMPANIES

(a) Eastern Investment Limited (EIL)

EIL is an investment company and is the holding company of OMDC and BSLC. OMDC and BSLC are mining companies. The authorized capital of the company is ₹13.50 crore and paid-up capital is ₹1.44 crore. The Profit Before Tax(PBT) (Provisional) of EIL for the year 2011-12 (upto Dec.2011) was ₹1.88 crore.

(b) The Orissa Minerals Development Company Limited (OMDCL)

Location of Mines, Activities and Capital Structure

OMDC is operating six mining leases of Iron ore and Manganese ore in the State of Odisha. This is one of the oldest mining company of Iron ore and second to NMDC in mining of iron ore under the Central Government. OMDC mines are located in the tribal area of Keonjhar District and are major source of employment to the tribal people. The OMDC is a major supplier of raw material to steel companies/ sponge iron units in the non-captive sector primarily in the states of Odisha, Jharkhand and West Bengal. The company has installed four crushing and screening plants for supply of sized and calibrated iron ore to the customers. The company has also set up a small sponge iron plant at Thakurani in 2004. The company has plan for diversification and value addition. It is planning to set up 2 million tone per annum (MTPA) beneficiation and 2 MTPA pellet plant at Barbil, Odisha. It has also plans to increase the production up to 10 million tons of Iron ore and 1million tons of Manganese ore in next few years. The authorized as well as paid-up capital of the Company is ₹0.60 crores.

Financial Performance

(₹ in crores)

| Particulars | 2010-11 | 2011-12(Apr-Dec 2011) (Provisional) |
|-------------------|---------|--|
| Sales | 44.83 | 1.52 |
| Other Income | 54.33 | 47.65 |
| Profit Before Tax | 13.35 | 7.56 |

(c) The Bisra Stone Lime Company Limited (BSLC)

BSLC is operating one lease of limestone and dolomite in Sundargarh District of the State of Odisha. It supplies limestone and dolomite mainly to SAIL steel plants located in the eastern region. It also has plans for increasing the production capacity up to 5 million tons by modernizing mining operations and increasing the number of crushers. This is a century old company and is a major source of employment to the tribal people in the area. The authorized capital of the company is ₹87.50 crore and paid up capital is ₹87.29 crore.

Physical Performance (In Lakh Tonne)

| Particulars | 2010-11 | 2011-12 (Apr-Dec 2011) (Provisional) |
|-------------|---------|---|
| Limestone | 1.25 | 0.22 |
| Dolomite | 8.60 | 4.92 |

Its accumulated loss is ₹ 91.32 crore upto December,2011.

CHAPTER-V

PRIVATE SECTOR

5.1 Introduction

The private sector of the Steel Industry is currently playing an important role in production and growth of steel industry in the country. The private sector units consist of both major steel producers on one hand and relatively smaller and medium scale units such as Sponge Iron Plants, Mini Blast Furnace Units, Electric Arc Furnaces, Induction Furnaces, Re-rolling Mills, Cold-rolling Mills and Coating Units on the other. They not only play an important role in production of primary and secondary steel, but also contribute substantial value addition in terms of quality, innovation and cost effectiveness. A brief report on activities of some of the major steel companies is furnished below, based on the input furnished by the respective companies.

5.2 TATA Steel Ltd.

Tata Steel's performances up to third quarter FY'12 are appended below.

Production & Sales Performance (Figures in '000 tonnes)

| Item | Q1 FY'12 | Q2 FY'12 | Q3 FY'12 |
|----------------|----------|----------|----------|
| Hot Metal | 1944 | 1946 | 1902 |
| Crude Steel | 1794 | 1742 | 1766 |
| Saleable Steel | 1750 | 1710 | 1732 |
| Total Sales | 1593 | 1648 | 1622 |

5.3 JSW Steel Ltd.

Incorporated in 1994, JSW has grown to US \$ 9 billion in little over fifteen years. JSW Steel Ltd., a 6 billion organization, is the flagship Company of the USD 9 billion JSW Group.

JSW Steel enjoys a marketing footprint in over 100 countries addressed by four manufacturing facilities- the integrated steel manufacturing facility in Toranagallu (Karnataka), value added flat product unit in Vasind and Tarapur (Maharashtra), a special alloy steel unit at Salem (Tamil Nadu) and HR plates and pipe facility in Baytown (US).

The Vijayanagar Works is the largest Steel manufacturing facilities as a single location in India, which comprises the best technologies, the most cost efficient global steel plant, zero discharge and extensive greenery that has increased local rainfall.

JSW Steel commissioned Nation's largest Blast Furnace- IV (BF-IV) on July 18, 2011, with the commissioning of this New blast furnace in July, 2011, JSW's Vijayanagar Plant has reached 10 MTPA capacity.

The Company has commenced operation of Pellet Plant 2 (4.2 MTPA capacity), Sinter Plant 3 & 4 (5.75 MTPA and 2.8 MTPA capacity respectively), Converter 3 & 4 and heating of balance two blocks out of four blocks of Coke Oven -4 (1.95 MTPA), Ladle heating furnace - 3&4, and Lime calcinations plant (Capacity 300 TPD) as a part of the expansion project at Vijayanagar.

With the acquisition of ISPAT Industries Ltd., JSW Steel has combined capacity of 14.3 MTPA. It is also the fastest growing steel company in India with a ten-fold capacity in less than two decades.

JSW Steel is committed to inclusive growth. Through various community development programs. JSW has enhanced the quality of life of over 4.67 lakh people in and around the locations of its manufacturing

facilities. JSW Foundation has initiated and is running various social development programs in areas of education, health, livelihood, sports, environment and Art-Culture-Heritage.

5.4 Jindal Steel & Power Ltd.

Jindal Steel & Power Limited has embarked on an expansion plan to set up new projects of 6 MTPA each at Angul, Odisha & Patraru, Jharkhand.

Status of Angul, Project

- 2 Units of 6x135 MW Captive Power Plant commissioned.
- 1.5 MTPA Plate mill commissioned which would produce the widest Plate in India (5m wide).

The 2 MTPA Steel Plant progress is given below:

- 95% completion of all the Engineering Activities
- 80% of the Orders have been placed
- 76% of Civil Work has been completed
- 51% of the Structural Work has been completed.

Progress of Patraru, Project

- 1 MTPA Bar Mill commissioned

Expansion project at Raigarh, Chhattisgarh

3 Units of 4 X 135 MW Captive Power Plant commissioned.

5.5 Essar Steel Ltd. (ESL)

Essar Steel has been in the process of doubling its steel making capacity to 10 Million Tons per annum. A number of landmarks were met during the FY 2010-11 in this expansion project. The various facilities which were at project stage since last 2 to 3 years were commissioned during the year and started operation. Further the year witnessed expansion of capacity to add wide range of products.

During the year Company produced 3.58 Million Tons (flat products) and achieved sales of 3.34 Million Tons, recording an increase of 6% and 3% respectively over the previous year. During the year under review, pellet production at Vizag and steel production at Hazira continued to be affected due to the suspension of material movement through the slurry pipeline from Beneficiation Plant at Kirandul to the Pellet Plant at Vizag for eight months of the year. The Company undertook various measures to mitigate the adverse impact by making alternative arrangements of movement of Iron Ore through railway rake and road, purchase of iron ore fines and Pellets from alternate sources.

In Jan 2012, the company has completed its expansion project and achieved a production capacity of 10 MTPA at Hazira. This makes Essar Steel the fourth largest flat steel producer at single location globally and the largest in India.

5.6 Monnet Ispat and Energy Ltd.

Monnet Ispat & Energy Limited (MIEL) is India's second largest sponge iron manufacturing company with an annual production of 1 million tons per annum. Monnet manufactures and markets 1.6 million tons per annum of sponge iron, ferro alloys, mild steel billets and rolled products from its ISO 9001-2000 certified Integrated Plants at Raipur and Raigarh in Chattisgarh, with dedicated customers and

distribution network throughout India. MIEL is in the advanced stage of capacity expansion at Raigarh, with blast furnace, EAF, TMT/rebar mill and plate mill under installation along with Sintering, Pelletization plant, with this the steelmaking capacity of the group will increase to 1.8 MTPA during 2012-13. MIEL has already invested ₹2798 crores in upto 30.09.2011 in the state and have already placed order for machineries at Raigarh Plant for ₹1102.60 Crores. Greenfield units are coming up at Angul, Orissa and Bokaro, Jharkhand that will ramp up the steel making capacity to 3 MTPA by 2013. MIEL is operating 230 MW power plants to fully support the power requirement of expanded capacity. The existing capacities and future expansions have been designed to be fully integrated. Raw material risk arrangement in terms of pricing volatility is mitigated through captive availability from mines and backward integration facilities.

5.7 Bhushan Power & Steel Ltd.

Bhushan Power & Steel Limited is a 32 years old steel manufacturing and processing company under entrepreneurship of Mr. Sanjay Singal (Chairman & Managing Director). Presently, Company is having a strong base in both Primary as well as Secondary Steel segment with units in Chandigarh, Derabassi and one in Kolkata. The Company has achieved a major milestone through full backward integration when it successfully commissioned its Mega Integrated Steel Plant with current operative capacity of 2.3 MLTPA in Village: Thelkoloi, PO: Lapanga, Tehsil:Rengali, Dist: Sambalpur, Orissa along with 376 MW captive power generation plant. Further manufacturing facilities are being added to achieve plant capacity to 2.8 MLTPA and 560 MW power generation.

The Company is also setting up Galvolum, Colour Coating, Precision Tube, Black Pipe & GI Pipe units. Further to achieve total integration of primary and secondary products, Company has initiated implementation to set up Iron Ore Beneficiation Plant and Pellet Plant. To keep the pace of growth intact, Company is in advance stage of setting up another Integrated Steel Plant of capacity 3 MLTPA and 900 MW Power generation in Jharkhand. Bhushan Power & Steel has further visualised the growth potential in Chhattisgarh where they plan to set up another steel plant of 1.3 MLTPA capacity along with 300 MW power plant. For synergic business benefits, Company has already acquired Chhattisgarh based Steel company-Nova Iron &Steel Ltd.

5.8 Secondary Small & Medium Steel Sector

5.8.1 Electric Arc Furnace Industry

Presently, there are 48 Electric Arc Furnace based steel plants working in the country with an aggregate capacity of 18.596 million tonnes per annum, out of which, there are ten units which are casting units. Production of Ingots/Concast Billets by EAF units, which have been reporting their production to Joint Plant Committee, during 2010-11 (prov.) was 16.26 million tonnes as compared to 15.97 million tonnes during 2009-10, registering a growth of 1.8%. This sector continued to be under constraint of rising cost of inputs, increasing power tariffs, shortage of power & resource crunch.

5.8.2 Induction Furnace Industry

During 2010-11 (Prov.), it is estimated that 1185 Induction Furnace(IF) units with a capacity of 28.8 million tonnes were in operation. The total production of induction furnace units registered a growth of 9.4% during 2010-11 (prov.) producing 22.068 million tonnes against a production of 19.824 million tonnes in 2009-10, as reported to Joint Plant Committee.

5.8.3 Performance of EAF based steel plants

| Status of EAF units, 2010-11 | | |
|------------------------------|--------|-------------------------------|
| | Number | Capacity (in million tonnes)* |
| Commissioned Units | 48 | 18.596 |
| Closed Units | 0 | 0 |
| Working Units | 48 | 18.596 |
| Source: JPC; *=Provisional | | |

Production

The Production of Electric Arc Furnace units as reported to Joint Plant Committee are as under:

| Production of EAF units (in million tonnes) | | | | | | |
|---|-------------|-------------|--------------|--------------|--------------|-------------------|
| Category | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 (Prov) |
| Mild Steel | 4.31 | 5.06 | 6.13 | 9.03 | 12.29 | 12.51 |
| Medium/High Carbon Steel | 1.50 | 1.76 | 2.76 | 2.68 | 2.01 | 2.05 |
| Alloy Steel | 1.53 | 1.80 | 1.02 | 1.05 | 0.84 | 0.85 |
| Stainless Steel | 0.92 | 1.08 | 0.83 | 0.75 | 0.14 | 0.14 |
| Others | 0.04 | 0.05 | 0.06 | 0.64 | 0.69 | 0.71 |
| Total Reported | 8.30 | 9.75 | 10.67 | 14.15 | 15.97 | 16.26 |
| Total Estimated | 0.13 | 0.13 | 0.13 | - | - | - |
| Grand Total | 8.43 | 9.88 | 10.80 | 14.15 | 15.97 | 16.26 |
| Source: JPC | | | | | | |

CHAPTER-VI

RESEARCH AND DEVELOPMENT

6.1 Research & Development for Steel Sector

Research & Development in iron and steel sector in India is carried out mainly by the iron and steel plants, National Research Laboratories, Academic Institutions etc. Though, marginal improvements in various areas of Iron & Steel technology have been realized, in overall terms, but still more initiatives are needed. The R&D investment in Indian steel companies is very low and varies in the range 0.15-0.25% of the sales turnover as against 1-2% in the steel plants in advanced countries.

6.1.1 Promotion of R&D in Iron and Steel Sector

In order to provide accelerated thrust on R&D, the Ministry of Steel is encouraging Research and Development activities both in public and private steel sectors by providing financial assistance under the following two schemes:

- (i) Scheme for promotion of R&D with Steel Development Fund (SDF).

Under the SDF scheme, 68 R&D projects costing ₹544 crore have been approved by the Empowered Committee (EC) under Chairmanship of Secretary (Steel). Of these, 35 R&D projects have been completed so far yielding benefits to the industry. 9 R&D projects have been stopped after mid course review and 24 R&D projects are in progress.

- (ii) Scheme under Plan Fund for promotion of Research & Development.

During the 11th Five Year Plan Government had allocated ₹118 crore for Promotion of R&D in Iron and Steel Sector. The Scheme was approved by the Ministry of Finance on 23.01.2009 with a condition that the scheme may be operated in the next financial year i.e. (2009-10).

The Project Approval and Monitoring Committee (PAMC) has so far approved 8 R&D projects costing ₹143.87 crore with funding from Plan Fund of ₹96.23 crore. Year wise release of fund is as under:

| Year | Amount in Crore |
|---------|------------------------|
| 2009-10 | ₹4.14 |
| 2010-11 | ₹27.05 |
| 2011-12 | ₹9.51 (Up to Dec 2011) |

R&D work in all the projects has already been started and progressing well. The tenure of the R&D projects are two to three and a half years.

6.2. Steel Authority of India Ltd. (SAIL)

Research & Development Centre for Iron & Steel (RDCIS) has undertaken 107 R&D projects in the current year 2011-2012, out of which, 69 projects are scheduled for completion by March 2012. These projects provide technological inputs to SAIL plants / units with thrust on cost reduction, value addition, quality improvement and development of new products.

The Centre has filed 21 patents and 25 copyrights during April to December, 2011. As many as 44 technical papers were published and 109 papers were presented. In addition, RDCIS undertook contract research work and provided significant consultancy services and know-how to organisations outside SAIL, yielding external earning of ₹152.94 lakhs.

Significant achievements of some of the completed projects, in different technology areas, are summarised below:

- Improvement in overall coke quality of COB # 10 w.r.t coke strength and moisture at ISP.
- Oxygen Enrichment in BF # 2 & 3, RSP.
- Enhancement of lining life of steel ladles at SMS-II, RSP.
- Introduction of Superior Roll Cooling System at Reversing Mill and Strip Cooling System at Tandem Anneal Line of Silicon Steel Mill at RSP.
- Improvement in bath condition at PL#2, CRM, RSP.
- Improving processing of low Nickel stainless steel through simulation studies at SSP.
- Development of a display system for Horizontal Looper Storage at Pickling Line-1, CRM at BSL.
- Expenditure on R & D during last two years is as under:-

(₹ in crore)

| Year | SAIL's turnover | R&D Expenditure | | | |
|---------|-----------------|-----------------|---------|--------|---------------|
| | | Capital | Revenue | Total | % of turnover |
| 2009-10 | 43935 | 4.32 | 102.94 | 107.26 | 0.24 |
| 2010-11 | 47041 | 5.08 | 127.06 | 132.14 | 0.28 |

6.3 Rashtriya Ispat Nigam Ltd. (RINL)

In RINL, R&D initiatives are directed towards meeting the future challenges and providing technical inputs to the plant. Focus for the R&D efforts is to meet the present and future requirements of the plant based on thrust areas like process improvement, waste management, cost reduction, new technology development and environment protection.

Highlights of new technologies / practices brought in through R&D are given below:

- Project taken up for improving MgO-C brick quality to enhance the converter life is under progress.
- The project taken up for preparation of metalized nuggets using Iron ore fines (-5mm) and metallurgical wastes is under progress.
- New research project has been taken up on “Mathematical modeling of sintering process” and is under progress.
- New project was initiated for Development of value added ceramic products utilizing solid wastes generated at VSP.

Expenditure on R&D during last three years

| Year | Turnover (₹ crores) | R&D expenditure (₹ crores) | R&D expenditure as a % of turnover |
|--------------------------|---------------------|----------------------------|------------------------------------|
| 2009-10 | 10634 | 12.66 | 0.119 |
| 2010-11 | 11537 | 14.34 | 0.124 |
| 2011-12* (till December) | 9944 | 11.40 | 0.115 |

6.4 NMDC Ltd.

From a nucleus R&D cell set up in 1970, it has grown into a highly sophisticated R&D Centre. One of the best-equipped laboratories of its kind, the Centre at Hyderabad can take up any assignment in the field of ore beneficiation and mineral processing. With its excellent research facilities, the Centre carries out technology development missions in fields like mineral processing, flow sheet development, mineralogical studies and product development. It has been recognized as a “Centre of Excellence”.

The major assignments taken by NMDC during the year 2011-12 are as follows:

- a) Utilization of BHJ/BHQ from Donimalai Iron Ore Project, Bellary.
- b) Utilization of lean grade iron ore and BHQ from Bailadila sector.
- c) Utilization of slimes/kimberlite for Sinter and Pellets.
- d) Nano Crystalline Powder from Blue Dust.
- e) Utilisation of Kimberlite Waste.
- f) Setting up of Pilot Plant for Commercialization of Precipitated Silica, Sodium Silicate and Zeolite- A.

Expenditure on R&D during last three years

| Year | Turnover (₹ Crores) | Expenditure on R&D (₹ Crores) | R&D Expenditure as % of turnover |
|-----------------------|------------------------|----------------------------------|-------------------------------------|
| 2009-10 | 6239.09 | 13.82 | 0.22 |
| 2010-11 | 11368.94 | 14.47 | 0.13 |
| 2011-12 (Upto Dec'11) | 8623 | 9.19 | 0.11 |

6.5 MOIL Ltd.

The thrust areas for the R & D efforts are therefore directed towards meeting the challenges of safe and cost effective mining practices in underground & opencast mines with increasing depth. The thrust is also being given in the R & D activities for the development of exploration, exploitation and beneficiation techniques in addition to exploration of the new deposits. The main areas where the R&D efforts of the company have been directed are as follows:

- Development of safer and cost effective mining method.
- Development of new support system in underground workings and improving the existing supporting methods and practice.
- Introduction of controlled blasting practices for eco friendly mining.
- Hydraulic Sand stowing for filling underground voids fully with effective compactness.
- Technology development for production of Manganese based value added product.
- Development of cost effective beneficiation technique for up-gradation of low quality manganese ore.

Expenditures on R & D during last three years :

(₹ In crores)

| Year | Turnover | R & D Exp. | R&D Exp. as % of Turnover |
|------------------------------------|----------|------------|---------------------------|
| 2009-10 | 965.47 | 2.88 | 0.298 |
| 2010-11 | 1145.31 | 6.76 | 0.59 |
| 2011-12 (Upto Dec' 11 Provisional) | 703.40 | 5.56 | 0.79 |

6.6 KIOCL Ltd.

Highlights of the R&D work done by the company are given below:

- Introduction of horizontal pressure filter plant
- Augmentation of the existing ball mill feeding system by creating additional storage capacity of the iron ore fines.
- MBR Technology: The MBR process is an emerging advanced wastewater treatment technology. The MBR process involves a suspended growth activated sludge system that utilises microporous membranes for solid/liquid separation in lieu of secondary clarifiers

Expenditure on R & D during last three years :-

(₹ in crores)

| Year | Turnover | R&D expenditure (₹ in crores) | R&D expenditure % of turnover |
|----------------------------|----------|-------------------------------|-------------------------------|
| 2009-10 | 992.72 | 21.25 | 2.14 |
| 2010-11 | 1803.46 | 0.58 | 0.032 |
| 2011-12 (April -Dec. 2011) | 1056.73 | 1.22 | 0.12 |

6.7 Tata Steel Ltd.

Highlights of the R&D work done by the company are given below:

- A new process to briquette and use beneficiated low grade Mn ore fines at Joda.
- A new pilot process for the chemical beneficiation of high ash coal into low ash clean coal.
- A new demo-scale dense media cyclone to improve clean coal yield in beneficiation.
- A process to beneficiate tailings for recovery of Chromite values.
- A pilot under bed air pulsated jig for iron ore beneficiation.
- Improved burden distribution control model in the blast furnace.
- Improved practises for longer service life of locomotive axles.
- An improved practise to eliminate bow formation during rebar straightening process.
- An improved practise to increase the life of laying head pipes in the wire rod mill.
- A Neural Network based property prediction system for yield improvement in the hot strip mill.
- Corrosion resistant Nano-hybrid sol-gel coating for strip products.
- A novel temporary coating for prevention of corrosion in tubes.

6.8 JSW Steel Ltd.

Highlights of the R&D work done by the company are given below:

- Improvement in Yield of Pelletizing Disc.
- Enhancement of Hearth Layer Screening Efficiency to Improve the Induration Furnace Bed Permeability.
- Improvement in Iron Ore Sinter Reducibility.
- Optimization of Slag Regime in Corex Process.
- Improvement in Gas Utilization in Blast Furnace - 3.
- Hearth Liquid Level Model for Blast Furnace.
- Improvement in Hot Metal Pre-Treatment.
- Improvement in Finishing Mill Back-up Rolls Life by Reducing the Stock Removal and to Increase Mill Availability in Hot Strip Mill-1 (HSM-1).

Summary of R&D Investment (For last three years)

| Year | Total Annual Turnover (₹ In Crores) | Investment in Research and Development (₹ In Crores) | % R&D Investment against Annual Turnover |
|---------|--|--|---|
| 2008-09 | 14,001 | 12.38 | 0.09 |
| 2009-10 | 15,375 | 9.14 | 0.06 |
| 2010-11 | 23,900 | 45.6 | 0.19 |

6.9 ESSAR Steel Ltd.

Specific areas in which R & D was carried by the Company and benefits derived:

- Plates conforming to API specifications for oil and gas industry, boiler quality plates, high strength structural grade plates as well as plates for specialized defence applications.
- Characterization of cold DRI pellets for suggesting suitable process parameters to reduce tendency of catching fire.
- Development of innovative method for cleaning of ceramic filters used for filtering iron ore slurry.
- Reduction of annealing time in batch annealing furnaces for high carbon grades.

CHAPTER-VII

ENERGY AND ENVIRONMENT MANAGEMENT

7.1 Introduction

Environment management and energy efficiency constitute an important benchmark for assessing any sector or company both globally and domestically. The Ministry of Steel through various schemes and regulations of the Government is facilitating reduction in energy consumption and emission of environmental pollution in steel plants. Some of the steps/initiatives taken by the Ministry of Steel through various forums and mechanism during the year are:

7.1.1 Charter on Corporate Responsibility for Environment Protection (CREP)

This is an initiative of the Ministry of Environment and Forests (MoEF)/Central Pollution Control Board (CPCB) in association with the Ministry of Steel and the main/major steel plants to set mutually agreed targets with the purpose to go beyond the compliance of regulatory norms for prevention and control of pollution.

A National Task Force in CPCB reviews the compliance of CREP action points and targets. The areas where environmental performance are particularly monitored are:- fugitive emissions from coke ovens; secondary emission control in steel melting shops; use of BOF slag for treatment of acidic soils; Effective operation of coke oven by product effluent treatment plants; and monitoring of ambient air quality.

Further, measures for reduction of energy consumption in respect of the following areas (i) injection of coal/tar in blast furnaces; and (ii) water consumption (in respect of which the primary target was achieved by most integrated plants) are also reviewed.

7.1.2 Clean Development Mechanism (CDM) under Kyoto Protocol

Under this scheme, the Ministry of Steel is facilitating, through the National CDM Authority in the MoEF, adoption of energy efficient clean technologies in iron and steel plants. A large number of iron and steel plants have obtained host country approvals for availing carbon credit by adopting energy efficient clean technologies. So far, 158 such projects amounting to reduction of 103 million tonnes of carbon dioxide equivalent have been approved by the National Clean Development Mechanism (CDM) Authority.

7.1.3 UNDP-Global Environment Facility (GEF) Steel Project

Under this project, a scheme has been developed with contribution from the United Nations Development Programme (UNDP) and the Ministry of Steel to facilitate diffusion of energy efficient low carbon technologies in steel re-rolling mills in the country to bring down energy consumption, improve productivity and cost competitiveness together with a reduction in Green House Gas (GHG) emission and related pollution levels. Towards this objective, 43 model units have been identified and so far, technology packages have been commissioned in 25 units.

7.1.4 NEDO Model Projects

Ministry of Steel has been facilitating setting up of energy efficient, environment friendly projects known as Model Projects in different steel plants with financial assistance from Japan. These projects are implemented by New Energy and Industrial Technology Development Organisation (NEDO), Japan.

So far, two projects have been commissioned at TATA Steel and one more project is at advanced stage of commissioning there. One model project for sinter cooler waste heat recovery at Visakhapatnam Steel Plant of RINL is under progress.

7.1.5 National Mission for Enhanced Energy Efficiency (NMEEE)

In the year 2006, Hon'ble Prime Minister had unveiled the National Action Plan for Climate Change. Out of the eight Missions under this Action Plan, NMEEE has dealt with measures for improving Energy Efficiency of the industrial sectors, including steel. By virtue of the Energy Conservation Act, 1961, steel producing units consuming 30000 MTOE (Million Tonnes Oil Equivalent) or more will be designated consumers, for whom a benchmark will be applicable. Steel manufacturing units operating at a level better than the benchmark will be eligible to obtain an Energy Saving Certificate (ESC) that can be traded in the market. Bureau of Energy Efficiency (BEE) is working closely with Ministry of Steel for evolving the benchmark in energy consumption in various technological routes of steel making using a wide variety of raw materials.

7.2 Steel Authority of India Ltd. (SAIL)

7.2.1 SAIL has put in best efforts to meet standards set by legislation and to go beyond norm where appropriate, through voluntary commitments. The efforts made by SAIL have resulted in the improvement of key Environmental Performance indicators, as shown below:-

| Indicators | 2009-10 | 2010-11 | 2011-12 (Apr.-Nov.'11) |
|---|---------|---------|------------------------|
| Particulate Matter (PM) emission (Kg/tcs) | 1.55 | 1.11 | 1.05 |
| Specific Water Consumption (m ³ /tcs) | 3.96 | 4.06 | 3.95 |
| Specific Effluent Discharge (m ³ /tfs) | 2.53 | 2.49 | 2.36 |
| Solid Waste Utilization (%) | 80 | 84 | 82 |

7.2.2 Environmental Plantation

During 2010-11, a total no. of 1.74 lakh saplings were planted in and around SAIL plants and mines. Plantation done during the period April-November, 2011, in SAIL units was 2.66 lakhs saplings.

7.2.3 Implementation of Environment Management System (EMS) Linked to ISO 14001

- Implementation of the Environment Management System (EMS) linked with ISO-14001: 2004 under the umbrella project "Greening of Warehouse", one of the MoU parameters with Ministry of Steel, was taken up at Warehouses of CMO. Necessary documents at all the locations have been completed. The system is under various stages of implementation. The pre-certification audit was carried out at two Warehouses during the period.

7.2.4 Clean Development Mechanism

- The CDM project titled "Waste Heat Recovery at BF of ISP (ISP-37)" has been submitted to UNFCCC for registration.
- Verification of 2 nos. of VER projects, titled "Gas Firing (Coke Oven + BF) in Boiler # 6 of BSP and "Gas Firing (Coke Oven + BF) in Boiler # B of ISP" was conducted at the respective sites. These projects were earlier validated as per VCS standard, by the validator, M/s RINA.

7.2.5 Environmental Awareness Programmes

- Various awareness programmes like celebration of World Environment Day, Earth Day, Ozone Day, Environment Month, Mines and Mineral Conservation Week were organized for spreading environmental awareness.

7.3 Rashtriya Ispat Nigam Ltd. (RINL)

7.3.1 Energy Management

| Year | Specific Energy Consumption (Gcal/tcs) | CO ₂ Emissions (tonnes/tcs) |
|--------------------|--|--|
| 2010-11 | 6.12 | 2.615 |
| 2011-12 (till Dec) | 6.09 | 2.610 |

7.3.2 Measures Taken/being taken for reduction in Energy Consumption (2011-12)

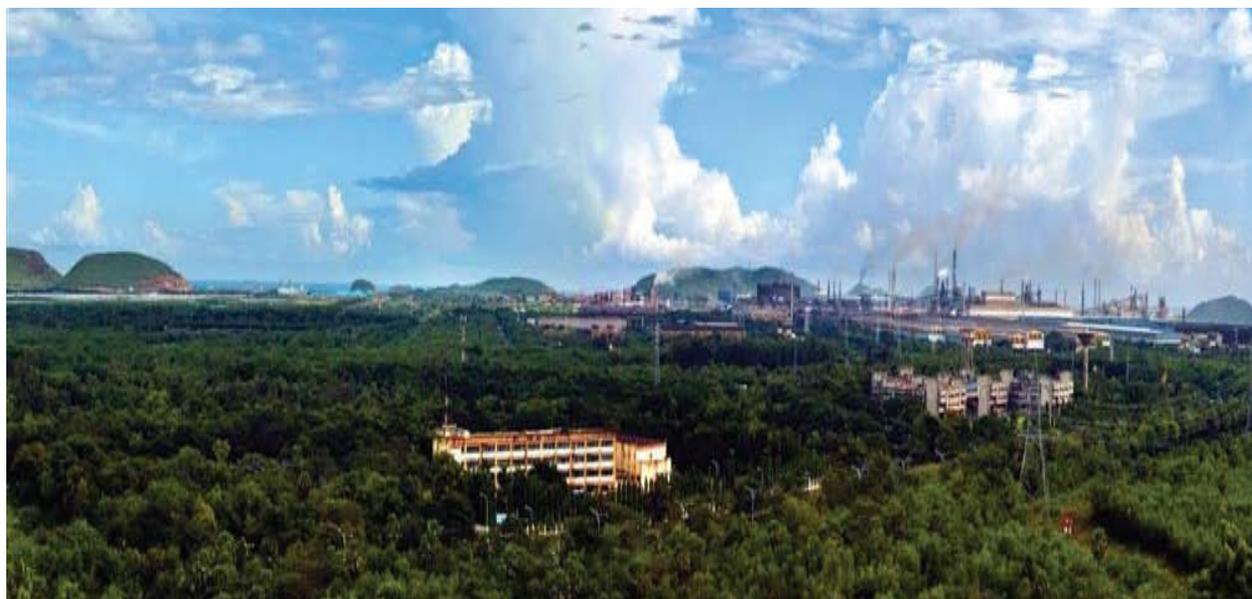
- Installation of refractory less Gas Pre heater in Gas Expansion Turbine of Blast Furnace 1
- Commissioning Energy Efficient Air separation plant no. 4
- Increasing hot blast temperature and ensuring proper coking coal blend coupled with techno economics resulted in reduction of coke rate from 532.7 kgs/tHM to 527 kg/tHM
- Reduction of Stelmor conveyor blowers by standardized operation for different sections of rolling

7.3.3 Adoption of Energy efficient Technologies (under progress)

- Installation of Pulverized coal injection in Blast Furnace 1 & 2
- Installation of 20.6 MW waste heat recovery system on sinter straight-line cooler of sinter machine 1 & 2. Expected to be commissioned by March 2012

7.3.4 Adoption of Energy Management System

Adoption of ISO-50001 Energy Management System in place of EnMS BS-EN-16001 is under progress. Awareness programme on ISO: 50001 was conducted for executives in Nov., 2011.



A Panoramic View of RINL.

7.3.5 Clean Development Mechanism

RINL-VSP has taken up several Clean Development Mechanism (CDM) Projects and working towards claiming carbon credits for identified CDM projects.

- i) During the year RINL submitted Project Design Documents for eight numbers of projects to National CDM Authority for Host Country Approval.
- ii) Two projects namely Waste Heat Recovery from Stoves of Blast Furnace-3, Power Generation using waste pressure at Top Pressure Recovery Turbine of BF-3 have been accorded host country approval by National CDM Authority. These projects are under validation.

7.3.6 Environment Management System

VSP in its endeavour to move beyond adherence to stipulated norms is adopting new technology and replacing old equipment etc. to meet the latest environmental norms. VSP complies with all the statutory requirements and emissions are well within the prescribed norms, as illustrated below:

- I. Stack Emissions: Stack Emissions from the chimneys are within norms (Fully complied)

| Stack Emissions (Unit: milligram/Ncum) | | | | |
|--|-----------|------------|---------|------------------------|
| Location | Parameter | APPCB Norm | 2010-11 | 2011-12 (Up to Dec) |
| Coke Oven Battery(Batt-1 to 3) | SPM | 50 | 43.5 | 42.5 |
| Blast Furnace (BHS-1-&2,CHES-1&2) | SPM | 115 | 79.3 | 83.1 |
| Steel Melt Shop(CVS) | SPM | 115 | 48.4 | 54.2 |
| Light and Medium Merchant Mill | SPM | 115 | 48.4 | 54.2 |
| (RHF &WBF) | SPM | 115 | 39.4 | 44.8 |
| Wire Rod Mill | SPM | 115 | 53.8 | 42.1 |
| Medium Merchant & Strl. Mill | SPM | 115 | 42.7 | 42.9 |
| Sinter Plant(ACP-1&2) | SPM | 115 | 79.2 | 80.3 |
| Thermal Power Plant (Boilers 1 to 5) | SPM | 115 | 94.8 | 93.1 |

- II. Solid Wastes:

| Generation & Utilization of BF & SMS Slag | | | |
|---|-----------------------|------------------------|--------------------------|
| Year | BF Slag % Utilization | SMS Slag % Utilization | Total Slag % Utilization |
| 2010-11 | 98.91 | 80.09 | 94.93 |
| 2011-12 (Upto Dec) | 71.29 | 152.85 | 87.17 |

7.3.7 New Initiatives / Innovative Schemes for improving Environmental Performance :

The following are some of the environmental measures taken in the plant for improving environmental performance.

| Sl No. | Environmental Initiative | Impact |
|--------|--|--|
| 1 | Bag filters of 5 kilns of CRMP fitted with PTFE bags to improve performance of bag filters | Reduction in emission levels to below 50 mg/NM ³ |
| 2 | Modification of dust disposal system and Automation of Electrostatic Precipitators of Air Cleaning Plant in Sinter Plant | <ul style="list-style-type: none"> • Performance of the ESP are enhanced • Dust Emission levels are continuously maintained to below norms of 115mg/NM³ |
| 3 | 4 nos. of continuous ambient air quality stations and on line monitors for 20 nos. of stacks and 1 no. of weather monitoring station are now installed and emission data is made available at Environment portal | Help in analysis of deviations in pollution related parameters and taking necessary long term and short term counter measures. |

7.3.8 Highlights of Environment Management

- Continuous monitoring of Ambient Air Quality & Continuous Stack Emissions Monitoring through on line environmental monitoring systems.
- VSP has initiated and invested in many environment management projects to control pollution. In the last 6 years environmental projects worth ₹98.508 Crores are implemented and projects worth ₹588.6 crores are under implementation and expected to be completed by 2011-12.
- VSP is scientifically disposing 100% of its hazardous waste and in addition to the above, it is the only steel plant in India which has provided a miscellaneous waste yard for taking care of e-waste.

7.4 NMDC Ltd.

7.4.1 NMDC's projects of Bailadila Iron Ore Mine, Kirandul Complex (Deposit 14/11C) and Bachel Complex (Deposit-5), Donimalai Iron Ore Project and Diamond Mining Project, Majhagawan, Panna were certified with ISO 14001:2004 Environmental Management Systems.

7.4.2 Environmental monitoring and Pollution control measures:

NMDC is carrying out post project environmental monitoring studies at all projects through laboratories recognized by Ministry of Environment and Forest (MoEF). The studies show that the environmental parameters are well within the norms prescribed by State Pollution Control Boards.

The activities taken up at projects are given below:-

- Laying of Geo-coir matting on waste dumps for stabilization at Donimalai.
- Use of classifiers, hydro cyclones, thickeners for recovery of iron ore along with water for re-use in screening plant.
- Monitoring of Tailing dams during monsoon season for discharge of clear water into down stream nallas.
- De-silting of all check dams for removal of accumulated silt material during monsoon season.
- Regular use of water sprinklers in mine haul roads, service roads, feeder roads to check the generation of fugitive dust.



Greenery at NMDC township at Bachel, Chhattisgarh.

- Spray of mist water at dumper platform, transfer points for controlling fugitive dust generation.
- Plantation and maintenance.

7.4.3 Energy Conservation

Some measures taken / being taken for reduction in energy consumption are:

- a) Power factor is being maintained above 0.95 with proper demand management with static capacitor on HT and LT. Automatic power factor controller (APFC) is also being used.
- b) Optimum feed rate is maintained in the Downhill conveyor system to generate power and feed back into the system to reduce overall energy consumption.
- c) Solar Water heaters are installed for hostel/hospital/canteen applications.

7.5 MOIL Ltd.

7.5.1 Air Pollution Control:

- a) Dust suppression of the points of dust generation are being ensured by:
 - Wet drilling of blast holes.
 - Haulage roads are frequently sprinkled with water for which truck mounted water tankers with sprinkler arrangement have been provided.
 - Maintaining the drilling speed as recommended by the manufacturers to control dust produced during deep large blast hole drilling.
- b) The dust respirators are provided to all the workers in dusty atmosphere.



MOIL receiving National Energy Conservation Award 2011 from Hon'ble Union Minister of Power, Shri Sushil Shinde.

7.5.2 Water pollution

- The water pumped during underground mining operation is fully utilized for plantation and sand stowing operations.
- The rain water collected in open pit is a source of water for dust suppression and plantation activity which is carried out every year.
- There is no discharge of water from any of the mine in the nearby water sources.

7.5.3 Solid Waste Management

- On an average 31.96 million m³ of solid waste is produced during the period of report. MOIL has adopted a system to segregate these waste in two categories namely (i) 'white waste and' (ii) 'black waste'. Black waste is mostly magniferous rocks or 'sub-grade mineral' which can be utilized in future.
- White dumps, once stabilized, are covered with plantation, MOIL in consultation with National Environmental Engineering Research Institute (NEERI) have successfully carried out plantation over these white dumps.

7.6 MECON Ltd.

7.6.1 Energy Conservation

MECON is presently executing the NEDO model project as detail engineering consultant for the 20.6 MW Sinter Cooler Waste Heat Recovery System for the 2 nos. Straight line sinter cooler at RINL, Vizag.

7.6.2 Pollution Control and Solid Waste Management

MECON has received orders, from both public and private sectors, for preparation of EIA/EMP reports for their new plants / expansion of plants for Raw Material Division, SAIL Plants, UCIL, HPGCL, CESC Ltd., IGCAR, JSPL, BPSL, Bhushan Steel Ltd. etc.

Environmental Engg. also renders its services for sampling, testing & analysis of air, water, noise, sewage and soil quality to various Plants in Steel and other Sectors both in private and public.

MECON has prepared Environmental Norms and Standards for Sponge Iron Plants in the country in association with Central Pollution Control Board (CPCB) and has been asked to prepare environmental standards for Sinter Plants by CPCB ; Project on Development of Comprehensive Industry Document (COINDS) and Environmental Standards for Re-rolling Mills ; Development of Guidelines for Management of Solid & Hazardous Waste generated in Integrated Iron & Steel Industry etc.

MECON has completed a prestigious assignment for providing consultancy services for implementing ISO 9001 & ISO 14001 in five model unit each in Steel Re-rolling Mills in India from UNDP/GEF, Ministry of Steel, Govt. of India.

MECON has executed rebuilding job of Coke Oven Battery no. 10 at ISP, Burnpur as Consultant with Biological Oxidation and Dephenolisation (BOD) plant for degradation of Coke Oven effluents and is also executing BOD Plant and sewage treatment plants along with sewage lift pump houses for 2.5 MT expansion of ISP, Burnpur. In addition, MECON is carrying out engineering work of sewage treatment plant, sewerage facilities & other effluent treatment facilities, as applicable, for NLC, Neyveli ; SAIL Projects of Bokaro, Bhilai, Burnpur and NMDC as well as for different private sector companies like Bhushan group, Jindal Group etc.

7.7 KIOCL Ltd.

Environment Management

At Mangalore

Pellet plant, port facilities & captive power plant

- a) The storm water drains in the plant area are provided with check bunds and catch pits to arrest the silt. The silt thus collected in the drains is recirculated into the process.
- b) 150 water sprinklers are installed and are in operation for suppression of dust in the point premises.
- c) 10 stacks installed in the Pellet plant for discharge of emissions have been provided with Air pollution control equipments such as Wet scrubbers, bag filters and multi clones. The discharge from the wet scrubbers are recycled in the process and the dust collected in the multi clones/ bag filters are recycled.

At Blast Furnace Unit

- a) Blast Furnace is provided with dust catcher, gas cleaning plant and effluent treatment plant.
- b) Treatment plant (Thickeners): The solid separated in thickeners in the form of slurry is being sent to Pellet plant in tankers for recirculation to conserve the resources.
- c) Rain harvesting/water conservation :Harvesting of monsoon water is being done successfully from 2007 monsoon onwards.

Compliance of Statutory Requirement (in all locations)

- The standard norms prescribed by KSPCB in respect of Air and water quality monitoring are being adhered to in all area of work.
- The compliance status with respect to the conditions stipulated in the consents are being reported regularly to the concerned authorities.
- The Company is having valid ISO-14001, ISO-9001 & ISO -18001 Certification for Mangalore establishment.

7.8 TATA Steel Ltd.

7.8.1 Highlights (2011-12)

- Online Continuous Emission Monitoring system has been commissioned in 25 major stacks and 4 Ambient Air Quality Monitoring stations have been installed to augment Environmental monitoring system.
- Specific water consumption of steel works reduced from 6.04 m³/tcs in 2010-11 to 5.77 m³/tcs in 2011-12.
- Surveillance audit has been done successfully for Environment, Health and Safety Management System of steel works as per OHSAS-18001:2007 and ISO-14001:2004 standards by M/s.Indian Register Quality Systems (IRQS).
- Total wastewater generation projected for this year is more than that of last year due to better rainfall (2048 mm) in Jamshedpur compared to rainfall same period last year (552 mm).

7.8.2 Status of Air Pollution in Steel Works

Stack Emissions (mg/Nm³)

| Sl. No. | Process Stacks | Pollutant | MoEF Norm | Actual 07-08 | Actual 08-09 | Actual 09-10 | Actual 10-11 | Actual 11-12* |
|---------|----------------------|-----------------|-----------|--------------|--------------|--------------|--------------|---------------|
| 1 | Blast Furnace Stoves | PM | ≤150 | 21 | 23 | 26 | 23 | 26 |
| 2 | Sinter Plant | PM | ≤150 | 103 | 137 | 117 | 146 | 149 |
| 3 | Lime Plant | PM | ≤150 | 43 | 45 | 38 | 38 | 30 |
| 4 | LD Shops | PM | ≤150 | 79 | 95 | 92 | 72 | 80 |
| 5 | Coke Plant Waste Gas | PM | ≤150 | 37 | 43 | 28 | 41 | 44 |
| | | SO ₂ | ≤800 | 138 | 160 | 152 | 133 | 100 |
| | | NO _x | ≤500 | 253 | 249 | 219 | 191 | 191 |
| 6 | Captive Power Plants | PM | ≤350 | 32 | 33 | 30 | 30 | 33 |

* Based on actual data from April 2011 to December 2011

7.8.3 Status of Solid Waste for Steel Works in % Utilisation

| % Utilization | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|-------------------------|---------|---------|---------|---------|
| Blast Furnace Slag | 94.3 | 96.4 | 100 | 100 |
| L.D.Slag (steel making) | 74.1 | 78.5 | 74.1 | 84.5 |
| Lime Fines | 100 | 100 | 100 | 100 |

| | | | | |
|---|------|------|------|------|
| Flue Dust | 83.5 | 87.9 | 93.7 | 73.4 |
| Mill Scale | 96.8 | 100 | 100 | 98.9 |
| Blast Furnace Sludge | 84.3 | 72 | 100 | 92.2 |
| L.D.Sludge | 69.1 | 82.9 | 86 | 86.5 |
| Mill Sludge | 96.3 | 96.9 | 100 | 79.7 |
| Others (Dolomite dust, undersize lime stone, Refractory waste, Coal tar/oil sludge, BOD sludge) | 100 | 100 | 100 | 100 |
| Total Utilization | 85.4 | 89.6 | 91.1 | 94.4 |

7.9 JSW Steel Ltd.

7.9.1 Energy Management

- Achieving the lowest specific energy consumption among the steel plant in India, below the 6 Gcal/tcs which is a saving of more than 4 % in a particular year.
- Commissioning of Top Gas Recovery Turbine (TRT-4) and generating captive power from TRT of the tune of 24-25 MW.
- Creation of Energy Management Center.
- Paving the path for Natural Gas in JSW.

7.9.2 Environment Management

- During the year 2010-11, JSW Steel commissioned the facilities related to its 10MTPA expansion. The salient features are:
 - Coke oven – 2 (2 batteries – 2.0 MTPA); Blast furnace – 4 (3 MTPA); Two converters of 180 tons each; Pellet plant – 2 and Sinter plant – 3 & 4.
- The state-of-art production facilities are equipped with necessary environment control facilities for control of environmental pollution. Some of the salient features are:
 - Coke Dry quenching; Coke pushing emission control equipment; Cast house fume extraction system; Top gas recovery turbine; Secondary fume extraction system for converters; Granulation of Iron and Steel making slag.
- At JSW, during the 2010 – 11, a number of schemes / projects related to waste utilization were firmed up. These include:
 - Mill scale briquetting for use in converters; Mini palletizing of metallurgical dusts; Corex slurry dewatering for use in pellet plant; Characterization of granulated BOF slag for use in construction.
- The environmental quality parameter for 2010 – 11 are:
 - Carbon dioxide : 2.49 Tons/Tcs.
 - Water : 3.01 m³/Tcs.
 - Dust (process) : 0.69 kg/Tcs.
 - Sulfur dioxide : 1.06 kg/Tcs.
 - Nitrogen oxide : 1.49 kg/Tcs.

Waste utilization: 100% (with BOF slag used in slime pond construction).

- Highlights on CDM projects.
 - i. CPP – 1: 100MW (nearly 7.1 Lakh CERs have been accrued).
 - ii. TRT – 3: 12MW.
 - iii. TRT – 4: 12 MW under registration.
- Adoption of Environment Management system like ISO: 14001 etc.
 - JSW Steel is in compliance to ISO: 14001 as the Environmental Management System was recertified in year 2011.
 - Till date 14 Lakh trees have been planted and the trend is still continuing.
 - Two RO plants of 125 m³/hr and 300 m³/hr capacity have been commissioned to recover good quality water for internal reuse.

7.10 Essar Steel Ltd. (ESL)

7.10.1 Various steps taken towards Environment Management include -

- a. **Air**
 - i. Modification of Ladle Furnace (LF) suction hood to improve the suction of LF dust. Additionally, all the LF ID fans are being replaced with higher capacity fans.
 - ii. Concrete flooring in Lime Plant area.
 - iii. Up-gradation of Dust Extraction system for Lime Kiln-3 & 4
 - iv. Installation of bag filter of higher capacity at Lime Kiln-1 & 2
 - v. Commissioning of Dry fog system at Material Handling area to reduce work zone dust level
- b. **Water**
 - i. Developed efficient waste water recycling system
 - ii. Zero Liquid discharge – Developed a scheme to reuse the effluent completely for process
 - iii. 218,300 m³ of rain water was conserved through a ‘Rain water conservation and Re-use’ scheme
- c. **Other Initiatives**
 - i. Tracking of emissions and discharges through on-line monitors
 - ii. Robust oil consumption and recovery tracking system.
 - iii. Installation of 2 Online Ambient Air Quality Monitoring stations and 15 online stack analyzers.
 - iv. All driers, chilling units Air conditioners are now operating with non chloro-fluoro carbon chilling gas.
 - v. Scheme for Micro-pelletisation for re-use of ETP Sludge into Sinter making was developed

7.10.2 Various steps towards energy management include –

- a. **CDM Projects**
 - i) Power generation from waste gases in DRI modules
 - ii) TRT for Blast furnace
 - iii) Blast furnace flue gas recovery from stoves
 - iv) Steam generation from Blast furnace gas
 - v) High top pressure operation in blast furnace

- vi) High efficiency burners in Blast furnace stoves
- vii) Utilization of Corex export gas as a replacement of natural gas at various places within the steel complex

b. Other energy saving initiatives

- i. Increment in Hot Metal usage in place of Hot DRI - 430.34 Lacs-kWh.
- ii. Increment in Cold DRI usage in place of HBI -159.398 Lacs-kWh.
- iii. Saving by changing suction filter for blowers at Lime plant - 3.57 Lacs-kWh.
- iv. Saving by optimizing FES fan operation - 18.46 Lacs-kWh.
- v. Optimizing light fittings / Replacement of lights with CFL - 2.64 Lacs-kWh.
- vi. Reduction in Energy consumption in CRM Compressors - 14.51 Lacs-kWh.
- vii. Saving through different HVAC related projects - 11.49 Lacs-kWh.

7.11 JSW Ispat Steel Ltd.

7.11.1 Specific Energy Consumption and CO₂ emission for the period FY 2009 to 2011

| | FY 2009 - 10 | FY 2010-11 |
|--|-----------------------------|-----------------------------|
| Specific CO ₂ Emission per ton of Crude Steel | 2.04 T CO ₂ /tcs | 2.10 T CO ₂ /tcs |
| Specific Energy Consumption | 6 GCal/tcs | 6.37 GCal/tcs |

7.11.2 Low carbon usage technologies and Energy conservation measures undertaken in Dolvi steel complex

- Tunnel Furnace A and B were converted from Oil (LDO) fired Furnace to Dual fuel (RLNG/LDO) fired furnace with investment of ₹10.57 crs and savings approx ₹5.42 crs/month
- RLNG and BF gas is used in the Boiler in place of HFO.
- NG injection in Blast Furnace to reduce coke consumption.

In JSW ISPAT, to reduce the waste generation and prevent the adverse impacts of products and services on environment the following measures have been taken.

- Full - fledged Effluent Treatment Plant is provided to treat and reuse waste water generated in process.
- Adequate air pollution control systems are provided.
- Solid waste generated in the process are recycled in sinter plant
- Waste gas generated in process is recycled for heating purpose.

Usage of ferruginous wastes produced in the Steel Plant viz.S.I.P Sludge, EAF Slag, Mill Scale and Flue Dust (from Blast Furnace)/GCP Dust (from SMS) is carried regularly in this Sinter Plant to reduce cost of Sinter and pollution on account of non-use of above waste items.

7.11.3 Following CO₂ Reduction Projects implemented at JSW ISPAT

- Installation of High efficient Top Gas Recovery Turbine & Dry GCP at Blast Furnace plant.
- Replacement of LDO by Regasified Liquefied Natural Gas (RLNG) in Tunnel Furnace I & II.

7.11.4 Effluent Treatment And Disposal

In Sponge Iron Plant, waste water is generated from scrubbers & coolers. This waste water is processed in classifier and clarifier, which are used for removal of coarse, heavy and suspended particles.

In Blast Furnace Plant, hot return waste water from the Gas cleaning plant is brought to the waste water Treatment Plant. The settled sludge is sent to sludge storage tanks with agitators and later to Vacuum drum filter, which removes the moisture content. Filtrate water is sent to cooling tower and the same is reused for gas Cleaning Plant.

Specific Water Consumption

Specific water consumption for flat products in JSW ISPAT for the year 2010-2011 was 3.54 M3/Ton of crude steel.

Greening Drive

JSW ISPAT steel limited has planted large number of trees in the plant premises as per guidelines given by MPCB .Maintaining the full-fledged Nursery managed by a qualified Horticulture Officers to develop plants for our in-house requirement.

CHAPTER-VIII

DEVELOPMENT OF INFORMATION TECHNOLOGY

8.1. Introduction

The Ministry of Steel and the PSUs under it constantly endeavour to keep themselves updated on matters relating to IT infrastructure, development and applications.

- The Computer Centre in the Ministry is equipped with Windows 2003 servers; Pentium based client systems, a Scanner for document imaging operations and heavy duty laser printers. In addition to these, the centre is also equipped with Local Area Network (LAN) equipment such as switches and hubs, which serve as a backbone for accessing information on Ministry-wide Local Area Network (LAN), Internet as well as operating Intranet based applications in the Ministry.
- Apart from NIC Central facility, about 200 Pentium based client systems capable of handling present day Windows based software and Office automation suits are operational with Officials and Desks/Sections in the Ministry.
- A LAN of about 200 nodes with Gigabit backbone is operational in the Ministry and is being extensively used for:
 - > Electronic Dak and Diary.
 - > Sharing of files/documents.
 - > Collecting information/material on Annual Reports, Parliament Questions, Pendency, Tracking and Monitoring Applications (VIP/PMO References, Parliament Assurances, Position of Vacant Posts, ACC approvals, Review/Appeal cases, Draft Audit Paras) from Sections/Desks.
 - > Compilation and collection of replies of Parliament questions from Desks/Sections in the Ministry and their onward transmission through E-mail to Rajya Sabha and Lok Sabha.
- Internet Connectivity for accessing the sectoral information has been provided to all officials/Desks/Sections in the Ministry.

8.1.1 E-Governance Applications and Promoting the Concept of Paperless Office in the Ministry

- As part of the e-governance programme, a Ministry-wide Internet portal is operational for sharing and disseminating information through a Bulletin Board services for Notices/Circulars/Office Orders among the users of the Ministry.
- The portal facilitates Electronic Dak/Diary movement of documents and other pendency monitoring applications.
- The facility for downloading of forms for sanction of leave and advances, medical re-imburement; Annual Confidential Report forms; Identity Card, staff car booking; Income Tax; telephone directory of officials/Sections / Desks in the Ministry, organization chart etc., are also provided on the Intranet portal for the Officials/Staff of the Ministry.
- Personal Corner for employee's salary statement, GPF & Income Tax statements. Bulletin Board Services for Office Memoranda, Office Orders and Office Circulars etc. are available on the intranet portal.
- The Internet portal also provides interface for accessing computer based systems in the area of tracking and monitoring of important references, parliament assurances, position of vacant posts

and their status in the Ministry and its PSUs, pending review / appeal cases, court cases, Audit Paras etc. to minimise pendency and improve delays in decision making.

- As a part of E-Governance plan, the following Web Based systems have been implemented in the Ministry :
 - > Right to Information Act- Management Information System (RTI-MIS) - facilitates monitoring of Requests and Appeals received under RTI Act 2005. The system is fully implemented in the Ministry and its PSUs. The system has been developed by Central Information Commission (CIC) as Central facility to all Govt. Ministries/Departments/Sub-ordinate and attached offices/PSUs etc.
 - > Centralized Public Grievance Redressal And Monitoring System (CPGRAMS) has been implemented for facilitating Public & Pensioners Grievances in the Ministry and its PSUs. The system has been implemented by Department of Administrative Reforms and Public Grievances & Department of Pension & Pensioners' Welfare in all the Ministries/Depts of Government of India and developed by National Informatics Centre.
 - > ACC Vacancy Monitoring System (AVMS) has been implemented for monitoring of vacancies in PSUs. The system has been developed by Department of Personnel and Training.
 - > E-Service Book is being implemented in the Ministry as desired by Department of Personnel and Training (DoPT).

8.1.2 Ministry's Official Website

The Ministry's web-site (<http://steel.gov.in>) in bilingual format on Internet has been re-designed. It provides information about the Ministry, its Policies, Acts etc. Administrative Setup, Indian Iron and Steel Producers and Processors, Results Framework Document(RFD), Right to Information Act-2005, Annual Reports, Detailed Demand for Grants & Outcome Budget, Schemes for Promotion of Research and Development in Iron Steel Sector, Standards notified by DCA for mandatory Quality Certification, Documents laid on the table of Lok Sabha, Shipbreaking, Tenders and Links to Ministry's PSUs has also been provided to give a wide coverage of information on the Steel Sector.

8.1.3 Video Conferencing Facility

A Video Conferencing facility between the Ministry and its PSUs is operational to conduct important meetings, speed up decision making, improve use of executive time and to reduce travel cost. A NICNET based Executive Video Conferencing System (EVCS) is also operational in the chamber of Secretary, Steel for inter-departmental consultations.

8.2 Steel Authority of India Ltd. (SAIL)

8.2.1 Enterprise Resource Planning (ERP)

SAIL started process of implementing ERP in a phased manner with Bhilai Steel Plant (BSP) taking the lead in SAP-ERP implementation.

- BSP, DSP, BSL & CMO (Phase-I) have gone live on ERP on 01/04/2009, 01/10/2009, 01/04/2010 & 01/07/2011 respectively & stabilized since go-live.
- ERP implementation is in progress at CMO (Phase-II) & RSP and shall Go-live by 31/03/2012.
- Greater process and system integration has provided information visibility that can help the company adapt to business and market changes more quickly. Project provides SAIL plants/units with an



Automated steel production at SAIL plants ensures top quality steel products.

integrated system for better revenue management and for exploring future business opportunities by ensuring end-to end, on-time information visibility.

- Unified codification system is being implemented in SAIL in the areas of Material, Party, Product and Services.

8.2.2 Manufacturing Execution Systems (MES)

BSP has also started its implementation of 'Manufacturing Execution Systems' in SMS2, Plate Mill and Rail Mill. In association with M/s POSDATA, trial runs are in progress and the commissioning is expected by 31/03/2012.

8.2.3 Networking

Wide Area Network (WAN)-The SAIL plants/units & other offices have been connected to each other through a secure and reliable fiber optics based MPLS - VPN with bandwidth ranging from 512 Kbps to 8 Mbps.

8.2.4 New Software Applications developed- Web Based System for Vigilance

As a step towards paperless office and real time monitoring, a centralized system has been developed wherein SAIL vigilance officers can promptly and accurately get online vigilance status in PESB format during a given period for any SAIL employee. Vigilance officials across SAIL also have the facility of online discussion boards through intra-vigilance blog.

8.2.5 E-payment

Payment of salaries to SAIL employees and payment of bills to suppliers is being done through e-payment.

8.3 Rashtriya Ispat Nigam Ltd. (RINL)

The highlights of IT initiatives and achievements in respect of RINL during the year 2011-12 are enumerated below.

8.3.1 E-initiatives

New Intranet and Internet sites including Hindi Version of the corporate web site have been developed in addition to the development of a number of departmental portals and web applications for various functions.

E-auction engines are developed to achieve transparency in negotiation and purchase at best available market price. Handling Contract / Consignment Agent in Marketing was added to the list of e-auctions. Combined Comparative-Statement by integrating MATS with E-auction engine was developed to enable to take a decision on lowest offer.

To ensure customer's delight web applications like Supplier Information System (to facilitate vendors to get on-line information on their business activities with VSP), Customer Information System and Portal for Contractor Profile Management were deployed during the year. Portal for District Level and Rural dealers, Payment gateway for Recruitment and extensible Business Reporting Language (XBRL) for financial reporting process were some of the other milestones.

The internet site won National Award for Best Corporate website by Public Relations Society of India (PRSI).

8.3.2 Security initiatives

Activities have been started for implementation of Information Security Management System. Public Key Infrastructure is under implementation and digital Signature work is taken up.

8.3.3 Process control initiatives

Wire Rod Mill Level-2 was upgraded with state-of-the-art Control System and up gradation of MMSM Level-2 is in advanced stage of completion.

8.3.4 Special initiatives

Enterprise Business Intelligence Dashboards are developed for different areas of decision making covering all business domains. Dashboards for NSR were realized. The implementation of Enterprise DAK Management System (EDAK) was started.

CCTV based surveillance system for the plant and Attendance & Access Control System are in pipe line. The process of CMMI Level-3 Re-certification of IT systems has been started.

8.4 NMDC Ltd.

- Web based HRMS & FAS are in use.
- On-line employee self service initially introduced for leave module has been extended for TA claims, Cafeteria option.
- Fixed asset module in FAS and Allowance & Training module in HRMS is under implementation.
- On-line web based Inventory Management System (IMS) is in use.
- On-line Annual Property Return is facilitated on regular basis.
- Video conferencing facility between HO & units is being used on regular basis.
- Processing and implementing MPLS connectivity between HO & Units.

8.5 MOIL Ltd.

MOIL Ltd. has set-up a full fledged Systems Cell in order to ensure an effective Computerization of all the functional areas of the Company. In order to ensure an adequate IT infrastructure, steps taken by the System Department are as under :

- Installation of 352 Nos. of Computers, out of which 210 Computers are at Head Quarter and 142 Computers are distributed in Maharashtra and Madhya Pradesh Mines.
- Designed, Developed & Implemented Computer based applications to meet Computing & Data Processing needs of various Departments viz, Sales & Marketing, Purchase & Stores, Employee's Payment and HR, Production & Quality and Cost & Finance of the Company.
- Ethernet based Local Area Networks (LAN) on Windows-2003 R2 platform in place at Head Office, Nagpur. LAN has also been designed and developed at all the nine mines of the Company.
- Design, Develop & Hoisted a dynamic internet website on NIC Server.
- Design, Develop & Hoisted a dynamic intranet website on in-house MOILNET Server. As a security measure the company has recently installed CISCO Firewall in the Networking System.
- For effective sharing of databases/ information and other resources on regular basis all the remotely located production units and HO are connected through VSAT.
- All the nine Mines have recently been provided with broadband internet connections for internet as well as VPN usage.
- For continuous knowledge acquisition, e-mailing and for data transfer facilities all the concerned officials of Head Office have been provided with internet connection through a 4 Mbps (1:2) internet leased line.

8.6 MSTC Ltd.

The developments at MSTC Ltd as far as IT infrastructure is concerned can be summarized below:

- Re-certification of ISO 27001.
- IBM Power Server P-740 installed.
- New CISCO Network equipments order placed.
- Compliance testing of CVC guidelines, IT Act 2000 & IT Amendment Act 2008 made and certificate obtained for MSTC's Coal e-auction from M/S Paladion Networks-a CERT-In empanelled security auditor.
- Sale of iron-ore etc. through e-auction.
- Sale of Tungsten through global auction.
- Service Charge Billing has been web enabled and integrated with new ISTMS (Integrated Scrap Trade Management System) application.
- New Form-16 integrated with Income Tax module in Payroll.
- TDS certificate introduced in new ISTMS.
- BRS (Bank Reconciliation Statement) introduced in new ISTMS.
- Link to CPGRAMS from corporate web portal.

8.7 Ferro Scrap Nigam Ltd. (FSNL)

- The various departments of corporate office and units have been provided with computers. The areas related to payroll, financial accounting, materials management have been computerised.
- MIS is being generated out of application packages.
- Units are linked up through internet connections.
- The installation of Wide Area Network (WAN) and implementation of SAP Entrepreneur Resource Planning (ERP) is under progress.
- Fulfilment of statutory compliance of the company such as PF, income tax, tendering, e-filing, etc.
- Posting of information regarding implementation of Right to Information Act on company's website.

8.8 Hindustan Steelworks Construction Ltd. (HSCL)

HSCL has its own web site at www.hscl.co.in through which it conducts its business activities in a transparent manner and complies with all statutory guidelines on Right to Information Act. HSCL has already taken up the programme for implementation of online MIS. By the end of March 2012, it will be implemented across all the units of the Company spread over the country. This will help the Company to monitor its progress better.

8.9 MECON Ltd.

MECON's offices at Ranchi, Bangalore and Delhi are equipped with state-of-the-art hardware, network and various Engineering software tools like AUTOCAD, AUTOPLANT, PDS, ETAP, CEASER, PVLITE etc. that facilitate quality design and timely completion of various projects.

MECON is using different project management software like Primavera, MS Projects and in-house developed project management software for planning and monitoring of different ongoing projects.

In-house developed web based modules like HR, Corporate Finance, Project Finance, MIS, Knowledge Management, e-archive are in use for day-to-day activities.

MECON is also using Video conferencing system extensively for discussions and review meetings with both among various offices of MECON and with clients/vendors.

8.10 KIOCL Ltd.

8.10.1 Coverage- Geographical

The use of ICT in KIOCL has been in vogue since its inception in 1976 and spans across all its plants and offices. KIOCL was the first mining company in India to be fully automated and computerized to entire operation since its inception.

8.10.2 Scope of service/Activities Covered.

KIOCL has been fully computerized operations organization. The main areas of computerization are:

- Inventory and materials management
- The Finance and payroll management. - All procurements above a purchase value of ₹5 lakhs are done through E-tenders thus giving the company access to the large supplier base and increasing transparency in procurement process.
- Marketing: Monthly e-tender is being conducted for sale of pellets.
- Process management: Sensor technology holds exciting potential for improving productivity.

Sensors placed in the fields can monitor measure and relay conditions like temperature, humidity, flow, pressure, water levels, etc, which then enables the engineers to take swift corrective or remedial action as needed. All plants of KIOCL are fully automated and can be controlled from the central control room. KIOCL was one of the first plants to invest in Distributed control systems for process automation. This has reduced the manpower requirement and increased productivity. KIOCL's fully automated loading system can load upto 3500 MT/Hour. Company is augmenting the materials division with a fully automated bulk material handling system which will have a captive railway siding with wagon tripling unit and covered conveying system.

8.10.3 Enhancement of productivity

Introduction of e-tendering, e-procurement & RTGS has reduced paper work to a large extent. It has also increased transparency in KIOCL Ltd. dealing with the external agencies.

8.10.4 Defined and achieved Outcomes

KIOCL's e-commerce activities: Better, faster, transparent and reliable delivery to both internal and external end user which has been successfully achieved.

ICT initiatives/ technology up gradations: faster transaction, reduced inventory levels, transparency, reliability, reduced paper consumption and paperwork has been successfully achieved.

Cost Control: Due to innovative use of ICT, considerable reduction has been in communication, travel and stationary expenditure.

8.11 Bird Group of Companies (BGC)

Online tendering of Iron Ore and Manganese Ore is being conducted through e-auction mode. In case of OMD e-auction payment of salaries is being done through SBI, e-payment is also used in case of Tax-payments.

8.12 Joint Plant Committee (JPC)

After the successful implementation of Phase I of the online integrated system, which has enabled far more expeditious generation of import-export and related reports, JPC has also been successful in implementing the 2nd phase of this system that caters to maintenance and reporting of the production, stock, apparent consumption and price database. Envisaged as a multi-tier system, the new phase not only enables faster data preparation and reporting system but also allow fast checking, status updates on receipt position and a total of 35 different reports can be generated for month-wise, period-wise, region-wise, state-wise, unit-wise and segment-wise production data. Further, JPC has also used information technology effectively in streamlining of its routine activities and developed an information system by integrating operational areas in administration and finance activities.

CHAPTER-IX

SAFETY

9.1 Introduction

Safety is an important aspect in functioning of any industry. It is important not only for its employees and workers but also for the environment and the nation. Iron and Steel production being a complex and hazardous activity, needs to prevent injuries and accidents, provide a healthy working environment and guard against all possible hazards and risks to be adequately recognised and taken care of. This chapter highlights the emphasis on safety by the PSUs under the Ministry.

9.2 Steel Authority of India Ltd. (SAIL)

Salient aspects of Safety Management System & Practices in SAIL include the followings:

9.2.1 Management Commitment

Ensuring accident free working in steel plants has been one of the prime priorities of the SAIL Management, which is committed to achieve the target of 'Zero Accident'.

Safety is monitored at the highest level of management i.e. Chairman and Directors' level as well as by the Chief Executives of respective plants/units to provide impetus on inculcating safety awareness and improving human behavior towards safety. Safety is discussed as first item in all appropriate forums, and directions are issued for adoption of all requisite measures to bring continuous improvement in safety standards.

SAIL is implementing OHSAS-18001, an advanced Safety Management system and it also has an 'Occupational Health and Safety Policy'.

9.2.2 Safety set up in SAIL

All Plants & Units of SAIL have full-fledged Safety Engineering Department to look after the safety management aspects under respective Head of Works. In addition, SAIL Safety Organization (SSO) at corporate level also coordinates and monitors the operational/fire safety activities undertaken at different plants/units of SAIL and provides appropriate corporate thrust on safety management at organization level.

9.2.3 Systems & Procedures

Safety aspects are incorporated in

- Standard Operating Procedures (SOPs) and Standard Maintenance Procedures (SMPs).
- Safety aspects incorporated in Work permit/ Protocol.
- Identification of unsafe acts and conditions during preventive inspection.
- Specific medical examination made mandatory for 'Working at Height' and for operating 'Mobile Equipment'.

9.2.4 Safety Audit/ Monitoring

Safety Audits are conducted at Plants and Units in following manner:

- Internal Safety Audits by Safety Engineering Department of respective Plants.
- Safety Audits by SAIL Safety Organisation associating representatives from sister Plants/Units



Safety is accorded top priority at SAIL.

- Safety Audits by external agencies e.g. National Safety Council, agencies recommended by Statutory Authorities, OHSAS auditors etc.

9.2.5 Awareness & Training

- HRD interventions in the area of Safety cover HoD, Line managers and Deptt. Safety Officers (DSOs).
- Area specific workshops are conducted.
- Skill oriented job specific safety training is imparted.
- Audio Visual Aids and Safety films are used during training programmes.
- Safety related information is telecast through local TV network of Plants.

9.2.6 Accident Analysis & Investigation

- Reportable Lost Time Injury Frequency Rate (RLTIFR)
 - For the FY 2010-11: 0.36
 - For the period April – Nov 2011: 0.20
- All accidents are investigated, analysed and remedial actions taken to prevent recurrence.
- Recommendations of 'On- the- spot study' of fatal accidents are disseminated amongst all plants & units for implementation of relevant actions to prevent its recurrence.

9.2.7 Contractor Workers' Safety

High priority has been accorded towards enhancing safety standards at contractor's work areas. 'Project Safety guideline' covering hazards and control measures have been consolidated and circulated by SSO. Concerted efforts are being made to train and educate the persons coming from different socio economic

background to work in an accident free work environment. Guidelines in vogue in this area include safety and penalty clause in contracts, planned job supervision by contractor and executing authority etc.

9.3 Rashtriya Ispat Nigam Ltd. (RINL)

At RINL-VSP, steel is made with safety and zeal. Several measures are being taken up to achieve zero accidents and to meet the safety requirements of the company. Important efforts in this direction include:

- Implementation of OHSMS:VSP has successfully upgraded its system from OHSAS 18001:1999 to its 2007 version. Hazard Identification and Risk Assessment (HIRAs) were reviewed from time to time and were amended as and when required.
- Safety audits & inspections: Internal Safety Audits are conducted once in a quarter in all major departments. Annual External Safety Audit has been conducted by M/s VEXIL Business Process Pvt. Ltd. The recommendations of the audit are implemented.

Safety Training and Awareness Campaign: In addition to the General Safety & Accident Prevention Programmes the following proactive measures were undertaken to inculcate safety awareness :

- Behavior Based Safety Management (BBSM) is being imparted and Dr.HL Kaila, Psychologist, ex-Director of CLI, Faculty for NSC, India delivered talk on “Behavioral Safety Aspects and Correction”.
- Gas Safety and Permit to Work awareness class were conducted.
- A “Legal awareness” training programme was organized by M/s BVCI.
- OHSAS-18001, 2007 Standard Internal Auditors Course was conducted by M/s BVCI.
- Frequent seminars and exhibitions on safety appliances, lectures by eminent personalities were organized to bring awareness among the employees on safe practices and the type of safety appliances available for use.



Plant Level Mock Fire Fighting Drill being conducted at COCCP area at RINL.

Safety Promotion: Safety week celebrations by independent departments are organized. Safety Debate, Safety Essay, Safety Poster Painting, Road Safety and various Quiz competitions were organized for both employees and contract workers.

Mock Drills: On site emergency plan & mock drills are conducted to test the emergency preparedness for fire, electric shock, gas leak, rescue from heights, burn injuries in departments as well as plant level. More than 144 nos. of fire mock drills were organized in several departments and all the deficiencies and other observations made during the drills were complied with.

With all these efforts VSP has been able to establish very good safety standards and achieve a safe working environment with high safety conscious employees resulting 0.52 “Frequency rate of Accidents” during Apr '11 to Dec '11 which is 17.46 % reduction over corresponding period of last year.

9.4 NMDC Ltd.

NMDC has its training centers in all its projects and they are equipped with infrastructure as required under Mines Vocational Training Rules. These centers cater to the needs of basic training, refresher training, and training for skilled workers and also for those injured on duty. In each mining project of NMDC, sufficient number of Workmen inspectors are nominated / appointed for mining operations, Mechanical and Electrical installations, as per statutory requirements. Mine Level Tripartite Safety Committee Meetings have been conducted in each of the Operating Mines. This meeting is conducted once in a year at project level with senior officials, Union Representatives and DGMS Officials in which Safety Performance and its appraisal is made. Tripartite Safety Committee Meetings are being held regularly once in a year at Head Office. Safety committees have been constituted in every operating mine and pit safety meetings are held every month discussing the safety matters and corrective actions related to work atmosphere.

Man days lost per 1000 man days worked for the year 2011-12 upto December 2011 is 0.56 and 0.60 during corresponding period of last year.

9.4.1 OHSAS 18001:2007 Certification

NMDC Projects – BIOM, Kirandul Complex, BIOM, Bacheli Complex and Donimalai Iron Ore Mine are accredited with OHSAS 18001:2007 Certification.

9.4.2 OHS Activities

Occupational Health Services have been provided with adequate manpower and infrastructure and are functioning in full-fledged manner at all the projects, headed by qualified doctors trained in OHS at Central Labor Institute, Mumbai.

9.5 MOIL Ltd.

All the Mine workings are being regularly supervised by Competent Supervisors like Mine Mate, Mine Foremen & qualified Mining Engineers. Safety Inspections are also being carried out during the working shift by Workmen Inspector, Safety Officer, Mine Manager & Agents. Internal Safety organization headed by General Manager (Safety) at Headquarter level is co-ordinating with DGMS & inspecting the mine from time to time.

Regular Safety Committee meetings are held at mines where day-to-day Safety aspects are discussed with the participation of workers. Unsafe Practices and Mine Accidents are analyzed in details to avoid any recurrence.

1) Risk Assessment and Risk Management

Risk Assessment study has been conducted in all major manganese mines, Underground as well as Opencast Mines by experts and safety management plan has been made as per the requirement of DGMS. The main purpose of risk management plan is to identifying risk in various activities, analysis of risk evaluation and prioritization of risk management and mitigation plans of risk.

2) Occupational Health and Safety Management (OHSAS 18001:2007)

In the area of Occupational Health and Safety Management System, MOIL received OHSAS 18001:2007 certificate for Balaghat, Dongri Buzurg, Chikla and Kandri mines and is in process of obtaining OHSAS certification for other mines also.

9.6 MSTC Ltd.

MSTC being a trading organisation does not have any plant/workshops. However, necessary measures are there in all MSTC's offices including attendance of a doctor during office hours.

9.7 Ferro Scrap Nigam Ltd. (FSNL)

The employees are motivated for observing safety precautions & safe working practices. Further, special programmes on safety & related topics, are also incorporated in the training calendar prepared for the whole year. The institutions like National Safety Council & other such reputed agencies are approached for evolving special programmes on Safety & allied matters in their training schedules, for the benefit of the employees. The Safety Day celebrations are also held in the company comprising safety debate competitions etc., and attractive prizes are provided to the winners.

As regards prevention of fire hazards, special training programmes are organized, through the Fire Service station of concerned Steel Plants for the employees, wherein mainly the Operators of various heavy equipments are nominated, in order to create awareness among them for self-protection and avoiding fire hazards at the work place.

9.8 Hindustan Steelworks Construction Ltd. (HSCL)

HSCL has formulated safety code and adequate steps have been taken for its implementation. In addition, HSCL complies with all safety norms connected with construction activities. The Company has full-fledged Safety Departments in Steel Plant Units, where about 98% of its workers are posted.

Development programs were also taken up for creating awareness educating the employees about safety precautions and updating about the developments in the field.

9.9 MECON Ltd.

MECON has design and consultancy offices and does not have an industrial unit. However, at project sites all necessary safety related precautions are being taken and as a result no accident has been reported during the year.

9.10 KIOCL Ltd.

- Safety Departments are functioning effectively in all the locations. The Company gives utmost importance to the occupational Safety and Health of the persons working in the Company. Although the mining activity at Kudremukh iron ore mines has been stopped with effect from 01-01-2006, as per the Hon'ble Supreme Court verdict, regular safety inspections are being carried out to ensure safety and health of employees engaged in upkeep and maintenance of mining equipments, essential services like water pumping watch and ward etc.

- Training Programme are being conducted for contractual workers who are coming for dismantling structures and other related works to inculcate safety conscious was among them.
- Various training programmes are being conducted to inculcate safety consciousness and to develop the human resources. Refresher training covering their area of working, First Aid Training, Awareness Training Programme on “Importance of Personal Protective Equipments”, Awareness Training Programme on “IMS (QMS+EMS+OHSMS). Sustainable Development Training Programme on Operation, Mechanical, Electrical, Instrumentation & Hardware and Awareness training programme on “Social Accountability – 8000:2008 are being conducted on need basis regularly.
- Awareness training programme on “Social Accountability – 8000 -:2008 conducted for Contractor’s workers also during December 2011.

9.11 Bird Group of Companies (BGC)

Mining companies under the Bird Group take safety measures according to provision of the Mines Act, 1952 in terms of Rules, Regulations and Guidelines towards safety of employees engaged in mining and allied activities. Necessary safety devices, tools and implements have been provided to the concerned employees. Safe practices pertaining to different activities in the mining operations are displayed through participation of workers in safety exhibitions locally as well as regional basis. New practices are also regularly adopted by visiting similar mines. Basic and refresher training is imparted to the workers in the Vocational Training Center & from different disciplines and operational activities in the mines. The employees have received prizes and awards from the Annual Mines Safety Week Celebration Committee of the region.

CHAPTER-X

SHIP BREAKING

10.1 Introduction

- Like many industries, the ship breaking industry has grown and expanded, in the past three to four decades, all over the world. The ship breaking industry supplies substantial quantity of re-rollable and scrap steel for the iron and steel industry. It increases the availability of semi-finished material, which otherwise would have to be produced by using the ore. Thus, it helps in conservation of natural resources.
- Ship breaking, as a regular commercial activity, started in some of the industrially advanced countries like the U.K., U.S.A. and Germany during the post World War II period. By 1960, the activity shifted from the industrialised countries to other areas in Europe and Far East. However, more than 90% of shipbreaking in the world during the last 10 years has taken place in India, Bangladesh, Pakistan and China.
- Private entrepreneurs handle the task of ship breaking in India. It is labour-intensive job and India having abundant human resource, finds it a cost efficient activity. Till the sixties, ship breaking in India was confined mainly to dismantling of small barges and coastal wrecks. This activity grew into a full-fledged industry by 1979.

10.1.1 Location of present ship breaking activities

- Alang and Sosiya yards in Gujarat
- Sachana in Gujarat
- Mumbai
- Kolkata

Alang and Sosiya are two villages situated on the coast of the Arabian Sea in the district of Bhavnagar in Gujarat where 90 % of the shipbreaking activity in the country is concentrated. The ship breaking statistics# during the last three years and current year 2011-12 (upto December 2011) are as under:

(in million tonne)

| Year | No. of ships beached | Light Displacement Tonnage (LDT)* |
|---------------------------------|----------------------|-----------------------------------|
| 2008-09 | 267 | 2.00 |
| 2009-10 | 379 | 3.1 |
| 2010-11 | 357 | 2.8 |
| 2011-12(upto Dec.2011) | 291 | 2.5 |
| 2011-12 (Jan-March - Estimated) | - | 0.6 |

* LDT is unit of physical weight of a ship

Statistics as furnished by the Gujarat Maritime Board, Alang.

10.1.2 Contribution of ship breaking

Ship breaking process is an industrial activity, which not only generates re-rollable steel but also helps create direct and indirect employment. Steel produced through the ship breaking route saves natural resources like iron ore, coal, etc. which are used for production of steel through integrated steel plants.

The steel generated from ship recycling contributes to around 1% to 2% of the domestic steel demand. A population, both direct and indirect, of more than 1 lakh depends on the ship breaking industry. Re-rollable scrap produced by ship breaking saves one process of melting and thereby results in substantial saving in electrical energy consumption.

10.1.3 Inter Ministerial Committee (IMC) on Ship Breaking

- The Ministry of Steel is concerned with ship breaking as per allocation of work (please refer Annexure-I).
- The general issue of control and management of hazardous waste has been under consideration in the Hon'ble Supreme Court following the writ petition no. 657 of year 1995 filed by Research Foundation for Science Technology National Resource Policy. The applicant sought the implementation and other remedial measures in respect of Hazardous Waste (Management and Handling) Rules 1989 framed by the Ministry of Environment and Forests; and the general issue of control and management of industrial waste. Various State Governments/Central Ministries were affected in this case and Ministry of Environment and Forests (MoEF) was the nodal Ministry.
- During the course of deliberation, Hon'ble Supreme Court issued various orders, the first important order being on October 14, 2003. The order mentions that an Inter-Ministerial Committee will be set up for ship breaking activities. Ministry of Steel set up an Inter-Ministerial Committee (IMC) vide an order of January 12, 2004 under the Chairmanship of Additional Secretary and Financial Advisor with members of Ministry of Shipping, Ministry of Environment and Forests (MoEF), Ministry of Labour, Gujarat Maritime Board, Gujarat State Pollution Control Board, Central Pollution Control Board, Labour Association, Steel Scrap and Ship Breakers Association etc. for the implementation of the Hon'ble Supreme Court Orders and other related functions. So far, IMC has held 13 meetings; co-opted members of other organizations; discussed various issues pertaining to ship breaking industries and issued a large number of directions to implement Supreme Court Orders.
- The last meeting of IMC was held in Gandhinagar on 08th July, 2011. Most of the issues discussed in the meeting relate to the safety and welfare of workers (viz. medical assistance, protection equipment, X-Rays from pollution environment, disease, housing facility etc.). The matters regarding health and welfare of workers and housing facility for them have since been taken up with the concerned authorities.

10.1.4 Finalisation of the Code on ship-breaking activity

- The Hon'ble Supreme Court vide its order dated 17.2.06 directed to set up a Committee of Technical Experts on ship-breaking. Ministry of Environment and Forests (MoEF) set up the committee on 24.3.06 to be headed by the Secretary, MoEF, and experts from various other organisations/pollution control boards. The Committee made various recommendations which have been accepted by the Supreme Court vide its judgment dated 06.9.07.
- The Supreme Court vide its order dated 06.09.07 stated that the Government of India shall formulate a comprehensive code incorporating the recommendations made by the Expert Committee. Until the Code comes into force, the recommendations made by the Expert Committee shall be operative by virtue of the order dated 06.9.07. The code is under formulation in the Ministry of Steel.
- A draft code has been prepared after extensive consultations with the stakeholders. The draft code on ship breaking along with a draft Cabinet Note has been circulated to all Ministries/Departments for soliciting their views/comments. After incorporating the comments/views, the revised draft code will be further examined in consultation with the Ministry of Law.

WELFARE OF WEAKER SECTIONS OF SOCIETY

11.1 Introduction

The Ministry of Steel and the public sector undertakings under it, comply with the Government guidelines with regard to welfare of weaker sections of the society. Out of total manpower of 230 employees in the Ministry as on 31.12.2011, 60 belonged to SCs(26.08%), 12 belonged to STs (5.2%) and 15 belonged to OBCs (6.52%). During the period from 1.4.2011 to 31.12.2011, one SC employee was appointed by direct recruitment and six SCs/STs by promotion.

11.2 Steel Authority of India Ltd. (SAIL)

Presidential Directives on Reservation for Scheduled Castes and Scheduled Tribes in Appointments in Public Enterprises are continued to be implemented. As on 31.12.2011, out of total manpower of 107841, 15.82% were belonging to SC category and 13.11% were in ST category.

SAIL has undertaken several initiatives for the socio-economic development of SCs/STs and other weaker sections of the society, such as:

- Steel Townships developed by SAIL have the best of medical, education and civic facilities and are like an oasis for the local Scheduled Castes, Scheduled Tribes and other population who share the fruits of prosperity along with SAIL employees.
- Special Schools have been started exclusively for poor, underprivileged children at five integrated steel plant locations. The facilities provided include free education, mid-day meals, uniform including shoes, text books, stationery items, school bags, water bottles and transportation in some cases. These schools now provide education to nearly 1500 children.
- SAIL plants have adopted 188 SC/ST students belonging to BPL families/ primitive tribes. They are being provided free education, boarding, lodging and medical facilities for their overall growth.
- No tuition fee is being charged from SC/ST students studying in the Company run schools, whether they are SAIL employees' wards or non-employees' wards.
- An ITI has been opened at Gua Mines for enabling the local population, comprising mainly of SC/ST and economically weaker sections, in acquiring the employment oriented essential technical skills.
- Free medical health centres for poor have been set up at Bhilai, Durgapur, Rourkela, Bokaro, and Burnpur, providing free medical consultation, medicines, etc. to the peripheral population mainly comprising of SC/ST and weaker sections of society.
- Villagers are given free treatment- outdoor and indoor –in the mine hospitals of Kiriburu, Gua & Chiria when recommended by Manki / Munda (Local Tribal Village Heads) of the peripheral villages which mainly helps the ST community people and other weaker sections of society.
- SAIL has adopted 79 villages as Model Steel Villages (MSVs) across eight states. The developmental activities being undertaken in these villages include medical & health services, education, roads & connectivity, sanitation, community centres, livelihood generation, sports facilities, etc. By March 2011, 62 Model Steel Villages (MSVs) have been completed. Work in remaining 17 villages is in progress.

11.3 Rashtriya Ispat Nigam Ltd. (RINL)

As on 31.12.2011, the total manpower with RINL was 18080 comprising of 2942 SCs (16.27%), 1203 STs (6.65%) and 1512 OBCs (8.36%).

Welfare of SC/ST and OBCs

A Death Fund Scheme for employees belonging to SC & ST categories was introduced in Jan, 2009 wherein ₹50/- will be deducted from the salary of the members (approx 4000) of the Association in the event of death of any member and the amount so collected would be given to the dependent of the deceased member. 57 families were benefited under the scheme so far, and on an average, each such family has received a sum of little more than ₹2 lakhs.

Grant under Dr. B R Ambedkar Merit Recognition Scheme – SC and ST Categories:

The following Scholarships are meant exclusively for the children of employees belonging to Scheduled Caste and Scheduled Tribe category:

| Qualifying Examination | Course in which admission is sought | Amount of Award | No. of Awards | |
|--------------------------------|--|---|---------------|---------|
| | | | SC | ST |
| 12th Class / Intermediate Exam | Degree courses in Engineering/ Architecture / Medical/ Veterinary /Dentistry/ Agricultural Sciences/ Pharmacy/ Law | ₹ 1500/- per month for the duration of the course | 8(Eight) | 4(Four) |

Note: 50% of the awards for 2 categories are awarded on the basis of merit irrespective of the cadre to which the employee belongs i.e. Executive or Non-Executive and the balance 50% of the awards is earmarked exclusively for the children of Non- Executive Employees.



Eye Screening Camps in peripheral villages/ tribal areas organized by RINL, facilitating completion of 5000 eye surgeries in association with M/s Sankar Eye Foundation.

11.4 NMDC Ltd.

The total number of employees in NMDC as on 31.12.2011 was 5992, out of which, 1072 belonged to Scheduled Castes (17.89%), 1317 to Scheduled Tribes (21.97%) and 786 Other Backward Classes (13.12%):

As a policy, efforts are made to fill any backlog vacancy in the next year on a continuous basis and the Company has been able to fill the reserved vacancies so far.

11.5 MOIL Ltd.

MOIL Ltd. is a labour intensive organization with 6575 employees on its rolls as on 31.12.2011. About 73.23% of the total strength (4815 out of 6575) belong to SC/ST/OBC, out of which, 1282 belonged to Scheduled Castes (19.50%), 1598 to Scheduled Tribes (24.30%) and 1935 to Other Backward Classes (29.43%). During the period from 1.4.2011 to 31.12.2011, 30 SC/ST/OBC were appointed by direct recruitment and 86 SC/ST by promotion. MOIL Ltd. is also taking keen interest in development of the down trodden people living in the vicinity of the mines situated in remote areas as detailed below :

- Adopted villages near the mines and provided drinking water facilities, road maintenance, periodical medical check ups and treatment to the people living in these villages.
- Providing financial aid, stationery, books etc. to the school adjacent to the mining areas.
- Providing sewing machines to women for their development and self-employment.
- Organising training classes for self-employment scheme.
- Provided tri-cycles to the physically challenged persons to be independent.
- Other welfare measures for the development and upliftment of tribal women such as conducting sewing classes, adult literacy classes, AIDS awareness programmes, propagating such other programmes by display of posters, notices and banners, leprosy awareness programme etc.
- Providing training to the physically challenged persons under Apprenticeship Act.

11.6 MSTC Ltd.

The total number of employees in MSTC Ltd as on 31.12.2011 was 311, out of which, 63 belonged to SCs (20.26%), 14 to STs (4.5%) and 37 to OBCs (11.90%).

Provision for adequate representation of SC/ST/OBC members in both Departmental Promotion Committees as well as Selection Committees (in case of recruitment) has been made. Special recruitment drive for SC/ST/OBC has been undertaken by the Company during the year.

As on 31.12.2011, 1 ST & 1 OBC executives and, 1 SC & 1 ST non-executive employees of the Company were sponsored for training programmes, both In-House and Institutional.

In addition, all possible cooperation and assistance was provided to the MSTC SC/ST Employees' Council, which function primarily to safeguard the interests of the reserved categories of employees of the Company.

11.7 Ferro Scrap Nigam Ltd. (FSNL)

Out of the total manpower with the Company i.e. 1070 as on 31.12.2011, 194 belonged to SCs (18.13%), 120 belonged to STs (11.21%) and 130 OBCs (12.15%). During the period from 1.4.2011 to 31.12.2011, six SC/ST/OBC candidates were appointed by direct recruitment and 19 SCs/STs by promotion. The

Promotion Policy as well as various welfare measures adopted by FSNL takes adequate care of welfare of the employees belonging to weaker sections of SC/ST/OBC communities.

11.8 Hindustan Steelworks Construction Ltd. (HSCL)

As on 31.12.2011, out of 601 employees on the strength of the company, 48 belonged to SCs (7.99%), 65 STs(10.82%) and 51 to OBCs (8.49%). HSCL has been assisting schools in areas where SC/ST/OBC & Physically Handicapped employees mostly reside. Assistance is given for supply of drinking water. Plots were allotted to workers for making hutment in the land allotted at sites of client with electricity, water supply, and sanitation arrangement etc. Children of SC/ST, OBC & Physically Handicapped employees get due preference in the matter of schooling at Projects. Directives of the Central Govt. with regard to recruitment and promotion in respect of SC/ST/OBC & Physically Handicapped employees are strictly adhered to. HSCL has also recently tied up with an NGO-ARDAR, and has provided tricycles for the physically challenged in Vishakhapatnam as a part of its corporate social responsibilities.

11.9 MECON Ltd.

As on 31.12.2011, out of 1779 employees on the strength of the company, 313 belonged to SCs (17.59%), 180 STs(10.12%) and 232 to OBCs(13.04%). The Company is fully aware of its social responsibilities for development and welfare of weaker Section of the Society. The Company has adopted adequate measures for safeguarding their interests and welfare such as Community education scheme, resource generation scheme, vocational training programme in Shyamali Colony, Ranchi, Community Health Programme, assistance to disabled persons at Cheshire Home, Village based programmes, Safe drinking water projects etc.

11.10 KIOCL Ltd.

The total number of employees in KIOCL as on 31.12.2011 is 1325 out of which 190 persons belong to Scheduled Castes (14.33%), 60 persons belong to Scheduled Tribes (4.52%) and 206 persons belong to Other Backward Classes (15.54%). Besides, there are 53 women (4.07%), 19 Physically Handicapped (1.43%) and 10 Ex-servicemen (0.75%). During the period Jan 2011 to Dec 2011, 28 SCs and 6 STs were promoted.

- KIOCL Ltd. has setup full fledged facilities at Kudremukh and Mangalore by establishing a modern township, hospital, recreation facilities etc. 10% of type "A" and "B" quarters and 5% of "C" & "D" type quarters are reserved for SC/ST employees.
- During the financial year 2011-12(upto December 2011), 15 numbers of merit scholarships and 40 numbers of merit-cum-means scholarships were sanctioned to the children of employees. Out of 55 numbers of scholarships, 20% of the scholarships i.e. 11 numbers are to be reserved for the children of SC/ST employees. During the year, 11 numbers of scholarships have been sanctioned to SC/ST employees. The qualifying standard of eligibility i.e. First Class or 60% whichever is higher, is relaxable to 50% in the aggregate marks for sanction of scholarship to children of SC/ST employees.

11.11 Bird Group of Companies (BGC)

The total number of employees in Bird Group of Companies as on 31.12.2011 is 1849. About 79.12% of the total strength (1463 out of 1849) belongs to SC/ST/OBC, out of which, 373 belonged to SC (20.17%), 859 to STs (46.45%) and 231 to OBCs (12.49%). During the period from 01.04.2011 to 31.12.2011, 3 SC/ST/OBC were appointed by direct recruitment.

BGC is providing educational facilities –OMDC and BSLC under the Bird Group extend aids to peripheral schools and colleges. The companies extend aid in form of construction of buildings, arranging study materials, providing furniture, school buses, sewing machines to women for self-employment etc.

BGC is providing hospital facilities –OMDC and BSLC run hospitals and provide treatment free of costs to all employees and to the villages located around its mining activities.

BGC is providing drinking water by digging wells, tubewells etc. for the employees and the villages located around its mining activities.

BGC is undertaking Occupational Health Surveillance- The company undertakes programmes for malaria eradication, pulse polio etc. through the hospitals of OMDC and BSLC to all employees and to the villages located around its mining activities.

Occupational Health Surveillance covering facilities like X-Ray, pathological laboratory, audiometry, ECG, lungs function test, dental clinic etc. is conducted by OMDC from time to time for the villagers in and around mining activities of the company.

CHAPTER-XII

VIGILANCE

12.1 Activities of Vigilance Division of the Ministry Of Steel

The Vigilance Section in the Ministry is headed by a Chief Vigilance Officer (CVO) of the rank of Joint Secretary appointed on the advice of the Central Vigilance Commission (CVC). The CVO with one Deputy Secretary, one Under Secretary and supporting staff, functions as the nodal point in the vigilance set-up of the Ministry.

The Ministry reviews the vigilance activities in the PSUs through individual meetings and through monthly checklist, periodic returns and statements sent by the CVOs. Other than this, depending on the backlog of pending references, the Ministry also held discussions with the CVOs of concerned PSUs on need basis. In the meeting of the CVOs of the PSUs under the administrative control of this Ministry held on 17th Oct 2011 under the Chairmanship of Shri P.K. Misra, Secretary, Ministry of Steel, the overall performance of the PSUs was reviewed. A special emphasis was laid on preventive vigilance and system improvement processes in the PSUs. All circulars containing instructions and guidelines on different aspects of vigilance management received from the CVC, were also circulated to the CVOs of the PSUs for compliance. Progress thereon, in the form of follow up action taken, was monitored.

During the year 2011-12, the CVOs of the PSUs were directed to:

- Actively participate and co-ordinate and monitor the process of implementation of the Integrity Pact in their respective PSUs and also to review its effectiveness as a preventive measure.
- Duly comply with CVC's guidelines relating to leveraging of technology.



Hon'ble Union Minister for Steel, Shri Beni Prasad Verma releasing a Handbook of CVC Circulars and Guidelines.

- Provide inputs from vigilance perspective to achieve adoption of e-Commerce including e-procurement and e-payments to the extent possible in their respective PSUs.

12.1.1 ISO Certification

In pursuance of the directions given by the Ministry, the Vigilance Departments of all the major PSUs have obtained ISO Certification.

12.1.2 Integrity Pact

Inspired by the concerted efforts initiated by the Ministry of Steel, all the major PSUs under the Ministry of Steel have signed Memorandum of Understanding (MoU) with the Transparency International India (TII) with the commitment to implement the Integrity Pact in all such transactions in their respective organisations in letter and spirit. The progress of implementation of the Integrity Pact in the PSUs was closely followed up during 2011-12.

12.2 Steel Authority of India Ltd. (SAIL)

SAIL Vigilance is laying emphasis on preventive and proactive activities to facilitate an environment enabling people to work with integrity, efficiency and in a transparent manner, upholding highest ethical standards for the organization. Accordingly, following activities were undertaken during the period April'11 – December'11:

- The Results Framework Document (RFD), a tool for monitoring and evaluating performance, has been implemented in SAIL Vigilance for monitoring key activities such as System Improvement Projects, Intensive Examinations and Thrust Areas identified for Vigilance.
- An initiative has been taken for nurturing ethics amongst the School Children. As a part of this initiative, Ethics Club has been launched in BSP, BSL and RSP.
- Various initiatives have been taken by SAIL Vigilance to increase leveraging of technology in vigilance function. These include provision for on-line submission of Property Returns, provision for generating on-line vigilance status, augmentation of on-line submission of management information system reports by vigilance departments of plants / units of SAIL, online file tracking system, Vigilance blog for discussions relating to vigilance issues etc.
- SAIL vigilance manual published in 2003 has been revised to include latest CVC guidelines / circulars etc. The revised version has been published as SAIL Vigilance Manual 2011. The SAIL Vigilance Manual 2011 has been released by Secretary Steel on 27th July 2011.
- A book on Case Studies on vigilance cases for increasing awareness amongst the employees has been published and released by Chairman, SAIL on 31st December 2011.
- Vigilance Awareness Week 2011 was observed from 31st October to 5th November 2011 across all plants / units of SAIL. Various competitions like debate, essay, poster making on "Participative Vigilance" were organized. To increase the awareness amongst the stake holders, vendor / customer meets were also organized.
- A case study forwarded by SAIL Vigilance on "Use of Sub-Standard grade roofing sheets in construction of Bloom Caster Shop" has been awarded the "National Vigilance Excellence Award 2011" by Vigilance Study Circle, Hyderabad. The award was handed over in the anniversary celebrations of VSC in Hyderabad on 08.07.2011.
- Periodic surprise checks including joint checks were conducted regularly in vulnerable areas of the company. A total of 2714 periodic checks including file scrutiny and 286 Joint Checks were conducted at different Plants / Units. Saving of approx. ₹20.98 Crore accrued from the preventive vigilance activities mainly on account of these Surprise Checks.

- 12 cases were taken up for Intensive Examination at different plants / units. During Intensive examination, high value procurement / contracts are scrutinized comprehensively and necessary recommendations are forwarded to concerned departments for implementing suggestions for improvement in future.
- Eight major System Improvement Projects (SIPs) were undertaken at different plants/units of SAIL.

12.3 Rashtriya Ispat Nigam Ltd. (RINL)

Vigilance Wing of RINL took various measures to promote transparency and integrity in RINL with specific focus on preventive vigilance. The following activities were undertaken to promote transparency and integrity in RINL during the period April 2011 - December 2011:

- Conducted 178 system checks including 23 quality checks and 44 rake/road re-weighments.
- Conducted 8 Vigilance awareness sessions on preventive vigilance covering approx. 670 employees.
- As a part of observance of Vigilance Awareness Week 2011, a guest lecture by Shri Venugopal K. Nair, IPS, Addl. DGP, KeralaState on 04.11.2011 was organized for the benefit of employees, on the topic “Vigilance and Corporate Governance – its relevance today”.
- Independent External Monitor (IEM), Shri PC Parakh, reviewed the progress of implementation of Integrity Pact (IP) on 23.10.2011 in the presence of CMD, Directors, CVO and Senior Officers of RINL. As on 30.11.2011, 876 contracts have been covered by Integrity Pact, which is approx. 85% of the tenders floated for procurement of goods and services, in terms of value.
- The Quarterly Internal News Letter of Vigilance department “SPANDANA” covering relevant information/inputs in the organisation are circulated to all officers to take preventive actions/corrective measures.

12.4 NMDC Ltd.

Vigilance Department in NMDC had taken several initiatives during the year for Participative Vigilance. During this year; 96 surprise checks, 102 regular inspections and 72 CTE type inspections were conducted.

As part of implementing the Leveraging of Technology for transparency in all the transactions, information about tender enquiries above ₹30 lakhs, details of contracts concluded above ₹10 lakhs, works awarded on nomination basis, single tender basis above ₹1 lakh, information regarding bill payments to the contractors etc., are provided on the company's website.

NMDC has implemented Integrity Pact since November, 2007 in order to maintain transparency in all its dealings with contractors and vendors. NMDC has recently reduced the threshold limit to ₹20 crores in case of civil works and contracts and ₹10 crores in case of procurement. Till date, the Integrity Pact has been adopted in 58 contracts with a value of ₹13763.65 crores. As such, more than 90% of the total value of the contracts are covered under Integrity Pact. NMDC has appointed Mr. S .Anwar, IAS (Retd) and Dr. J.S. Juneja as IEMs after getting the approval from CVC.

Vigilance Department in NMDC is certified under ISO 9001:2008 conforming to the Quality Management System. It has been certified as per ISO standards since October, 2006 by Integrated Quality Certification Private Limited, Bangalore. M/s. Integrated Quality Certification Pvt. Ltd., has conducted Surveillance Audit on 17.10.2011 as a part of ISO 9001:2008 for Vigilance Department. Based on the audit, the ISO Certificate was extended for a further period of one year i.e., upto 25.10.2012.

The Vigilance Awareness Week was observed from 31.10.2011 to 05.11.2011. During this week, Vigilance Department organized talks by eminent personalities on “Participative Vigilance”, “Cyber Crimes & Information Security”. On the concluding day i.e., on 5th November, a talk by Shri. N Vittal, former Central Vigilance Commissioner, Central Vigilance Commission was organized.

12.5 MOIL Ltd.

The functioning of Vigilance Department includes both preventive as well as punitive vigilance, for all the establishments /mines/ plants of the company including corporate office at Nagpur. Various activities of Vigilance Department during the year are as under :

- “Vigilance focus meeting” was organized with the participation of the management & all HODs. The major areas covered were Production, Marketing, Personnel, System department.
- MOIL organized a workshop on “Conclave on Vigilance Activities”. The workshop was aimed at capacity building and knowledge dissemination thorough presentation of case studies and sharing of success stories of Vigilance department of various public sectors unit relating to mining activities.
- Vigilance Awareness Week-2011 was observed, from 31st Oct, 2011 to 5th Nov, 2011, in various Establishments / Mines of MOIL. Various Competitions were organised for improving awareness among the employees. Also a Group discussion (Sangoshthi) amongst the eminent personalities from the different group of the societies were organized Dongri Buzurg Mine.
- As a preventive vigilance 13 work contract scrutinized and 48 inspections were carried out during the period. Advisories have been issued, from time to time, to streamline the procedures and bringing transparency in works at different level of operations.

E-Sales: MOIL has implemented E-sales for Ferro Manganese, Fe-Mn slag and the dioxide grade of ore from Dongri Buzurg mine. During the year 2011-12, total 20 events of e-sale has been conducted.

E-Procurement: MOIL has fixed threshold limit of Rs. 1 crore & above for the purpose of e-procurement. Accordingly MOIL has identified & earmarked HSD, Lubricants, Explosives (Reverse auction), Coke& Coal for e-procurement and purchase is exclusively done from PSUs.

E-Payments: The payments of the company is ensured to made ‘on-line’ wherever it is possible. In most of the other cases payments are made either through RTGS or A/c Payee Cheques. Income Tax & Service Tax payment is made through e-payment.

12.6 MSTC Ltd.

MSTC has been consistently following the policy of Zero Tolerance (ZT) on corruption for the maintenance of purity, integrity and efficiency in the organization. The highlight of some of the measures taken in this connection is as under:

A Vigilance page has been hosted on MSTC’s website namely www.mstcindia.co.in for online complaint lodging and monitoring system. Further, an online public grievance and suggestion system has also been hosted at Company’s website. List of Do’s and Don’ts - Best Practices for Promoting Transparency and Fairness have been drawn up and circulated.

Further, with a view to providing quality assurance to the stakeholders, the Vigilance Wing of MSTC has obtained ISO 9001-2000 which has also been updated to bring it to the ISO 9001:2008 standard.

The need to strengthen Internal Audit was emphasized by the Vigilance Department and accordingly M/s PWC appointed for this purpose. Agreed list for 2011 - reviewed in consultation with the concerned CBI offices. Sensitive posts in the organization were identified.

Integrity Pact has already been adopted by MSTC which is applicable in all contracts exceeding ₹2.00 crore in Marketing Department and ₹50.00 lakh in selling agency business.

During the year, the Vigilance department was instrumental in organizing “Vigilance Awareness Week” from 31st October to 5th November, 2011 wherein stress was laid upon Participative Vigilance leading to increased vigilance awareness amongst employees and business associates to bring enhanced transparency in public dealings.

12.7 Ferro Scrap Nigam Ltd. (FSNL)

Vigilance activities during the year continued with special emphasis on preventive vigilance and analysis of existing system improvement. It was the endeavor of the Vigilance department to aid and assist the management in improving systems and procedures so as to ensure transparency in decision making. Various guidelines issued by CVC and Ministry were widely circulated. Co-ordination meeting with CBI was held and random scrutiny of property returns of the officers was carried out.

ISO 9001:2000 certification for Vigilance department was obtained. Action has also been taken for leveraging of technology for improving Vigilance administration which includes uploading of application forms on company’s website in downloadable form for registration of contractors for pre-qualification tenders and suppliers for different categories of stores items, updation of vendors list, introduction of e-payment to vendors, etc.

Vigilance Awareness Week was observed from 31st October to 5th November 2011 during which various activities were conducted in order to create vigilance awareness among employees.

12.8 MECON Ltd.

The Vigilance Department of MECON Ltd. has taken a number of initiatives, briefly mentioned below:-

a) Vigilance Awareness Week-2011

Vigilance Awareness Week was observed from 31st October to 5th November 2011 at Head Office, Ranchi along with Town Admn. & Construction Deptt. and Ispat Hospital and at all Regional/Site offices of MECON. During Vigilance Awareness Week, Senior Officials of MECON including CMD, Directors and CVO addressed the house in various programmes organized by Vigilance Department.

b) Implementation of Integrity Pact in MECON

MECON has signed Integrity Pact (IP) with 27 suppliers/ contractors for order value more than ₹5 crores. The IP is part of the NIT document which is uploaded on the MECON Website with each NIT in downloadable form and all bidders are required to submit signed IP along with their bids.

IEM (Independent External Monitor) has been functional in MECON since a couple of years now and Quarterly Review Meetings between MECON Management and IEM are being held on periodical basis.

c) Implementation of e-procurement and e-payments in MECON

e-payments are being made to vendors and statutory bodies (Sales Tax, Service Tax, Income Tax, etc.) through electronic fund transfer (NEFT/RTGS mode) in MECON. Tender documents are being uploaded on MECON website which can be downloaded by the bidders. This gives equal opportunity to all the eligible bidders and brings transparency in the tendering system.

d) **ISO Certification of Vigilance Department, MECON, Ranchi**

Vigilance Department, MECON, Ranchi has its own Vigilance Quality Manual and follows well established Quality Management System. ISO 9001:2008 Accreditation from TUV Nord India Pvt. Ltd. was obtained by the Vigilance Department in the year 2006. Transformation audit from ISO 9001:2000 to ISO 9001:2008 was conducted by TUV in November 2010 and certificate was issued on 14.11.2010 which is valid upto 26.11.2012. Surveillance Audit for the year 2011 has been conducted by TUV on 14th/15th October 2011. TUV has expressed satisfaction over working of Vigilance Department.

12.9 Hindustan Steelworks Construction Ltd. (HSCL)

- HSCL has exhibited its commitment to transparent and equitable Corporate Governance by bringing out a 'Handbook of CVC Circulars and Guidelines' for the benefit of more than 250 PSUs. The Publication was formally inaugurated by Hon'ble Minister of Steel Sri Beni Prasad Verma in a function held in Lucknow in December 2011.
- Vigilance awareness programs were observed at Bangalore, Vizag & Ranchi and reports were sent to CVC.

12.10 KIOCL Ltd.

12.10.1 Integrity Pact Programme:

Integrity Pact Programme was introduced in KIOCL from 01.01.2008. During the last one year, 96 orders have been issued by incorporating IP clause.

12.10.2 ISO 9001-2008:

Vigilance Department of KIOCL obtained ISO-9001:2008 Certificate on 07.11.2006 with a validity of 3 years. On completion of 3 years, M/s ICS Pvt Ltd, has been appointed as certifying agency through open tender process. They have conducted audit on 6th November, 2009 and issued certificate which is valid up to 8th December, 2012.

12.10.3 Submission of Annual Property Returns:

Submission of Annual Property Returns has been made online. There are 481 officers in the organization. As per the CVC guidelines 20% of above has to be scrutinized every year. Accordingly scrutiny of Annual Property Returns of 96 officers commenced in the month of April and completed by October, 2011.

12.10.4 Inspections:

CTE type inspections are being carried out regularly to ensure strict adherence to norms and eliminate deviations. During this period, total of 8 CTE inspections, 23 surprise checks, 28 general inspections and 40 scrutiny of files were carried out have been carried during the period i.e. from Jan -2011 to Dec-2011.

12.10.5 E-governance:

Disposal of scrap/ surplus items is being done by e-auction, since September 2004. Regularly e-auctions are being held at Mangalore and Kudremukh. E-sales are in practice since four years. Commercial Department is conducting sales of pellets by calling e-tenders. e-Procurement by reverse auction has been commenced from Sep-2010. The threshold value for e-procurement is fixed at ₹5 lakhs and above. All payments above the threshold value are being made through electronic mode.

12.10.6 Job Rotations:

Total 115 posts have been identified by Vigilance as sensitive posts and about of 79 of them have been rotated during the last 3-5 years

12.10. 7 Vigilance Awareness Week:

Vigilance Awareness Week was observed from 31st October to 5th November, 2011 at all the locations / offices of KIOCL Limited.

12.11 Bird Group of Companies (BGC)

Observance of Vigilance Awareness Week-2011 commenced from 31st October, 2011 to 5th November, 2011. Throughout this week, the Company conducted various programmes like pledge ceremony, Seminar, Essay competition, Quiz competition, Interaction session etc. Banners were displayed at the prime locations of the office premises during the VAW-2011. Quiz competition among the Executives & Non-executives of the BGC employees held on 01.11.2011 in presence of AM (Vigilance), OMDC, Kolkata.

The closing ceremony of Vigilance Awareness Week was celebrated. Prizes were distributed to all the successful participant of the above competitions & concluded the 'Vigilance Awareness Week-2011'.

Similarly the Vigilance Awareness Week-2011 was celebrated at BSLC Mines Biritrapur and OMDC Mines, Barbil.

CHAPTER-XIII

GRIEVANCE REDRESSAL MECHANISM

13.1 Centralised Public Grievances Redressal and Monitoring System

Centralised Public Grievance Redressal and Monitoring System (CPGRAMS) has been implemented for facilitating public grievances in the Ministry and its PSUs. The CPGRAMS, is an online web-enabled system over NICNET developed by NIC in association with the Department of Administrative Reforms and Public Grievances (DARPG) with an objective of speedy redressal and effective monitoring of grievances by Ministries/Departments/Organisations of Government of India. The entire life cycle of the grievance redressal operation is (i) Lodging of the grievance by a citizen. (ii) Acknowledgement of acceptance of grievance by organisation. (iii) Assessment of grievance regarding follow up action. (iv) Forwarding and transfer. (v) Reminders and clarification. (vi) Disposal of the case. The details of grievances dealt with in the CPGRAMS for the period from 01.04.2011 to 31.12.2011 are as under:

| Brought Forward | Received during the period | Total Receipts | Disposed | Pending |
|-----------------|----------------------------|----------------|----------|---------|
| 30 | 263 | 293 | 261 | 32 |

A revised Sevottam Compliant Citizen's/Clients Charter has been finalized and implemented in the Ministry of Steel on 04.12.2011.

The status of adoption of 'Seven Step Model for Citizen Centric- Sevottam' in the Ministry and Steel PSUs is at Annexure XVII.

The position of the implementation of the judgment/orders of the Central Administrative Tribunal is given in Annexure-XIII.

13.2 Steel Authority of India Ltd. (SAIL)

Effective internal grievances redressal machinery is well established in all SAIL plants and units, separately for executives and non-executives. The grievance procedure in SAIL has evolved after sustained deliberations and consent of employees, trade unions and associations.

The grievances in SAIL plants/units are dealt in 3 stages and employees are given an opportunity at every stage to raise grievances relating to wage irregularities, working conditions, transfers, leave, work assignments and welfare amenities etc. Such issues are effectively settled through the time-tested system of grievance management. However, majority of grievances are redressed informally in view of the participative nature of environment existing in the steel plants.

Status of Public/Staff grievances for the period from 1.4.2011 to 30.11.2011 is as under:

| Sl. No. | Type of Grievances | Grievances outstanding as on 01.04.2011 | No. of grievances received during the period | No. of cases disposed of | No. of cases pending on 30.11.2011 |
|---------|--------------------|---|--|--------------------------|------------------------------------|
| 1 | Public Grievances | 7 | 79 | 81 | 5 |
| 2 | Staff Grievances | 183 | 1767 | 1844 | 106 |

13.3 Rashtriya Ispat Nigam Ltd. (RINL)

In RINL-VSP, there are separate structured formal and informal Grievances Handling System for redressal of grievance of employees. In the formal Grievance Procedure for non-executives, a workers' representative is present in the committee. Further, both executives and non-executives grievance handling systems have a fixed time frame to redress the grievances. A senior officer at the level of General Manager is designated as OSD (Public Grievances) to deal public grievances.

The information regarding the Public/Staff grievances for the year 2011-12 (up to Dec '11) is furnished below:

| Sl. no. | Type of Grievances | Grievances outstanding as on 01.04.2011 | No. of Grievances received during Apr-Dec '11 | No. of Grievances disposed of during Apr-Dec '11 | No. of Grievances pending as on 31.12.2011 |
|---------|--------------------|---|---|--|--|
| 1 | Public Grievances | 6 | 9 | 9 | 6 |
| 2 | Staff Grievances | Nil | 2 | 1 | 1 |

13.4 NMDC Ltd.

The grievance redressal machinery in NMDC is headed by a Joint General Manager in the Head Office and by Head of Projects in each of the four production Projects. The CVO has been nominated as the nodal officer for monitoring the grievance redressal machinery. A link to the Government of India's portal for Public Grievances has been provided in the home page of NMDC's website for registering grievances. Public dealing in the organization being minimal, no time norms etc. have been fixed. However, as and when any public grievances (including in the press) is received, the same is promptly attended to. Monthly and quarterly reports on staff/public grievances are sent to Ministry indicating the position.

Status of Public/Staff Grievances:

| Sl. No. | Type of Grievances | Grievances outstanding at the beginning of the year | No. of Grievances received during the year | No. of cases disposed of | No. of cases pending at the end of the year |
|---------|--------------------|---|--|--------------------------|---|
| 1 | Public Grievances | 1 | 2 | 2 | 1 |
| 2 | Staff Grievances | Nil | Nil | Nil | Nil |

13.5 MOIL Ltd.

- MOIL has its own grievance redressal procedure for Executives as well as non-executive employees. The redressal of grievance machinery in MOIL consists of one Grievance Officer nominated for the purpose at each unit. The Grievance Officer nominated at Head Office co-ordinates with the Grievance Officers at the units for their effective performance.
- All Grievance officials have been apprised of the manner in which the Public Grievance received at this end are to be disposed. The system adopted for dealing the grievance of Public was constituted on the basis of instructions received from various authorities in the past.
- The grievances are monitored at Head Office on the basis of assessment of data received from Unit, Grievance Officer through the monthly report as well as through inspection by Head Office authorities.

Status of Public/ Staff Grievances for the period 01/04/2011 to 31/12/2011.

| Sr. No. | Type of Grievances | Grievances outstanding as on 01.04.2011 | No. of grievances received during the period | No. of cases disposed of | No. of cases pending on 31.12.2011 |
|---------|--------------------|---|--|--------------------------|------------------------------------|
| 1 | Public Grievances | Nil | Nil | Nil | Nil |
| 2 | Staff Grievances | Nil | 851 | 849 | 2 |

13.6 MSTC Ltd.

An exclusive corporate portal www.mstcindia.co.in has been set up integrating a link to facilitate the Public Grievances, where the Buyer/ Principal can register their grievances and those are monitored through online. The portal provides for a unique system generated code for the complainants to lodge and view the progress of the grievances registered online. Some of the grievances are also received at the Central Grievance Cell by post.

Grievance Cells have been constituted at all Regional and Branch Offices. The Grievance Cell meets at periodical intervals to review case which are pending for more than three months. Any grievances lodged are attended immediately and utmost efforts are taken to settle/ resolve the cases within a fortnight.

Moreover the company has also instituted a Centralized Grievance Redressal Mechanism System (CPGRMS) as per instructions received from the Ministry which is monitored by the officials nominated for the purpose. These measures provide for a prompt and effective redress of grievances online. So far, one (1) grievance was registered on CPGRMS and that was subsequently replied to the higher authority within the scheduled time frame. The sevottam complaint Citizen's Charter has been put in place in the Company's corporate website also.

Statement of Public/Staff Grievances for the period of 01.04.11 to 30.11.11:

| Sl. No. | Type of Grievances | Grievances outstanding as on 01.04.2011 | No. of grievances received during the period | No. of cases disposed of | No. of cases pending on 30.11.2011 |
|---------|--------------------|---|--|--------------------------|------------------------------------|
| 1 | Public Grievances | 2 | 14 | 12 | 4 |
| 2 | Staff Grievances | Nil | 1 | 1 | Nil |

13.7 Ferro Scrap Nigam Ltd. (FSNL)

Details of Public/Staff Grievances during the period 01.04.2011 to 31.12.2011:

| Sl. No. | Type of Grievances | Grievances outstanding as on 01.04.2011 | No. of grievances received during the period | No. of cases disposed of | No. of cases pending on 31.12.2011 |
|---------|--------------------|---|--|--------------------------|------------------------------------|
| 1 | Public Grievances | Nil | Nil | Nil | Nil |
| 2 | Staff Grievances | 3 | 3 | 5 | 1 |

13.8 Hindustan Steelworks Construction Ltd. (HSCL)

Compliance with regard to Public/Staff Grievance Redressal has been made during 2010-11 and 2011-12 till December 11. The provisions of RTI act are being complied with.

13.9 MECON Ltd.

Public Grievances

By and large MECON does not have dealings with the public in general. But any specific complaints relating to any kind of harassment is treated as a grievance. Complaints from customers are taken very seriously and attended to. There is no grievance pending from the contractors/customers or public in general. MECON has nominated Nodal Officer under Centralized Public Grievances Redressal and Monitoring System (CPGRAMS) for public grievances and Nodal Officer under Centralized Pensioners' Grievances Redressal and Monitoring System (CPENGRAMS) for pension related matters and the name of Nodal Officer is published in the website of Ministry of Personnel, Public Grievances.

Employees Grievances

In MECON there is a three-tier grievance procedure for redressal of employees grievance. A Grievance Advisory Committee consisting of representatives of Executive and Non-Executive employees is operative to examine grievances of employees and submit recommendation for redressal. Further, there is a separate cell for redressal of grievances of SC/ST/OBC employees. At present, there is no staff grievance from any quarter. Generally employees prefer to take up their issues/grievances through their elected representatives of MECON Employees Union (MEU) in respect of non-executive employees and MECON Executives Association (MEA) in respect of executive employees both of which are recognized by the Company.

13.10 KIOCL Ltd.

KIOCL has framed a well defined Grievance Procedure evolved under the code of Discipline in March 1977 which covers all the employees, both Executives and Non-executives. The Grievances are easily identified and redressed at the grass root level itself.

Status of Public/Staff Grievances from 01.04.11 to 31.12.11

| Sl. No. | Type of Grievances | Grievances outstanding as on 01.04.2011 | No of Grievances received during the period 01.04.11 to 31.12.11 | No. of cases disposed of during the period 01.04.11 to 31.12.11 | No. of cases pending as on 31.12.2011 |
|---------|--------------------|---|--|---|---------------------------------------|
| 1 | Public Grievances | 2 | Nil | 1 | 1 |
| 2 | Staff Grievances | 1 | Nil | Nil | 1 |

13.11 Bird Group of Companies (BGC)

Grievance Redressal Mechanism is in place in Bird Group of Companies at Unit Level and at Corporate Level. Nodal Officer have been notified for this purpose. The name & designation of the officer have been posted in the company website.

Status of Public/Staff Grievances from 01.04.11 to 31.12.11

| Sl. No | Type of Grievances | Grievances outstanding as on 01.04.2011 | No. of Grievances received during the period 01.04.11 to 31.12.11 | No. of cases disposed of during the period 01.04.11 to 31.12.11 | No. of cases pending as on 31.12.2011 |
|--------|--------------------|---|---|---|---------------------------------------|
| 1 | Public Grievances | Nil | Nil | Nil | Nil |
| 2 | Staff Grievances | 2 | 3 | Nil | 5 |

CHAPTER-XIV

IMPLEMENTATION OF THE PERSONS WITH DISABILITIES ACT, 1995

14.1 Ministry of Steel

The Ministry of Steel and all the PSUs under it follow the Government rules with regard to the implementation of provisions of the Disabilities Act, 1995. As on 31.12.2011, three (03) persons [One visually handicapped (VH), one hearing handicapped (HH) and one orthopaedically handicapped (OH)] with disabilities are employed in the Ministry of Steel.

14.2 Steel Authority of India Ltd. (SAIL)

- SAIL provides scholarship to the physically disabled children of its employees to support their education.



Durgapur Handicapped Happy Home (A Creche-Cum-Home for Disabled), supported by SAIL's Durgapur Steel Plant.

- Employees in works division who become disabled while in service are redeployed in identified posts after providing them training. Proper medical facilities like Jaipur foot and wheel chair etc. are also provided to them
- Special relaxation is provided in allotment of quarters to disabled employees. Care is taken to allot ground floor to such employees.
- SAIL extends free medical facility even to non-entitled major brother or sister of an employee, if they are disabled and dependent on the employee.
- Shops, STD booths, Milk booths, Hawkers licenses etc. are allotted to disabled persons in plants of SAIL.
- Various facilities for sports and cultural activities are provided exclusively for the disabled persons at plant locations. Separate playgrounds have been earmarked for the handicapped at some of the plant locations. Sports events like East Zone Disabled Cricket and Inter State Disabled Cricket have been organized to encourage disabled persons at Bhilai.

14.3 Rashtriya Ispat Nigam Ltd. (RINL)

Under “Promotion of Free Education” scheme, every year free seats are provided to the children whose parents are covered under the white ration card.

Further, the following actions have been taken in RINL- Vishakhapatnam Steel Plant for the convenience of the differently-abled persons visiting different offices in Main Administrative Building and Corporate Office of RINL/VSP:

- Ramp Way.
- Auditory Signal in both the lifts of the building.
- Provision of a wheel-chair at the Reception Centre located at the entrance of the Main Administrative Building.
- After the Act came into force on 7.2.1996, RINL has employed 72 persons suffering from various disabilities.



Distribution of Artificial limbs to the needy people by RINL.

14.4 NMDC Ltd.

NMDC being a mining organization is governed by the provisions of the Mines Act and Rules and Regulations thereof and considering the safety factor it is not possible to employ Person with Disabilities (PwDs) in jobs involving working in the mines/plant. However, efforts are being made to induct PwDs in posts where field work is not involved and, at present, NMDC has 42 employees with disabilities in various posts.

14.5 MOIL Ltd.

MOIL Ltd. being a Mining Company, major activities carried out are in underground Mines situated in remote places. It is not possible due to statutory restrictions under Mines Act and Metaliferous Mines Regulations and because of the safety reasons, to deploy disabled persons on the jobs in the mines which are of strenuous nature. However, efforts are made to employ persons with disabilities at the posts which do not involve field work. At present, there are 24 persons with disability employed in MOIL.

14.6 MSTC Ltd.

Eight persons with disabilities are employed in MSTC.

14.7 Ferro Scrap Nigam Ltd. (FSNL)

In accordance with the provisions of the Persons with Disabilities Act, 1995, the posts have been identified for the persons with disabilities and the same are being filled-up as per the provisions of the Act.

FSNL is a scrap processing company, rendering services to the integrated steel plants. The activities of FSNL operations are carried out in open area in all the seasons. Further, heavy equipments such as Balling Cranes, Magnetic Separators, Dozers, Dumpers etc. are the main equipments used in carrying out operational activities. Thus, the atmosphere/working conditions of FSNL are not conducive for the persons with disabilities and hence engagement of disabled persons for carrying out jobs in field will not be safe for them.

Wherever possible, such persons are being accommodated by FSNL in office work in Group "C". Further, keeping in view the enactment of Equal Opportunities, Protection of Right and Full Participation Act, 1995, the Company has identified and reserved 3 posts in Non-works department for persons with disabilities in Group "A" post also, out of which 1 post had been filled-up by H.I., but the incumbent had resigned from the services. However, the action for filling-up the identified posts is in progress.

14.8 Hindustan Steelworks Construction Ltd. (HSCL)

Four persons with disabilities are employed in HSCL Ltd.

14.9 MECON Ltd.

The Company has implemented the provisions of "Persons with Disabilities Act, 1995". Total employment strength of MECON as on 31.12.2011 is 1779, out of which, persons belonging to disabled/physically handicapped category in various posts are 11.

14.10 KIOCL Ltd.

Nineteen employees belonging to Persons with Disabilities category in different groups are in position as on 31.12.2011 in KIOCL.

14.11 Bird Group of Companies (BGC)

BGC will implement all the instructions pertaining to Persons with Disabilities Act, 1995, as and when recruitment/promotions takes place.

CHAPTER-XV

PROGRESSIVE USE OF HINDI

15.1 Introduction

The Ministry of Steel has made considerable progress in use of Hindi in official work during the year 2011-12 keeping in view the Annual Programme prepared and issued by the Department of Official Language [Ministry of Home Affairs] for implementation of the Official Language Policy of the Union.

The work relating to the progressive use of Hindi in the Ministry is under the administrative control of a Joint Secretary. The Hindi Section, under direct charge of Joint Director (Official Language), looks after the work relating to implementation of Official Language Policy and Hindi Translation work and it consists of one Assistant Director (OL), one Senior Hindi Translator, three Junior Hindi Translators, one UDC and other supporting staff.

15.1.1 Official Language Implementation Committee

There is an Official Language Implementation Committee under Chairmanship of a Joint Secretary in the Ministry. This Committee reviews the progress made in the use of Hindi in the Ministry and its Public Sector Undertakings. Meetings of the Committee are held regularly. Three such meetings have been held upto December, 2011 during the current year.



Hon'ble Union Minister for Steel, Shri Beni Prasad Verma presenting the awards to successful participants of Hindi Competitions Shri P. K. Misra, Secretary (Steel) is also seen in the picture.

15.1.2 Hindi Salahakar Samiti

Hindi Salahakar Samiti of this Ministry has been reconstituted on 15.06.2010 and its first meeting was held on 29.11.2010 under Chairmanship of Hon'ble Minister of Steel.

15.1.3 Implementation of Section 3[3] of the Official Language Act, 1963

In pursuance of the Official Language Policy of the Government of India, almost all documents covered under Section 3[3] of the Official Languages Act, 1963 are prepared both in Hindi and English. In order to ensure issue of letters in Hindi to the Central Government Offices located in Region "A", "B" and "C", check points have been identified in the Ministry.

15.1.4 Incentive Scheme for Original Work in Hindi

The cash incentive scheme for original work in Hindi introduced by the Department of Official Language is being implemented in the Ministry.

15.1.5 Rajbhasha Shield/Trophies

In order to encourage the use of Hindi in the PSUs under the administrative control of the Ministry of Steel, Ispat Rajbhasha Shield (First Prize), Ispat Rajbhasha Trophy (Second Prize) and Ispat Rajbhasha Trophy (Third Prize), a Rajbhasha Shield for the PSUs located in Region "C" have been instituted. These are given every year to the Undertakings on the basis of their annual performance in progressive use of Hindi. Shields and Trophies will be awarded to PSUs for the year 2010-11 in next Hindi Salahkar Samiti's meeting under Chairmanship of Hon'ble Minister of Steel.

15.1.6 Cash Prize Scheme for Dictation in Hindi

An incentive scheme for officers for giving dictation in Hindi is in operation in this Ministry.

15.1.7 Award for Writing Original Books in Hindi

A scheme for awarding cash prizes for writing technical books in Hindi on various disciplines related to the Steel industry and its allied subjects is also in operation in the Ministry. An amount of ₹25,000/-, ₹20,000/- and ₹16,000/- each, is awarded for the first, second and third prize respectively.

15.1.8 Hindi Divas/Hindi Fortnight

In order to encourage use of Hindi in official work amongst officers/employees of the Ministry, appeal was issued by the Hon'ble Minister of Steel on 14th September, 2011. Hindi Fortnight was organized in the Ministry from 1st September to 14th September, 2011. During this period, various Hindi competitions were organized and 43 awards/Prizes were given by the Hon'ble Minister of Steel in a function held on 21.12.2011.

15.1.9 Training in Hindi/Hindi Typewriting/Hindi Stenography

All officers and staff possess working knowledge of Hindi. As far as Hindi typing and Hindi Stenography is concerned, out of 7 LDCs and 18 Stenographers, 6 LDCs (one LDC is exempted from typing) and all Stenographers know Hindi Typing and Stenography respectively.

15.1.10 Inspection by Committee of Parliament on Official Language

Committee of Parliament on Official Language inspected Rashtriya Ispat Nigam Limited, Regional Office, Delhi; Steel Authority of India Limited, Regional Office, Delhi; N.M.D.C. Vishakhapatnam; Bokaro Steel Plant, Unit Office, Delhi regarding use of Hindi in offices under the Ministry of Steel.

15.2 Steel Authority of India Ltd. (SAIL)

SAIL continued its thrust on implementation of the Official Language policy of Govt. of India. Under the special drive for Hindi computerization special five days Hindi computer training programme organized in Bokaro Steel Plant (BSL) and Bhilai Steel Plant focussed on Unicode. Scheme of giving daily one good thought / word with the caption Aaj Ka Vichar/ Aaj Ka Shambad (Hindi / English) started on SAIL portal. 51 documents generated through integrated system in bilingual form. The incentive scheme for doing official work in Hindi was revised during the year.

Two day's National Seminar in Hindi on "Information Technology, Rajbhasha & Business Challenges" organized successfully in which experts from MDI, Gurgaon, Delhi University, IIM & other prestigious institutions were called & around 300 participants from different PSUs/Banks/Govt. Deptts. including SAIL participated.

All India Rajbhasha Sangoshthi was organized by Bhilai Steel Plant and His Excellency, the Governor of Chhatisgarh Shri Shekhar Datt graced the occasion.

Town Official Language Implementation Committee's first meeting under chairmanship of SAIL organized successfully.

Organised Hindi Workshops, Hindi Sangoshthi, Hindi Competitions during Hindi Pakhwada, Hindi Kavi Sammelan and other programmes as per the Govt. guidelines.

Two special issues of Ispat Bhasha Bharti were published – one focussed on Environment & another on Rajbhasha. The Hindi house journal of SAIL won first prize at Town level amongst all PSUs in Delhi.

15.3 Rashtriya Ispat Nigam Ltd. (RINL)

RINL- VSP has undertaken various activities for effective implementation of Official Language Policy in the company during the year 2011-12. In line with the directives received from Ministry, 'Unicode' system has been adopted. The training of employees on computers through 'Unicode Training' module has been further strengthened by conducting training programs at Regional/Branch Offices in addition to the training program being organized at Head Quarters.

Inspection by the Committee of Parliament on Official Language has been conducted in Regional Office (North), New Delhi and RINL Headquarters on 9th May, 2011 and 28th September, 2011 respectively. All the commitments were fulfilled within the specified time period.

Initiatives taken towards development progressive use of Hindi during 2011-12 till December are as follows:

- Organized Hindi Prabodh / Praveen courses, wherein about 269 employees were trained.
- Conducted Hindi Workshops at Head Quarters and at Mines' Offices.
- Organized an intensive translation course in Mumbai Regional Office with the help of Central Translation Bureau, Govt. of India wherein the employees working in all the Branches of Western Region have participated and were trained.
- Organized a National Level Hindi Seminar in Official Language on 'Promoting Usage of Steel in Rural areas' in HRD Centre and Special issue viz. 'KHAPAT' consisting of articles of delegates was released on this occasion.
- Released a quarterly Hindi Magazine 'Sugandh' regularly.
- Organized Hindi Week celebrations and conducting various competitions at HQ, Mines Offices and Regional/Branch Sales Offices.

- First Prize of Prestigious Indira Gandhi Rajbhasha Shield was awarded by Her Excellency Smt. Pratibha Devisingh Patil, President of India in recognition of RINL's efforts in effective implementation of Official Language in the organization

15.4 NMDC Ltd.

NMDC Limited made all efforts for implementation of the Official Language Policy and for use of Official Language in all its Units and Head Office during the year.

Hindi workshops were conducted. In the workshops glosseries prepared by NMDC were distributed. Employees were imparted training of Phonetic Hindi typing in Mangal-Unicode font. Various programmes such as Hindi Divas, Hindi Pakhwara, Rajbhasha Maah etc were conducted during the year. During the year, new monthly incentive schemes were implemented for more and more usages of Hindi in noting, drafting, making entries in service books/ registers, dictation, working on computer in the Offices of the company.

To encourage use of official language in technical fields also, Rajbhasha technical/professional seminars in Hindi were organized during the year by the production units of the company. So far 45 such Rajbhasha Technical seminars were organized in the Company. Rajbhasha souvenir and technical seminar books were also published.

Hindi House Journal viz. NMDC Patrika, She Samachar – bilingual quarterly magazines, Baila Samachar, Bachel Samachar and Hira Samachar- Monthly Hindi bulletins were published, Doni Samachar – a trilingual monthly bulletin was also published during the year.

NMDC got award of Steel Ministry's Rajbhasha Shield for excellent implementation of the official language policy and progressive use of Hindi amongst the PSUs of "C" region for the year 2010-11.

NMDC was also awarded Rajbhasha Shield 1st Prize for the year 2010-11 by Town Official Language Implementation Committee (Undertakings) Hyderabad – Secunderabad, for excellent implementation of the Official Language Policy.

15.5 MOIL Ltd.

In MOIL, Hindi workshops are organized regularly. The Company is also publishing In-House Journal "SANKALP" in Hindi in order to encourage the employees to participate in various competitions like essay competition, noting, drafting, poetry and articles for propagating Hindi.

About 97% of the works are being done in Hindi at Mines. The Unicode system has been implanted in all computers of the Company. The Company has provided Hindi Language software in computers and imparting training to its employees, so that MOIL's employees can use the same in their day-to-day workings.

MOIL has been awarded with "Ispat Rajbhasha Trophy" - Ist Prize, for the year 2010-11 by the Ministry of Steel, for excellent works in Hindi.

Employees are being given re-training under the "Hindi Education Scheme" of the Home Ministry, in which 120 employees have already been given training for Pragya (Higher Level) and training of another 40 employees/officers of the Company is in progress.

"Town Official Language Implementation Committee" Nagpur has awarded MOIL with "Protsahan Puraskar" for their outstanding work in promoting Hindi for the year 2008-09. Furthermore, the In-House Journal "SANKALP" was honored by the Institute of Official Language.

15.6 MSTC Ltd.

Officers and employees are nominated in Hindi examinations conducted by Hindi Teaching Scheme, Official Language Deptt. Govt. of India. This year, 07 officers and employees have been nominated in the Hindi examinations. Officials of Official Language Deptt of Ministry of Steel inspected Head office. All the issues related to inspections were made available. On the occasion of Rajbhasha Puraskar Bitron Samaroh, CMD distributed prizes to 14 officers and employees for winning in Hindi competitions and for passing Hindi examinations. This year, inaugural ceremony of MSTC Rajbhasha Trimas was held on 14.9.11. During Rajbhasha Trimas Hindi competitions and workshops were organized in Head office and in regional and branch offices. Hindi competitions were Sanvad-Vachan and Bhao-Pallavan.

English-Hindi vice-versa translation job has been done. Hindi version of MSTC website has been updated. MSTC Hindi deptt.is ISO 9001:2008 certified.

15.7 Ferro Scrap Nigam Ltd. (FSNL)

FSNL always ensures strict adherence & implementation of the directive/guidelines issued by the Government/Ministry with regard to implementation of Official Language Policy.

FSNL has always been receiving appreciation for the exemplary work done by the company in implementation of Official Language Policy. Prestigious awards like Indira Gandhi Rajbhasha Shield, Ispat Rajbhasha Shield, Rajbhasha Trophy etc. have been conferred on the company by the Ministry time & again.

15.8 Hindustan Steelworks Construction Ltd. (HSCL)

The Company has made various encouraging efforts in implementing the Official Language Policy and Programs of Department of Official Language, Government of India. The Company is a member of the Town Official Implementation Committee and actively participates in all the programs. Hindi workshops were organized in every quarter at unit level to educate and encourage the employees to use Hindi in their day-to-day official works.

Hindi day was observed on 14th of September where CMD delivered his message.

Hindi fortnight was observed from 15th of September to 30th of September in which competitions such as Hindi essay writing, noting and drafting, quiz competitions, elocution etc. were held.

15.9 MECON Ltd.

MECON is effectively implementing the Official Language Policy of Govt. of India in its official work. The website of the company has also been prepared in Hindi.

“Hindi Pakhwara” was observed in MECON at Head Office as well as in all site offices of the company from 14.09.2011 to 28.09.2011. On this occasion, all employees took pledge to increase use of Hindi in their day to day official work. During the “Hindi Pakhwara” competitions of various nature were also organized at Head Office and other offices of the Company.

In addition, a Hindi House Magazine “MECON BHARATI”, which provides platform for employees for creative writing in Technical field in Hindi is also published regularly. News items in Hindi are also being published in the quarterly in-house journal “MECON Sansar” of the company.

15.10 KIOCL Ltd.

The Company follows the directives issued from time to time by the Department of Official Language, Ministry of Home Affairs and Ministry of Steel, Government of India for the Progressive use of Official Language Hindi.

Hindi Software is provided in Computers in all Departments. Unicode is being activated in all the Computers and being used in all the locations of the Company.

A presentation on “Chandrayan” and also an orientation programme were arranged for the senior executives of the Company on 14.09.2011. During this occasion Hindi website of the Company was also launched by our Director (Commercial) on 24.09.2011. Cash prizes are also given to employees for doing their office work in Hindi.

During the year 04 workshops in Hindi, one in each quarter were conducted to impart practical training to employees for doing their official work in Hindi.

The Company was conferred Rajbhasha Shield by Town Official Language Implementation Committee(Undertaking), Bangalore on 04.07.2011 for its Official Language Implementation.

The Company is Convenor of Bangalore Town Official Language Implementation Committee (Undertakings) and conducts regular meetings and Joint Hindi Fortnight programmes for all Central PSUs in Bangalore.

The Company organized a Joint Hindi Fortnight for Town Official Language Implementation Committee (Undertakings) members and 16 Competitions were conducted. Most of the PSU Offices in Bangalore have participated in these competitions.

15.11 Bird Group of Companies (BGC)

BGC has taken steps to bring awareness among employees about official usage of Hindi Language. BGC observed Hindi week w.e.f. 17 September to 23 September 2011 by way of organizing competitions such as essay writing, singing Hindi songs, reciting short Hindi poems etc. Prizes for the events were awarded. A “Rajbhasha Sikshan Board’ is placed at the entrance of Headquarter of BGC to appraise the employees with new Hindi words every day.

CHAPTER-XVI

EMPOWERMENT OF WOMEN

16.1 Introduction

The Supreme Court of India in its judgment in August 1997, in the case of *Visakha and others versus State of Rajasthan and others*, recognised international conventions and norms of gender equality of women, in relation to work and held that sexual harassment at workplace, is against their dignity and is violative of Article 14, 15(1) and 21 of the Constitution of India. As per the guidelines laid down by the Supreme Court, all employers whether in the public or private sector should take appropriate steps to prevent sexual harassment. As a part of the mechanism, a Complaints Committee (Sexual harassment of women at workplace) with representatives from outside the organisation was constituted.

In compliance of the guidelines of the Supreme Court, Ministry of Steel has constituted a five-member committee, headed by a Joint Secretary level officer and having three women as members, to look into complaints made by women employees and to address them. The committee did not receive any complaint in 2010-11, which is a broad indicator of excellent environment for women work force in the Ministry.

All the public sector undertakings under the Ministry of Steel have also been directed to implement the Supreme Court's guidelines.

16.1.1 Empowerment of Women

A Gender Budget Cell has been set up in the Ministry as per directions of the Ministry of Finance and the Ministry of Women and Child Development with the aim to initiate steps for implementation of the concept in this Ministry.

16.2 Steel Authority of India Ltd. (SAIL)

Recognizing that gender equality and empowerment of women leads to faster progress of society, a Mahila Samaj was formed in 1957 in the upcoming industrial complex at Bhilai. This pioneering institution has



Women trained by SAIL's Rourkela Steel Plant (RSP) earning a livelihood through "Project Jibika".

over the years inspired other SAIL plants to form their own Mahila Samaj / groups. These various plant level organizations today have a total of 4000 members and 15 affiliations with national-level organizations and are contributing significantly towards community welfare. They undertake various activities especially those involving women from the weaker sections/SC/ST communities including income generation schemes. The members, through internal revenue collections, have been conducting / operating various functions, including manufacturing of hand gloves, masala, soaps, bags, etc., and contributing to women's colleges and for rehabilitation of the differently-abled and many other similar activities.

Some of the areas in which SAIL, in association with Mahila Samaj has significantly contributed in providing employment opportunities for impoverished women are given below:

| | |
|----------------------------------|---|
| Products made for SAIL Employees | Hand Gloves, Spices, Soaps, etc. |
| Community Welfare | Sewing / Embroidery Centres, Creches, Kindergarten Schools, Schools for Special Persons, Adult Education, Children's Library, Health & Hygiene Education, Psychological Support to ill-treated tribal women, Medical Centres and Dispensaries, running of Petrol-Pump at Bhilai |
| Workshops | Workshops conducted by women on Banking, Insurance, Rights of Women, Information Technology, Civic Facilities |

16.3 Rashtriya Ispat Nigam Ltd. (RINL)

Recognizing the special needs and attention that is required for women employees, RINL-VSP facilitates the women workforce to be closely knit through the local cell of Forum of Women in Public Sector (WIPS).

Training and Development programmes aimed at career advancement, women empowerment, skill and personality development, gender sensitization, safety awareness, occupational health, inter-personal skills, computer skills, communication skills, work life balance, leadership and safe and healthy living etc. have been organized.

During the year, about 60 % of women employees were covered in such programmes. Some of the notable milestones during Apr-Dec '11 are:

- VSP won the National level Best Enterprise award (III) in Navratna category in recognition of the commendable work undertaken by the PSUs for the development of women from Forum of Women in Public Sector under the aegis of the SCOPE
- A team of 3 women Executives won 'II Runners-up' at the AIMA –National Competition for Young Managers.
- Nomination of 2 women employees to France and Italy for training on advanced technologies coming up in the Blast Furnace and Power Distribution System.
- 25 women employees have been given induction and orientation training for a period of one year to take up the operation and maintenance related jobs in the organization and were given opportunities to work in core production departments to take up challenge jobs.
- Exclusive Quality Circle (QC) teams of women members have been encouraged & empowered to participate at organizational, regional and national level conventions. These teams won gold and excellence awards at regional and national conventions conducted by Quality Circle Forum of India (QCFI).

- As a mark of commemorating the international women's day, a programme was organized by WIPS-VSP, in which Dr. R. Sasiprabha, former Director, Medical Education Board, Govt. of AP was invited to address WIPS. In this connection, various events were conducted and winners were rewarded with Prizes and Mementoes.
- WIPS-VSP organized a programme in the crèche "Happy Hours" being run by it.

16.4 NMDC Ltd.

NMDC employs 305 women employees which constitute about 5.1% of its total manpower of 5992 (as on 31.12.2011). The Company provides equal opportunities for the sexes at all levels by its selection, recruitment, placement or promotion. The number of women in senior positions is growing and one independent Director in NMDC board is woman.

Facilities like separate wash rooms, rest rooms/ lunch rooms etc have been provided in the Head Office and various projects. NMDC has also been sponsoring women employees for training on awareness of healthcare, family planning etc. All statutory obligations of the Company are reflected in its policies for women employees.

In compliance to the directives of the Hon'ble Supreme Court guidelines relating to sexual harassment of women employees at workplace, complaints committee have been constituted in all the Project and Head Office. The committee, headed by a woman employee meets periodically to review the status of the complaints received. No case of harassment has been reported so far. The directives have been widely circulated and the Conduct Rules have been amended in the year 1998 incorporating suitable clause for prohibition of sexual harassment of women at work place.

NMDC has made sincere efforts to increase the awareness of women in general in the remote areas where it has its mines. Various awareness programmes have been conducted on health care, family planning



Tribal girls undergoing training for making jute handicrafts organised by NMDC.

antenatal services, informative programmes on AIDs control and other social issues with the active involvement of the Mahila samities functioning in the projects.

16.5 MOIL Ltd.

MOIL employs 823 women employees which constitute 12.52% of its total workforce of 6575 as on 31.12.2011.

In compliance of the directives of the Supreme Court guidelines relating to Sexual Harassment of Women workers at workplace were issued by Govt. of India, Ministry of Human Resources Development. Accordingly, a Complaint Committee comprising of three officials including a lady Doctor was constituted in the year 1999 & reconstituted in March, 2006. No case of any harassment has since been reported at any of the Mines of the Company or its Corporate Office. The directives have been widely circulated to bring awareness amongst the women workers.

Mahila Mandals are working effectively at all the Mines of the Company. Various cultural, social, educative and Community activities, such as adult educating blood donation camps, eye camps. Family planning etc. are being organized regularly mostly for the benefit of the women residing in the remote mine areas.

Every year 8th March is celebrated as International Women Day and various programmes are organized to mark the day.

Company grants Maternity Leave and Special Casual Leave for Family Planning. Company has set-up crèches at its mines and gives time off for nursing mothers.

As part of its CSR activities, Self Help Groups have been created at the mines which comprise women hailing from the remote villages. They are trained to make candles, washing powder, washing soaps, bamboo baskets, tailoring and various other vocational activities in order to make them self-reliant.

16.6 MSTC Ltd.

MSTC Ltd. is a Corporate Life Member of Forum of Women in Public Sector (WIPS) and in the year 2011-12, a number of women employees have participated in the programmes organized by WIPS. An executive of the Company is member of the Executive Body of WIPS and actively contributes to the development of women employees in PSUs and also underprivileged girls/women in the society through CSR activities.

16.7 Ferro Scrap Nigam Ltd. (FSNL)

The Women employees of FSNL are given due importance in all activities, including recognition of their abilities in various competitions/areas. The representation of female employees in various committees, such as committee for prevention of Sexual harassment etc., is always ensured.

16.8 Hindustan Steelworks Construction Ltd. (HSCL)

There are 27 woman employees in the Company as on 1.1.2012. These woman employees are scattered in different Units. Most of the female workers are posted at Bokaro and Bhilai. No organized body of women employees exists in the Company. However, Management of the Company ensures that the interest and privilege of the woman employees are protected. It is also ensured that they are not subjected to any sort of sexual harassment at the workplace.

16.9 MECON Ltd.

There is a Committee constituted with a senior Lady Executive as its Chairman to look into the grievance or complaints of women employees in the Company.

16.10 KIOCL Ltd.

All necessary measures/statutory provisions for safeguarding the interests of women employees in matters like payment of wages, hours of work, health, safety and welfare aspects, maternity benefits etc. are being followed by the Company.

Total women employees on rolls of the Company as on 31.12.2011 was 53.

Based on Hon'ble Supreme Court Directives, conduct rules of the Company have been amended by incorporating suitable clause for prohibiting sexual harassment of women at work place. A complaints committee has been constituted during September 1998 to deal with complaints made by victims of sexual harassment. The complaints committee comprises of a Women Executive at the level of Dy. Manager as a Chair person, three nominated women representatives and Lady Advocate from High Court of Karnataka as a III Party Member.

A Women's Forum – Women in Public Sector is operating in KIOCL and most of the women employees are members of the said Forum. KIOCL is a life Member for WIPS. Co-ordinators are being nominated on rotation basis from KIOCL to Liaison with the WIPS and women employees (Members) are being sent to attend Annual meets/ Regional meets of WIPS by the Company. International Women's Day was celebrated with zeal and enthusiasm.

16.11 Bird Group of Companies (BGC)

BGC continues to accord due importance to gender equality. A Woman Grievance Cell is functioning in the Company to redress grievance of women employees. BGC employ 301 women employees, which constitutes 16.28% of its total workforce of 1849 Nos employees as on 31.12.2011. To ensure empowerment of women, "Gender Budgeting Cells" with women representatives have been constituted.

CHAPTER-XVII

PROMOTION OF STEEL USAGE

17.1 Promotion of Domestic Steel Consumption

Institute for Steel Development and Growth (INSDAG), promoted by the Ministry of Steel and Major Steel Producers of India, is operating for more than a decade towards promotion of steel intensive structures in Indian construction and infrastructural sectors. In pursuance to this objective the Institute disseminates steel related information / knowledge through seminars, workshops, publications, etc., to professionals and academics, organize award competitions, explores and innovates new and better avenues of steel usage and provides specialized consultancy.

For popularizing steel based construction in various infrastructures both in urban and rural areas, INSDAG has been making presentations to almost all major Government bodies and Ministries from time to time, e.g. Ministry of Rural Development, Ministry of Urban Development & Poverty Alleviation, Ministry of Road Transport and Highways (MoRTH), Building Material and Technology Promotion Council, Engineering Projects India Ltd., etc.



A view of the flyover at NOIDA, Gautambudh Nagar constructed by HSCL.

MoRTH has assigned to INSDAG the designing jobs of bridges of various spans. The other notable structures made with INSDAG designed steel structures include Handloom House under Ministry of Textiles at Janpath, New Delhi, Model Steel Village at Visakhapatnam by RINL and Low Cost Housing (steel framed) for a village at Burdwan District, West Bengal, which may be replicated elsewhere.

INSDAG has also been recently given a steel based structural design assignment for a very prestigious project of MetroValley coming at Gurgaon, Haryana. INSDAG is constantly persuading various governmental and private agencies to use steel concrete composite designs and steel frame based on lifecycle cost advantages and change the traditional RCC based designing concepts.

17.2 Study for Assessment of Steel Demand in Rural India

India's steel production capacity is going to increase manifold in the coming years. The current abysmally low per capita consumption of steel of around 55 kg. in India compared to the world average of estimated 200 kg. strengthens the argument that the domestic steel industry has a huge growth potential. The Parliamentary Standing Committee (PSC) on Coal and Steel on Demand for Grants (2007-08) of the Ministry of Steel in its 25th Report had noted that 'to achieve this objective, it is necessary to create required infrastructure for steel industry as well as increase per capita consumption of steel'.

In pursuance of the recommendations of the PSE, the Ministry of Steel carried out a survey/ study through the Joint Plant Committee to assess the demand for steel in rural India. The JPC has submitted the final Report of this survey in July, 2011. The survey has come out with findings regarding average per capita consumption of finished steel in rural areas, trends of consumption of steel and future projections of steel in rural India.

The survey collected the data for the purpose of analysis for the three years i.e. 2006-07, 2007-08 and 2008-09 and assessment of rural steel demand for the periods 2011-12, 2016-17 and 2019-20. The average per capita consumption of finished steel in rural India has been assessed at 9.78 kg. during the period 2007 to 2009, which is estimated to increase to around 12 kg. in 2020 based on increased penetration of steel products. This growth would be powered mainly by construction activities, largely at the household level but also by purchase of items such as items for professional use, furniture and vehicles. It is also expected that the demand for household items would decrease over the years. The major reason for the same is increasing replacement of steel by plastic for some of the major contributing items of that category.

The survey has also made recommendations for enhancing the consumption of steel in rural India such as shift in type of housing structure, re-looking steel design for various applications, investment in community structures, small and medium steel products manufacturing, highlighting advantages of steel, increasing aesthetics of steel, improving logistics & supply chain for steel and addressing steel quality issues.

The Ministry of Steel has formulated a roadmap for implementation of the recommendations made in the Survey and is taking necessary action thereon.

17.3 Steps taken by SAIL to promote Usage of Steel

- As on 1st January, 2012 SAIL has a marketing network of 37 Branch Sales Offices, 27 Customer Contact Offices and 66 Warehouses. This wide network of outlets across the country helps SAIL in meeting requirements of a wide range of customers in time.
- In addition SAIL has also expanded its dealer network extensively. As on 1st January, 2012 SAIL dealership network consisted of 2665 dealers across 630 districts. Items of mass consumption like Rebars and Galvanised Sheets, required by common man are being sold through district dealers. In addition, Light Structurals and small quantities of HR Sheets, CR Sheets and Wire Rods are also sold through dealer network. Further expansion of SAIL dealer network is in progress.
- Various promotional activities are undertaken to promote SAIL steel. During 2010-11 and April-December, 2011 SAIL has taken following steps for promotion of SAIL steel-
 - SAIL hoardings were put up at major airports and in metros and tier II cities across the country.
 - Wall paintings were carried out at various locations including interior areas for promotion of sale through SAIL dealers.



Hon'ble Union Minister for Steel, Shri Beni Prasad Verma in a Steel Dealers Meet at Lucknow.

- Advertisements of SAIL steels in Rajdhani and select Shatabdi trains, bus bodies and local trains.
- Advertisements in in-flight magazines for usage of SAIL steel
- SAIL MRRP is prominently displayed at all dealers shops and also regularly updated on SAIL website.
- SAIL participated in trade fairs and exhibitions during 2010-11 and during the current financial year highlighting various usages of steel.
- Product development has been a continuous endeavour at SAIL for meeting specific applications as required by Company's customers. Product development for new areas of application helps in promoting steel usage. At SAIL 19 new products were developed during 2010-11 for various applications. Products developed during Apr-Dec'11 include HSFQ 350 HR Coil, ASTM A 53/ IS 1161 ERW Pipes, HSFQ 450 HR Coil, SAIL Forming 450/550 HR Coil, C-Mn-B HR/CR steel, Cr-Cu-Ni atmospheric corrosion resisting steel plates etc.

17.4 Rashtriya Ispat Nigam Ltd. (RINL)

Continuous efforts are made at RINL/VSP for developing new products to meet specific applications and promoting steel usage. The requirements of customers of new products/ grades / sizes of steel products are studied on continuous basis and in case it is found feasible, these products are developed and supplied to the customers. These new products are used for manufacturing products / applications like Axles and Fasteners of Automobile Sector, Fasteners for Transmission Line Tower Sector, Squares for manufacturing structurals for Transmission Line Towers, Billets for manufacturing seamless Tubes in SAE 1019 S grade,



Shri P. K. Misra, Steel Secretary releasing “Customer Policy of RINL” at Visakhapatnam.

Spring Steel for Railways, Fine Drawing Quality Wire Rods for Wire Drawing Industry, Earth Quake Resistant TMT Bars of Fe 500 D Grade for Construction Sector, etc.

With a view to popularizing usage of steel in rural areas, RINL-VSP introduced the scheme of registration of District Level Dealers at small towns and Rural Dealers at Block and Panchayat Level locations. The Rural Dealership Scheme is being launched at important cities in the country. The process of registration is made simple. Preference is also given for the minorities and women entrepreneurs in the rural areas for the Rural Dealerships. Till the end of December 2011, 69 District Level Dealers and 217 Rural Dealers of RINL are in position.

RINL-VSP is planning to take Steel Processing Units (SPUs) on Wet Lease basis for manufacturing of Rebars and Structural from the semis produced in RINL. These converted products are proposed to be sold in the Rural Areas with a separate Brand Name.

17.5 Hindustan Steelworks Construction Limited (HSCL)

Based on the MOU signed between HSCL and Institute for Steel Development & Growth (INSDAG), HSCL has taken up implementation of INSDAG building in Kolkata, which is the first step taken towards promotion of steel usage. HSCL has plans to take up more projects in association with INSDAG to ensure increase in steel usage in India.

CHAPTER-XVIII

CORPORATE SOCIAL RESPONSIBILITY

18.1. Introduction

Corporate Social Responsibility (CSR) is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on customers, employees, shareholders, communities and the environment in all aspects of their operations. Harnessing of natural resources has a direct impact on the economy, environment and society at large. CSR is thus linked with the practice of Sustainable Development.

As far as possible, CSR activities is undertaken in the periphery where company carry out its commercial activities. But it is not mandatory to confine CSR activities in the periphery of the PSE only. The CSR activities may be carried out elsewhere also keeping in view the long supply chain, broadening of consumer base and social and environmental demands.

According to the Department of Public Enterprises guidelines dated 9th April 2010, the CSR budget will be mandatorily created through a Board Resolution as a percentage of net profit in the following manner:-

| Type of CPSE (Net Profit-Previous Year) | Expenditure Range for CSR in a financial year (% of Profit) |
|---|---|
| Less than ₹ 100 crore | 3% - 5% |
| ₹100 crore to ₹ 500 crore | 2% - 3% (subject to a minimum of ₹ 3 crore) |
| ₹500 crore and above | 0.5% - 2% |

This fund does not lapse. It will be transferred to a CSR fund which will accumulate.

The PSUs under the Ministry of Steel have made allocations as per DPE guidelines and details are at Annexure XVI.

18.2 Steel Authority of India Ltd. (SAIL)

Steel Authority of India Limited is a name that raises hopes in the hearts of many Indians. Since its inception, 'Social Responsibility' became a buzzword (now it is called Corporate Social Responsibility). SAIL has put in place systems for socio-economic development of the neighborhoods and communities amidst which its plants and units operate. SAIL has over the years, adopted a Triple Bottom Line approach in the pursuit of its social obligations and has endeavored towards value balancing, value transferring and value adding relationships with all its stakeholders. Some of the major activities undertaken by SAIL are given below:

- SAIL has established 53 Primary Health Centres, 7 Reproductive and Child Health Centres, 18 Hospitals and 7 Super-Specialty Hospitals to provide specialized healthcare to almost 31.00 million people. It has opened over 139 schools in the steel townships to provide modern education to about 63,000 children. Besides adopting and providing free education and facilities to tribal children, SAIL is providing assistance to over 254 schools. In this endeavour, SAIL has achieved a Girl:Boy ratio of 1:1.03 for all levels of education and a survival rate, i.e. rate of retaining enrolled students, of 96% in SAIL Primary Schools.
- SAIL has identified 79 villages across eight (8) States (Chattisgarh, West Bengal, Odisha, Bihar, Jharkhand, Karnataka, Tamil Nadu, Madhya Pradesh) and these are being developed as Model

Steel Villages in a phased manner. The developmental activities being undertaken in these villages include medical & health services, education, roads & connectivity, access to potable water, sanitation, community centres, livelihood generation, sports facilities, etc. 62 Model Steel villages (MSVs) have been completed till 31-03-2011. Development jobs are in progress in the remaining 17 villages and are expected to be over by the end of 2011-12.

- SAIL in association with Govt. of Jharkhand and Ministry of Rural Development, GoI is actively participating in the development process for the people living in Saranda forests, West Singhbhum, Jharkhand. This is an effort to bring the marginalized masses of the deep forest areas to the main stream of development. SAIL is providing ambulances, bicycles, transistors, solar lanterns and setting up an Integrated Development Centre in a phased manner at an estimated cost of ₹10 crore.

SAIL has always stood by the nation at times of natural calamities. In 2011, 350 tonnes of GC sheets were provided after Sikkim earth quake. Relief materials to flood effected people in UP was provided during the year. A sum of ₹1 crore has also been provided to CM, Odisha flood relief fund.

- During 2007-08 to 2011-12 (H1) more than 10000 medical camps/ health camps have been organized for the people residing in plants/units periphery and in far flung areas in different States.
- Exclusive health centres (Sarv Swasthya Kendra) have been set up at five plant locations for the under-privileged and needy population. Free medical treatment is provided at these centres. To cater the poor and downtrodden over 59 MMUs/Ambulances have been provided to various NGOs.
- Six Special Schools have been set up exclusively for poor, underprivileged, BPL children at five integrated steel plant locations. Around 1500 children are being provided free education, Mid day meals, Uniform, shoes, Text books, Stationery items, School bags, Water bottles etc. Mid day meals are being provided to more than 18500 students per day of schools at Bhilai in association with “Akshay Patra Foundation.”



SAIL Kanya Shiksha Niketan, supported by SAIL's Durgapur Steel Plant.

A number of benefits have been provided to the SC/ST children like scholarships to deserving undergraduate engineering students. SAIL has adopted 186 tribal children at Bhilai and 12 children of nearly extinct Birhore Tribe at Bokaro to provide free education, boarding and lodging facilities. SAIL has provided assistance to over 254 schools.

- An ITI is running under the aegis of SAIL at Gua Mines and providing support for ITI at Bokaro in Jharkhand. Process for setting up of ITC/ITI at Jagdishpur & Gonda in U.P. has been initiated. SAIL is sponsoring students belonging to SC/ST, OBC and other communities for ITI training.
- SAIL has constructed 157 water infrastructures facilities on an average per year. Till 2011-12 (H1), around 5200 water infrastructures have been created benefiting more than 38.73 lakh people.
- Under CSR, 363 km of roads have been repaired/constructed during 2010-11.
- The Company has setup 6 sports academies like Athletics Academy for boys at Bhilai, Hockey Academy at Rourkela, Football Academy at Bokaro, Athletics Academy for girls at Durgapur, Archery Academy at Kiriburu and a Football Academy at Burnpur.
- SAIL also undertakes sponsorship of various major sporting events. Sports facility like providing sports material and training to more than 31000 sports persons across 42 sports discipline was carried out during 2010-11.

Creating Sustainable Incomes

SAIL is constantly working to identify various areas where training and help to the communities can be imparted so as to make them self sustaining units that can generate income for them-selves. People living in the peripheral area of SAIL's plants/ units are trained to acquire skills like animal husbandry, chulha making, fishery & poultry farming etc. that will help them earn more than two square meals a day.

18.3 Rashtriya Ispat Nigam Ltd(RINL)

CSR activities are carried out with the partnership of various NGOs and Govt. organizations like State Govt., Municipal Corporation, CPWD, etc. The majority of the activities have been taken up in Rehabilitation colonies and peripheral villages for the people who are instrumental in sparing their land for constructing the steel plant. Welfare activities in the areas populated by Tribal / SCs /STs / Weaker Sections of the Society, have been taken up towards education, health and community development etc.

Prominent RINL's CSR activities include:

- Construction of School building for differently abled children (Arunodaya Special School).
- Providing "Sanjeevan Mobile Clinic" - a unique and state - of- the - art mobile cancer detection unit worth ₹1.15 crs to the Lions Cancer Hospital to serve the poor and needy.
- Distribution of "Artificial limbs "to tribal people".
- Supplying drinking water in tribal areas through 3rd phase of "Jaladhara", an innovative scheme was taken up.
- Installation of Solar Street Lights- at Maharaj Ganj, Bahraich and Gorakhpur areas of Uttar Pradesh.
- Construction of school buildings and provision of school furniture, play equipment, library books, shoes, school bags, plates, glasses, etc.
- Organizing Vocational Training / Income Generation Programs like Light Motor vehicle driving, Dress making, Embroidery works, Fabric Painting, Beautician courses, Paper Plates Making, Manufacturing Phenyl, Detergent powder, and Electrician courses etc for unemployed youth.

- Conducting various medical camps, De-addiction programmes, Child immunization, AIDS awareness campaigns.
- Conducting free cataract operations for the benefit of the poor through M/s. Sankar Foundation.
- Laying of Foundation stone for ITI at Barabanki District of Uttar Pradesh

18.4 NMDC Ltd.

- Integrated development work in progress in 13 villages in Bailadila.
- Free out-door & in-patient treatment facility was extended to 48922 & 5240 local tribals respectively during the year 2011-12 (Upto Nov).
- During 2011-12, 17404 tribal villagers have been treated at their door steps in 37 villages.
- Arrangements have been made for establishment of a Residential Public School at Kanker. The school will be functional from the ensuing academic year of 2012-13 initially with lower classes.
- NMDC has introduced a focused initiative called “Balika Shiksha Yojana” for the benefit of the tribal girl students of Bastar region. Under this Yojana, the girl students are sponsored for various academic and professional courses in Engineering, Medicine, BDS, Management, Nursing, Diplomas etc. The entire expenditure will be met by NMDC.
- In the first year 2011-12, 25 tribal girls from Bastar region have been admitted to Nursing courses (B.Sc. & GNM) in M/s Apollo Hospital, Hyderabad.
- The Residential Public School started at Nagarnar in the previous academic year is running successfully.
- The ITI with Welder & Mason trades which has been made operational at Nagarnar during the academic session 2010-11 is functioning successfully.
- The ITI at Bhansi in which two new trades in Welder & Fitter were added during the previous academic session is running successfully.



Treatment being given to needy villagers under “Hospital on Wheels” scheme by NMDC.

- The Polytechnic College made operational at Dantewada during the previous academic session with Mechanical and Electrical streams is running successfully. Obtained special dispensation for the Polytechnic College, excluding it from the central counseling to enable providing technical education opportunities to the tribals of Bastar region.
- The Scholarship scheme to motivate SC/ST students is in operation with good response and reception.
- Mid-day meal programme covering 10150 rural school children in and around Donimalai Project is running successfully.
- Implementation of Education improvement program in 84 Schools of Dantewada block involving ₹3.68 crore is progressing.
- Various infrastructural development works viz., Construction of By-pass road for Jagdalpur involving ₹3586.20 lakh, Construction of high level bridge involving ₹525.96 lakh, Setting up a Special School for tribal children (Prayas) at Bhilai & Raipur with financial contribution ₹200 lakh, Establishment of 10 residential hostels in Bastar, South Bastar & Raipur Districts involving ₹1000 lakh, Construction of Residential School at Rajnandgaon for ₹99.71 lakh, Aranpur-Jagargunda Road for ₹1702.72 lakh, Construction of Residential School 'Astha Gurukul' at Geedam for ₹2103.09 lakh etc roads proposed by Chhattisgarh Govt. have been taken up for implementation on partnership mode and construction activities are progressing.
- An amount of ₹2948.66 lakh has been contributed to Chhattisgarh Govt. towards various developmental works including the focus areas of Education, Drinking water, Environment etc during the year 2011-12 (Upto'Nov).
- Construction of Flood Relief Shelter at Kusheshwar Asthan, Bihar is nearing completion.
- Construction of a Residential School in Sitapur Dist in U.P. is completed.
- Construction of Hostel in Barabanki District in U.P is in progress.
- Promotion of 'Archery' & 'Handball' in Chhattisgarh.
- Financial Assistance for sports items to Upanpal village, Bastar.

18.5 MOIL Ltd.

MOIL has undertaken following major activities under CSR:

- The Company is planning to set up a DAV Public School at village Chikla in Bhandara District of Maharashtra which is a remote area. The School will be located in a sprawling complex with modern facilities and fully equipped with laboratory. The school shall have quality teaching staff and shall follow CBSE pattern. The DAV College Management Committee will independently run the school and all the expenses shall be borne by MOIL as part of its CSR for spreading the light of education in remote areas.
- MOIL Ltd. has also carried out a number of schemes such as construction of road, cremation sheds, renovation of school, construction of additional class rooms, drainage and water facilities etc. in the villages adopted by the Company and also in other villages surrounding the mines of the Company.
- A number of CSR activities such as providing ambulance, school bus/van, financial aid for promotion sports etc. are also being undertaken.

18.6 MSTC Ltd.

MSTC is committed to social responsibility and complies with the CSR guidelines issued by DPE. During the year, the Company has taken various projects like construction of community centre for poor villagers, construction and installation of infrastructure in primary schools for poor children, drinking water facilities for poor children, medical equipments for hospitals for the benefit of the underprivileged class of the society, sanitation activities, construction of infrastructure facilities for old age homes, hostel for poor children, etc. Against an MOU target for the year of ₹165 lakh (excellent), till December project sanctioned amounts to ₹159 lakh (approx.). Few more projects shall be taken during the balance part of the financial year.

18.7 Ferro Scrap Nigam Ltd. (FSNL)

FSNL has identified Government Higher Secondary Schools situated in the village nearby FSNL's units a Rourkela, Burnpur, Bhilai, Bokaro, Visakhapatnam, Durgapur, Dolvi (Maharashtra) and Duburi (Orissa). Every year, the list of meritorious students belonging to SC/ST/OBC communities & Physically challenged students, are obtained from the Principals of the concerned higher secondary schools, and based on this list provided by the school management, school uniforms are distributed to such students.

In addition, FSNL under CSR, has been incurring expenditure connected to various activity like sports, environmental protection & ecology, relief measures for flood affected people, creation of infrastructure and provision of amenities and facilities for the needy persons of the society.

18.8 Hindustan Steelworks Construction Ltd. (HSCL)

- 34 Nos. of Tricycle Rickshaws were distributed to the physically handicapped in association with the



PMGSY Road constructed by HSCL at Chatra District, Jharkhand.

NGO, ARDAR (Association for Rural Development and Action Research) on 29th October, 2011 at Vizag under the Company's CSR activities.

- Two hundred school kits were distributed to destitute children in Salem. The Project was implemented through a renowned NGO 'Seesha' engaged in such social activities.
- HSCL contributed to the project of NGO Prayasam titled 'ONTRACK' to develop a leadership Institute which will educate adolescents from the slum pockets of West Bengal about their Life and Career choices.

18.9 MECON Ltd.

MECON is engaged in rural/ community development activities in the nearby surrounding since 60's. The major developmental activities carried out by MECON in the current year 2011-12 (Till 3rd Qtr. 11-12) are as follows :

- "Community Education Scheme", free education is being provided to the under privileged poor children at 13 (thirteen) nos. primary education centers, which are running in the slum areas/backward areas/ rural areas in Ranchi and Khunti districts. No. of students in these centers is around 400.
- "Resource Generation Scheme/Economic empowerment to women", 7 (seven) nos. stitching training centers are running in slum/ backward areas in and around Ranchi. No. of students in the above mentioned Resource generation centers is around 99. For training purpose, each center has been provided with new clothes for stitching of shirt, short pant & skirt alongwith necessary stitching materials.
- Vocational Training Institute (VTI) assisted for providing technical/professional education to the poor & rural youths, who are not able to continue their higher studies. The institute is affiliated to National Institute of Open Schooling (NIOS), New Delhi.

In the previous session (2011), a total of twenty one (21) students in different trades were admitted. In the current session (2012), there are a total of forty three (43) students in different trades. The classes have started in the month of Jan'2012.

- "Aiding the Handicapped/Disabled" At Cheshire Home, Bariatu, Ranchi, MECON is providing financial & technical assistance for construction of 40-bedded Hostel building.
- Under the afforestation programme, about 575 saplings of mango, litchi, guava, lemon etc. were procured from Horticulture & Agro Forestry Research Programme (HARP), Palandu, Ranchi and distributed to the villagers of tribal village Vil.-Pancha, Taimara, Dist.-Ranchi.

18.10 KIOCL Ltd.

Some of the major activities undertaken by KIOCL Ltd. under CSR are as follows:

- Financial assistance for infrastructural facilities to educational institutions like- Lab equipments to Horanadu School, construction of class rooms for Deaf & Dumb school run by Indian Red Cross Society, Tumkur, construction of Dormitory for Visually Impaired by M/s Samarthanam Trust, Bangalore, Computers to Snehadeep Trust for Visually Challenged, provision of School bus to Seva Bharathi – Chetana Spastic Society, Mangalore, construction of class rooms to Bykampady Mogaveera Mahasabha & Sri Bharathi College, Nanathur, shoes, socks, ties, belts to SC/ST School, False ceiling etc, for Kavoor First Grade College. .
- Financial assistance extended for water supply to Kalasa, Borewell to Saraswathi Vidyaniketan, drinking water facility at Suratkal Bus Stand.

- Financial assistance extended for construction of Bus Shelter at Madivala, Nagapooja at BFU.
- Financial assistance extended for promotion of Art, Culture & Sports like – Medical, Health care and construction of ICU to Little Sisters of the Poor-old age Home, sponsorship of physically challenged person for US World Badminton championship 2011, adoption of Leopord at Pilkula Nisrgadhama, Sponsorship of T Shirts to National Disabled Sports meet at Bangalore.
- Financial assistance for Medical Health Care etc. like – Medical equipment to Kalasa Hospital, provision of Tele-Rehabilitation centre to Spostic Society, Bangalore, Medical equipment/Generator etc. to Govt. TB Hospital, Mangalore, assistance to Medical Health Centre, Kenakanakonda, infrastructure facility to AVE Maria Palliative Centre, Medical Camp at Meenakaliya and medical facilities to outsiders at Kudremukh hospital.
- Medical aid to Mr. Ranjit, Medical facilities for BPL families around Corporate Office at Bangalore, assistance for Hip joint replacement to Smt. Heeramma at Kudremukh, Medical assistance to Rekha and Ramya suffering from mysterious diseases etc.
- School fee for students of KVES, Chikkaballapur, students of KV, Kudremukh, school fee for outside children at KV, Kudremukh, furniture to Ashaniketan for Mentally challenged.

18.11 Bird Group of Companies (BGC)

Bird Group of Companies has also been incurring expenditure towards CSR activities like water supply, village development, health programme, Gramaya Siksha Abhijan etc.

TECHNICAL INSTITUTES UNDER THE MINISTRY OF STEEL

19.1 Introduction

Necessary efforts are being made to constantly upgrade the technical skills of the workforce in the Steel Sector. The following institutes set up for the purpose deserve a mention for their worthwhile role and contribution:

19.2 Biju Patnaik National Steel Institute (BPNSI)

Based on the concept plan developed by a task force set up by the Ministry of Steel, a decision was taken to set up a National Steel Institute (NSI) at Puri, as a Training-cum-Service-cum-Research & Development centre. The Institute is registered under the Societies Registration Act, 1860 and started functioning from January 1, 2002. The JPC Chairman is also the Chairman of the BPNSI. The BPNSI was established to help the domestic secondary steel industry to keep up with the rapid transformation which the global and Indian steel industries have been undergoing. The Cabinet had on February 20, 2004 approved the setting up of the BPNSI at Puri as a full-fledged institute with capital funding from JPC. Presently, the Institute is being run from two separate buildings in Puri, having laboratory, library, and seminar room facilities. A workshop for welding technology has also been set up at Puri to impart hands-on practice to the trainees. Some of the major initiatives taken by the BPNSI are enumerated below:

- Since October 2006, the institute has been conducting a course on “Advanced Certificate in Iron and Steel Manufacturing and Plant Management” which prepares students to take managerial positions in the industry. The current batch students are undergoing training for the second semester of the course.
- For the benefit of the working executives, the said course is being offered from January 2007 onwards as part of its Training and Further Education (TAFE) Programme. Presently third batch students are continuing training and admission process is on for the fourth batch students.
- The revenue department of Government of Orissa is processing the application of the Institute for land for setting up its permanent campus.
- The last batch of students have joined reputed steel companies like Aarati Steels Ltd, Suraj products Ltd., Rohit Metalliks Ltd., T.R. Chemicals to name a few.
- At its Bhubaneswar office, production data collection from the steel industries in Orissa & price of iron ore in mines of Orissa are being undertaken.

19.3 National Institute of Secondary Steel Technology (NISST)

The need for Human Resource Development and Technology Upgradation in the Secondary Steel Sector comprising mainly the steel melting units with EAF or IF, and the Re-rolling units has been felt since long. A similar opinion was expressed by the Advisory Committee on Steel Rolling Industries, set up by Ministry of Steel, Government of India in 1984. It was primarily based on these needs and also the demand from the industry, that the National Institute of Secondary Steel Technology was set up as a registered society on 18th August, 1987 under the Chairmanship of the then Development Commissioner for Iron & Steel and presently Joint Secretary, Ministry of Steel.

The following areas of secondary steel sector are under the purview of the Institute :

- Electric Arc and Induction Furnace
- Ladle Refining
- Rolling Mills (Hot & Cold)
- Direct Reduced Iron Units

During the current year, the Institute has achieved certain milestones and taken initiatives as mentioned :

- R&D Project on reduction of Phosphorus through Induction furnace steel melting is in progress. Lab Scale Air Induction Furnace has been received at NISST campus and will be installed & commissioned in January, 2012.
- NISST has been undertaking various jobs related to energy conservation, process improvement, training etc. assigned by UNDP GEF Project (Steel) for the benefit of SRRM sector in India.
- The Job Oriented Certificate Course (JOCC) in Steelmaking & Rolling Technology run by NISST. It has already provided more than 700 skilled/semi-skilled, supervisory level technical personnel to the secondary steel sector, thereby opening a new channel of employment.
- NISST is instrumental in implementation of Energy Efficient Technologies through Four Resident Missions of UNDP/GEF Project (Steel) at Mandi Gobindgarh, Nagpur, Kolkata and Chennai for SMEs of steel sector. Also conducts energy audits of buildings, industries etc. by BEE accredited qualified energy auditors.
- NISST in collaboration with IIIM Ltd., Kolkata has successfully conducted Job Focused Training Programme for SC/ST candidates of West Bengal. More than 250 students have been trained in the first phase.

19.4 Institute for Steel Development & Growth (INSDAG)

INSDAG promoted by the Ministry of Steel and Major Steel Producers of India is operating relentlessly for more than a decade towards promotion of steel intensive structures in Indian construction and infrastructural sectors. For popularizing steel based construction in various infrastructures both in Urban and Rural areas, INSDAG has been making presentations to almost all major Govt. bodies and Ministries from time to time. Ministry of Road Transport and Highway has already assigned INSDAG the designing jobs of Road Over Bridges (ROBs) and Bridges of various spans. INSDAG has also been recently given a steel based structural design assignment for a very prestigious project of Metro Valley coming at Gurgaon, New Delhi. INSDAG has instituted 3 award competitions for Structural steel design, Architecture and real life construction among the students and professionals every year. These programmes have gained huge popularity and acceptance among the students and professional fraternity during the last ten years. The training programmes and the award competitions have generated immense enthusiasm and encouragement in knowledge dissemination on steel throughout the country. INSDAG is trying to incorporate steel based design module in all technical Universities / Colleges in their curricula.

CHAPTER-XX

IMPLEMENTATION OF THE RIGHT TO INFORMATION ACT, 2005

20.1 Introduction

The Government of India enacted the Right to Information (RTI) Act, 2005 on June 15, 2005. The objective of the Act is to promote openness, transparency and accountability in the administration and to provide good governance in the country.

20.2 Implementation of the RTI Act in the Ministry of Steel

One Deputy Secretary level officer has been nominated as nodal officer for implementation of the RTI Act and its monitoring in the Ministry. The officers of the rank of Deputy Secretary/Director, or equivalent level, and the concerned Joint Secretary have been nominated as Public Information Officer (PIO) and Appellate Authority respectively. In addition, two Assistant Public Information Officers (APIOs) have also been nominated. On the directions of the Central Vigilance Commission, one Joint Secretary level officer has also been nominated as the 'Transparency Officer' for the Ministry of Steel. The Ministry also monitors the progress/implementation of the RTI Act in its PSUs/Companies and other organisations, which are under its administrative control. The manual of 17 items, details of Appellate Authority/Public Information Officer, Assistant Public Information Officers have been hosted on the Ministry's website www.steel.gov.in. During the year 2011-12 (up to December 31, 2011), the Ministry of Steel received 200 RTI applications, which were duly disposed of within the prescribed time limit.

20.3 Steel Authority of India Ltd. (SAIL)

The RTI manual containing 17 modules, details of Transparency Officer, Appellate Authority/Public Information Officer, Assistant Public Information Officers and the name of SAIL Plants/Units are being updated regularly and hosted on the SAIL website www.sail.co.in.

A total of 2565 applications have been received in SAIL during the period from April 2011 to December 2011. All of these have been disposed of within the prescribed time limit as per RTI Act, and only 40 cases were referred to CIC, which have since been disposed of.

20.4 Rashtriya Ispat Nigam Ltd. (RINL)

A total of 896 requests have been received under the Right to Information Act, by RINL during the period 1st April 2011 to 31st December 2011. Out of the same, 662 requests have been disposed of by furnishing information to the seekers and 234 requests are pending as on 31st December 2011. There were 4 (four) No. of cases where appellant has appealed to Central Information Commission and all the cases were disposed of by the CIC.

An exclusive RTI portal for RINL-VSP has been developed and launched during the year. Information available in the 17 manuals of the RTI portal in company website has been updated in accordance with the requirement of Section 4(1) of Right to Information Act 2005. Quarterly Returns, Annual Returns on implementation of RTI Act 2005 are being submitted regularly in the CIC portal.

20.5 NMDC Ltd.

NMDC has published on its website, www.nmdc.co.in, information under Sec 4 (1)(b) of the RTI Act 2005. NMDC website, which has specifically provided information under the RTI Act, has also other

information, statutory or otherwise.

The number of RTI Queries received and disposed of during the period 01.04.2011 to 30.11.2011 is as under:

| No. of Queries Received | No. of Queries Replied | Queries Referred to CIC | Queries Disposed of by CIC |
|-------------------------|------------------------|-------------------------|----------------------------|
| 120 | 109 | 1 | 1 |

20.6 MOIL Ltd.

MOIL has appointed PIOs at the Corporate Office and PIOs/APIOs have also been appointed in all its Mining Units. Director (P&P) has been appointed/designated as Appellate Authority under the Act. The names of all the PIOs/APIOs and the Appellate Authority has been also hosted in the Company's website www.moil.nic.in. The obligation of the preparation of the 17 manual prescribed in clause (b) subsection (1) section (4) has been hosted on company's portal and information is updated from time to time.

MOIL has been updating the requisite information every three months pertaining to Section 25(3) of the Act filed the Annual Return within the stipulated time frame. The monthly return is being sent to the concerned authority regularly.

The details of applications pending, received and disposed of, during the period 01.04.11 to 31.12.11 are as under:

| Applications pending as on 01.04.2011 | Applications received during 01.04.11 to 31.12.11 | Applications disposed of during 01.04.11 to 31.12.11 | Applications pending as on 31.12.2011 |
|---------------------------------------|---|--|---------------------------------------|
| NIL | 79 | 72 | 07 |

20.7 MSTC Ltd.

MSTC has nominated a CPIO and a PIO in the head office as well as every region/branch has a PIO and an APIO for effectively processing the RTI applications received at various locations of the company. RTI applications have been processed as per the provisions of the RTI Act. Quarterly reports have been submitted on-line. Provisions of RTI Act 2005 have been complied.

| Applications pending as on 01.04.2011 | Applications received during 01.04.11 to 31.12.11 | Applications disposed of during 01.04.11 to 31.12.11 | Applications pending as on 31.12.2011 |
|---------------------------------------|---|--|---------------------------------------|
| 01 | 59 | 54 | 06 |

20.8 Ferro Scrap Nigam Ltd. (FSNL)

FSNL has implemented Right to Information Act, 2005 by nominating CPIO/APIO, finalisation of manuals of 17 items (manuals) and hosting of manuals on the company website (www.fsnl.nic.in). Quarterly reports are submitted to the Ministry of Steel and CIC regularly. All requests for information are dealt with as per the prescribed guidelines of the RTI Act, 2005. The total number of RTI applications received during the period April 1, 2011 to December 31, 2011 was 33. Out of these 32 applications have been disposed of.

20.9 Hindustan Steelworks Construction Ltd. (HSCL)

HSCL has nominated one (1) CPIO and seven (7) APIOs. CMD, HSCL is the first Appellate Authority under the Act for the Company.

From 1.4.2011 to 31.12.2011, the summary statement of application received and disposal action taken is as under:

- Total No. of RTI application received : 59
- Total No. of RTI application disposed of by CPIO : 56
- Total No. of 1st appeal received : 14
- Total No. of 1st appeal disposed of by Appellate Authority : 12

20.10 MECON Ltd.

All the relevant manuals pertaining to RTI Act, 2005 have been hosted on “MECON’s Website www.meconlimited.co.in w.e.f. 19th September, 2005. A Public Information Officer (PIO) and the 1st Appellate Authority have been nominated by MECON at its Headquarters and Assistant Public Information officers (APIOs) have been nominated at various Regional and Site Offices. The queries coming to MECON from the public are being attended to by these nominated officials and replied back to them by the Public Information Officer within the stipulated time period. An officer of the rank of General Manager has been nominated as the Transparency Officer of MECON Limited. The status of applications received and processed during the year 2011–2012 (Till November, 2011) under Right to Information Act, 2005 are given below:

| Applications pending as on 01.04.2011 | Applications received during 01.04.11 to 30.11.11 | Applications disposed of during 01.04.11 to 30.11.11 | Applications pending as on 30.11.2011 |
|---------------------------------------|---|--|---------------------------------------|
| 02 | 55 | 55 | 02 |

20.11 KIOCL Ltd.

KIOCL has appointed PIOs at the Corporate Office and PIOs/APIOs have also been appointed in all its Plants/other Units. Executives at the Top levels has been appointed/ designated as Appellate Authority under the Act. The names of all the PIOs/APIOs and the Appellate Authority has also been hosted on KIOCL’s website www.kiocltd.com. The obligation of the preparation of the - manual prescribed in clause (b) sub-section (1) Section (4) has been complied with and these have also been hosted on KIOCL’s portal. The details of applications received, disposed of and pending during the period are as under:

- Applications received during 2011-12 (upto Dec 2011) - 29
- Applications disposed of during 2011-12 (upto Dec 2011) - 27
- Applications pending as on 31.12.2011 - 02

20.12 Bird Group of Companies (BGC)

EIL, OMDC and BSLC are proactively complying with the provisions of the Right to Information Act 2005. All the relevant manuals pertaining to RTI Act 2005 have been hoisted on BGCs website. During the period 22 applications have been received, out of which, 12 applications received upto November 2011 have been disposed of.

CHAPTER-XXI

DEVELOPMENT OF NORTH-EASTERN REGION**21.1 Introduction**

The Ministry of Steel has been exempted from the requirement of earmarking 10% of its budgetary allocation for this purpose.

21.2 Steel Authority Of India Ltd. (SAIL)

Installation of Steel Processing Unit at Guwahati

With a view to meet increased customer demand for tailor made steel products, it was felt that there is a need to set up Steel Processing Unit (SPU) near the consumption points, particularly in the State where no steel plant is located and where steel consumption is low as compared to national average. The Working Group on Steel Industry for 11th Five Year Plan emphasized that “an important potential area for steel usage resulting from economic growth and rising income levels in the household sector is in the rural areas. However, unlike urban areas, in rural areas concerted efforts would be required to convert this rural potential into actual consumption of steel”.

Keeping this in view, SAIL is setting up Steel Processing Units at various locations including the North-East region, Guwahati has been identified as one of the locations for setting up of the SPU based on the demand and availability of steel especially for construction/housing sector, subject to certain exemptions/concessions from the State/Central Government and financial viability of the project.

A TMT Bar Mill is proposed to be installed at Guwahati. The land for the project has been identified at Tilingaon near IIT, Guwahati and the State Government has approved land acquisition in December, 2007. The proposal for setting up the SPU has been approved ‘in principle’ by SAIL Board in April, 2008. SAIL has already made payment of ₹7.97 crore for 31 acres of land. Soil investigation carried out, barbed wire fencing of boundary, security room and gate completed. SAIL has also planned a warehouse at this location. The matter for concessions and subsidies has been taken up by SAIL with the Government of Assam.

21.3 Rashtriya Ispat Nigam Ltd. (RINL)

RINL-VSP is servicing the North Eastern Region directly through the Branch Sales Office (BSO) at Kolkata & the Consignment Sales Agents (CSAs) appointed at Guwahati (M/s. Shreeram Keshrimal) and at Agartala (M/s. S.R. Construction) to cater the demand of various customers in the Region. In order to promote sales and services, BSO Kolkata is extending incentive to Project Customers of the Eastern Region.

RINL-VSP is also supplying steel products directly to Hydro-Electric, Road and Other Projects in the North Eastern Region through VSP’s Stockyard at Kolkata and through the Retailers based in Kolkata.

RINL-VSP sold 3,681 tonnes of Saleable Steel directly from Kolkata Stockyard to North-Eastern Region during April 2011 to December 2011.

21.4 MSTC Ltd.

MSTC does not have any direct involvement with the North Eastern Region. But MSTC has some indirect involvement of selling scrap of Public Sector Units and Defence units situated in the North East such as Oil India Ltd., ONGC, BRPL, North Eastern Coalfields Ltd. etc. and Army units at Bengdubi, Hashimara, Jorhat etc. Generally, scrap of such units is purchased by local businessmen which indirectly benefits the region.

21.5 Hindustan Steelworks Construction Ltd. (HSCL)

The Company has a proud privilege of participating in the Bharat Nirman Programme of Govt. of India in construction of rural roads in the North Eastern State of Tripura under PMGSY. HSCL has been working as a Project Implementation Unit there with the responsibility starting from preparation of Detailed Project Report (DPR) to the maintenance of the roads for five years after construction. Rural roads of Phases IV to VII under PMGSY have achieved satisfactory progress. The DPRs for Phase-VIII for a value of ₹204 Cr. have recently been approved by National Rural Roads Development Agency (NRRDA). Number of roads completed so far is 94 out of the total scope of 157.

The present value of work under PMGSY is about ₹700 Cr. in Tripura, which is likely to go up further in phases.

HSCL has taken up 3 Nos. of 150 bedded District Hospitals one each in North, South and Dhalai District and one 100 bedded hospital at Teliamura under Department of Health, Govt. of Tripura. Staff Quarters at the three District Hospitals are also being constructed by HSCL.

The Company has signed MoU with the Department of Health & Family Welfare Government of Mizoram for implementation of 100-bedded civic hospital at Saiha and 50-bedded hospital at Lawngtlai. In addition, two auditorium projects at Champhai and Lawngtlai valuing ₹25 Cr. each have also been secured.

HSCL has been engaged in execution of the following two Projects in the North Eastern States of Sikkim also, which will help in infrastructure and tourism development of the State:

- (i) Construction of Pilgrimage Centre at Solopok, involving installation of a 108 feet tall idol of Lord Shiva and a number of shrines of Hindu deities at the hilly terrain of picturesque Sikkim. The 'Pranpratistha' has been done. The project is on the verge of completion in all respect.
- (ii) Cultural Centre at Yang yang is also nearing completion.
- (iii) HSCL has already expressed its willingness to take up water supply projects in Sikkim.



Aerial view of the pilgrimage centre constructed by HSCL at Solopok, Sikkim.

CHAPTER-XXII

INTERNATIONAL COOPERATION

Global approach is crucial for the state of the art growth in the steel sector. For furtherance of this objective, the Ministry of Steel participated in various international meetings/conferences/seminars organised for development of iron and steel sector as per details given below:-

- Participated in the 27th International Ferro-Alloys Conference held at Berlin (Germany) w.e.f. 13-15th November,2011.
- Participated in the 70th OECD Steel Committee meeting held at Paris (France) w.e.f. 12-15th May,2011.
- Participated in the 71st OECD Steel Committee meeting held at Paris (France) w.e.f. 05-06th December,2011.
- Participated in Global Superior Energy Performance Partnership (GSEP) meeting/workshop held at Washington (USA) w.e.f. 11-13th September,2011.
- Participated in the World Mining Congress and Expo 2011 held at Istanbul (Turkey) w.e.f. 11-16th September,2011.
- Participated in the 7th meeting of the India Australia Joint Working Group on Energy and Minerals in Australia w.e.f. 15-23rd May,2011.
- Participated in the MINING INDABA-2012 held at Capetown (South Africa) w.e.f. 05-10th February,2012.
- A delegation led by the Union Steel Minister visited Russia and National Mineral Development Corporation (NMDC) entered into a Non-Binding Protocol Agreement with M/s Severstal at Moscow (Russia) from 09-11th November,2011.
- A delegation of the Ministry visited Colombia & USA to hold meetings at Government level as well as discussions at management levels with coal mining companies and visit their coal mines for International Coal Ventures Pvt. Ltd. (ICVL) w.e.f. 27th June,2011 to 02nd July,2011.

ANNEXURE - I

LIST OF SUBJECTS ALLOCATED TO THE MINISTRY OF STEEL AS PER GOVERNMENT OF INDIA (ALLOCATION OF BUSINESS) RULES, 1961

1. Planning, development and facilitation of setting up of iron and steel production facilities including Electric Arc Furnace (EAF) units, Induction Furnace (IF) units, processing facilities like re-rollers, flat products (hot/cold rolling units), coating units, wire drawing units and steel scrap processing including ship breaking.
2. Development of iron ore mines in the public sector and other ore mines (manganese ore, chrome ore, limestone, sillimanite, kayanite, and other minerals used in the iron and steel industry but excluding mining lease or matters related thereto).
3. Production, distribution, prices, imports and exports of iron and steel and ferro-alloys.
4. Matters relating to the following undertakings including their subsidiaries, namely:
 - (i) Steel Authority of India Limited (SAIL);
 - (ii) Rashtriya Ispat Nigam Limited (RINL);
 - (iii) NMDC Limited;
 - (iv) MOIL Limited;
 - (v) MSTC Limited;
 - (vi) Ferro Scrap Nigam Limited (FSNL);
 - (vii) Hindustan Steelworks Construction Limited (HSCL);
 - (viii) MECON Limited;
 - (ix) KIOCL Limited;
 - (x) Bird Group of Companies; and
 - (xi) ICVL (SPV)

ANNEXURE - II

**MINISTER IN-CHARGE AND OFFICERS
IN THE MINISTRY OF STEEL**

(down to Deputy Secretary level)

| | |
|--|---|
| Minister of Steel | Shri Beni Prasad Verma |
| Secretary | Shri P.K. Misra |
| Additional Secretary & Financial Adviser | Shri S. Machendra Nathan |
| Joint Secretaries | Dr Dalip Singh Dr Udai Pratap Singh Shri J.P. Shukla Shri Upendra Prasad Singh |
| Economic Adviser | Shri Suraj Bhan |
| Chief Controller of Accounts | Ms L.N. Tochwang |
| Industrial Adviser | Shri A.C.R Das |
| Directors | Shri Sanjay Mangal Ms Indrani Kaushal Shri M.K. Roy |
| Director Level officers | Shri Ravinesh Kumar PS to Hon'ble Minister for Steel Shri B.D. Ghosh, Additional Industrial Adviser |
| Deputy Secretaries | Shri Sunil Prakash Shri Anil Kumar Madan Shri D.B. Singh Shri H.L. Meena |
| Deputy Secretaries level officers | Shri Ashok Kumar, Joint Director Shri R.K. Mahajan, Sr. PPS |

ANNEXURE - III

PRODUCTION OF MAIN & OTHER PRODUCERS

('000 tonnes)

| SL. NO. | ITEM / PRODUCER | 2007-08 | 2008 - 09 | 2009 - 10 | 2010 - 11* | 2011 - 12* (Apr - Dec) |
|-------------|---|--------------|--------------|--------------|--------------|---------------------------|
| | PRODUCTION | | | | | |
| I. | CRUDE STEEL : | | | | | |
| | Main Producers | 21789 | 21755 | 22969 | 23544 | 17329 |
| | ASP + VISL | 315 | 263 | 308 | 308 | 229 |
| | Other Producers | | | | | |
| | E.A.F.Units (incl.Corex & MBF/EOF) | 14820 | 18365 | 22738 | 23655 | 19197 |
| | Induction Furnaces | 16933 | 18054 | 19824 | 22068 | 16602 |
| | TOTAL (Crude Steel) | 53857 | 58437 | 65839 | 69575 | 53357 |
| | % share of Other Producers | 59.0% | 62.3% | 64.6% | 65.7% | 67.1% |
| II. | PIG IRON | | | | | |
| | Main Producers | 936 | 589 | 731 | 579 | 419 |
| | Other Producers | 4378 | 5618 | 5153 | 4962 | 3828 |
| | TOTAL (Pig Iron) | 5314 | 6207 | 5884 | 5541 | 4247 |
| | % share of Other Producers | 82.4% | 90.5% | 87.6% | 89.6% | 90.1% |
| III. | SPONGE IRON | | | | | |
| | Gas Based | 5845 | 5516 | 6148 | 5794 | 4136 |
| | Coal Based | 14531 | 15575 | 18178 | 20915 | 17075 |
| | TOTAL (Sponge Iron) | 20376 | 21091 | 24326 | 26709 | 21211 |
| | % share by Process (Coal Based) | 71.3% | 73.8% | 74.7% | 78.3% | 80.5% |
| IV. | FINISHED STEEL FOR SALE (Alloy/Non-Alloy) : | | | | | |
| | Main Producers | 18020 | 17216 | 18038 | 18280 | 12715 |
| | Other Producers | 43332 | 46229 | 51093 | 57461 | 46119 |
| | Less IPT/Own Consumption | 5277 | 6281 | 8507 | 9728 | 6773 |
| | TOTAL (finished steel for sale) | 56075 | 57164 | 60624 | 66013 | 52061 |
| | % share of Other Producers | 77.3% | 80.9% | 84.3% | 87.0% | 88.6% |

Main : SAIL, TSL & RINL (VSP)

Others : Majors (ESSAR, JSW ISPAT, JSWL & JSPL) & EAF, IF, COREX-BOF etc.

EAF : Electric Arc Furnace

MBF : Mini Blast Furnace

EOF : Energy Optimising Furnace

IPT : Inter Plant Transfer

*Provisional

Source - JPC

ANNEXURE - IV
PRODUCTION OF CRUDE/LIQUID STEEL
 (By Producers)

('000 tonnes)

| PRODUCER | 2007-08 | | | 2008-09 | | | 2009 - 10 | | | 2010 - 11* | | | 2011 - 12* (Apr - Dec) | | |
|---|------------------|--------------|---------------|------------------|--------------|---------------|------------------|--------------|---------------|------------------|--------------|---------------|------------------------|--------------|---------------|
| | Working Capacity | Production | % Utilisation | Working Capacity | Production | % Utilisation |
| PUBLIC SECTOR | | | | | | | | | | | | | | | |
| BSP | 3925 | 5055 | 129% | 3925 | 5183 | 132% | 3925 | 5108 | 130% | 3925 | 5329 | 136% | 3925 | 3642 | 124% |
| DSP | 1802 | 1914 | 106% | 1802 | 1886 | 105% | 1802 | 1966 | 109% | 1802 | 1961 | 109% | 1802 | 1403 | 104% |
| RSP | 1900 | 2093 | 110% | 1900 | 2083 | 110% | 1900 | 2128 | 112% | 1900 | 2160 | 114% | 1900 | 1597 | 112% |
| B SL | 4360 | 4127 | 95% | 4360 | 3577 | 82% | 4360 | 3599 | 83% | 4360 | 3592 | 82% | 4360 | 2754 | 84% |
| ISP | 500 | 458 | 92% | 500 | 417 | 83% | 500 | 400 | 80% | 500 | 411 | 82% | 500 | 258 | 69% |
| ASP | 234 | 157 | 67% | 234 | 168 | 72% | 234 | 205 | 88% | 234 | 200 | 85% | 234 | 155 | 88% |
| SSP | | | | | | | | | | | | | | | |
| VISL | 118 | 158 | 134% | 118 | 95 | 81% | 118 | 103 | 87% | 118 | 108 | 92% | 118 | 75 | 56% |
| TOTAL (SAIL) | 12839 | 13962 | 109% | 12839 | 13409 | 104% | 12839 | 13509 | 105% | 12839 | 13761 | 107% | 13019 | 9958 | 102% |
| RINL | 2910 | 3129 | 108% | 2910 | 2963 | 102% | 2910 | 3205 | 110% | 2910 | 3235 | 111% | 2910 | 2298 | 105% |
| TOTAL (Public Sector) | 15749 | 17091 | 109% | 15749 | 16372 | 104% | 15749 | 16714 | 106% | 15749 | 16996 | 108% | 15929 | 12256 | 103% |
| PRIVATE SECTOR | | | | | | | | | | | | | | | |
| Tata Steel Ltd | 5000 | 5013 | 100% | 5000 | 5646 | 113% | 6800 | 6563 | 97% | 6800 | 6856 | 101% | 6800 | 5302 | 104% |
| Majors | 11400 | 9538 | 84% | 14800 | 10218 | 69% | 18233 | 14381 | 79% | 18233 | 14884 | 82% | 21633 | 12426 | 77% |
| Other E A F Units/ Corex-BOF/MBF-EOF | 6831 | 5282 | 77% | 8614 | 8147 | 95% | 8419 | 8357 | 99% | 8419 | 8771 | 104% | 8419 | 6771 | 107% |
| INDUCTION | 20865 | 16933 | 81% | 22180 | 18054 | 81% | 25800 | 19824 | 77% | 28800 | 22068 | 77% | 31680 | 16602 | 70% |
| FURN. UNITS | | | | | | | | | | | | | | | |
| TOTAL (Private Sector) | 44096 | 36766 | 83% | 50594 | 42065 | 83% | 59252 | 49125 | 83% | 62252 | 52579 | 84% | 68532 | 41101 | 80% |
| GRAND TOTAL | 59845 | 53857 | 90% | 66343 | 58437 | 88% | 75001 | 65839 | 88% | 78001 | 69575 | 89% | 84461 | 53357 | 84% |

* Provisional;

Majors = Essar, Ispat, JSWL & JSPL

Source - JPC

ANNEXURE - V

PRODUCTION OF CRUDE / LIQUID STEEL

('000 tonnes)

| CATEGORY | 2007 - 08 | 2008 - 09 | 2009 - 10 | 2010 - 11* | 2011 - 12* (Apr - Dec) |
|-------------------------------------|--------------|--------------|--------------|--------------|---------------------------|
| OXYGEN ROUTE | | | | | |
| B S P | 5055 | 5183 | 5108 | 5329 | 3642 |
| D S P | 1914 | 1886 | 1966 | 1961 | 1403 |
| R S P | 2093 | 2083 | 2128 | 2160 | 1597 |
| B S L | 4127 | 3577 | 3599 | 3592 | 2754 |
| I S P | 458 | 417 | 400 | 411 | 258 |
| S S P | | | | | 75 |
| V I S L | 158 | 95 | 103 | 108 | 74 |
| R I N L | 3129 | 2963 | 3205 | 3235 | 2298 |
| T S L | 5013 | 5646 | 6563 | 6856 | 5302 |
| JSW Steel Ltd. | 3147 | 3218 | 6254 | 6864 | 5365 |
| Other Oxygen Route | 872 | 995 | 506 | 531 | 399 |
| TOTAL OXYGEN ROUTE : | 25966 | 26063 | 29832 | 31047 | 23167 |
| ELECTRIC ROUTE | | | | | |
| ELECTRIC ARC FURNACE | | | | | |
| A S P | 157 | 168 | 205 | 200 | 155 |
| Essar Steel Ltd. | 3564 | 3342 | 3474 | 3367 | 3209 |
| Ispat Industries Ltd. | 2827 | 2201 | 2689 | 2377 | 1858 |
| Jindal Steel & Power Ltd. | 1219 | 1457 | 1961 | 2273 | 1994 |
| Lloyds Steel Ltd. | 463 | 460 | 505 | 553 | 445 |
| Jindal Stainless Ltd. | 585 | 470 | 679 | 703 | 462 |
| Other Electric Arc Furnace | 2143 | 6222 | 6667 | 6984 | 5465 |
| TOTAL ELECTRIC ARC FURNACE : | 10958 | 14320 | 16180 | 16457 | 13588 |
| ELECTRIC INDUCTION FURNACE | | | | | |
| Induction Furnace | 16933 | 18054 | 19827 | 22071 | 16602 |
| TOTAL ELECTRIC ROUTE : | 27891 | 32374 | 36007 | 38528 | 30190 |
| GRAND TOTAL : | 53857 | 58437 | 65839 | 69575 | 53357 |

* Provisional

Source - JPC

ANNEXURE - VI

PRODUCTION OF HOT METAL

('000 tonnes)

| PLANTS | 2007 - 08 | 2008 - 09 | 2009 - 10 | 2010 - 11* | 2011 - 12* (Apr - Dec) |
|----------------------------------|--------------|--------------|--------------|--------------|---------------------------|
| A. PUBLIC SECTOR | | | | | |
| BHILAI STEEL PLANT | 5268 | 5387 | 5370 | 5708 | 3826 |
| DURGAPUR STEEL PLANT | 2186 | 2111 | 2174 | 2143 | 1540 |
| ROURKELA STEEL PLANT | 2229 | 2200 | 2258 | 2303 | 1698 |
| BOKARO STEEL LTD | 4658 | 4021 | 4066 | 4108 | 3018 |
| IISCO STEEL PLANT | 640 | 598 | 502 | 495 | 345 |
| VISVESVARAYA I & S PLANT | 218 | 125 | 126 | 131 | 91 |
| RASHTRIYA ISPAT NIGAM | 3913 | 3546 | 3900 | 3830 | 2848 |
| SUB TOTAL (A) : | 19112 | 17988 | 18396 | 18718 | 13366 |
| B. PRIVATE SECTOR | | | | | |
| TATA STEEL LTD. | 5507 | 6254 | 7232 | 7501 | 5162 |
| MINI BLAST FURNACE | 12139 | 12813 | 15893 | 16704 | 12618 |
| SUB TOTAL (B) : | 17646 | 19067 | 23125 | 24205 | 17780 |
| TOTAL (A+B) : | 36758 | 37055 | 41521 | 42923 | 31146 |
| % SHARE OF PRIVATE SECTOR | 48.0% | 51.5% | 55.7% | 56.4% | 57.1% |

* Provisional

Source - JPC

ANNEXURE - VII

PRODUCTION OF PIG IRON

('000 tonnes)

| PLANTS | 2007 - 08 | 2008 - 09 | 2009 - 10 | 2010 - 11* | 2011 - 12* (Apr - Dec) |
|------------------------------------|-------------|-------------|-------------|-------------|---------------------------|
| A. PUBLIC SECTOR | | | | | |
| BHILAI STEEL PLANT | 136 | 61 | 114 | 58 | 6 |
| DURGAPUR STEEL PLANT | 57 | 20 | 42 | 21 | 6 |
| ROURKELA STEEL PLANT | 26 | 1 | 16 | 15 | 6 |
| BOKARO STEEL PLANT | 98 | 78 | 111 | 143 | 10 |
| IISCO STEEL PLANT | 93 | 99 | 36 | 21 | 26 |
| VISVESVARAYA I & S PLANT | 31 | 8 | 4 | 3 | 2 |
| RASHTRIYA ISPAT NIGAM | 495 | 322 | 408 | 318 | 363 |
| SUB TOTAL (A) : | 936 | 589 | 731 | 579 | 419 |
| B. PRIVATE SECTOR | | | | | |
| OTHER BLAST FURNACE/ COREX UNIT | 4378 | 5618 | 5153 | 4962 | 3828 |
| SUB TOTAL (B) : | 4378 | 5618 | 5153 | 4962 | 3828 |
| TOTAL (A+B) : | 5314 | 6207 | 5884 | 5541 | 4247 |
| %age SHARE OF PRIVATE SECTOR | 82.4% | 90.5% | 87.6% | 89.6% | 90.1% |

* Provisional

Source - JPC

ANNEXURE - VIII

PRODUCTION FOR SALE OF FINISHED STEEL

(Non-Alloy & Alloy Steel)

('000 tonnes)

| PLANTS | 2007 - 08 | 2008 - 09 | 2009 - 10 | 2010 - 11* | 2011 - 12* (Apr - Dec) |
|---------------------------------------|--------------|--------------|--------------|--------------|---------------------------|
| A. PUBLIC SECTOR | | | | | |
| BHILAI STEEL PLANT | 3603 | 3604 | 3356 | 3574 | 2370 |
| DURGAPUR STEEL PLANT | 685 | 671 | 666 | 673 | 404 |
| ROURKELA STEEL PLANT | 2059 | 1944 | 1963 | 1994 | 1477 |
| BOKARO STEEL PLANT | 3592 | 3274 | 3382 | 3344 | 1943 |
| IISCO STEEL PLANT | 316 | 318 | 330 | 328 | 170 |
| RASHTRIYA ISPAT NIGAM | 2899 | 2558 | 2960 | 2928 | 2080 |
| ALLOY STEEL PLANT | 30 | 35 | 24 | 51 | 37 |
| SALEM STEEL PLANT | 231 | 180 | 227 | 137 | 109 |
| VISVESVARAYA I & S PLANT | 133 | 89 | 110 | 94 | 53 |
| Less INTERPLANT TRANSFER | 27 | | | | |
| SUB TOTAL (A) : | 13521 | 12673 | 13018 | 13123 | 8643 |
| B. PRIVATE SECTOR | | | | | |
| TATA STEEL LTD | 4472 | 4543 | 5019 | 5157 | 4073 |
| MAJORS | 13000 | 12086 | 16049 | 18112 | 14825 |
| OTHERS | 30332 | 34143 | 35044 | 39349 | 31294 |
| Less Own Consump.(Majors & Others) | 5250 | 6281 | 8507 | 9728 | 6773 |
| SUB TOTAL (B) : | 42554 | 44491 | 47605 | 52890 | 43419 |
| TOTAL PRODUCTION FOR SALE(A+B) | 56075 | 57164 | 60623 | 66013 | 52062 |
| %age SHARE OF PRIVATE SECTOR | 75.9% | 77.8% | 78.5% | 80.1% | 83.4% |

* Provisional

Source - JPC

CATEGORYWISE PRODUCTION FOR SALE OF FINISHED STEEL (Non - Alloy + Alloy)

('000 tonnes)

| C A T E G O R Y | 2007 - 08 | | | | 2008 - 09 | | | | 2009 - 10 | | | | 2010 - 11* | | | | 2011 - 12* (Apr - Dec) | | | |
|---|--------------|---------------------|-----------------|---------------------|--------------|---------------------|-----------------|---------------------|--------------|---------------------|-----------------|---------------------|--------------|---------------------|-----------------|---------------------|------------------------|---------------------|-----------------|---------------------|
| | Main Prods | Major + Other Prods | IPT / Own Consu | Production for Sale | Main Prods | Major + Other Prods | IPT / Own Consu | Production for Sale | Main Prods | Major + Other Prods | IPT / Own Consu | Production for Sale | Main Prods | Major + Other Prods | IPT / Own Consu | Production for Sale | Main Prods | Major + Other Prods | IPT / Own Consu | Production for Sale |
| 1. Non-Flat Products | | | | | | | | | | | | | | | | | | | | |
| Bars & Rods | 5313 | 14875 | | 20188 | 5186 | 15241 | | 20427 | 5731 | 16039 | | 21770 | 5791 | 18577 | | 24368 | 4042 | 14981 | | 19023 |
| Structurals/Spl.Sec. | 1003 | 4040 | | 5043 | 935 | 4431 | | 5366 | 823 | 3318 | | 4141 | 798 | 4739 | | 5537 | 526 | 3842 | | 4368 |
| Rails&Rly.Materials | 951 | 135 | | 1086 | 1012 | 170 | | 1182 | 862 | 179 | | 1041 | 898 | 196 | | 1094 | 655 | 137 | | 792 |
| TOTAL (Non - flat product) | 7267 | 19050 | 0 | 26317 | 7133 | 19842 | 0 | 26975 | 7416 | 19536 | 0 | 26952 | 7487 | 23512 | 0 | 30999 | 5223 | 18960 | 0 | 24183 |
| 2. Flat Products | | | | | | | | | | | | | | | | | | | | |
| Plates | 2688 | 1369 | | 4057 | 2498 | 1506 | | 4004 | 2521 | 1454 | 2 | 3973 | 2592 | 1662 | 4 | 4250 | 1763 | 1343 | 2 | 3104 |
| HR Coils/Skelp/Strips | 4707 | 8977 | 2010 | 11674 | 4577 | 9633 | 3043 | 11167 | 5033 | 11726 | 4757 | 12002 | 5036 | 13076 | 5750 | 12362 | 3628 | 10262 | 3770 | 10120 |
| HR Sheets | 302 | 455 | | 757 | 277 | 338 | | 615 | 283 | 342 | 22 | 603 | 265 | 334 | 29 | 570 | 152 | 217 | | 369 |
| C R Coils/Sheets/Strips | 1891 | 5560 | 3012 | 4439 | 1657 | 5941 | 2983 | 4615 | 1761 | 7545 | 3392 | 5914 | 1778 | 7581 | 3597 | 5762 | 1183 | 5869 | 2758 | 4294 |
| GP/GC Sheets | 729 | 3652 | | 4381 | 711 | 3843 | | 4554 | 765 | 4855 | | 5620 | 672 | 4924 | | 5596 | 460 | 3966 | | 4426 |
| Elec.Sheet | 81 | 78 | | 159 | 71 | 75 | | 146 | 79 | 67 | | 146 | 77 | 99 | | 176 | 44 | 76 | | 120 |
| Tin Plates | 15 | 168 | | 183 | 19 | 182 | | 201 | 18 | 221 | | 239 | 7 | 226 | | 233 | 8 | 185 | | 193 |
| T M B P | | 6 | | 6 | 0 | 4 | | 4 | | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 |
| Tin Free Steel | | | | | 0 | 6 | | 6 | | 7 | | 7 | 0 | 0 | | 0 | 0 | 0 | | 0 |
| TOTAL (Flat Products) | 10413 | 20265 | 5022 | 25656 | 9810 | 21528 | 6026 | 25312 | 10460 | 26217 | 8173 | 28504 | 10427 | 27902 | 9380 | 28949 | 7238 | 21918 | 6530 | 22626 |
| 3. Pipes (Large dia) | 85 | 1250 | | 1335 | 77 | 1788 | | 1865 | 60 | 1576 | | 1636 | 84 | 1767 | | 1851 | 55 | 1477 | | 1532 |
| TOTAL Finished Steel (Non - Alloy) | 17765 | 40565 | 5022 | 53308 | 17020 | 43158 | 6026 | 54152 | 17936 | 47329 | 8173 | 57092 | 17998 | 53181 | 9380 | 61799 | 12516 | 42355 | 6530 | 48341 |
| TOTAL Finished Steel (Alloy / Stainless Steel) | 255 | 2767 | 255 | 2767 | 196 | 3071 | 255 | 3012 | 102 | 3764 | 334 | 3532 | 282 | 4280 | 348 | 4214 | 199 | 3764 | 243 | 3720 |
| TOTAL Finished Steel (Non - Alloy + Alloy) | 18020 | 43332 | 5277 | 56075 | 17216 | 46229 | 6281 | 57164 | 18038 | 51093 | 8507 | 60624 | 18280 | 57461 | 9728 | 66013 | 12715 | 46119 | 6773 | 52061 |

* Provisional

Source - JPC

ANNEXURE - X

IMPORT OF IRON & STEEL THROUGH MAJOR INDIAN PORTS

('000 tonnes)

| Sl. no. | CATEGORY | 2007 - 08 | 2008 - 09 | 2009 - 10 | 2010 - 11* | 2011 - 12* (Apr - Dec) |
|---------|---------------------------------------|----------------|----------------|----------------|----------------|---------------------------|
| I | Semi-finished Steel(Non-Alloy) | | | | | |
| | Semis | 156.3 | 481.9 | 327.3 | 240.8 | 299.7 |
| | Re-rollable Scrap | 200.8 | 98.4 | 95.9 | 94.0 | 139.4 |
| | Finished Steel(Non-Alloy) | | | | | |
| | Bars & Rods | 436.5 | 433.2 | 589.7 | 437.5 | 314.4 |
| | Structurals | 75.7 | 55.5 | 90.7 | 78.8 | 33.7 |
| | Rly.Materials | 20.0 | 23.5 | 11.7 | 12.4 | 7.3 |
| | Plates | 1461.9 | 991.4 | 911.9 | 763.6 | 467.6 |
| | HR Sheets | 29.0 | 55.1 | 23.5 | 66.5 | 43.9 |
| | HR Coils/skelp/Strips | 2947.5 | 2293.0 | 2986.3 | 2307.5 | 1109.7 |
| | CR Coils/Sheets | 820.8 | 710.3 | 892.4 | 1126.2 | 1154.6 |
| | GP/GC Sheets | 268.2 | 294.0 | 291.8 | 330.9 | 264.1 |
| | Elec.Sheets | 241.9 | 222.0 | 281.5 | 314.5 | 206.1 |
| | TMBP | 3.4 | 2.3 | 1.0 | 1.2 | 1.2 |
| | Tin Plates | 100.9 | 101.4 | 155.5 | 136.0 | 91.3 |
| | Tin Plates W/W | 46.6 | 36.2 | 41.4 | 33.7 | 22.9 |
| | Tin Free Steel | 44.0 | 31.8 | 34.0 | 56.1 | 36.8 |
| Pipes | 85.1 | 21.0 | 29.2 | 295.6 | 98.5 | |
| | TOTAL Fin. Steel (Non-Alloy) | 6581.5 | 5270.7 | 6340.6 | 5960.5 | 3852.1 |
| II | Alloy/Stainless Steel | | | | | |
| | Semi-finished Steel(Alloy) | 9.5 | 17.7 | 19.8 | 4.0 | 13.9 |
| | Non - Flat Alloy | 162.0 | 199.0 | 150.1 | 198.7 | 212.2 |
| | Flat Alloy | 286.0 | 371.0 | 890.6 | 635.6 | 919.4 |
| | TOTAL Fin. Steel (Alloy) | 448.0 | 570.0 | 1040.7 | 834.3 | 1131.6 |
| | TOTAL Steel (I + II) | 7396.1 | 6438.7 | 7824.3 | 7133.6 | 5436.7 |
| III | Other Steel Items. | | | | | |
| | Fittings | 85.1 | 25.2 | 45.1 | 55.3 | 454.0 |
| | Misc.Steel Items | 399.2 | 302.9 | 974.4 | 1222.1 | 1408.8 |
| | Steel Scrap | 2557.9 | 3161.9 | 4423.4 | 3478.7 | 4147.8 |
| IV | Iron | | | | | |
| | Pig Iron | 10.7 | 7.8 | 10.8 | 8.9 | 6.6 |
| | Sponge Iron | 0.8 | 0.5 | 30.2 | 0.2 | 0.1 |
| | H.B.Iron | - | - | - | - | - |
| V | Ferro-Alloys | 199.0 | 144.7 | 96.2 | 132.4 | 117.4 |
| | GRAND TOTAL : | 10648.8 | 10081.7 | 13404.4 | 12031.2 | 11571.4 |

* Provisional

Source - JPC

ANNEXURE - XI

CATEGORY-WISE EXPORTS

('000 tonnes)

| CATEGORY | 2007 - 08 | 2008 - 09 | 2009 - 10 | 2010 - 11* | 2011 - 12* (Apr - Dec) |
|---|---------------|---------------|---------------|---------------|------------------------|
| Semi-finished Steel(Non-Alloy) | 373.0 | 661.0 | 625.0 | 350.0 | 183.4 |
| Finished Steel(Non-Alloy) | | | | | |
| Non - Flat | | | | | |
| Bars & Rods | 213.0 | 187.0 | 212.0 | 136.0 | 153.8 |
| Structurals | 73.0 | 73.0 | 55.0 | 35.0 | 29.2 |
| Rly. Materials | | | | 6.0 | 25.9 |
| TOTAL (Non - Flat) | 286.0 | 260.0 | 267.0 | 177.0 | 208.8 |
| Flat | | | | | |
| Plates | 153.0 | 264.0 | 66.0 | 133.0 | 315.6 |
| HR Coils/skelp/Strips/Sheets | 1391.0 | 943.0 | 540.0 | 525.0 | 775.5 |
| CR Coils/Sheets | 510.0 | 341.0 | 345.0 | 283.0 | 209.5 |
| GP/GC Sheets | 2026.0 | 1849.0 | 1287.0 | 1250.0 | 938.9 |
| Elec.Sheets | 25.0 | 8.0 | 3.0 | 1.0 | 0.8 |
| Tin Plates | 36.0 | 89.1 | 75.0 | 62.0 | 22.5 |
| Tin Free Steel | | | | | 1.9 |
| Pipes | 200.0 | 504.0 | 495.0 | 608.0 | 274.9 |
| TOTAL (Flat) | 4341.0 | 3998.1 | 2811.0 | 2862.0 | 2539.6 |
| TOTAL Fin. Steel (Non-Alloy) | 4627.0 | 4258.1 | 3078.0 | 3039.0 | 2748.4 |
| TOTAL Steel (Non - Alloy) | 5000.0 | 4919.1 | 3703.0 | 3389.0 | 2931.8 |
| Alloy/Stainless Steel | | | | | |
| Semi-finished Steel(Alloy) | 0.0 | 85.0 | 0.0 | 0.0 | 3.1 |
| Non - Flat Alloy | 390.0 | 124.0 | 135.0 | 267.0 | 189.2 |
| Flat Alloy | 60.0 | 55.0 | 38.0 | 155.0 | 109.5 |
| TOTAL Fin. Steel (Alloy) | 450.0 | 179.0 | 173.0 | 422.0 | 298.7 |
| TOTAL Steel (Alloy) | 450.0 | 264.0 | 173.0 | 422.0 | 301.8 |
| TOTAL Fin. Steel (Non - Alloy + Alloy) | 5077.0 | 4437.1 | 3251.0 | 3461.0 | 3047.1 |
| TOTAL Steel (Non - Alloy + Alloy) | 5450.0 | 5183.1 | 3876.0 | 3811.0 | 3233.6 |
| Pig Iron | 560.0 | 350.0 | 362.0 | 358.0 | 306.2 |
| Sponge Iron | 38.0 | 34.0 | 25.0 | 8.0 | 16.7 |

* Provisional

Source - JPC

ANNEXURE - XII

Recent Important Audit Observations

Summary of important observations pertaining to the Ministry of Steel which has been made available by C&AG through Ministry of Finance for inclusion in the Ministry's Annual Report 2011-12

Audit Report No.PA 27 of 2010-11**Steel Authority of India Limited and Rashtriya Ispat Nigam Limited**

The policy of SAIL did not cover objectives, scope, strategy and areas of focus of CSR activities and although two per cent of the distributable profit was earmarked for CSR activities but the same was not transferred to a 'separate fund'. In fact only 45 percent of the budget provided by RINL was utilized during 2006-07 to 2009-10, while SAIL, by and large, utilized the budget.

Environmental Responsibilities:

SAIL and RINL were implementing Environment Management Systems (EMS) to evaluate and continually improve their environmental performance at their different plants and units for environmental protection. EMS certification, i.e., ISO 14001 has been accredited to RINL and only to one plant of SAIL, out of total five plants.

On an average, 1.9 tonnes of CO is emitted for every tonne of steel produced globally. The average CO₂ emitted by SAIL and RINL during 2008-09 was 2.99 t/tcs and 3.18 t/tcs respectively as against the average of 2.09 t/tcs of CO emitted by Tata Steel. SAIL and RINL have not fixed any target for reduction of CO₂ whereas Tata Steel set a target of reduction in CO emission to less than 1.7 t/tcs by 2012. SAIL and RINL were found not to have even analysed the reasons for their higher CO emission.

As against the world average of energy consumption of 4.5 to 5.5 giga calories per tonne of crude steel (G.cal/tcs), the consumption was 6.72 G.cal/tcs in SAIL, 6.84 G.cal/tcs in RINL and 6.17 G.cal/tcs in Tata Steel during 2009-10.

The world average for raw material used to produce one tonne of crude steel is 2.6 tonne. The consumption of raw materials in SAIL ranged between 3.26 t/tcs and 3.38 t/tcs and in RINL is ranged between 3.04 t/tcs and 3.10 t/tcs.

Utilization of solid waste {Blast Furnace (BF) & Steel Melting Shop (SMS) slag} in SAIL during the year 2009-10 was 82.02 percent and 75.25 per cent respectively. While the latter was 54 percent in RINL during the same period.

Safety

Despite substantial utilization of the budget for this purpose by both SAIL and RINL, the number of fatal accidents began to rise during 2008-09 and 2009-10.

The companies did not achieve the target of 'zero accidents' fixed by them due to inadequate house-keeping and safety equipment.

Though SAIL and RINL have occupational health centers at their plants, the companies were not complying with the rule of periodic medical examination (once in every 12 months) of employees. Further, the percentage of employees turning up for health check up was very low.

Social Development

Both SAIL and RINL have been contributing to social development through community welfare programmes, medical camps, vocational training, sport facilities, medical facilities, free education in the company's schools to the steel township and neighborhood children. SAIL adopted 79 villages in eight states for comprehensive development as Model Steel Villages (MSVs). RINL adopted seven villages in its periphery for development as MSVs.

The companies were not doing any need assessment survey in the periphery of their plants to assess their requirements and were not planning for CSR activities in a structured manner to utilize the funds efficiently. Also the companies were not evaluating the impact of the CSR activities on the society.

Significant recommendations to improve the performance of the Companies on CSR front are:

- The Companies should fix specific targets for reduction of CO2 emission.
- Both companies must put in place a reliable and eco-friendly mechanism for disposal of hazardous wastes.
- SAIL should set and implement specific targets for afforestation.
- Awareness should be created among employees about safety and medical examination through various measures, e.g., training, hoardings, showing films, etc.
- The companies should evolve a system of need assessment and impact assessment while undertaking CSR activities in a particular area.

Audit Report No. CA 3 of 2011-12.

Hindustan Steelworks Construction Limited

Para 17.1 Loss due to providing inadequate resources and lack of control on the activities of Joint Venture

Company incurred a loss of ₹16.64 crore due to failure in providing adequate resources for the work and inadequate control over the functioning of JV and construction work.

MSTC Limited

Para 17.2 Export of Gold Jewellery

The Company entered into agreements with associates for export of gold jewellery. The associates were required to identify the foreign buyers, obtain export orders and export the jewellery in the name of the company. The foreign buyers were required to pay the export proceeds after 170 days from the date of dispatch. The company was required to release advance up to 80 per cent of the invoice value to associates immediately after export. It was also stipulated that the associates would bear all the risks and costs in the event of non payment of export proceeds by the buyers. The Company did not verify the credentials of the associates and the foreign buyers. A few of the associates and foreign buyers were having common Directors but the Company ignored the same. The Company ventured into this risks business with no security against the advances provided the associates. The Company ended up with a financial burden of ₹ 611.79 crore due to non-recovery of advance and related financial expenses, from the associates for gold jewellery exports during the year 2008-09 as 46 out of 47 foreign buyers did not pay their dues. The insurers also refused to make good the loss on the ground that the Company did not have any insurable interest in the business as all the risks and costs in the business ere to be borne by the associates only.

Para 17.3 Idle Investment

Imprudent decision of the Company to set up an economically unviable stockyard resulted in an idle investment of ₹ 12.51 crore.

Rashtriya Ispat Nigam Limited**Para 17.4 Irregular payment to employees**

Payment of cash and one additional increment to ineligible employees in contravention of DPE guidelines resulted in irregular payment of ₹ 18.61 crore.

Steel Authority of India Limited**Para 17.5 Blast Furnace Productivity and Production of Steel in Visvesvaraya Iron and Steel Plant, Bhadravathi**

Visvesvaraya Iron and Steel Plant (Plant) engaged in the manufacture of alloys and special steel of various grades catering to the needs of Defence, Railways and Automobile Sectors was acquired (August 1989) by Steel Authority of India Limited (SAIL) and is functioning as a unit of SAIL. Audit of the operations of Blast Furnace and Steel Making Shop (SMS) of the plant with reference to productivity, capacity utilization, production performance, quality of hot metal produced, and production/handling losses during the three years ended 31 March 2010 revealed that:

- The planned production being much higher than the capacity declared, adoption of such capacity figure did not form a realistic basis for assessing the capacity utilization of Blast Furnace.
- The quality of raw materials used by the Plant was not as per Annual Performance Plan (APP) norms except Fe content during 2007-08 and silica content during 2008-09.
- The Plant had no norms for the lining life of hot metal ladles. Keeping the performance of average tonnage handled per each lining in 2007-08 as base, the extra expenditure incurred by the Plant was to the extent of ₹ 2.72 crore.
- By establishing a Captive Power Plant (CPP), the dependence of Plant on Karnataka Power Transmission Corporation Limited (KPTCL) towards procurement of power would have been reduced by 25.67 million units during the three years ended 2009-10 and a saving of ₹ 4.78 crore could have been effected.
- The Plant lost around 14 percent of the available hours on account of operational troubles towards maintenance and refractory repairs of converters which resulted in loss of crude steel production of 1,44,311 MT.
- The norm was reduced from 8 per cent in 2007-08 to 6.5 per cent in 2008-09 and to 4 percent in 2009-10. However, the actual slag and handling loss increased from 5.95 per cent in 2007-08 to 7.75 per cent in 2009-10 by which Plant suffered a loss of ₹ 3.73 crore.
- The actual power consumption in respect of BF and SMS units was not within the norms in any of the three years ended 2009-10. As a result, excess consumption of power for the year 2007-08 to 2009-10 amounted to ₹ 7.15 crore.

Para 17.6 Installation of Steel Processing Units

Steel Authority of India Limited decided to set up Steel Processing Units (SPUs) in different parts of the country especially in states where there was no steel plant to meet customer demand for sized and finished steel near the point of consumption, to increase consumption of steel in rural areas and to expand market base. The Company accorded 'in principle' approval or installation of 10 SPUs in six states where no integrated steel plant was located at an investment of ₹ 1259.67 crore during October 2007 to February 2009.

However, it was observed that in six sites necessary infrastructural facilities like loading and un-loading arrangement, power, water, and approach road were not available or the land was not suitable. As per feasibility reports viability of the project was dependent on availability of certain concessions/relief from State Governments; in seven cases the Company's request for the concessions was either refused, conditionally agreed to or had not been granted so far. The Company could not get the intended benefits

of setting up of SPUs as final approval of only two units was accorded after lapse of 8-33 months of 'in-principle' approval and actual work of construction/erection had started at one site only.

Para 17.7 IT audit of Material Management Module of SAP-ERP system of Bhilai Steel Plant

Steel Authority of India Limited (SAIL) decided (December 2006) to implement Enterprise Resource Planning at Bhilai Steel Plant, Bhilai at a cost of ₹ 51.47 cores. The Company implemented SAP (ECC 6.0) ERP in April 2009 and incurred ₹ 23.73 Crores upto May 2010. A review of implementation with special attention to Material Management Module revealed delay in implementation, non implementation of certain ERP features like Audit Information System, Material Requirement Planning, Warehousing sub module etc. The vendor database was not complete. The other issues noticed in audit related to physical and logical access controls, Disaster recovery plan etc.

Para 17.8 Avoidable payment due to defects in plan implementation

Due to non-synchronization of creation of oxygen supply facility with expansion plans and delay in installation of CDI facility, the Company had to incur avoidable expenditure of ₹ 81.96 crore towards fixed facility charge and minimum off take charge during July 2008 of March 2010 and pending further corrective actions to minimize the gap between supply and demand there would be recurring expenditure to the tune of ₹ 45.72 crore per annum.

Para 17.9 Irregular excess payment of house rent to employees

The Company irregularly paid house rent allowance (HRA) to its employees at higher rates in violation of DPE guidelines. The Company made irregular excess payment of HRA amounting to ₹ 16.71 crore during the years 2005-06 to 2009-10.

ANNEXURE - XIII

**POSITION OF IMPLEMENTATION OF THE JUDGEEMENTS /
ORDERS OF THE CENTRAL ADMINISTRATIVE TRIBUNAL**

There are no judgements/orders of the Central Administrative Tribunal pending for prompt implementation in respect of the Ministry of Steel and the Public Sector Undertakings under its administrative control.

ANNEXURE – XIV

COMPARATIVE PBT (PROFIT BEFORE TAX) OF STEEL PSUs

(₹ in crore)

| Sl. No. | PSU/ Company | 2008-09 | 2009-10 | 2010-11 | 2011-12* (Apr-Dec) | 2011-12 (Jan-Mar Estimated) |
|---|--------------|-----------------|-----------------|-----------------------|--------------------|-----------------------------|
| A. Profit earning PSUs/Companies | | | | | | |
| 1 | SAIL | 9404.001 | 10132.03 | 7194.31 | 2849.51 | Not available |
| 2 | RINL | 2026.59 | 1247.65 | 981.66 | 587.59 | 314.64 |
| 3 | NMDC | 6648.23 | 5207.32 | 9727.17 | 8320.23 | 2839.77 |
| 4 | MOIL | 1006.76 | 706.79 | 880.15 | 445.07 | 153.93 |
| 5 | MSTC | 129.53 | 135.99 | 149.40 | 100.15 | 39.85 |
| 6 | FSNL | 4.31 | 5.76 | 1.78 | (-) 8.09 | (-) 1.86 |
| 7 | SIIL** | (-) 1.29 | (-) 12.55 | Merged with NMDC Ltd. | | |
| 8 | OMDC\$ | 286.24 | 112.26 | 13.35 | 7.56 | 6.10 |
| 9 | EIL ## | 10.04 | 11.93 | 06.74 | 1.88 | 0.43 |
| 10 | MECON | 74.76 | 124.69 | 140.93 | 70.38 | 25.30 |
| 11 | KIOCL | 24.18 | (-) 194.95 | 99.95 | 47.23 | 27.62 |
| B. Loss making PSUs/Companies | | | | | | |
| 12 | HSCL | (-) 6.88 | (-) 54.59 | (-) 38.09 | (-) 37.29 | 11.29 |
| 13 | BSLC\$ | (-) 91.38 | 620.63 | (-) 5.45 | (-) 5.73 | (-) 7.93 |
| | Total | 19515.09 | 18042.96 | 19151.90 | 12378.49 | 3409.14 |

*Provisional, **SIIL was merged with NMDC during 2010

Eastern Investment Ltd. (EIL), \$ Orissa Mineral Development Company Limited (OMDC), Bisra Stone Lime Company Limited (BSLC) are constituents of the Bird Group of Companies.

ANNEXURE-XIV (A)

COMPARATIVE PAT (PROFIT AFTER TAX) OF STEEL PSUs

(₹ in crore)

| Sl. No. | PSU/ Company | 2008-09 | 2009-10 | 2010-11 | 2011-12* (Apr-Dec) | 2011-12 (Jan-Mar Estimated) |
|---|--------------|-----------------|-----------------|-----------------------|--------------------|-----------------------------|
| A- Profit earning PSUs/Companies | | | | | | |
| 1 | SAIL | 6174.81 | 6754.37 | 4904.74 | 1965.74 | NA |
| 2 | RINL | 1335.57 | 796.67 | 658.49 | 401.27 | 218.83 |
| 3 | NMDC | 4372.38 | 3447.26 | 6499.22 | 5623.11 | 1915.89 |
| 4 | MOIL | 663.79 | 466.35 | 588.05 | 297.23 | 102.77 |
| 5 | MSTC | 85.05 | 86.09 | 99.16 | 67.67 | 26.33 |
| 6 | FSNL | 2.23 | 4.18 | 1.20 | (-) 8.09 | (-) 1.86 |
| 7 | SIIL** | (-) 0.92 | (-) 31.62 | Merged with NMDC Ltd. | | |
| 8 | OMDC \$ | 181.81 | 74.44 | 7.72 | 5.86 | 4.10 |
| 9 | EIL ## | 9.19 | 11.07 | 06.32 | 1.48 | 0.30 |
| 10 | MECON | 65.88 | 82.62 | 93.68 | 47.55 | 17.10 |
| 11 | KIOCL | 22.01 | (-) 177.27 | 76.27 | 31.54 | 18.45 |
| B. Loss making PSUs/Companies | | | | | | |
| 12 | HSCL | (-) 6.88 | (-) 54.59 | (-) 38.09 | (-) 37.29 | 11.29 |
| 13 | BSLC\$ | (-) 91.38 | 620.63 | (-) 5.45 | (-) 5.73 | (-) 7.93 |
| | Total | 12813.54 | 12080.20 | 12891.31 | 8390.34 | 2305.27 |

*Provisional,

** SIIL was merged with NMDC during 2010,

Eastern Investment Ltd. (EIL), \$ Orissa Mineral Development Company Limited (OMDC), Bisra Stone Lime Company Limited (BSLC) are constituents of the Bird Group of Companies.

ANNEXURE – XV

CONTRIBUTION MADE TO THE CENTRAL GOVERNMENT AND GOVERNMENT INSURANCE COMPANIES BY THE STEEL PSUs

(₹ in crore)

| Sl. No. | PSU/ Company | 2008-09 | 2009-10 | 2010-11 | 2011-12* (Apr-Dec) | 2011-12 (Jan-Mar Estimated) |
|---------|--------------|-----------------|-----------------|-----------------------|--------------------|-----------------------------|
| 1 | SAIL | 10374.00 | 8973.00 | 8715.68 | 5583.00 | NA |
| 2 | RINL | 1920.74 | 1344.63 | 1477.70 | 1173.67 | 198.86 |
| 3 | NMDC | 2959.78 | 2668.59 | 4357.54 | 4032.00 | 800.00 |
| 4 | MOIL | 368.47 | 341.55 | 413.27 | 177.00 | 86.45 |
| 5 | MSTC | 62.76 | 76.94 | 74.89 | 56.30 | 34.20 |
| 6 | FSNL | 5.33 | 22.17 | 24.63 | 15.60 | 5.20 |
| 7 | SIIL** | 5.64 | 7.89 | Merged with NMDC Ltd. | | |
| 8 | MECON | 57.83 | 60.00 | 121.14 | 56.72 | 19.12 |
| 9 | KIOCL | 114.68 | 85.54 | 150.28 | 79.37 | 42.49 |
| 10 | HSCL | 49.57 | 0.16 | 90.51 | 65.00 | 22.00 |
| 11 | BGC | 116.67 | 30.84 | 11.18 | 6.34 | 1.92 |
| | Total | 16035.47 | 13611.31 | 15436.82 | 11245.00 | 1210.24 |

*Provisional **SIIL was merged with NMDC during 2010.

ANNEXURE-XV (A)

CONTRIBUTION MADE TO THE STATE GOVERNMENTS BY THE STEEL PSUs

(₹ in crore)

| Sl. No. | PSU/ Company | 2008-09 | 2009-10 | 2010-11 | 2011-12* (Apr-Dec) | 2011-12 (Jan-Mar Estimated) |
|---------|--------------|----------------|------------------|----------------|--------------------|-----------------------------|
| 1 | SAIL | 2021.00 | 2160.00 | 2452.19 | 1909.00 | NA |
| 2 | RINL | 372.25 | 340.36 | 333.49 | 337.65 | 112.55 |
| 3 | NMDC | 239.68 | 454.09 | 1114.43 | 939.00 | 250.00 |
| 4 | MOIL | 90.84 | 93.79 | 109.29 | 54.84 | 25.61 |
| 5 | MSTC | NIL | 97.53 | 28.40 | 20.20 | 9.00 |
| 6 | FSNL | 0.47 | 0.53 | 0.32 | 0.73 | 0.24 |
| 7 | SIIL** | 1.32 | Merged with NMDC | | | |
| 8 | MECON | 0.61 | 1.51 | 4.95 | 5.90 | 1.72 |
| 9 | KIOCL | 6.10 | 4.13 | 8.25 | 18.00 | 10.00 |
| 10 | HSCL | 118.87 | 1.04 | 26.03 | 20.00 | 6.00 |
| 11 | BGC | 13.23 | 9.47 | 16.53 | 4.46 | 0.06 |
| | Total | 2864.37 | 3162.45 | 4093.88 | 3309.78 | 415.18 |

*Provisional, **SIIL was merged with NMDC during 2010.

BUDGET AND EXPENDITURE ON CSR BY STEEL PSUs

(₹ in lakhs)

| PSU | 2008-09 | | 2009-10 | | 2010-11 | | 2011-12* | |
|--------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|--------------|---------------------|
| | Budgeted | Exp. | Budgeted | Exp. | Budgeted | Exp. | Budgeted | Exp. (Apr. to Dec.) |
| SAIL | 11400 | 8303 | 8000 | 7879.4 | 9400 | 6895.26 | 6400 | 4076.00 |
| RINL | 3882 | 2283 | 900 | 937 | 1540 | 1173 | 1200 | 725.72 |
| NMDC | 12440 | 9884 | 8000 | 8307 | 8156 | 6223 | 8013 | 5732 |
| MOIL | 734 | 542 | 300 | 157 | 542 | 575 | 628 | 161 |
| KIOCL | 216 | 212 | 150 | 271 | 100 | 59.36 | 230 | 72.67 |
| MSTC | 248 | 242 | 110 | 67.75 | 100 | 95.74 | 150 | 100 |
| FSNL | 10 | 10 | 2.00 | 2.00 | 10.00 | 9.06 | 9 | 5.28 |
| MECON | 35.92 | 40.26 | 140.00 | 80.71 | 180.50 | 110.91 | 325 | 103.80 |
| SIIL** | 5 | 1.07 | | | Merged with NMDC | | | |
| HSCCL | 20 | 6.35 | 10 | 0 | 0 | 2.87 | 0 | 2.78 |
| BGC | 0 | 497.93 | 3.00 | 0.34 | 216 | 83 | 38 | 20 |
| Total | 28990.92 | 22021.61 | 17615.00 | 17702.20 | 20244.50 | 15227.20 | 16993 | 10999.25 |

*Provisional, **SIIL was merged with NMDC during 2010.

ANNEXURE-XVII

ADOPTION OF 'SEVEN STEP MODEL FOR CITIZEN CENTRIC-SEVOTTAM', AS PER RECOMMENDATION OF THE 2nd ADMINISTRATIVE REFORMS COMMISSION

The Second Administrative Reforms Commission in its 12th report "Citizens Centric Administration - the Heart of Governance" in paragraph 4.6.2 recommended for making organization transparent, accountable and citizens friendly through making citizens charter more effective and mandatory. The Department of Administrative Reforms and Public Grievances (AR&PG) has developed a model for benchmarking Excellence in Public Service Delivery (Sevottam). The model provides the framework to organizations to assess and improve the quality of service delivery for the citizens. It involves the identification of the services delivered to the citizens, quality of service, its objective, improvement of quality, by using innovative methods for developing business process more informative with the help of information technology.

The Ministry of Steel has brought out its 'Citizen Charter' and this is periodically updated in tune with the changing requirements and expectations from the stakeholders. It was last updated on 14.12.2011 in consultation with Department of AR&PG. The Charter is placed on the Ministry website www.steel.nic.in. The Public Sector Undertakings and Companies under the Ministry are in various stages of implementation of the respective Charters and the Seven Step Model. Brief progress in respect of various companies is described below:

Steel Authority of India Limited (SAIL)

Citizen Charter (Excellence in Public Service Delivery) has been prepared and its version 1.2 has been uploaded on the SAIL website. It broadly contains information under three parts. The first part describes Scope of the Charter and General Information about the Company. Second part contains information on Objectives of the Charter, Management commitment and Expectations from the Citizens. The third part describes Citizen Service Delivery process, monitoring and review of the charter for making improvements in the charter.

MOIL Ltd.

- (i) The Citizen Charter has been formulated in MOIL as SEVOTTAM. MOIL have taken steps for the implementation of the Charter. The same has been uploaded in Company's website and circulated amongst HODs and Mines of the Company. The Company have also displayed the copy of the Citizen Charter at prominent places in the organization, where the citizens have been visiting.
- (ii) The Company have organized training programme/workshop in Company's Training Centre for interaction, creating awareness and proper implementation of the Citizen Charter.

- (iii) After the implementation of the Citizen Charter, no adverse feedback has been received and MOIL Ltd. have not amended any clause thereof.

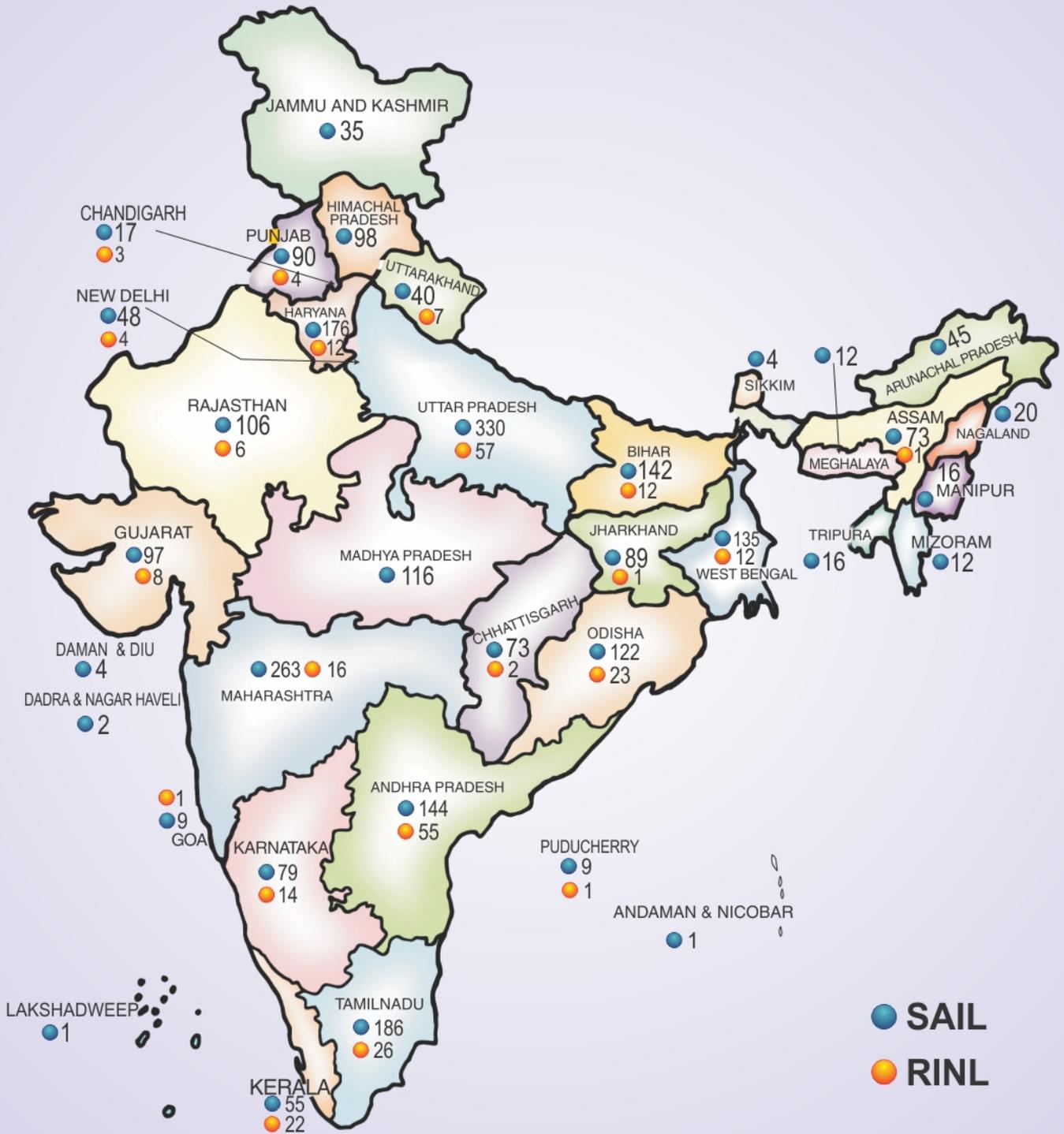
KIOCL Ltd.

The development of Sevottam Compliant Citizen's Charter has been put in place in Company's website : <http://kioclltd.co.in>. Company has provided a linkage in its website to the portal of Central Public Grievance Redressal Mechanism of the Department of Administrative Reforms and Public Grievances for lodging and Redressal of grievances.

Bird Group of Companies (BGC)

The Bird Group of Companies have initiated necessary steps to implement the "Sevottam Guidelines-September,2011" as issued by the Department of Administrative Reforms and Public Grievances especially the "Seven Step Model of Sevottam".

Steel Distribution Network of SAIL and RINL across the country



● SAIL had 2665 District Dealers in 630 districts out of 640 Districts in the country as on 01.01.2012.

● RINL had 286 District Dealers.

(Figures denote number of District Dealers in each State.)

*Map not to scale



MINISTRY OF STEEL

GOVERNMENT OF INDIA

www.steel.gov.in