GOVERNMENT OF INDIA

OUTCOME BUDGET

OF

MINISTRY OF STEEL

2012-2013

CONTENTS

EXECUTIVE SUMMARY

The Outcome Budget of the Ministry of Steel highlights the Ministry's specific role and objectives, its programmes, projects, schemes and activities undertaken to realise these objectives and the outcome of various major schemes/programmes implemented by the Ministry and its PSUs. The document also highlights the physical and financial targets, achievements for previous years and also the projections in the current year i.e. 2012-13.

Chapter - I gives a brief introductory note on organisational set up and the objectives of the Ministry of Steel, the broad programme classification and agencies engaged in their implementation. The chapter also covers the implementation of Ministry's Result Framework Document (RFD) for 2011-12 available on the website of Cabinet Secretariat (www.performance.gov.in).

Chapter - II gives the break-up of outlays and outcomes/ targets in respect of major schemes and projects implemented by the PSUs under the Ministry. As the schemes/ projects of the PSUs are too many and varied, and mostly related to their day to day operations, only major schemes with estimated/ sanctioned cost of Rs.50 crore and above have been covered. For 2012-13, 51 such major Plan schemes have been included in the outcome budget statement. The 48 Plan schemes are being implemented by Steel Authority of India Ltd. (13 schemes), Rashtriya Ispat Nigam Ltd. (22), KIOCL Ltd. (7), NMDC Ltd. (4) and MOIL Ltd. (2) respectively, with entire expenditure on the schemes funded from their Internal & Extra Budgetary Resources (I&EBR) and 3 schemes for promotion of research and development in iron and steel sector with Plan budgetary support. The estimated/ sanctioned cost, outlay for 2012-13, processes/ timelines, risk factors, projected physical outputs and projected outcomes in respect of these 51 major schemes have been given in the statement.

Chapter - III details the reform measures and policy initiatives of the Ministry of Steel. This chapter also covers the important policy measures, which have been taken by the Government in the post-liberalisation era for the growth and development of the domestic iron and steel industry. An important policy initiative taken in this regard by the Ministry was the announcement of the National Steel Policy (NSP) in 2005. The long-term objective of the NSP is to achieve a modern and efficient domestic steel industry of world standards, catering to diversified steel demand. The focus of the policy is to achieve global competitiveness not only in terms of cost, quality and product-mix but also in terms of global benchmarks of efficiency and productivity. The major thrust areas where supportive measures/policies may need to be provided to make India globally competitive in the iron and steel sector have also been highlighted in this chapter.

Chapter - IV gives a review of the performance of the major schemes and projects with estimated/ sanctioned cost of Rs.50 crore or more of the PSUs/Ministry in terms of the projected outcomes/ targets indicated in the Outcome Budget, 2011-12 of the Ministry of Steel. The actual achievements (up to 31st December, 2011) vis-à-vis the intended outcome in respect of the 40 major Plan schemes included in Outcome Budget, 2011-12 have been highlighted in terms of actual expenditure incurred and actual achievements of the schemes vis-à-vis the approved outlays and projected outcomes respectively. The schemes relate to SAIL, RINL, NMDC Ltd., KIOCL Ltd., MOIL and one scheme relates to the Ministry of Steel.

Chapter - V gives break-up of the financial outlays and financial requirements of Ministry of Steel and the Public Sector Undertakings/ Organisations under its administrative control. As against budgetary provision (Gross) of Rs.117.71 crore in BE 2011-12 and Rs. 241.89 crore in RE 2011-12, a provision of Rs. 121.89 crore has been provided in BE 2012-13 under Demand No.92 for the Ministry of Steel. The Ministry's Annual Plan outlay of Rs. 21102.71 crore (I&EBR: Rs. 21062.71 crore and Plan budgetary support: Rs. 40.00 crore) in BE 2011-12 has been increased to Rs. 21802.00 crore (I&EBR: Rs. 21756.00 crore and Plan budgetary support: Rs. 46.00 crore) in BE 2012-13. The substantial part of the plan outlay for 2012-13 has been earmarked for expansions of SAIL's Plants i.e. Bhillai Steel Plant (Rs.4717 crore), Rourkela Steel Plant (Rs. 3400 crore), IISCO Steel Plant (Rs. 2615 crore), Durgapur Steel Plant (Rs. 1215 crore), Bokaro Steel Plant (Rs. 1980 crore) & Salem Steel Plant (Rs. 75 crore) and an outlay of Rs. 800 crore is kept for capacity expansion of RINL's Vizag Steel Plant. The overall trends in expenditure vis-à-vis Budget Estimates/ Revised Estimates in 2011-12 and financial year 2012-13 are covered in this chapter.

Chapter – VI provides information on the physical and financial performance of the PSUs under the administrative control of Ministry of Steel during the preceding three years and the financial year 2011-12 (up to 31st December, 2011) as also the projections for 2012-13 (BE).

The major schemes/ projects of the PSUs, almost all of which are being financed out of their Internal & Extra Budgetary Resources (I&EBR), are physically and financially monitored regularly by the concerned PSU's Internal Technical Committee, besides, periodic review by the Board of Directors. The progress of the schemes/ projects are also being reviewed and evaluated by the Ministry. This monitoring and evaluation mechanism is meant to ensure that the actual achievements of the schemes/ projects would tally with the outcomes projected in the Outcome Budget, 2012-13.

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CHAPTER-I

INTRODUCTION

1. FUNCTIONS

The main functions of the Ministry of Steel are:

(a) Formulation of policies in respect of production, distribution, imports and exports of Iron and Steel and Ferro Alloys;

(b) Planning, development and facilitation for setting up of iron and steel production facilities;

(c) Development of iron ore mines in the public sector and other ore mines used in the iron and steel industry; and

(d) Overseeing the performance of Public Sector Undertakings and their subsidiaries.

2. PROGRAMMES

2.1 The major programmes of the Ministry of Steel are :-

(i) Iron and Steel Industry

(a) Production, Import and Export;
(b) Tariff and Pricing;
(c) Research and Training;
(d) Construction Works; and
(e) Technical and Consultancy Services.

(ii) Mines and Minerals

(a) Iron Ore;
(b) Manganese Ore; and
(c) Chromite Ore.

2.2 Ministry of Steel –facilitator for development of Steel Industry

The Ministry of Steel is expected to play a crucial role in ensuring harmonious and integrated growth of the Steel Sector. Being a core sector, its sustained growth is a prerequisite for attaining the high level of GDP growth. The industry has strong forward and backward linkages with other sectors of the economy and, therefore, its own growth pattern is also influenced by other sectors of the economy specially infrastructure development, real estates, auto mobiles/auto components etc. The environment in which the domestic steel sector operates calls for a greater promotional role by the Ministry of Steel specially as a facilitator to remove a sectoral bottlenecks/constraints like availability of raw materials, development of infrastructure and also interaction with other concerned Ministries/Departments of the Govt. for appropriate policy formulation and implementation.

3. ORGANISATION

The Ministry of Steel is headed by Union Minister of Steel duly assisted by a Secretary to the Government of India, an Additional Secretary and Financial Adviser, a Chief Controller of Accounts, four Joint Secretaries, one Economic Adviser, three Directors, four Deputy Secretaries and other officers and supporting staff. For dealing with technical aspects relating to the iron and steel industry, there is a separate Technical Wing under the charge of an Industrial Adviser of the status of Senior Director to the Government of India.

Prior to deregulation of the sector, Ministry of Steel had an attached office viz. the Office of the Development Commissioner for Iron & Steel (DCI&S), located at Kolkata. Based on the recommendations of the Expenditure Reforms Commission, an administrative decision was taken to close the office of DCI&S and its four Regional Offices with effect from 23.5.2003. The functions of DCI&S are being handled by the Ministry except for the function of data collection which has been entrusted to the Joint Plant Committee (JPC).

There is no statutory or autonomous body under the administrative control of Ministry of Steel.

4. PUBLIC SECTOR UNDERTAKINGS

4.1 Ministry of Steel has the following Public Sector Undertakings under its administrative control:

1. Steel Authority of India Ltd., (SAIL), New Delhi
2. Rashtriya Ispat Nigam Ltd.(RINL), Visakhapatnam
3. NMDC Ltd., Hyderabad
4. MOIL Ltd., Nagpur
5. KIOCL Ltd, Bangalore
6. Hindustan Steelworks Construction Ltd. (HSCL), Kolkata
7. MECON Ltd., Ranchi
8. MSTC Ltd., Kolkata
9. Ferro Scrap Nigam Ltd. (FSNL), Bhilai, (A subsidiary of MSTC Ltd.)

(1) **Steel Authority of India Limited (SAIL)** (Registered office at Ispat Bhavan, Lodi Road, New Delhi – 110003) has the following Units under its overall control: -

(1) Bokaro Steel Plant, Bokaro (Jharkhand)
(2) Bhilai Steel Plant, Bhilai (Chattisgarh)
(3) Durgapur Steel Plant, Durgapur (West Bengal)
(4) Rourkela Steel Plant, Rourkela (Orissa)
(5) Alloy Steels Plant, Durgapur (West Bengal)
(6) Salem Steel Plant, Salem (Tamilnadu)

(7) IISCO Steel Plant, Burnpur (formerly a subsidiary of SAIL, IISCO was merged with SAIL w.e.f. 16.2.2006 and renamed IISCO Steel Plant)
(8) Visvesvaraya Iron & Steel Plant, Bhadravati (Karnataka)
(9) Central Marketing Organisation, Kolkata (West Bengal)
(10) Research and Development Centre for Iron & Steel, Ranchi (Jharkhand)
(11) Raw Materials Division, Kolkata (West Bengal)
(12) Centre for Engineering & Technology, Ranchi (Jharkhand), and
(13) Corporate Office, New Delhi
(14) SAIL refractory unit (formerly Bharat Refractories Ltd., an erstwhile PSU under Ministry of Steel was merged with SAIL w.e.f. 1.4.2007.
(15) Chandrapur Ferro Alloy Plant (after the amalgamation of the erstwhile Maharashtra Elektrosmelt Limited (MEL), located at Chandrapur, Maharashtra has now become a Unit of SAIL w.e.f. 1.4.2010.

In addition, SAIL has incorporated a new subsidiary company, namely 'SAIL Refractory Co. Ltd." (SRCL) for absorbing Salem Refractory Unit of M/s. Burn Standard Co. Ltd., which is under Deptt. of Heavy Industry, on 24th August, 2011. A key raw material i.e. Dead Burnt Magnetite (used in the production of Refractory Brick) is being produced at SAIL Refractory Co. Ltd. (SRCL).

SAIL has planned to enhance its hot metal production capacity from the level of 13.82 million tonnes per annum to 23.46 million tonnes under its current phase of expansion and modernization which is expected to be completed by financial year 2012-13.

(2) **Rashtriya Ispat Nigam Ltd. (RINL)** (Registered Office at 'A' Block, Visakhapatnam -530 031), is the first shore based Integrated Steel Plant set up in India. It was commissioned in August, 1992, with liquid steel capacity of 3.0 million tonnes per annum. The plant has been built to match international standards with state-of-the-art technology, incorporating extensive energy savings and pollution control measures. The company has drawn its Corporate Plan aiming to reach 20 Million Tonnes by 2019-20 in phases and is presently executing its first phase of expansion of liquid steel production to 6.3 Million tonnes from 3.0 Million tonnes. The entire cost of the project would be met from the internal resources and there would be no budgetary support from the Government.

The company became a Mini Ratna company during the year 2006-07 and a **"Navaratna"** during the year 2010-11.

As approved by Government, the three operational companies under the erstwhile Bird Group of Companies, namely Eastern Investments Ltd. (EIL), Bisra Stone Lime Company Ltd. (BSLC) and Orissa Mineral Development Company (OMDC) have became subsidiaries of RINL.

(3). **NMDC Ltd.** (Registered office at Khanij Bhavan, 10-3-311/A, Castle Hills, Masab Tank, Hyderabad - 500 028) has become the second PSU under Ministry of Steel to be accorded '*Navratna*' status. The company is the single largest producer of iron ore and diamonds in the country and is engaged in exploration, development and exploitation of various other minerals such as Dolomite, Limestone, Magnesite etc. NMDC's large mechanized Iron ore mines are being operated at Bailadila Iron ore Mines. NMDC has now entered the field of manufacturing 'Sponge Iron'. The Company is also taking up new product development through its intensive R&D efforts for production of High Tech and High Value added product from blue dust such as 'Carbon free sponge iron powder', RTP ferrite powders, Pigment grade ferric oxide, Titania slag, Pig iron and high purity ferric oxide. As a part of the Greenfield expansion/diversification programme, NMDC is setting up an Integrated Steel plant of 3 mtpa capacity at Nagarnar. The project is estimated to cost about Rs. 15525 crore. Construction work has been started. The company is in the process of expanding its business through integration in both Greenfield and Brownfield projects by setting up (a) 2 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 field of Coal, Rock Phosphate, Lime Stone, Gold and Diamond. An MoU has been signed by NMDC with Legacy Iron Ore Ltd. to acquire 50% equity in the company during May, 2011. Subsequently, share subscription agreement has also been signed and acquisition of share of legacy by NMDC Ltd. has been completed during Jan-Feb, 2012.

(4). **MOIL Ltd**., (Formerly Manganese Ore (India) Limited) was formed in 1962 (Registered office at MOIL Bhavan, 1A, Katol Road, Nagpur – 440013) is the largest domestic producer of high grade manganese ore, a basic raw material for manufacturing of Ferro-Alloys – an essential input for steel making – and dioxide ore for manufacturing dry batteries. To improve business volume and profitability, MOIL diversified its activities into manufacture of value added products during 90's. As part of diversification, the company set up a project for manufacture of Electrolytic Manganese Dioxide in the year 1991 and a Ferro Manganese Plant of 5 MVA capacity at Balaghat in Madhya Pradesh during the year 1998. Further, the company also has Wind Power Electricity Generation capacity of 20 MW at Nagda hills in Madhya Pradesh.

Considering the necessity for expanding the operation of company, MOIL has also entered into joint ventures with SAIL and RINL for setting up Ferro Alloys manufacturing units at Nandini near Bhilai and Bobbili near Visakhapatnam, mainly to cater the Ferro alloys requirement of these companies. The projects are at initial stages and the implementation will be taken up by JV companies. Total cost of these two projects are estimated at Rs. 608.00 crore.

(5). **KIOCL Ltd. (formerly known as Kudremukh Iron Ore Company Limited)** (Registered office at 11 Block, Koramangala, Bangalore – 560 034), a fully owned Government Company established in 1976 as a 100% Export Oriented Unit (EOU) with mining operations at Kudremukh. In 1980, a beneficiation plant

at Kudremukh was established with a capacity of 7.50 mtpa iron ore. In 1987, a Pellet Plant at Mangalore was set up with a capacity of 3 mtpa which was subsequently increased to 3.5 mtpa. In 2001 Pig Iron Plant at Mangalore was set up under a JV namely KISCO which has since been merged with KIOCL w.e.f. 1.4.2007. The Blast Furnace Operation has stopped w.e.f. 5.8.2009 due to economically unviable conditions.

The mining activity at KIOCL Ltd. was stopped as per the Hon'ble Supreme Court Verdict w.e.f. 1.1.2006. KIOCL has been a Profit making and dividend paying company for a number of years. Subsequently, it was granted Mini-Ratna Category-I status & rated Excellent under the MoU system for a number of years. KIOCL is also a zero debt company.

(6). **Hindustan Steelworks Construction Limited (HSCL)** (Registered office at 5/1, Commissariat Road, Hastings, Kolkata – 700022) with its registered office at Kolkata, has undertaken major construction works connected with setting up of steel plants such as at Bokaro, Vizag and Salem and modernization of steel plants at Bhilai, Durgapur, Burnpur (IISCO) etc. With the tapering of construction activities in Steel Plants, the company intensified its activities in other sectors like power, coal, oil and gas. Besides this, the company diversified in infrastructure sectors like Roads/Highways, Bridges, Dams, Underground Communication and Transport system and Industrial and Township Complexes involving high degree of planning, co-ordination and modern sophisticated techniques. HSCL is an ISO 9001-2008 company and its capabilities cover almost every field of construction activity.

The company has been unable to achieve the results envisaged under the revival/ restructuring package approved by the Govt. in 1999 due to mounting interest liability on Govt. of India loans and VRS expenditure charged to accounts. Steep competition faced by the company, resulting in declining margin, has also affected its financial performance. However, keeping in view the positive trends of operating profits during the last five years, a fresh financial restructuring proposal is under consideration.

(7). **MECON Limited** (Registered office at MECON Building, P.O. Hinoo, Ranchi – 834 002) is the first consultancy and engineering organisation in the country to be accredited with ISO:9001-2008 and registered with the World Bank, Asian Development Bank, European Bank of Reconstruction and Development, AFDC and United Nations Industrial Development Organisation. The company is one of the leading multi disciplinary design, engineering, consultancy and contracting organization in the field of iron & steel, chemicals, refineries & petrochemicals, power, roads & highways, railways, water management, ports & harbours, gas & oil, pipelines, non ferrous mining, general engineering, environmental engineering and other related/diversified areas with extensive overseas experience.

MECON recorded consistent profits till 1997-98. Due to recessionary trend in the steel sector, excess manpower and reduction in value of consultancy assignments to the company, it incurred losses from 1998-99 to 2003-04.

However, since 2005 the company has made a turn-around with Profit After Tax (PAT) of Rs. 93.68 crore in 2010-11 from Rs. 82.62 crore in 2009-10.

(8). **MSTC Limited** (Registered Office at 225 C, A.J.C. Bose Road, Kolkata – 700 020) is a **Mini Ratna Category-I PSU** under the administrative control of the Ministry of Steel. The company is a trading concern of Government of India previously designated as the canalising agency of the Government for import of carbon steel melting scrap for distribution to mini-steel plants. Its head office is located at Kolkata. The company lost its status as a canalising agency with effect from February, 1992, and is now operating in a totally free and competitive environment like any other private trader. The company undertakes trading activities, e-commerce, disposal of ferrous and non-ferrous scrap, surplus stores and other secondary arising generated mostly from Public Sector Undertakings and Govt. Departments, including Ministry of Defence. MSTC is the Holding Company of Ferro Scrap Nigam Ltd. (FSNL) whose 100% paid up equity shares are held by MSTC.

(9). **Ferro Scrap Nigam Limited** (Registered Office at FSNL Bhavan, Equipment Chowk, Central Avenue, Post Box No. 37, Bhilai, Chhatisgarh – 490 001)is a joint sector company, incorporated on 28-3-1979. Presently it is **"Mini Ratna II PSU"** a Government of India company under Ministery of Steel. It is a wholly owned subsidiary of MSTC Limited. The main objective of the company is to reclaim iron & steel scraps from slag in all the integrated steel plants under SAIL, RINL and NINL and is also operating in the Private Sector Steel Plants like IIL and JSPL. The Company is one of the pioneer enterprises which provide specialized services to the metallurgical industries in the country. The company designs, builds, owns, operates and maintains facilities and infrastructure to deliver Mill Service Solution through its 10 units located in West Bengal, Orissa, Chhattisgarh, Jharkhand, Andhra Pradesh and Maharashtra.

5. Result Framework Document (RFD) 2012-13

The Government has been implementing a comprehensive Performance Management System based on the Result Framework Document (RFD). The RFD covers not only the agreed vision, objectives, policies, programmes and projects of the departments but also includes the success indicators and targets to measure the progress in implementing them.

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CHAPTER – II

OUTCOME BUDGET FOR 2012-13 OF MAJOR SCHEMES

The concept of Outcome Budget was introduced in 2005-06 by the Government with the objective of improving the quality of development programmes by making their conceptualization, design and implementation 'outcome' oriented. It is based on the premise that 'outlays do not necessarily mean outcomes'. The intention of outcome budgeting is to track not only the intermediate physical 'outputs' that are more readily measurable, but also the 'outcomes' which are the end objectives of State intervention. This requires strong project/ programme formulation, appraisal capabilities, as well as effective delivery systems. The development outcomes need to be defined in measurable terms, with benchmarking of unit cost of delivery, making the entire exercise moniterable. This also requires better utilization of physical assets and manpower, and steps to improve project management and programme implementation, including effective monitoring. Appropriate systems also need to be put in place to ensure timely flow of funds, which should be utilized for the intended purposes with the desired outcomes; and properly accounted for through suitable reporting, audit and evaluation mechanisms. Outcome Budget is, therefore, an effort to put in place a mechanism to measure the development outcomes of all major programmes.

In the 11th Plan (2007-12), a new scheme for "promotion of Research & Development in Iron and Steel sector" was included with a budgetary provision of Rs. 118.00 crore for promotion of research & development in the domestic iron and steel sector. Under the scheme, a total of eight (8) R& D project proposals have been approved for implementation. A total amount of Rs. 40.69 crore has been released under the scheme upto December, 2011.

In the Annual Plan (2012-13), which is the first year of 12th Five Year Plan (2012-17) two new schemes i.e. Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines and Scheme for improving energy efficiency of secondary steel sector have been included with budgetary provision of Rs. 1.00 crore each for pursuing research activities in Iron & Steel sector.

The PSUs under the administrative control of the Ministry formulate and implement various schemes/ programmes related to their respective area of operations. The schemes of the PSUs are components of their respective Annual or long term plans. Since each PSU has several schemes, most of which are related to the normal day to day functioning as well as MOU linked operations of the company, it would be difficult to cover all schemes of the PSUs in the Outcome Budget. A decision was, therefore, taken that only projects with sanctioned/estimated cost of more than Rs.50.00 crore will be covered as given in the following table.

Statement of Outlays and Outcomes/Targets (2012-13)
(Schemes with estimated/sanctioned cost more than Rs.50.00 crore)

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
A.	**SCHEMES WITH ESTIMATED/SANCTIONED COST MORE THAN RS. 50.00 CRORE**										
1.	**STEEL AUTHORITY OF INDIA LTD. (SAIL)**										
(a)	**Bhilai Steel Plant (BSP)**										
(i)	700tpd Air Separation Unit (ASU) at Oxygen Plant-II	New ASU being installed in Oxygen Plant-II to meet the increasing requirement of O_2, N_2 & argon.	258.18	--	--	30.00	700 tonne per day of O_2	--	Jul'09	--	Contract terminated with M/s Cryogen mesh Retendered. Fresh contract signed with M/s Air liquide.
(ii)	Expansion of BSP	Increase in production of hot metal & crude steel through state-of-the-art technology; Phasing out of low yield and energy intensive units, reduction of semis by enhancing finished steel production; Broadening and value addition in product-mix for higher flexibility and profitability; Meeting requirement of Indian Railway	18847.00	--	--	4465.00	Increase in Hot Metal capacity from 4.82 mtpa to 7.5 mtpa	--	Mar'13	Jun'13	Efforts are being made for completion by Mar'2013 except SMS-III (June'2013). The SMS-III package got affected as the initial contract for civil work had to be terminated due to slow progress of work by the party and retendered at risk and cost of the party. This has adversely affected the progress of all associated packages under SMS-III viz. BOF, CCP, structural package etc.
(b)	**Durgapur Steel Plant (DSP)**										
(i)	Expansion of DSP	Phasing out of energy intensive units, introduction of energy efficient technology, reduction of semis & increase of hot metal capacity	3164.00	--	--	1100.00	Increase of hot metal capacity from 2.09 to 2.45 mtpa	--	Dec'12	Dec'12	On schedule

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(c)	**Rourkela Steel Plant (RSP)**										
(i)	Coal Dust Injection System in Blast Furnace (BF)-4	Technical necessity for reduction in coke rate and improvement of the furnace productivity.	70.71	--	--	**5.00**	Replacement of coke with pulverized coal on 1:1 basis. Coal injection rate in Blast Furnace at 120 Kg/thm.	--	Oct'08	--	Initial delay in design & engineering by M/s Sino Steel, China. Delay in civil & strl. Work and supply of equipment by M/s Sino Steel. Delay in arrival of china experts due to change in visa policy. Commercial disputes between Sino Steel & sub agencies.
(ii)	Expansion of RSP	Increase in production of hot metal & crude steel through state-of-the-art technology; Improvement in quality of products; Production of more value-added products; Improvement in energy consumption & environment; and Reduction in cost of production	12922.00	--	--	**3200.00**	Increase in hot metal capacity from 2.12 mtpa to 4.5 mtpa	--	Mar'13	Mar'13	--
(d)	**Bokaro Steel Plant (BSL)**										
(i)	Installation of new Turbo Blower No. 8	To meet the enhanced cold blast (CB) requirement of BF-2	125.92	--	--	**12.00**	CB at blower discharge vol. of 4000 Nm3/min and discharge pressure of 3.9kg/cm2 at blower end.	--	Aug'09	Jan'12	Turbine commissioned in Dec'11 and trial run of turbine coupled with blower conducted in Dec'11
(ii)	Rebuilding of COB-1&2	To improve production of coke & achieve latest pollution norms of MOEF	500.90	--	--	**55.00**	Improve production & achieve latest pollution norms of MOEF.	--	Apr'10	Jan'12	COB-1 completed

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(iii)	Expansion of BSL	metal production introduction of energy efficient technology, conversion of higher quantities of Hot Rolled coils to value added Cold Rolled products with the installation of additional Cold Rolling capacity	6951.00	--	--	**1540.00**	New Cold Rolling Mill complex of 1.2 mtpa & enhancing hot metal production from 4.7 to 5.77 mtpa	--	Dec'11	Mar'12	Manual strip threading done in Dec'11 for Pickling Line and Tandem Mill of new Cold Rolling Mill Complex. Delay by structural contractor M/s. era infra delayed the handing over of fronts for eqpt erection. The coordination problems between M/s. SVAI and M/s. MBE has further delayed the work of PLTCM.
(e)	**IISCO Steel Plant**										
(i)	Expansion of ISP	To install a new stream of facilities to produce 2.7 mtpa hot metal, 2.5 mtpa crude steel & 2.37 mtpa saleable steel	17960.59	--	--	**2550.00**	2.7 mtpa hot metal, 2.5 mtpa crude steel & 2.37 mtpa salable steel	--	Dec'10	Mar'13	Delays due to difficult & unforeseen soil conditions, increase in civil & structural work, slow execution of building structural work & equipment supply and disruption of work by locals in Jhoraburi area.
(f)	**Raw Materials Division (RMD)**										
(i)	Enhancement of loading capacity of Bolani Iron Ore Mine	For enhancing loading capacity and modification of Railway line, overhead electrical work and signaling & telecommunication for full rake loading.	124.88	--	--	**22.00**	--	--	Dec'09	Mar'12	Slow progress of work by M/s Techpro Ltd., delay in modified drawings by Railways and encroachment of land by locals affected the site progress. One line-6 is planned to be completed in Mar'12.
(ii)	Enhancement of production capacity of Meghahatuburu Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion	125.78	--	--	**30.00**	Capacity from 4.3 mtpa to 6.50 mtpa of finished product	--	Jun'12	Mar'13	Delay in submission of drawing by M/s. Tecpro Ltd. and delay in execution of upgradation of loading system has affected the completion schedule.
(iii)	Enhancement of production capcity of Kiriburu Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion	106.54	--	--	**40.00**	Capacity from 4.25 mtpa to 5.50 mtpa of finished product	--	Sep'12	Sep'12	As per schedule
(iv)	Enhancement of production capacity of Bolani Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion	275.28	--	--	**60.00**	Capacity from 4.3 mtpa to 6.50 mtpa of finished product	--	Nov'13	Nov'13	As per schedule

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
2.	**RASHTRIYA ISPAT NIGAM LTD. (RINL)**										
(i)	Coke Oven Battery (COB) No.4-Phase-I	To meet the coke requirements and gas balance, it is essential to have a replacement battery to maintain hot metal & liquid steel production at current levels even during capital repairs of other three coke oven batteries	380.46	--	--	12.00	To produce 0.75 Mt of coke	To operate COB-4 as independent Battery.	--	Battery-4 commissioned on and under operation	Battery-4 Commissioned and is under regular operations. Payments are mainly pertaining to performance guarantee, final acceptance and settlement of claim.
(ii)	Coke Oven Battery (COB) No.4-Phase-II	To operate COB-4 as independent Battery. Full utilisation of gas and enhancing better realisation of by- product by providing additional by- product facilities and balance facilities in coal handling.	355.30	--	--	60.00	To operate COB-4 as independent Battery. Increase in recovery of by products	Increase in recovery of by products	--	Oct'12- Contractual Schedule.	Time over run not likely w.r.t contractual schedules. However there had been delays w.r.t original schedule mainly due to delay in finalisation of consultant due to poor response from bidders.
(iii)	Expansion to 6.3 Mtpa Liquid Steel	To increase the plant capacity	8692.00	--	--	800.00	Increase production. Enhancing production of liquid steel to 6.3Mtpa of Liquid Steel.	Increased production. Enhancing production of liquid steel to 6.3 Mtpa of liquid steel	--	Stage-I 2011-12 Stage -II 2012-13	Approved cost Rs. 12291 crores. The cost overrun on account of escalation is likely to be small w.r.t ordered value as most of the contracts are on firm price basis except escalation towards labour, cement, steel etc. However the exact escalation will known on completion of the project. The net impact of intermediate delay of auxiliary packages are likely to get nullified and various inputs has been / will be made available on time as per requirement of major packages like Blast Furnace, Steel melting shop, Mills etc.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(iv)	Air Separation Plant (ASU-4)	Additional facility to meet shortfall of argon for combined blowing process of LD converters. Oxygen produced is used in BF.	170.00	--	--	35.00	2 Nos of 600 ton capacity at an estimated Cost of Rs. 165 Crores each.	Will help in increasing production of liquid steel in SMS and hot metal in BF.	--	ASU-4 Commissioned	**ASU-4:** Installation of the unit completed. Commissioning commenced in Oct'10 and is under operation.
(v)	Pulverised Coal Injection System	Injection system for reduction in consumption of expensive BF coke with less expensive pulverised coal	133.00	--	--	32.50	Increased production of hot metal. To reduce cost of production of hot metal	--	--	May'12	The package has been delayed by Chinese firm M/s. CERI. Equipment from china have been received at site and erection is in progress and matter being pursued.
(vi)	Acquisition of iron ore Mine & coking coal mines	To achieve self-reliance for raw material and cost reduction	600.00	--	--	30.00	RINL/VSP does not have captive source for coking coal/iron ore and outlay included to acquire mines	--	--	Continuous	Persuading state Govts. For allotment of Iron Ore mines and exploring possibilities of acquiring Iron Ore mines overseas. Two coking coal blocks allotted to RINL are not viable. Pursuing for coal assets in Australia. Selected as preferred bidder (as part of Indian Consortium led by SAIL) for Hajigak (Afghanistan) Iron Ore mines. Being pursued.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(vii)	Facilities for Iron Ore Storage	To increase iron storage facility.	450.00	--	--	100.00	Shall increase Iron ore storage facility to 30 days	--	--	May'12	Project re-scheduled due to cancellation and re-tendering of major packages. Augmentation of Iron Ore storage project, though delayed, would not have impact on operation of the plant as this is required only for building up of stock.
(viii)	330 TPH (6th) Boiler with Auxiliaries	Shall add addl. Process steam to meet the requirements of expansion units.	350.00	--	--	60.00	Shall add addl.process steam to meet the requirements of expansion units and help in generation of power.	To supplement steam requirements for expansion and help in generation of power	--	Apr'12	Delay is mainly due to supply and poor erection activity at site by BHEL inspite of monitoring at highest level including ministry. However there has been improvement in pace of work recently but the project is still behind the schedule.
(ix)	67.5MW TG-5 Power Evacuation System	To meet addl power requirement.	344.00	--	--	63.00	Shall generate partly the power requirements of expansion units.	To meet continuous power requirement.	--	Aug'12	--
(x)	Strengthening of 220KV system of APTRANSCO	To strengthen AP power grid for transmission of power of 400 MVA	86.00	--	--	10.00	It enables to receive contracted demand of 400 KVA for RINL on expansion	--	--	Sep'12	--
(xi)	Augmentation of 220KV power system for receiving 400MVA power	Strengthening the internal systems of VSP like substations etc. to enable to receive 400MVA power to meet the expansion needs.	58.10	--	--	20.00	To augment to receive 400MVA power at VSP	--	--	Sep'12	Payments to APTRANSCO delayed for certain clarifications.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(xii)	BF-1 Category-1 Repairs	To carry out the Category-I capital repairs & enhance the volume to 3850 CuM from the existing 3200 CuM capacity.	1760.00	--	--	100.00	To increase the production by 0.5Mt from 2Mt to 2.5Mt of Hot Metal	--	--	Mar'13	Basic Engineering Completed. Detailed engineering under progress. Procurement of Equipment (indigenous / Imported) commenced.
(xiii)	Sinter Plant productivity enhancements	To increase the Production of Sinter to support the increase in the volume of BF. This is to meet the present pollution control norms.	343.00	--	--	60.00	To increase the production from 5.5 Mt to 6.8 Mt of Sinter.	--	--	Matching to BF-1 Capital repairs	EOI for main package issued and discussions with bidders on Terms and conditions completed. Specification are being finalised for tendering.
(xiv)	SMS Converter Revamp	To improve the reliability of the 3 converters as the existing estimated life is almost over. This is to meet the present pollution control norms.	180.00	--	--	27.00	Technological necessity to change the converters.	--	--	Matching to BF-1 capital repairs	Price Bid to be Opened shortly.
(xv)	20.6 MW Waste Heat Recovery Project on Sinter Straight line Cooler of Sinter Machine 1&2	To Generate 20.6MW power through waste heat recovery system on straight-line cooler of sinter machines 1 & 2 under Technology co-operation with New Energy and Industrial Technology Development Organisation (NEDO), Japan under Green Aid Plan	150.00	--	--	40.00	To generate 20.6MW Electricity by capturing waste heat of sinter machines and with out burning any fossil fuel.	--	--	Mar'12 / Jun'12	Matter being followed up. Some impact due to Tsunami in Japan. Commissioning likely to commence in Mar'12 but will be on regular operation by Jun'12.
(xvi)	3rd Converter and 4th Caster	To convert additional Hot Metal generated (after category 1 repairs of the existing 2 Blast Furnaces) into steel by adding a 3rd converter and 4th caster.	974.76	--	--	50.00	To increase the production of steel by 0.97 Mt	--	--	30 months from date of signing of contract	Order for consultancy service of converter-3 and cast placed on M/s. MECON. 3rd converter: Price bids to be opened 4th caster: NIT issued with due date as 9th Feb'12

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(xvii)	Power Plant-II	To utilise the lean by-product gases which otherwise would be flared to atmosphere. This project is conceived with the sole intention of reducing Green House Gae (GHG) emissions into the atmosphere while meeting the power requirement of RINL partially; thereby mitigating the effects of climate change.	677.00	--	--	50.00	To utilize the lean by-product gases which otherwise would be flared to atmosphere. This project is conceived with the sole intention of reducing Green House Gae (GHG) emissions into the atmosphere while meeting the power requirement of RINL partially; thereby mitigating the effects of climate change.	To generate 120MW electricity by utilising the lean by-product gases while mitigating the effect of climate change	--	Sep'13	LOA issued. Engineering commenced and is under progress. Order placed for consultancy on M/s. MN Dustur & Co on 29-7-2011.
(xviii)	Wheel Axle Plant	To set up the facility for manufacture of Axles and other related products at New Jalpaiguri, West Bengal by forming a 100% subsidiary of RINL for the purpose.	--	--	--	35.00	Install suitable capacity of Axle and other related products Manufacturing unit at New Jalpaiguri, West Bengal by forming a 100% subsidiary of RINL for the purpose to meet the Railway assured off take of 20,000 to 25000 numbers.	--	--	Will be known only after submission of DPR by consultant i.e MECON	Draft off-take agreement is being put up by Railways to their Board. The unit is being proposed to be set up as a unit of RINL instead of as a subsidiary company.
(xix)	Installation of Addl. Steam Turbine Driven Blower TB-5 in TPP & BH.	To install TB-5 as standby to cater the need in case TB-1,2,3 goes for modernisation and also can be used as standby for BF-4 in future.	--	--	--	15.00	To Install TB-5 to cater the need of cold Blast requirement of BF1 & BF2 in case existing TBs are under modernisation/ maintenance	--	--	Sep'13	--

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(xx)	AMR schemes	To maintain good health of plant	Continuous	--	--	125.00	To maintain good health of the equipment and to sustain current level of production / productivity in the context of the ageing of the plant	--	--	--	--
(xxi)	R&D schemes	To enhance productivity / achieve cost reduction / Development of new products	Continuous	--	--	14.00	Development on the existing technology, trouble shooting with technological solutions for operational activities through investigative studies, failure analysis and critical examinations of process parameters to reduce cost / enhance productivity	--	--	--	--
(xxii)	Power Plant-II	To utilise the lean by-product gases which otherwise would be flared to atmosphere. This project is conceived with the sole intention of reducing Green House Gae (GHG) emissions into the atmosphere while meeting the power requirement of RINL partially; thereby mitigating the effects of climate change.	677.00	--	--	20.00	To utilise the lean by-product gases which otherwise would be flared to atmosphere. This project i s conceived with the sole intention of reducing Green House Gae (GHG) emissions into the atmosphere while meeting the power requirement of RINL partially; thereby mitigating the effects of climate change. To generate 120MW electricity by utilising the lean by product gases while mitigating the effect of climate change	Sep'13	--	LOA issued. Engineering commenced and is under progress. Order placed for consultancy on M/s. MN Dustur & Co on 29-7-2011.	--

Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
3.	**KIOCL Ltd.**										
(i)	Coke Oven Plant	Setting up of a Coke Oven Plant. This will improve availability of coke at a cheaper price	452.00	--	--	150.00	To reduce raw material cost	--	--	24 months from obtaining of necessary clearances	Considering the high cost of coke being used at Blast Furnace, Company aims at establishing a Coke Oven Plant at Mangalore. This will reduce the raw material cost considerably. Estimated cost of the project is Rs. 452.00 crore. KIOCL Board of Directors in its 201st meeting held on 25.3.2011 approved for setting up of 0.3 million tons per annum capacity of Coke Oven Plant along with 25 MW Captive Power Plant.
(ii)	Development of permanent railway siding at Mangalore	Magnetite Iron ore concentrate not being available in the country and use of high grade hematite iron ore from Bellary / Hospet is considered as one of the alternative sources on long term, as raw material for operation of Pellet Plant. Major portion of raw-material is to be transported through rail. It is therefore proposed to develop a permanent railway siding at Mangalore.	130.00	--	--	70.00	Handle receipt of 4mtpy of iron ore per year at Mangalore	--	--	Timeliness will be finalised on obtaining necessary statutory clearance	M/s KRL has submitted the revised DPR. To avoid Diamond crossing for safety reasons M/s KRL has realigned the already proposed route necessitating swapping of KIADB land and outright purchase of private land. Company is exploring possibilities of acquiring the said land from private parties. 2.945 acres of private land has already been procured and balance land procurement is under process. Estimated cost of development of railway siding is Rs. 130 crore and bulk material handling facilities is Rs. 173 crore. The Board of Directors has agreed in-principle for executing the project.
(iii)	Construction of Bulk Material Handling facilities for receipt of iron ore by rail.	Since major portion of raw material is to be transported through rail, proposal is to construct bulk material handling facilities for receipt of iron ore assignment to KIOCL for its Pellet Plant and Blast Furnace Unit	173.00	--	--	73.00	Supply of 4mtpy of iron ore for production of pellets	--	--	Timeliness will be finalised on obtaining necessary statutory clearance	-Do-

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(iv)	Development of Chicknaya kana hill & other mines	To have a captive mine to meet requirement of raw materials	200.00	--	--	5.00	Supply of 4mtpy of iron ore for production of pellets	--	--	Timeliness will be finalised on obtaining necessary statutory clearance	Govt. of Karnataka had granted mining lease over an area of 116.55 ha in Hombalghatta and Hosahalli village in favour of KIOCL. At the time survey it was observed that there was overlapping of areas which was allotted to KIOCL. Jt Survey has been carried out. After the meeting held on 15.2.2011 is approved fresh/revised sketch will be issued by Mines and Geology Deptt. for mining lease demarcation at the site. However, in view of ban on mining in the state by Hon'ble Supreme Court, the allotment of mines may be further delayed. Estimated cost of project is Rs. 200.00 crore.
(v)	Development of Ramanadurg Mines	To have a captive mine to meet requirement of raw materials	900.00	--	--	5.00	--	--	--	Timeliness will be finalised on obtaining necessary statutory clearance	Secretary (Mines, Textile and SSI) Govt. of Karnataka had conducted a hearing for consideration of KIOCL's application for grant of mining lease in block No. 13/1. The allotment of Ramandurg was flagged in the meeting between Secretary, Ministry of Steel and Chief Secretary, Govt. of Karnataka on 12.05.2011 and also in the meeting between Chief Secretary and KIOCL on 25.5.2011. Estimated cost of project is Rs. 900 crore.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(vi)	Ductile Spun Pipe Plant	This is a value added product	309.00	--	--	10.00	Production of 100,000 t/year of pipes	--	--	Timeliness will be finalised on obtaining necessary statutory clearance	DPR for the project has been approved by KIOCL Board. KIOCL Board has directed to implement the same on consortium basis with a JV partner. The company has floated a tender for fixing up of agency to identify the JV partner. Estimated cost of project is Rs. 309.00 crore. Board of Directors in its 206th meeting held on 22.10.2011 approved the same.
(vii)	Eco-Town development at Kudremukh	The objective of developing Eco-tourism facility in Kudremukh is to develop a community based an commercial oriented eco-tourism project	243.00	--	--	5.00	Development of eco-tourism	--	--	Timeliness will be finalised on obtaining necessary statutory clearance	In the recent meeting held with Govt. of Karnataka, they have agreed in principle to set up Eco-tourism facility at Kudremukh on Jt Venture with KIOCL. Estimated cost of project is Rs. 243.00 crore. The Board of Directors has agreed in-principle and directed to prepare a DPR for the same.
4.	**NMDC Ltd.**										
(i)	Bailadila Deposit 11B	To increase the production	807.18	--	--	60.00	Capacity of 7mtpa	--	--	Mar'12	Naxal activities and frequent bundh calls by Maoists continue to affect the progress at site.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(ii)	Kumaraswamy Iron Ore Project	To increase the production of iron ore	--	--	--	200.0	Capacity of 7mtpa	--	--	May'13	Scarcity and non-availability of sand and stone ballast, owning to mining restriction in Bellary and neighboring districts is affecting day to day progress.
(iii)	Pellet Plant at Donimalai	To diversify into pellet production	--	--	--	200.00	Capacity of 1.2mtpa	--	--	Apr'13	Scarcity and non-availability of sand and stone ballast, owning to mining restriction in Bellary and neighboring districts is affecting day to day progress.
(iv)	3 MTPA Steel Plant at Nagarnar	To diversify into steel production	--	--	--	3513.00	Capacity of 3mtpa	--	--	Sep'14	All statutory clearances have been obtained sanctions for infrastructural facilities like water, power have been received M/s. MECON Ltd. has been appointed as engineering consultant and Project Management contract was also awarded to them on 25.10.2011. Total work is split into 9 packages. Contract agreement for 4 major packages have been signed with respective parties. Tenders for other packages are at various stages of processing 3rd March, 2011 has been declared as zero date with the schedule completion period of 42 months.
5.	**MOIL Ltd.**										
(i)	Joint Ventue for Ferro Manganese/Silico Manganese Plant	The project will be set up at Bhilai, as a joint venture with Steel Authority of India Ltd.	391.00	--	--	50.00	The project will be producing Ferro Manganese 31000 MT and Silico Mn. 75000 MT to cater the needs of SAIL	The project will be producing Ferro Magnese./Silico Mn. to cater the needs of SAIL	--	--	Land has been acquired for the project and tender for procuring equipment are under process.
(ii)	Joint Ventue for Ferro Manganese/Silico Manganese Plant	The project will be set up at Bobbili, as a joint venture with Rashtriya Ispat Nigam Ltd.	217.00	--	--	20.00	The project will be producing Ferro Mn. 20000 MT and Silico Mn. 37500 MT to cater the needs of RINL.	The project will be producing Ferro Mn./Silico Mn. to cater the needs of RINL	--	--	Land has been acquired for the project and tender for procuring equipment are under process.
	Total A					***19270.00***					

Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
B.	**Scheme of Ministry of Steel**										
(i)	Scheme for promotion of R&D in the Iron & Steel sector	Development of innovative/path breaking technologies for utilization of iron ore fines and non-coking coal. Beneficiation of raw materials like iron ore, coal etc., and agglomeration. Improvement in quality of steel produced through induction furnace route.	--	--	44.00	--	Improvement in sinter productivity through deep beneficiation and agglomeration technologies for rational utilization of low grade iron ores and fines. Development of alternate complementary route of iron/steel making with reference to Indian raw material viz low grade iron ore and non-coking coal. Production of low Phosphorous Steel using DRI through induction furnace route adopting innovative fluxes and/or design (refractory) changes. Smelting reduction of iron ore/fines by hydrogen plasma and elimination of CO2 emission. Beneficiation of iron ore slimes from Barsua and other mines in India. Development of pilot scale pelletization technology for Indian Goethitic/hematitic ore with varying degree of fineness. CO2 abatement in Iron and Steel production by process optimization. Production of low ash (10% ash) coal (coking non-coking) from high ash Indian coals including desulphurization of high sulphur North East coal.	Same as in col. 6	--	During 11th Plan 2007-12 likely to spill over to 12th Plan 2012-17	Expenditure Finance Committee has identified three broad areas under which the scheme will be promoted. In consultation with a Panel of Experts 8 R&D projects proposals have been approved. The total cost of the projects is Rs. 143.87 crore out of which Govt. grant will be Rs. 96.23 crore from earlier estimate of Rs. 111.11 crore in view of the condition of maximum 50% grant on capital expenditure as imposed by EFC.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2012-13			Quantifiable Deliverables/ Physical Outcomes	Projected Outcomes	Processes/ Timelines		Remarks/ Risk Factors
				Budget Support		I&EBR			Original	Actual/Now scheduled	
				Non-Plan Budget	Plan Budget						
1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(ii)	Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines	Facilitating setting up of new beneficiation & agglomeration capacities by reducing the cost of borrowing through interest subsidy	--	--	1.00	--	Facilitating setting up of new beneficiation & agglomeration capacities by reducing the cost of borrowing through interest subsidy	Same as in col. 6	--	During 12th Plan	New scheme proposed for 12th Plan. Token provision only. The actual budgetary requirement is to be worked out after consultation with the stake holders.
(iii)	Scheme for improving energy efficiency of secondary steel sector	Facilitating energy efficiency improvement and GHG reduction in the secondary steel sector by reducing the cost of borrowing through interest subsidy.	--	--	1.00	--	Facilitating energy efficiency improvement and GHG reduction in the secondary steel sector by reducing the cost of borrowing through interest subsidy	Same as in col. 6	--	During 12th Plan	New scheme proposed for 12th Plan. Token provision only. The actual budgetary requirement is to be worked out after consultation with the stake holders.
	TOTAL (B)				***46.00***						
C.	**OTHER SCHEMES/PROGRAMMES**										
(i)	**Relating to PSUs**										
	(i) Various AMR schemes, ongoing and new schemes costing less than Rs. 50.00 crore (ii) Schemes with sanctioned cost of more than Rs. 50.00 crore at initial stages of finalization	For regular maintenance and upkeep of plant, equipments and machinery, cutting down of production cost, improvement in the quality of products, enhanced productivity, etc.	--	**--**		**2486.00**	--	--	--	--	--	These schemes are related to day to day functioning and operations of the PSUs. The schemes, which are yet to get necessary approvals have not been included.
	TOTAL (C)		**--**	*--*	*--*	*2486.00*					
	GRAND TOTAL - A + B + C		--	*75.89#*	*46.00*	*21756.00*					

On Gross basis. The Non-Plan budget for 2012-13(BE) after netting of receipts of Rs. 6.60 crore relating to waiver of guarantee fee provisions for HSCL & MECON Ltd is **Rs. 69.29 crore.**

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CHAPTER - III

REFORM MEASURES AND POLICY INITIATIVES

1. LIBERALISATION OF THE INDIAN STEEL SECTOR

The Indian steel sector was the first core sector to be completely freed from the licensing regime and pricing and distribution controls. This was done primarily because of the inherent strengths and capabilities demonstrated by the Indian iron and steel industry. The economic reforms and the consequent liberalization of the iron and steel sector which started in the early 1990s resulted in substantial growth in the steel industry and green field steel plants were set up in the private sector.

India ranked as the fourth largest producer of crude steel in the world after China, Japan and the USA during 2010 and also during January-November, 2011 (source: World Steel Association).

The country is also the largest sponge iron producer in the world since 2003. The domestic steel industry represents over Rs. 90,000 crore of capital (and expanding further) and directly provides employment to over 5 lakh people. The production for sale of total finished steel (alloy - Non-alloy) during April-December 2011(prov.) was 52.06 million tonnes, up by 7.5% over same period of last year.

The important policy measures which have been taken over the years for the growth and development of the Indian iron and steel sector are as under:-

(i) Pricing and distribution of steel were deregulated from January, 1992. At the same time, it was ensured that priority continued to be accorded for meeting the requirements of small-scale industries, exporters of engineering goods and North Eastern region, besides strategic sectors such as Defence and Railways.

(ii) The import regime for iron and steel has undergone major liberalization moving gradually from a controlled import by way of import licensing, foreign exchange release, canalization and high import tariffs to total freeing of iron and steel imports from licensing, canalization and lowering of import duty levels. Export of iron and steel items has also been freely allowed.

(iii) Currently, the import duty on steel items is 5 per cent. The import duty on raw materials like melting scrap, coking coal, metcoke is NIL and between 2 to 5 percent for other raw materials such as Zinc, Iron Ore and Ferro Alloys. There is no export duty on any steel item. However, Government has imposed ad-valorem export duty of 30 per cent on iron ore lumps in order to conserve the mineral for long term requirement of the domestic steel industry.

(iv) Excise duty for steel is currently at 10 per cent.

(v) To ensure sufficient domestic availability and curb the rising price of hot-rolled coils in the domestic market, its imports have been freed by the government.

(vi) The National Steel Policy 2005 is being updated to provide a roadmap for Indian Steel Industry's long term growth prospects in view of fast-changing nature of operations, structure and dynamics.

(vii) For ensuring quality of steel several items have been brought under a quality control order issued by the Government. The matter to bring more steel items under this order is under examination.

(viii) In order to obtain a full picture of the pattern of rural steel consumption in the country, an all India survey was commissioned by the Ministry of Steel. The survey work was coordinated by Joint Plant Committee, Kolkata and the field work was carried out by IMRB International, a leading market research organization. The study report was examined by a high-level Committee appointed by the Ministry of Steel for devising roadmap for implementation of the recommendations of the study, which have submitted its report to Ministry of Steel. Further action as per recommendations of this committee is being taken.

2. **New National Steel Policy**

Steel industry is basically driven by changes in domestic and global market trends. This meant that most of the objectives and targets included in the NSP 2005 needed to be reassessed/reevaluated in the light of changing market conditions. Therefore, with the approval of the Minister of Steel, it has been decided to formulate a New National Steel Policy. The new policy, while retaining the core structure of National Steel Policy 2005, will aim for much broader policy formulation covering various aspects of steel sector in the country such as growth of steel demand in India, raw materials, research and design, environment, and facilitation of new steel projects. An Apex Committee, headed by Secretary, Ministry of Steel and consisting of representatives of Planning Commission, Ministries/Departments of Central Government and concerned State Governments has been constituted for monitoring the process of formulation of the New National Steel Policy. Four Task Forces have been constituted under the Chairmanship of eminent experts to study, analyze, consult and formulate draft policy documents in different aspects of the subject, as given below:-

(i) Task Force 1 Economy & Coordination
(ii) Task Force 2 Technology, Environment & Manpower
(iii) Task Force 3 Raw Material
(iv) Task Force 4 Infrastructure & Facilitations

A final view on the New National Steel Policy will be taken on receipt of reports of these Task Forces and after discussions with the various stakeholders in the matter.

3. MAJOR INITIATIVES TAKEN BY THE MINISTRY OF STEEL

3.1 To achieve the objectives of the NSP (2005), Ministry of Steel has taken the following major initiatives:-

(i) Progress of Mega Expansion Plans of SAIL, RINL & NMDC Ltd.

Expansion programme of SAIL and RINL have made considerable progress. The major thrust of the modernization and expansion plans was to adopt the best modern technology, which in addition to being cost effective will be energy efficient and environment friendly.

SAIL has undertaken modernization 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 mt to 21.4 mt per annum.

Expansion of Salem Steel Plant expansion has been completed in September, 2010. For other five plants, orders for major packages have been placed. These ordered packages are under various stages of execution. Some of the facilities like Raw Material Handling Plant, Sinter Plant, Oxygen Plant and Blast Furnace at IISCO steel Plant; Sinter Plant Ore Bedding & Blending Plant, Augmentation of Main step down sub stations at Rourkela Steel Plant and Cold Roll Mill-III at Bokaro Steel Plant are in advance stages of completion.

RINL has completed implementation of the first phase of expansion to raise liquid steel capacity to 6.3 million tonne per annum. Major units are also getting commissioned progressively to commence production from this fiscal itself. In this phase, RINL is focusing on long products category which is required for infrastructure growth of the country. Modernisation and upgradation of existing Blast Furnaces, Steel Melt Shop and others along with addition of one Converter and one Caster have also been taken up with which the capacity will go up to 7.3 million tonnes of liquid steel by 2013-14.

Consultant has been appointed for the preparation of Detailed Project Report for the next phase of expansion i.e. 11 Mtpa capacity, in which RINL will diversify into flats, thereby expanding RINL's product portfolio. Expansion to 11 million tonnes and above, as per directional plan, would depend on confirmation of supply of iron ore from NMDC and / or suitable iron ore linkages for which allotment of mines by State / Central Govt. is needed.

In order to strengthen its technological superiority and further enhance efficiency & productivity, upgradation of the existing equipment / technology is being undertaken / planned through modernisation programme in addition to expansion. RINL plans to carry out major capital repairs / revamp of equipment for attaining high production levels & productivity in the plant. Some of the projects include capital repairs of Blast Furnace-1 & 2, revamp of Converters, modernisation of Sinter plant etc. and several other

projects for upgradation of technology subscribing to pollution control requirements besides improving quality and product deliverables.

NMDC Ltd. plans to increase the production of iron ore from the present level of about 24 million tonnes to 40 millon tonnes by 2014-15. NMDC is also taking steps for forward integration by value addition into sponge iron, pellets and steel. NMDC 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 Rs. 15525 crore. All Statutory clearances have been obtained. Work for setting up the Plant is under progress. The zero date for the Integrated Steel Plant has been fixed as 3.3.2011. NMDC is also setting up a 1.2 million tonnes as per annum capacity pellet plant at Donimalai, Karnataka. The project is being executed through 6 packages. All major packages have been ordered and works have commenced at site.

NMDC Ltd. has appointed MECON Ltd. as the consultant for the Engineering, Procurement and Contract Management (EPCM) and Project Management Consultancy, (PMC) works. Orders have been placed for Sinter Plant, Blast Furnace Complex, Raw Material handling system (RMHS) Coke Oven Complex and By Product Plant packages. Offers received for other packages viz: Steel Melting Shop, Thin Slab Caster & Hot Strip Mill, Lime & Dolomite Plant and Oxygen Plant are under various stages of evaluation for order placement. Tendering for the remaining Auxiliary packages has also been taken up. Enabling works packages like site leveling, Plant Entrance Road, Construction water, Construction power and construction of plant boundary wall as well as construction colony, studio type apartments etc. were awarded and works are in progress at site.

(ii) **Special Purpose Vehicle (SPV)**

A Special Purpose Vehicle (SPV) called International Coal Ventures Ltd. (ICVL) has been incorporated as a Joint Venture Company on 20.5.2009 with SAIL, CIL, RINL, NMDC and NTPC as its promoter companies. ICVL has been granted powers to acquire raw material assets of Rs. 1500 crore and the autonomy to function as a Navratna company but without formal Navratna status. Proposals for acquisitions of coal assets or equity participation in coal companies requiring investments over Rs. 1500 crore would be submitted to an Empowered Committee of Secretaries (ECS) who would recommend the proposal directly to the Cabinet for approval. ICVL is actively scouting for coal properties in target countries such as Australia, Canada, Indonesia, Mozambique and USA.

(iii) **Mergers/Acquisitions and Strategic alliances/Joint Ventures**

To improve operational efficiency of steel units and to achieve synergy, a number of mergers/acquisitions/strategic alliance/Joint Ventures have taken place. Details of which are as under:-

(A) **Mergers/Acquisitions**

- Merger of Maharashtra Elektrosmelt Ltd. (MEL) with SAIL – Maharashtra Elektrosmelt Ltd. (MEL), the 99.12% subsidiary of Maharatana Steel Authority of India Ltd. (SAIL), has been merged with SAIL. The process of merger of MEL with SAIL culminated with the receipt of the final order from the Ministry of Corporate Affairs on June 14, 2011. It has been renamed as " Chandrapur Ferro-Alloys Plant".
- Transfer of Salem Refractory Unit of Burn Standard Company Ltd. The Salem Refractory Unit of Burn Standard Company Ltd. (BSCL) has been transferred to the newly formed subsidiary of SAIL, namely SAIL Refractory Company Ltd. (SRCL) on 16th December, 2011. The process of transfer was initiated on 10th June, 2010, when the Cabinet Committee on Economic Affairs (CCEA) approved the financial restructuring of BSCL, and also authorized the Department of Heavy Industries and Ministry of Steel to work out operational steps for the transfer.
- SAIL has formally acquired 50% of the shares of Steel Complex Limited (SCL) in Kozhikode held by the Government of Kerala (GoK) and taken over the operations of SCL. SAIL-SCL Ltd., the joint venture company resulting from the acquisition, is working towards the revival of SCL. The JV is in line with the Government's policy of bringing together synergies of PSUs and strengthening them to be competitive in the market.

- **MoU with Power Grid Corporation of India Ltd. (PGCIL):** RINL entered into a MoU with Power Grid Corporation of India Ltd in Dec 11, to set up a joint venture company at Visakhapatnam, for manufacturing of Transmission Line Towers and Tower Parts and Research & Development for new high end products. This will reduce import.
- **MoU with Railways for Wheel Axle Plant:** MoU signed between RINL and Ministry of railways for setting up of an Axle Plant at New Jalpaiguri, West Bengal. About 35,000 Axles will be supplied to Indian railways annually from this unit. This will be 2nd biggest axle manufacturing unit in India.
- **Seamless Tube Mill (SLTM):** Installation approved for state of art mill of 4 Lakh tons capacity, with estimated cost of Rs.2300 crores to produce pipes upto 18" (First of its kind in India)
- NMDC Ltd. has signed a MOU with Legacy Iron Ore Ltd., Australia for acquisition of 50% equity in the Company with a total investment of about A$ 18.89 million. The Share Subscription Agreement has also been signed and further formalities are completed for acquisition of the Shares of Legacy.

(B) **<u>Strategic alliances/Joint Ventures</u>**

- Sindri Project: Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 4th August, 2011 have approved the proposal for revival of the closed units of FCIL/HFCL. As per the Cabinet approval, the consortium of SAIL and NFL has been nominated for revival of the Sindri Unit of FCIL. A new SPV

company “SAIL-Sindri Projects Ltd.” has already been incorporated on November 8, 2011.

- The SAIL-led consortium AFISCO (Afghan Iron & Steel Consortium), has been declared as a Preferred Bidder for Block B,C and D of Hazigak having estimated reserves of around 1.28 billion tonnes of high grade magnetite iron ore (with 62-64 % Fe Content). The other six consortium members are RINL, SAIL, NMDC, JSW Steel, JSW Ispat, Jindal Steel and Power and Monnet Ispat and Energy. The consortium will now have the opportunity to enter into a Hajigak Project Contract with the Ministry of Mines of the Islamic Republic of Afghanistan after formal negotiations, and to receive a license to further explore, develop and exploit the Hajigak iron ore deposits.
- On 16th June, 2011, SAIL signed MOU with M/s Mishra Dhatu Nigam Ltd. (MIDHANI) for exploring synergetic business opportunities in production of value-added products, enhanced research & development activities, exchange of technical know-how and joint investment between the two companies. A joint task force team (TFT) has been constituted to identify special steel products which can be jointly developed by utilizing the R&D facilities of both companies based on assessment of market demand and subject to techno-economic viability and commercial prudence.
- On 23rd May, 2011, SAIL and Burn Standard Co. Ltd. (BSCL), a PSU under the Ministry of Railways, entered into an MOU, for setting up a Wagon Components Manufacturing Facility (WCMF) as a 50:50 Joint Venture (JV) for the manufacture of Cast Steel Bogies, Couplers and related products for use on the Wagons running on Indian Railways. The project is planned to be set up on leasehold land under the possession of M/s Burn Standard Co. Ltd. (BSCL) at Jellingham, West Bengal. The Techno Economic Feasibility Report (TEFR) has been prepared by M/s RITES (Consultant).
- Collaboration with Kobe Steel for ITmK3 technology: On 28th December, 2011, SAIL has signed a Term Sheet with M/s. Kobe Steel, after protracted negotiation on technical and commercial terms for setting up a 0.5 million tones ITmK3 technology based plant at ASP, Durgapur.
- Arki Lime Stone Project (Himachal Pradesh): Proposed to be developed to produce 3.0 mtpa Limestone. Renewal of Mining lease is in process with Government of Himachal Pradesh. JV agreement between NMDC and SAIL to be signed. Environment clearance obtained.
- NMDC has signed an MOU with Russia’s third largest steel maker, Severstal, for a green field Steel Plant in Karnataka. The deal entailing an initial investment of $1 billion from Severstal, would mark the biggest Russian investment in non-defense sector as also the first Russian investment in steel sector in the country. The implementation framework for this has been signed by NMDC with Severstal.

(iv) **Revival and Restructuring Public Sector Undertakings/Companies.**

- Government of India has approved the restructuring proposal of Bird Group of Companies on 10.9.2009. The restructuring has been done. RINL has become the holding company of EIL. EIL has become the holding company of OMDC and BSLC.

- The restructuring proposal of the Hindustan Steelworks Construction Ltd. (HSCL) is under consideration.

(v) **Corporate Social Responsibility**

Corporate Social Responsibility (CSR) has been identified as an important parameter in the MoUs drawn by all the PSUs with the Ministry since 2007-08. The guidelines issued by DPE are being implemented by the PSUs. CSR activities focus on education, health care, family welfare, sanitation, access to water facilities, road connectivity, cultural efflorescence, preservation of heritage, environmental care, promotion of additional source of energy, and social initiatives.

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 forest, 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 a Integrated Development Centre. This is being done in a phased manner at an estimated cost of Rs. 10 crore. SAIL has also supported States during natural calamities. In 2011-12, SAIL came forward to help during floods in Odisha and Uttar Pradesh. SAIL also supported with supply of GC Sheets for persons affected by recent earthquake in Sikkim. SAIL has major plans of social and physical development for mining areas in this Financial Year. SAIL has adopted 79 villages as 'Model Steel Villages' (MSVs), out of which necessary physical infrastructure development in 62 villages have been completed. The work in remaining 17 MSVs ae under progress and shall be completed by end of FY 2011-12. In 2010-11, more than 3800 camps have been organized, benefiting over 2.64 lakh people providing free health check-up, path lab treatment, medicines, immunization surgical cases referred to plant hospitals. In 2010-11, SAIL has provided 24 numbers of MMUs/Ambulances etc. to various NGOs to help the poor and downtrodden.

The focus of NMDC's CSR initiatives is integrated development of community in the villages surrounding its establishments which are among the most backward tribal villages of India. NMDC has initiated integrated development of villages to facilitate sustainable income generation through employment/self employment by targeting education and skill development. NMDC is also offering facilities in healthcare and infrastructure to enable the beneficiaries engaged in income generation activities. NMDC has identified 58 tribal villages around its Bailadila complexes in South Bastar (Dantewada) district and in the first phase, developmental activities in the areas of

education, agriculture, healthcare and awareness, income generation through acquisition of relevant skills, formation of SHGs, lift irrigation and modern tools & techniques of cultivation have been undertaken in 13 villages. Requisite tools and equipment are also provided to the beneficiaries. This is extended to additional 10 villages around Kirandul Project, thereby bringing the total number of villages for integrated development to 23. During the Academic Year 2010-11, NMDC has contributed about 10,000 scholarships to tribal and poor students in 330 schools in 5 districts of Bastar, construction of schools and hostels for students including girl children, mid-day meal to 10,000 children, setting up ITI's and Polytechnic for technical education, supporting the establishment of medical college and reservation of seats in management institutes for tribal and poor children. A Polytechnic College has been established in Dantewada in South Bastar, Chhattisgarh. 120 students were admitted in the first batch 2010-11. A residential school for tribal children has been established at Nagarnar. 194 children from remote villages are attending the school in classes upto III. An ITI with two trades has been established at Nagarnar. Under its 'Hospital on Wheels' facility, free Medicare facility is being provided in 37 villages in Bailadila benefiting about 20,000 tribal villagers. NMDC has contributed Rs. 50 crore to State Govt. of Chhattisgarh for establishment of Medical College at Jagdalpur. During 2010-11, NMDC has also taken up some major infrastructure projects namely construction of high-level bridge on Sankini River at Datewada, South Bastar, establishment of 5 schools/hostels in Bastar & South Bastar, establishment of Special School 'Prayas' at Bhilai & Raipur and construction of by-pass road for Jagdalpur.

Main focus is on developing surrounding areas of operating projects:-

Medicare: Free treatment at project hospitals for about 80000 villagers annually. Hospitals on wheels for 37 villages. 14 primary health centres and 2 veterinary hospitals opened. 3 ambulances provided to State hospitals.

Infrastructure development: Integrated development of 13 villages. Constructed 87 bridges/culverts, about 140 kms. WBM roads, electrified 22 villages. Constructed 37 open wells with 350 hand pumps and 10 water tanks. Shelter for homeless people thorugh Ashraya Sheme in Bellary. Built 9 ashram bhavans. Partnered with CG Government for improvement in sanitation in 107 villages and solar electrification of 74 villages.

Education: Constructed 41 new schools, provided extension for 14 school buildings and renovated 21 schools. Hostels to provide free accommodation. About 11000 school uniforms distributed every year. Midday meal for about 10000 students around donimalai. Scholarship scheme to about 11000 school children in CG and Karnataka. Education improvement programme for schools of Dantewada. Skill development for youths in Bailadila.

CSR activities of RINL focus on sustained development and inclusive growth of the surrounding community. The company has strengthened its contribution through

CSR during 2011-12 in the areas of Peripheral Development, Education, Medical & Health, People care, Sports & Cultural Efflorescence. Such activities are undertaken in several states where RINL has interest of mines, sales etc. Some of the major activities include:

- School building along with infrastructure for differently abled children (Arunodaya Special School).
- "Sanjeevan Mobile Clinic" - a unique and state - of- the - art mobile cancer detection unit worth Rs 1.15 Crs. to the Lions Cancer Hospital to serve the poor and needy
- "Artificial limbs "to tribal people.
- Drinking water in tribal areas through 3rd phase of "Jaladhara", an innovative scheme was taken up.
- Installation of Hand Pump and Solar Street Lights and distribution of solar lanterns in Rural areas of Uttar Pradesh.
- Construction of several 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 over 5,000 poor through M/s Sankar Foundation.
- Laying of Foundation stone for ITI at Barabanki District of Uttar Pradesh.

As a socially conscious corporate, KIOCL has contributed significantly towards community development in and around its project sites since inception. KIOCL's approach to social development is to ensure growth, focusing especially on the most marginalized sections of the society. It primarily focused on villages within the radius of its project area. The ensuring social development activities have led to the construction of roads, houses, schools, hospitals, and associated facilities benefiting thousands of people living in the area economically and socially. In the current financial year 2011-12, the company has earmarked a sum of Rs. 230 lakhs towards CSR. The company has spent about Rs. 72.67 lakhs upto December, 2011 towards CSR activities.

(vi) **Rural Distribution Network of Steel**

- With a view to widen the reach of its products, SAIL is in the process of expanding its dealer network extensively to cover all the districts in the country. As on 1st January, 2012 SAIL dealership network consists of 2666 dealers spread over 630 districts. As per SAIL Dealership Policy, dealers are required to stock TMT Bars, GP/GC Sheets and other items required by common man and sell to small/retail customers at prices fixed by SAIL. Appointment of dealers in various districts/blocks

has helped in making steel items of mass consumption available near the consuming points at competitive prices as SAIL absorbs transportation cost from the nearest SAIL warehouse to the dealers' premises. As a result, SAIL material is made available in rural and remote locations at the same price at which it is available at the nearest SAIL warehouse location. As per SAIL Dealership Policy, preference is given to applicants from SC, ST and OBC categories for dealership of SAIL products. Dealers under SC/ST/OBC have been exempted from payment of security deposit while the dealers under general category shall furnish a security deposit @ Rs. 500/- per tonne of agreed monthly off take. Applicants belonging to SC/ST/OBC are being given preference in appointment as SAIL dealer, subject to their fulfilling eligibility criteria/conditions, as prescribed for them.

SAIL has launched a new Rural Dealership Scheme in August, 2011 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, tehsils and taluka levels.

RINL introduced a simpler Rural Dealership Scheme in 2011 for the benefit of Äam Admi". Under the scheme rural entrepreneurs are appointed dealers at Block and Panchayat level. In less than a year, as many as 217 Rural Dealers were appointed.

(vii) **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 56 kg. in India compared to the world average of 200 kg., strengthens the argument that the domestic steel industry has a huge growth potential. The Parliamentary Standing Committee (PSC) on Coal & 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'. The Committee observed that the biggest challenge in achieving the desired level of consumption is removing the wide disparity between urban and rural areas. The Committee, therefore, desired the Ministry to conduct a survey to assess the demand of steel in rural areas.

In pursuance of the recommendation 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 areas. 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 the implementation of the recommendations made in the Survey and is taken necessary action thereon.

(viii) **Encouraging Research & Development in Iron & Steel Sector**

Consumption of steel is taken to be an indicator of economic development. India occupies a central position on the global steel map, with the growing steel capacity, establishment of new state-of-the-art steel mills, acquisition of global scale capacities by steel producers, continuous modernization and up-gradation of older plants. Research & Development (R&D) in Iron & Steel sector is carried out mainly by the Steel Plants, Research Laboratories and Academic Institutions. Annually, about Rs. 125 crore is invested in R&D activities by the Iron & Steel and allied companies which is hardly 0.15% to 0.25% of the turnover of the steel companies. There is a need for maximizing the use of indigenous raw materials, improvement in techno-economic parameters, reduction in energy consumption & CO2 emission and to develop new steel productions. The focus of the Ministry's R&D promotion efforts will therefore primarily cover the following three areas:

(a) Initiatives for accelerated adoption/assimilation of new technology specially technologies consistent with our domestic resource endowment;

(b) Developing domestic capabilities in equipment designing, innovative /path breaking technologies utilising iron ore fines and non coking coal; and

(c) Improved quality of products through induction furnace route, beneficiation of raw materials etc.

In order to provide accelerated thrust on R&D, 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) **Steel Development Fund (SDF)**

The Empowered Committee (EC) has approved 68 research projects costing Rs. 545.00 crore including SDF component of Rs. 264.00 crore. Of these 35 projects have been completed.

(ii) **Government Budgetary Support (GBS) for R&D**

The project Approval and Monitoring Committee (PAMC) in its 1st & 2nd meeting held on 11.02.2010 and 23.11.2010 approved 8 projects with a total cost of Rs. 143.87 crore. Out of this total cost Government funding will be Rs. 96.23 crore. The projects are in progress, with duration of 2 to 3 years. The main emphasis of the R&D projects under this scheme is directed towards utilization of low grade iron ore including slimes and low grade coal (coking and non-coking) available in India, to sustain the long term growth of the Indian Steel Industry.

(ix) **Mandatory Quality Control Order on Selected Steel Products**

The Department of Consumer Affairs in consultation with Ministry of Steel has identified 17 steel products having direct bearing on consumer health/safety and also critical for infrastructure development. At present, seven steel products have been covered under the Quality Control Order based on ISI specifications (deliberation are going on to enforce the remaining 10 steel items also) are steel wires/strands for pre-stressed concrete; specification for epoxy coated bars; and specification for galvanized steel sheets.

(x) **Resolving Infrastructure Bottlenecks**

A Coordination Committee, consisting of representatives from steel industry, Ministry of Steel and Railway Board has been constituted to identify the major bottlenecks in railway facilities to the steel sector. A detailed report on “Adequacy of Infrastructure facility for the proposed expansion in steel capacity in the 11th Plan” has been prepared through Economic Research Unit (ERU). The report focused on infrastructure requirement in transport (railway, road and port), water resources and power to meet the proposed expansion in steel capacity with specific reference to Orissa, Jharkhand & Chhatisgarh.

(xi) **Initiatives under Clean Development Mechanism (CDM)**

CDM is one of the flexible arrangements under Kyoto Protocol of the United Nations Framework Convention on Climate Change (UNFCCC) to support the implementation of sustainable and environment friendly technologies. The Central Government has constituted the National CDM Authority (NCDMA) that accords Host Country Approval (HCA) to eligible projects. So far, 158 Iron & Steel projects have been accorded HCA in India. These projects will result in Green House Gas (GHG)

abatement worth 105 million tonnes of CO_2 equivalent, resulting in generation of 105 million Certified Emission Reduction (till the year 2012) which can be traded in the international market for earning substantial foreign exchange which at present is in the range of 15 to 25 Euros per CER Unit. The companies as well as the nation will thus gain substantially.

Recently in addition to above, RINL has taken up several Clean Development Mechanism (CDM) Projects as given below:

1. Power Generation from Cooling of coke in Coke Oven Battery#4,
2. Waste heat recovery from Circular cooler in Sinter Machine#3
3. Installation of Energy Efficient Furnace in Sinter Machine-3
4. Recovery of LD gas from Converter #4&5 in SMS-2
5. Generation of Steam using BF Gas in Boiler #6)

RINL is one of the lowest energy consuming plants (at around 6 Gcal /t/CS) in the country. It has currently generating capacity of around 155MW through utilisation of waste heat / energy/ pressure and it is likely to reach 323MW within 2 years. This is biggest achievement of RINL towards CDM.

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.

RINL is first in signing MoU with MoS and Ministry of Finance and New Energy and Industrial Technology Development Organization (NEDO) of Japan for installation of 20.6 MW waste heat recovery system on sinter straight line cooler at Sinter Machine-1&2. Civil and structural works are under progress. All the equipments under Japanese scope of supply have been received at VSP site. Equipment erection will commence shortly.

(xii) **Fiscal Measures**

The following measures have also been taken by the Government during the past one year to assist the domestic steel industry:-

- Import Custom Duty of 5% on all steel items.
- Excise Duty (CENVAT) of 10% on all steel items.
- Export Duty of 30% on all types of Iron Ore except pellets.

(xiii) **Gender Budgeting**

For empowerment of women, a Gender Budget Cell has been set up in the Ministry as per directions of the Ministry of Finance & Ministry of Women & Child

Development with the aim to initiate steps for implementation of gender budgeting concept in the Ministry.

4. Environmental Management & Pollution Control

The Steel Plants have taken ample measures to comply with the stipulated norms and further improvement in their environmental performance. Over the years, concerted and committed efforts have been made towards environmental protection, which is one of the major criteria for achieving sustainable development.

These have resulted in the improvement of key Environmental Performance indicators. Particulate Matter (PM) emission load from the chimneys (stack) of plants of SAIL has reduced from 2.3 kg/tcs (tonnes of crude steel) in 2006-07 to 1.11 kg/tcs in 2010-11, a reduction of 52% during the last 5 years. Specific effluent discharge from SAIL plants reduced to 2.49 m3/tfs (tonnes finished steel) in 2010-11; a reduction of around 9% over the last 5 years. Specific Energy Consumption has reduced from 7.74 Gcal/tcs from 2011-02 to 6.81 Gcal/tcs in 2010-11. Every year, SAIL units carry out extensive plantation programmes; since the initiation of such schemes, a total of more than 176 lakh saplings have been planted.

Wastes, particularly solid wastes generated unavoidably, are to be converted into useful, value added by-products. In other words, “sustainable development” is to be practiced right from technology development and design stages. In future, it may be ensured that technologies, which are not “sustainable”, are not adopted for either expansion of existing plants or creation of new capacities. Towards these objectives, initiatives both at the level of the entrepreneurs and Government by way of suitable intervention are necessary.

5. Safety Measures

Improvement in safety performance is a continuous process and management of SAIL has constantly being making concerted efforts in averting workplace accidents.

For improvement in the overall safety situation in the Iron & Steel industries in India following remedial measures need to be taken up:

(i) Tightening the legal system so that any instance of violation of safety policy, whether by public sector or private sector, does not go unpenalised. The system of factory inspectorate, safety officers and legal framework has to be refurbished accordingly. There should be up-gradation in legal provisions to take care of changes in technologies / work environment so that loopholes are plugged as far as possible.

(ii) OHS Management system as per ILO guidelines and OHSAS 18001 should be adopted in all plants.

(iii) In India, many outdated technologies viz., twin hearth furnace, ingot making etc. are still being practiced in some steel plants. These processes are hazardous to

personnel working there and need to be phased out immediately to improve safety in such plants. Apart from this, new technological development will also facilitate attainment of safe work environment.

(iv) Fire modeling and hazard risk analysis should be done in all plants for better assessment of inherent risk/ hazard:

Some of the concrete steps taken by SAIL Plants/Units to obviate the occurrence of accidents in identified areas of concern are as follows:-

- Development and adherence to Safe Operating & Maintenacne Procedures.
- Spreading safety awareness through training programmes & workshops for all level of employees including contractor workers.
- Conducting schedule inspections as per check list and liquidating the observed deviations from safety norms.
- Enforcing usage of job specific Personal Protective Equipment (PPEs) by all concerned including contractor workers.
- Adherence to work permit/protocol system for critical jobs involving multi agencies lie Gas line jobs, electrical shutdown jobs, working in confined space etc.
- Conducting periodic mock drills as per emergency plant.
- All fire prone areas including underground cellars & cable galleries are inspected as per schedule and actions are taken to liquidate the deficiency, if any, on priority as per the guidelines.
- Thrust on systematic approach to safety management (OHSAS-18001 implementation, internal & external safety audits etc.).
- Implementation of recommendations of enquiry committees to prevent recurrence of similar accidents.

6. Institutional Framework for collection of data and dissemination of Information

Collection of data has become far more complex with deregulation of the Indian steel industry, especially information on capacity and production. Necessary legal provisions/ institutional framework are required to ensure building up of a reliable and effective data base to facilitate informed decision making by all the stake-holders, policy makers, firms, financial institutions and also the consumers. The existing institutions, namely, the Joint Plant Committee (JPC) and the Economic Research Unit (ERU), are performing this task.

Further, the existing institutions e.g., Joint Plant Committee (JPC), Economic Research Unit (ERU), Institute for Steel Development & Growth (INSDAG), National Institute of Secondary Steel Technology (NISST) and the Biju Patnaik National Steel Institute (BPNSI), need to be further reoriented to be consistent with the changing realities of globalization.

7. RELATIVITY OF OUTCOME BUDGET WITH POLICY INITIATIVES

The ongoing schemes/ projects of the PSUs under the Ministry of Steel during the 11th Plan (2007-2012), like Capacity expansion, Technological upgradation, Acquisition/ development of iron ore & coking coal mines, R & D schemes, Installation of new slab caster, Rebuilding of Coke Oven battery, AMR schemes, etc. will increase the production capacity of plants, improve quality and product-mix and bring down the cost of production. The concept of outcome budgeting with its stress on making the conceptualization, design and implementation of schemes/ programmes 'outcome' oriented and requiring strong project/ programme formulation, appraisal capabilities and effective delivery systems, is expected to facilitate better utilization of physical assets and manpower, improve project management and implementation and ensure effective monitoring. The successful implementation of the schemes/ programmes of the PSUs will contribute towards the Indian steel sector achieving global competitiveness not only in terms of cost, quality and product-mix but also in terms of global benchmarks of efficiency and productivity, which are the goals and objectives envisaged in the National Steel Policy, 2005.

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CHAPTER – IV

REVIEW OF PAST PERFORMANCE – OUTCOME BUDGET 2011-12

Ministry of Steel has provided information on 49 Plan schemes/programmes in the Outcome Budget, 2011-12. In the 11th Plan (2007-12), a new scheme named 'Scheme for promotion of Research & Development in Iron and Steel Sector' was included with a budgetary provision of Rs. 118.00 crore. The scheme was formally approved for implementation on 23.1.2009. Upto December, 2011, eight (8) R&D project proposals have been approved. The duration of the projects is 2 years to 3 years.

The PSUs under the administrative control of the Ministry formulate and implement various schemes/ programmes related to their respective area of operations. The Plan schemes of the PSUs are components of their respective Annual Plans or Five Year Plans or of both, depending on the nature of the scheme. Since each PSU has several Plan schemes, most of which are related to the normal day to day functioning and operations of the company, it was felt that inclusion of all schemes of the PSUs in the Outcome Budget of Ministry of Steel would neither be practical nor commensurate with the objectives of outcome budgeting. A decision was, therefore, taken that only major Plan and Non-Plan schemes with sanctioned/estimated cost of more than Rs.50.00 crore be included in the Outcome Budget of Ministry of Steel. Based on this criterion, 40 Plan schemes (13 schemes of SAIL, 19 of RINL, 2 of KIOCL Ltd., 3 of NMDC Ltd., 2 of MOIL, 1 of Ministry of Steel) were included in the Outcome Budget, 2011-12. The PSU-wise actual achievements (up to 31st December, 2011) vis-à-vis the intended outcomes indicated in the Outcome Budget, 2011-12 in respect of these 40 schemes with estimated/sanctioned cost more than Rs. 50.00 crore are given in the following table. It may be noted that since almost all the major schemes are still under various stages of implementation, a more meaningful and realistic assessment of the actual achievements is possible only upon completion of the schemes.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
A.	**SCHEMES WITH ESTIMATED/SANCTIONED COST MORE THAN 50.00 CRORE**											
1.	**STEEL AUTHORITY OF INDIA LTD. (SAIL)**											
(a)	**Bhilai Steel Plant (BSP)**											
(i)	700tpd ASU at Oxygen Plant-II	New ASU being installed in Oxygen Plant-II to meet the increasing requirement of O_2, N_2 & argon	258.18	60.00	60.00	**700 tonne per day of O_2**	Jul'09	Jan'12	45.49	178.90	--	Contract terminated with M/s Cryogen mesh Retendered. Fresh contract signed with M/s Air liquide
(ii)	Rebuilding of COB-6	To improve production and to achieve latest pollution norms of MOEF	191.20	30.00	25.00	--	Jan'10	June'11 completed	19.06	144.78	--	Completed
(iii)	Expansion of BSP	Increase in production of hot metal & crude steel through state-of-the-art technology; Phasing out of low yield and energy intensive units, reduction of semis by enhancing finished steel production; Broadening and value addition in product-mix for higher flexibility and profitability; Meeting requirement of Indian Railway.	18847.00	5730.00	3285.00	Increase in HM capacity from 4.82 mtpa to 7.5 mtpa	Mar'13	June'13	1690.95	4139.18	--	Efforts are being made for completion by Mar'13 except SMS-III (Jun'13). The SMS-III package got affected as the initial contract for civil work had to be terminated due to slow progress of work by the party and retendered at risk and cost of the party. This has adversely affected the progress of all associated packages under SMS-III viz. BOF, CCP, structural package etc.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(b)	**Rourkela Steel Plant (RSP)**											
(i)	Coal Dust Injection system in BF-4	Technical necessity for reduction in coke rate and improvement of the furnace productivity	70.71	11.00	5.00	Replacement of coke with pulverized coal on 1:1 basis, Coal injection rate in Blast Furnace at 120 Kg/thm.	Oct'08	Mar'12	2.29	54.99	--	Initial delay in design & engineering by M/s Sino Steel, China. Delay in civil & strl. work and supply of equipment by M/s Sino Steel. Delay in arrival of china experts due to change in visa policy. Commercial disputes between Sino Steel & sub-agencies.
(ii)	Expansion of RSP	Increase in production of hot metal & crude steel through state-of-the-art technology; Improvement in quality of products; Production of more value-added products; Improvement in energy consumption & environment; and Reduction in cost of production	12922.00	2619.00	3270.00	Increase in Hot Metal capacity from 2.12 mtpa to 4.5 mtpa	Mar'13	Mar'13	1853.04	5883.4	--	--

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(c)	**Bokaro Steel Plant (BSL)**											
(i)	Replacement of Battery Cyclones with ESPs in Sinter Plant	Replacement of Battery Cyclones by Electrostatic Precipitators to meet statutory requirement of emission level of outlet dust as per norm of Central Pollution Control Board.	80.60	15.00	3.00	6 no. of ESPs of capacity 900,000 m^3/hr to control emission level of outlet dust at 150mg/Nm^3	Aug'10	Dependent on shut down availability of sinter machine	2.23	37.91	ESP-6 successfully hooked-up with sinter band-3 on 17.6.10	One out of 6 ESPs erected so far. Sinter availability is critical for BSL which is making difficult in giving shut down.
(ii)	Installation of new Turbo Blower No. 8	To meet the enhanced cold blast (CB) requirement of BF-2	125.92	15.00	50.10	CB at blower discharge vol. of 4000 Nm3/min and discharge pressure of 3.9kg/cm^2 at blower end.	Aug'09	Jan'12	26.78	75.3	--	Turbine commissioned in Dec'11 and trial run of turbine coupled with blower conducted in Dec'11
(iii)	Rebuilding of COB-1 & 2	To improve production & achieve latest pollution norms of MOEF.	500.90	90.00	110.00	Improve production & achieve latest pollution norms of MOEF.	Apr'10	COB-1 completed COB-2 Jan'12	72.28	340.91	Coke pushing from COB-1 started in June'11. Battery heating of COB-2 started in Oct'11	Slow resource mobilization by M/s MECON
(iv)	Expansion of BSL	Enhancing hot metal production introduction of energy efficient technology, conversion of higher quantities of Hot Rolled coils to value added Cold Rolled products with the installation of additional Cold Rolling capacity	6951.00	1309.00	1220.00	New Cold Rolling Mill complex of 1.2 mtpa & enhancing hot metal production from 4.7 to 5.77 mtpa	Dec'11	Mar'12	431.96	2305.64	Manual strip threading done in PLTCM of new CRM in Dec'11	Delay by structural contractor M/s era infra delayed the handling over of fronts for eqpt erection. The coordination problems between M/s. SVAI and M/s. MBE has further delayed the work of PLTCM.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(d)	**IISCO Steel Plant**											
(i)	Expansion of ISP	To install a new stream of facilities to produce 2.7MTPA hot metal, 2.5MTPA crude steel & 2.37 MTPA saleable steel.	17960.59	2069.00	2140.00	2.7 MTPA hot metal, 2.5MTPA crude steel & 2.37 MTPA saleable steel.	Dec'10	Mar'13	1798.86	12417.12	--	Delays due to difficult & unforeseen soil conditions, increase in civil & structural work, slow execution of building structural work & equipment supply and disruption of work by locals in Jhoraburi area.
(e)	**Raw Materials Division (RMD)**											
(i)	Enhancement of loading capacity of Bolani Iron Ore Mine	For enhancing loading capacity and modification of Railway line, overhead electrical work and signaling & telecommunication for full rake (in one stretch) loading at both fines as well as Lump siding	124.88	15.00	35.00	--	Dec'09	Mar'12	6.07	86.23	Encroachment concerning project work related to M/s Tecpro Ltd. was cleared in Jun'11 and project activities resumed.	Slow progress of work by M/s Techpro Ltd., delay in modified drawings by Railways and encroachment of land by locals affected the site progress. One line-6 is planned to be completed in Mar'12.
(ii)	Enhancement of production capacity of Meghahatuburu Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion	125.78	40.00	30.00	Capacity from 4.3 mtpa to 6.50 mtpa of finished product	Jun'12	Mar'13	8.38	15.68	--	Delay in submission of drawing by M/s Tecpro Ltd. and delay in execution of upgradation of loading system has affected the completion schedule.
(f)	General											
(i)	Revival of Jagdishpur SAIL Unit	Fulfillment of demand of finished and value added products in the region	105.42	40.00	40.00	150,000 t/yr TMT bar; 10,000 t/yr crash barriers; 13,000 t/yr corrugated sheets	Oct'11	Work held up	22.56	49.56	--	Work held up due to local disturbances.

(*Rs. in crore)*

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
2.	**RASHTRIYA ISPAT NIGAM LTD. (RINL)**											
(i)	Coke Oven Battery No. 4-Phase-I	To meet the coke requirements and gas balance, it is essential to have a replacement battery to maintain hot metal & liquid steel production at current levels even during capital repairs of other three coke oven batteries	380.46	20.00	10.00	To produce 0.75 Mt of coke	--	--	2.27	369.06	Battery-4 commissioned and under operation	Battery commissioned. Pending payments pertain to performance guarantee, final acceptance and settlement of claims.
(ii)	Air Separation Plant (ASU-4)	Additional facility to meet shortfall of argon for combined blowing process of LD converters. Oxygen produced is used in BF.	170.00	27.00	30.00	To help in increasing production of liqid steel in SMS and hot metal in BF	--	--	26.84	121.70	ASU-4: Installation of the unit completed. Commissioning commenced in Oct'10 and is under stabilisation.	--
(iii)	Coke Oven Battery No. 4-Phase-II	To operate COB-4 as independent Battery. Full utilisation of gas and enhancing better realisation of by-product by providing additional by-product facilities and balance facilities in coal handling.	355.30	112.00	50.00	To operate COB-4 as independent Battery. Increase in recovery of by products	--	--	35.90	134.82	Coal Side: consultant appointed. All packages ordered. Site activities are in progress. By-Product side: consultant appointed. All packages ordered and progressing as per contractual schedule.	Time over run not likely w.r.t. contractual schedules. However there had been delays w.r.t original schedule mainly due to delay in finalization of consultant due to poor response from bidders.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/ Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(iv)	Expansion to 6.3 Mtpa Liquid Steel	To increase the plant capacity	8692.00	1600.00	1400.00	Increase production. Enhancing production of liquid steel to 6.3 Mtpa of Liquid Steel	36/48 months in phases from 28-10-2005 / Feb'11	For Stage-I: 2011-12 Stage-II: 2012-13	893.57	9050.38	**Stage-I:** Done stage-I and opeartion started except BOF & BF from which production to start shortly **Stage-II:** In advanced stage	Approved cost Rs. 12291 crores. The cost overrun on account of escalation is likely to be small w.r.t ordered value as most of the contracts are on firm price basis except escalation towards labour, cement, steel etc. However the exact escalation will known on completion of the project. The net impact of intermediate delay of auxiliary packages are likely to get nullified and various inputs has been / will be made available on time as per requirement of major packages like Blast Furnace, Steel melting shop, Mills etc.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(v)	Pulverised Coal Injection System for BF-1 & BF-2	Injection system for reduction in consumption of expensive BF coke with less expensive pulverised coal	133.00	21.00	20.00	Increased production of hot metal. To reduce cost of production of hot metal	Oct'2007	May'12	7.06	82.33	Under commissioning	The package has been delayed by Chinese firm M/s. CERI. Equipment from china have been received at site and erection is in progress. Matter being pursued.
(vi)	Acquisition of iron ore Mine & coking coal mines	To achieve self-reliance for raw material and cost reduction	600.00	10.00	10.00	RINL/VSP does not have captive source for coking coal/iron ore and outlay included to acquire mines	Continuous	Continuous	--	--	Hajigak (Afghanistan) Iron Ore mines - Selected. 27 Applications in India filed.	Persuading state Govts. For allotment of Iron Ore mines and exploring possibilities of acquiring Iron Ore mines overseas. Two coking coal blocks allotted to RINL are not viable. Pursuing for coal assets in Australia through ICVL
(vii)	Facilities for Iron Ore Storage	To increase iron storage facility.	450.00	177.00	100.00	Shall increase Iron ore storage facility to 30 days	Oct'09	May'12	85.37	165.56	Major packages ordered. Engineering is in advanced stage of completion. Construction work commenced and planned to be completed by end of May'12	Project re-scheduled due to cancellation and re-tendering of major packages. Augmentation of Iron Ore storage project, though delayed, would not have impact on operation of the plant as this is required only for building up of stock.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/ Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(viii)	330 TPH (6th) Boiler with Auxiliaries	To supplement steam requirement.	350.00	54.00	30.00	Shall add addl. process steam to meet the requirements of expansion units and help in generation of power.	Dec'10	Apr'12	21.49	230.10	Hydraulic test of Boiler - 6 completed and erection of main stream piping in progress. However, there is delay by M/s. BHEL and they are being pursued for commissioning.	Delay is mainly due to supply and poor erection activity at site by BHEL in spite of monitoring at highest level including ministry. However there has been improvement in pace of work recently but the project is still behind the schedule.
(ix)	67.5MW TG-5 Power Evacuation System	To meet addl. power requirement.	344.00	71.00	30.00	Shall generate partly the power requirements of expansion units.	Dec'10	Aug'12	20.12	236.27	Major civil and structural works completed. Supply of equipment commenced. There is delay by M/s. BHEL and now unit is expected to be commissioned by May'12	--
(x)	Strengthening of 220KV system of APTRANSCO	To strengthen AP power grid for transmission of power of 400 MVA	86.00	30.00	50.00	It enables to receive contracted demand of 400 KVA for RINL on expansion	Sep'12	Sep'12	32.16	63.03	--	--
(xi)	Augmentation of 220KV power system for receiving 400MVA power	Strengthening the internal systems of VSP like substations etc. to enable to receive 400MVA power to meet the expansion needs.	58.10	0.00	15.00	To augment to receive 400MVA power at VSP	Jan'11	Sep'12	7.53	7.53	--	--

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Antici-pated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(xii)	BF-1 Category Repairs	To carry out the Category-I capital repairs & enhance the volume to 3850 CuM from the existing 3200 CuM capacity.	1760.00	500.00	25.00	To increase the production by 0.5Mt from 2Mt to 2.5Mt of Hot Metal	21 Months from LOI date.	Mar'13	2.60	2.60	--	Basic Engineering Completed. Detailed engineering under progress. Procurement of Equipment (indigenous/ Imported) commenced.
(xiii)	Sinter Plant productivity enhancements	To increase the Production of Sinter to support the increase in the volume of BF. This is to meet the present pollution control norms.	343.00	70.00	2.00	To increase the production from 5.5 Mt to 6.8 Mt of Sinter.	By Mar'11.	To match with BF category repairs	0.48	0.48	--	EOI for main package issued and discussions with bidders on terms and conditions completed. Specification are being finalised for tendering
(xiv)	SMS Converter Revamp	To improve the reliability of the 3 converters as the existing estimated life is almost over. This is to meet the present pollution control norms.	180.00	35.00	2.00	Technological necessity to change the converters.	One Converter-March'11 Other Two – March'12	To match with BF category repairs	0.00	0.00	--	Price bids to be opened shortly.
(xv)	20.6 MW Waste Heat Recovery Project on Sinter Straight line Cooler of Sinter Machine 1&2	To Generate 20.6MW power through waste heat recovery system on straight-line cooler of sinter machines 1 & 2 under Technology co-operation with New Energy and Industrial Technology Development Organisation (NEDO), Japan under Green Aid Plan	150.00	80.00	25.00	To generate 20.6MW Electricity by capturing waste heat of sinter machines and without burning any fossil fuel.	25.03.12	Mar'12/ Jun'12	5.81	6.30	All the packages of Indian component have been ordered. Equipment from Japan received at site. Civil and Structural works under progress. Equipment erection will commence shortly.	Matter being followed up. Some impact due to Tsunami in Japan. Commissioning likely to commence in Mar'12 but will be on regular operation by Jun'12.

(Rs. in crore)

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				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
(xvi)	Augmentation of water storage facility	Construction of additional storage reservoir with capacity of 16 Mqm.to meet the water requirement of expansion.	220.00	10.00	--	--	To increase water storage capacity by 16Mqm	--	--	--	--	Survey and soil testing done. Further jobs awaiting clearance from Ministry of Forests for shifting of green belt.
(xvii)	3rd Converter and 4th Caster	To convert additional Hot Metal generated (after category 1 repairs of the existing 2 Blast Furnaces) into steel by adding a 3rd converter and 4th caster.	974.76	100.00	2.00	To increase the production of steel by 0.97 Mt	30 months from date of signing of contract (Estimated Sept'12)	30 months from date of signing of contract (Estimated: Sept'12)	0.00	0.00	30 months from the date of signing of contract.	Order for consultancy service of converter-3 and caster-4 placed on M/s. MECON. **3rd converter:** Price bids to be opened **4th Caster:** NIT issued with due date as 9th Feb'12
(xviii)	AMR Schemes	To maintain good health of plant	Continuous	125.00	125.00	To maintain good health of the equipment and to sustain current level of production/productivity in the context of the ageing of the plant	Continuous	--	96.25	--	--	--
(xix)	R&D Schemes	To enhance productivity/ achieve cost reduction/Development of new products	Continuous	14.00	14.00	Development on the existing technology, trouble shooting with technological solutions for operational activities through investigative studies, failure analysis and critical examinations of process parameters to reduce cost/enhance productivity	Continuous	--	11.40	--	--	--

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achievements w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anticipated	For Apri-Dec'11	Cumulative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
3.	**KIOCL Ltd.**											
(i)	Development of permanent railway siding at Mangalore	Magnetite Iron ore concentrate not being available in the country and use of high grade hematite iron ore from Bellary / Hospet is considered as one of the alternative sources on long term, as raw material for operation of Pellet Plant. Major portion of raw material is to be transported through rail. It is therefore proposed to development a permanent railway siding at Mangalore.	130.00	10.00	4.53	Handle receipt of 4 mtpy iron ore at Mangalore	New timeliness will be finalised on obtaining necessary statutory clearance		--	--	--	M/s KRL has submitted the revised DPR. To avoid Diamond crossing for safety reasons M/s KRL has realigned the already proposed route necessitating swapping of KIADB land and outright purchase of private land. Company is exploring possibilities of acquiring the said land from private parties. 2.945 acres of private land has already been procured and balance land procurement is under process.
(ii)	Construction of Bulk Material Handling facilities for receipt of Iron ore by rail.	Since major portion of raw material is to be transported through rail, proposal is to construct bulk material handling facilities for receipt of iron ore assignment to KIOCL for its Pellet Plant and Blast Furnace Unit	173.00	5.00	0.00	Supply of 4 mtpy of iron ore for production of pellets	New timeliness will be finalised on obtaining necessary statutory clearance		--	--	--	

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achieve-ments w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anti-cipated	For Apri-Dec'11	Cumu-lative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
4.	**NMDC Ltd.**											
(i)	Bailadila Deposit 11B	To increase production of iron ore	607.18	100.00	50.00	Capacity of 7mtpa	Oct'09	Mar'12	39.80	313.84	All packages have been ordered and works are in advance stage	Capacity was enhanced from 3 mtpa to 7 mtpa and approved on 16.5.2008 for capital outlay of Rs. 607.17 crore. Naxal activities and frequent bundh calls by Maoists continue to affect the progress at site. Working hours restricted to day time only.
(ii)	Kumaraswamy Iron Ore Project	To increase production of iron ore	898.55	80.00	60.00	Capacity of 7 mtpa	May'13	May'13	30.95	56.70	All main packages awarded. Order for three supporting packages like road, service facilities etc being finalized	Scarcity and non-availability of sand and stone ballast, owning to mining restriction in Bellary and neighboring districts is affecting day to day progress.
(iii)	Pellet Plant at Donimalai	To diversify into pellet production	572.00	100.00	40.00	Capacity of 1.2 mtpa	Apr'13	Apr'13	26.98	31.93	All the major packages have been ordered and work is under progress	Scarcity and non-availability of sand and stone ballast, owning to mining restriction in Bellary and neighboring districts is affecting day to day progress.
5.	**MOIL Ltd.**											
(i)	Joint Venture for Ferro Manganese/ Silico Manganese Plant	The project will be set up at Bhilai, as a Joint Venture with Steel Authority of India Ltd.	391.00	25.00	30.00	The project will be producing Ferro Manganese 31000 MT and Silico Mn. 75000 MT to cater the needs of SAIL	The project is scheduled to be completed by June'12	Project is expected to be completed by January, 2014	2.00	4.10	--	Land has been acquired for the project and tender for procuring equipment are under process.
(ii)	Joint Venture for Ferro Manganese/ Silico Manganese Plant	The project will be set up at Bobbili, as a Joint Venture with Steel Authority of India Ltd.	217.00	10.00	10.00	The project will be producing Ferro Mn. 20000 MT and Silico Mn. 37500 MT to cater the needs of RINL to cater the needs of RINL	The project is scheduled to be completed by June'12	Project is expected to be completed by Sept'13	0.00	0.10	--	Land has been acquired for the project and tender for procuring equipment are under process.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2011-12		Quantifiable Deliverables/ Projected Outcomes	Projected Outcomes		Actual Expenditure		Achieve-ments w.r.t projected Outcomes in Col.7	Remarks/Risk factors
				BE	RE		Original	Now Anti-cipated	For Apri-Dec'11	Cumu-lative upto Dec'11		
1	2	3	4	5	6	7	8	9	10	11	12	13
B.	**Scheme of Ministry of Steel**											
(i)	Scheme for promotion of R&D in the Iron & Steel sector	Development of innovative/path breaking technologies for utilization of iron ore fines and non-coking coal. Beneficiation of raw materials like iron ore, coal etc., and agglomeration. Improvement in quality of steel produced through induction furnace route.	118.00	39.00	29.00	Improvement in sinter productivity through deep beneficiation and agglomeration technologies for rational utilization of low grade iron ores and fines. Development of alternate complementary route of iron/steel making with reference to Indian raw material viz low grade iron ore and non-coking coal. Production of low Phosphorous Steel using DRI through induction furnace route adopting innovative fluxes and/or design (refractory) changes. Smelting reduction of iron ore/fines by hydrogen plasma and elimination of CO2 emission. Beneficiation of iron ore slimes from Barsua and other mines in India. Development of pilot scale pelletization technology for Indian Goethitic/hematitic ore with varying degree of fineness. CO2 abatement in Iron and Steel production by process optimization. Production of low ash (10% ash) coal (coking non-coking) from high ash Indian coals including desulphurization of high sulphur North East coal.	During 11th Plan 2007-12	During 11th Plan 2007-12 likely to spill over to 12th Plan 2012-17	9.51	40.70	Projects are in progress	Expenditure Finance Committee has identified three broad areas under which the scheme will be promoted. In consultation with a Panel of Experts 9 R&D projects proposals have been short listed for consideration of Project Approval and Monitoring Committee (PAMC). The PAMC has approved 8 R&D projects. The total cost of the projects is Rs. 143.87 crore out of which Govt. grant has reduced to Rs. 96.23 crore from earlier estimate of Rs. 111.11 crore in view of the condition of maximum 50% grant on capital expenditure as imposed by EFC.

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CHAPTER - V

FINANCIAL REVIEW

For the year 2012-2013, Demand No. 92 will be presented to the Parliament on behalf of the Ministry of Steel during the Budget Session. The Demand includes provisions for Non-Plan expenditure for the Ministry and Plan expenditure of the Public Sector Undertakings (PSUs) under its administrative control.

1. TOTAL REQUIREMENT OF FUNDS FOR 2012-13

1.1 The total financial requirements covered in Demand No. 92 for BE 2012-13, are summarized in the following Table:-

(Rs. in crore)

Demand No. 92 for 2012-2013	**BE 2012-13**		
	Plan	**Non-Plan**	**Total**
REVENUE SECTION	46.00	75.89	*121.89*
CAPITAL SECTION	0.00	0.00	*0.00*
Total (Gross)	**46.00**	**75.89#**	***121.89***

Includes provision of Rs. 6.60 crore for accounting adjustments relating to waiver of guarantee fee.

2. ACTUAL EXPENDITURE: 2009-10 TO 2011-12 (UPTO DEC'11)

2.1. The actual Plan and Non-Plan expenditure (Gross) under the Ministry's grant during the preceding three years vis-à-vis the BE and RE for the respective years, are summarized in the table below:

(Rs, in crore)

Year	**BE**			**RE**			**Actual Expenditure**		
	Non-Plan	**Plan**	**Total**	**Non-Plan**	**Plan**	**Total**	**Non-Plan**	**Plan**	**Total**
2011-12	70.76	40.00	110.76	204.94	30.00	234.94	58.47	9.51	67.98#
2010-11	78.92	36.00	114.92	80.24	30.00	110.24	67.77	27.05	94.82
2009-10	89.01	34.00	123.01	811.19	16.01	827.20	803.90(1)	7.14	811.04

Expenditure upto Dec'11.

(1) includes (i) accounting adjustment of Rs. 7.65 crore pertaining to waiver of guarantee fee in respect of HSCL and MECON (ii) accounting adjustments of Rs. 728.69 crore relating to write off of loan (Rs. 8.06 crore) and waiver of interest (Rs. 720.63 crore) in respect of Bird Group of Companies as per approved financial restructuring of the companies.

3. NON-PLAN EXPENDITURE

3.1 The Non-Plan provision of Ministry of Steel, including Secretariat Proper, PAO (Steel), Development Commissioner for Iron & Steel (DCI&S), Kolkata and the PSUs under this Ministry, in 2011-12 (BE & RE) and requirement of fund in 2012-13 (BE) are given in the following table :-

(Rs. in crore)

No.	Major Head & Item of Expenditure	BE 2011-12	RE 2011-12	% age increase in RE over BE 2011-12	BE 2012-13	% age increase over BE 2011-12
I.	MH – 3451					
1.	Secretariat - Economic Services	20.37	17.54	*-13.89%*	20.00	*-1.82%*
II.	MH – 2852					
2.	Development Commissioner for Iron & Steel, Kolkata	0.52	0.56	*7.69%*	0.61	*17.31%*
3.	Awards to Distinguished Metallurgists.	0.14	0.14	*0.00%*	0.14	*0.00%*
4.	Interest Subsidy :					
(i)	Subsidy to Hindustan Steelworks Construction Ltd. (HSCL) for payment of interest on loans raised from Banks for implementation of VRS	46.90	46.90	*0.00%*	46.90	*0.00%*
(ii)	Subsidy to MECON Ltd. for payment of interest on loans raised from banks for implementation of VRS	2.83	2.71	*-4.24%*	1.64	*-42.05%*
5.	Waiver of guarantee fee (Non-cash transaction) :					
(i)	HSCL – Waiver of guarantee fee in respect of Govt. guarantee for cash credit (CC) limit, bank guarantee (BG) and VRS loans	6.10	6.10	*0.00%*	6.10	*0.00%*
(ii)	MECON Ltd. – Waiver of guarantee fee in respect of Govt. guarantee for VRS loans/ bonds	0.85	0.85	*0.00%*	0.50	*-41.18%*
	Less – Receipts netted [5(i) to (ii)]#	*-6.95*	*-6.95*	*0.00%*	*-6.60*	*-5.04%*
6.	*Grant-in-aid*					
(i)	*Grants to Bisra Stone Lime Company Ltd., a company under Bird Group of Companies*	-	*137.09*	-	-	-
	Total : Non- Plan Expenditure(Net of receipts)	**70.76**	**204.94**	**189.63%**	**69.29**	**-2.08%**
	Total : Non- Plan Expenditure(Gross)	**77.71**	**211.89**	**172.67%**	**75.89**	**-2.34%**

As per the advice of Ministry of Finance, in cases where there are no cash transactions, the provisions are to be netted.

3.2. The Non-Plan provision of the Ministry in RE 2011-12 exceeded the BE 2011-12 mainly because of the additional provision for grant-in-aid to Bisra Stone Lime Company Ltd. for discharge of income tax liability arising out of restructuring which would be met by 2nd Batch of Supplementary Demands on Grants and re-appropriation.

3.3. As against Non-Plan provision of Rs. 77.71 crore in BE 2011-12, the BE 2012-13 provision is Rs. 75.89 crore.

4. PLAN EXPENDITURE

4,1. The total approved plan outlay in BE 2012-13 is Rs. 46.00 crore to cover the following:

(i) Rs. 44.00 crore for ongoing scheme for promotion of R&D in the iron & steel sector being implemented by the Ministry during the 11th Plan (2007-12).
(ii) Rs. 1.00 crore for Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines
(iii) Rs. 1.00 crore for Scheme for improving energy efficiency of secondary steel sector

4.2. The total Plan budgetary support of Rs. 40.00 crore in BE 2011-12 was reduced to 30.00 crore in RE 2011-12. A total Plan budgetary support of Rs. 46.00 crore has

been provided in BE 2012-13. The break-up of Plan provision during 2011-12 to 2012-13 is given in the following table:-

(Rs. in crore)

No	Name of Organisation/ PSU	Scheme	Plan BS 2011-12 (BE)	Plan BS 2011-12 (RE)	Plan BS 2012-13 (BE)	%age increase over BE 2011-12 in BE 2012-13
1.	HSCL	Plan loan for capital repair and procurement of construction equipments & machinery	1.00*	1.00*	0.00	*0.00%*
2.	Ministry of Steel					
(i)		Grants-in-aid for the scheme for promotion of R&D in the Iron & Steel sector	39.00	29.00	44.00	*12.82%*
(ii)		Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines	-	-	1.00	
(iii)		Scheme for improving energy efficiency of secondary steel sector	-	-	1.00	
	Total		**40.00**	**30.00**	**46.00**	**15.00%**

* Token provision for restructuring of HSCL under consideration of the Govt.

5. BRIEF ON R&D SCHEME

5.1. Based on the recommendation of the Working Group on Steel Industry for 11th Plan (2007-12), a new scheme i.e. 'Scheme for Promotion of R&D in Iron and Steel Sector' was included in the 11th Five Year Plan with an outlay of Rs. 118.00 crore. The objective of the scheme is to promote and accelerate R&D activities in development of innovative/path breaking technologies utilizing Indian iron ore fines and non-coking coal, improvement of quality of steel produced through induction furnace route and beneficiation of raw materials like iron ore, coal etc. and agglomeration (e.g. pelletization). The scheme was approved on 23.1.2009 for implementation from FY 2009-10 (w.e.f. 1.4.2009).

5.2. The year wise fund allocation and the amount released under the scheme is given below:

(Rs. in crore)

Period	B.E	RE	Actual	Remarks
2009-10	26.00	13.00	4.14	The amount was released as the first installment of grant-in-aid.
2010-11	35.00	29.00	27.05	-
2011-12	39.00	29.00	9.51	Rs. 9.51 released till December, 2011
2012-13	46.00			Out of Rs. 46.00 crore budgetary support, provision of Rs. 1.00 crore each for two new schemes.

6. ANNUAL PLAN OUTLAY FOR 2012-13 (BE)

6.1 Based on the Annual Plan, 2012-13 proposals of the PSUs under the administrative control of Ministry of Steel and the discussions held with the Planning Commission, and within the overall context of the 12th Five Year Plan (2012-2017), the following Plan outlay for 2012-13 (BE) for Ministry of Steel has been approved by the Planning Commission:

(Rs. in crore)

		Actual 2010-11	**BE** 2011-12	**RE 2011-12**	**BE 2012-13**
a)	Gross Budgetary Support	27.05	40.00	30.00	46.00
	EAP component of GBS	0.00	0.00	0.00	0.00
b)	Internal & Extra Budgetary Resources (I&EBR)	15067.54	21062.71	16827.13	21756.00
	Total	***15094.59***	***21102.71***	***16857.13***	***21802.00***

6.2. Details of PSU-wise plan outlays for Annual Plan, 2011-12 (BE & RE) Annual Plan 2012-13 (BE) is given in the table below:

(Rs. in crore)

No.	**Name of the PSU/ Organisation**	**BE 2011-12**			**RE 2011-12**			**BE 2012-13**		
		IEBR	**B.S.**	**Outlay**	**IEBR**	**B.S.**	**Outlay**	**IEBR**	**B.S.**	**Outlay**
	A. Schemes of PSUs									
1	SAIL	14337.00	0.00	14337.00	12630.00	0.00	12630.00	14500.00	0.00	14500.00
2	RINL*	3046.00	0.00	3046.00	1964.50	0.00	1964.50	1942.00	0.00	1942.00
3	HSCL	0.00	1.00@	1.00	0.00	1.00@	1.00	0.00	0.00	0.00
4	MECON Ltd.	2.00	0.00	2.00	2.00	0.00	2.00	5.00	0.00	5.00
5	MSTC Ltd.	15.00	0.00	15.00	5.00	0.00	5.00	25.00	0.00	25.00
6	FSNL	12.00	0.00	12.00	12.00	0.00	12.00	12.00	0.00	12.00
7	NMDC Ltd.	3309.00	0.00	3309.00	2020.00	0.00	2020.00	4655.00	0.00	4655.00
8	KIOCL Ltd.	98.00	0.00	98.00	75.00	0.00	75.00	409.00	0.00	409.00
9	MOIL Ltd.	107.71	0.00	107.71	114.88	0.00	114.88	208.00	0.00	208.00
10	Bird Group of Cos.*	136.00	0.00	136.00	3.75	0.00	3.75	--	--	--
11	Scheme for promotion of R&D in Iron & Steel sector	0.00	39.00	39.00	0.00	29.00	29.00	0.00	44.00	44.00
12	Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
	Scheme for improving energy efficiency of secondary steel sector	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	1.00
	TOTAL - A	***21062.71***	***40.00***	***21102.71***	***16827.13***	***30.00***	***16857.13***	***21756.00***	***46.00***	***21802.00***
	B. Centrally Sponsored Schemes (CSS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	TOTAL - B	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***	***0.00***
	GRAND TOTAL – A + B	***21062.71***	***40.00***	***21102.71***	***16827.13***	***30.00***	***16857.13***	***21756.00***	***46.00***	***21802.00***

@ Token provision for restructuring of HSCL under consideration of the Govt.

* After restructuring of M/s. Bird Group of Companies, M/s. The Bisra Stone Lime Co. Ltd. (BSLC) and M/s. Orissa Minerals Development Corporation Ltd. (OMDC) have become subsidiary of RINL and their figures have been clubbed with RINL.

Note:- Ministry of Steel has been exempted from earmarking 10% of its Budget for the North-Eastern Region, including Sikkim

6.3. The Plan outlay of the Ministry of Steel for BE 2012-13 is Rs. 21802.00 crore which will be financed by budgetary support of Rs. 46.00 crore and IEBR of Rs. 21756.00 crore. Out of the budgetary support of Rs. 46.00 crore, provision of Rs.1.00 crore each has been made for two new Schemes viz. ***Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines*** and ***Scheme for improving energy efficiency of secondary steel sector*** and Rs. 44.00 crore is for **Scheme for Promotion of Research and Development in Iron and Steel sector** for development of innovative/path breaking and appropriate technologies for cost effective production of quality steel in environment friendly manner.

Brief description of the PSU-wise outlays provided in BE 2012-13 for various schemes of the PSUs are given below:-

6.4 Out of the total I&EBR outlay of **Rs. *21756.00* crore** in Annual Plan 2012-13 (BE), an amount of ***Rs.14500.00 crore*** has been provided for **Steel Authority of India Limited (SAIL)**, which will be met out of its Internal & Extra Budgetary Resources (I&EBR). The broad details of outlay provided for various schemes of SAIL are as under:-

(i) Outlay of *Rs.4717.00* crore has been provided for **Bhilai Steel Plant**. Major portion (Rs.4465.00 crore) of the total outlay is for modernization and expansion the Plant. Balance outlay is for schemes like installation of HAGC, PVR in Plate Mill, Hot Metal Desulphurisation unit, Slab Caster, RH Degasser, Mining Railway track-Rowghat and other ongoing & new schemes.

(ii) Outlay of *Rs.1215.00 crore* has been provided for **Durgapur Steel Plant**, of which Rs.1100.00 crore is earmarked for expansion of the Plant. Other schemes covered under the outlay include Installation of Bell less top charging system in BF, Steel Processing Units at Kangra and other small schemes.

(iii) An amount of *Rs.3400.00 crore* has been provided for **Rourkela Steel Plant.** Major scheme included in the outlay is expansion of RSP (Rs.3200.00 crore). Other schemes are Rebuilding of COB No.4, Installation of 700 TPD Oxygen Plant, Jagdishpur Steel project and other ongoing & new schemes.

(iv) An outlay of *Rs.1980.00 crore* for **Bokaro Steel Plant** has been provided. Out of this, expenditure on expansion of Bokaro Plant (Rs.1540.00 crore) and balance amount for Rebuilding of COB No.1 & 2, Installation of TB in Turbo Blower station, Upgradation of BF-2, Steel Processing Unit in Bettiah and other ongoing & new schemes.

(v) Outlay of *Rs.2615.00 crores* is for **IISCO Steel Plant.** Major portion is for Expansion of ISP (Rs.2550.00 crore), Rebuilding of COB No.10 and balance amount is for other ongoing and new schemes.

(vi) Outlay of *Rs.20.00 crore* for **Alloy Steels Plant** is for several completed and ongoing schemes.

(vii) Outlay of *Rs.75.00 crore* has been allocated for **Salem Steel Plant.** Major portion of the outlay is for Expansion of SSP (Rs.67.00 crore) and the remaining amount is for small value miscellaneous schemes.

(viii) Remaining outlay of *Rs.478.00 crore* have been provided for Visvesvaraya Iron & Steel Ltd. (Rs. 5.00 crore), Central Units of SAIL (Rs. 103.00 crore), Raw Materials Division (Rs. 340.00 crore), Chandrapur Ferro Alloy Plant (Rs. 30 crore) for various ongoing and new schemes/ projects and research work.

6.5 An outlay of ***Rs.1942.00 crore*** has been provided for **Rashtriya Ispat Nigam Ltd**. for 2012-13. Major portion of this outlay amounting to Rs. 800.00 crore is earmarked for expansion of RINL's production capacity. Balance outlay is for AMR schemes, Coke Oven Battery No. 4 (Phase-I & II), Air Separation Plant, Facility of Iron ore storage, Strengthening and augmentation of power system, BF-1 category-1 repair, Sinter plant productivity enhancements, Pulverized Coal Injection, Acquisition of iron Ore Mines & Coking Coal mines, 67.5 MW TG-5 Power Evacuation System etc. Entire outlay will be met from I&EBR of the company.

6.6 No plan outlay has been proposed for **Hindustan Steelworks Construction Ltd**. The restructuring of the PSU is under consideration of the Government.

6.7 An outlay of ***Rs. 4655.00 crore***, to be met from I&EBR of the company, has been provided for **NMDC Ltd.** Major portion of the plan outlay amounting to Rs. 3513.00 crore is earmarked for 3 million tonne Steel Plant in Chhattisgarh. Balance of plan outlay has been made for schemes/ projects like Bailadila Deposit-11B, Kumarswamy iron Ore Project, Pelletisation Plant at Donimalai, AMR/Township, BHJ beneficiation plant, R&D schemes and overseas mineral assets acquisition.

6.8 Outlay of Rs. 409.00 crore has been provided for **KIOCL Ltd.** of which Rs. 70.00 crore is for development of permanent railway siding at Mangalore, Rs. 73.00 crore is for construction of bulk material handling facilities for receipt of iron ore by rail and Rs. 150.00 crore for Coke Oven Plant. Remaining outlay is for various ongoing/AMR scheme and R&D/feasibility studies. Outlay is being met from I&EBR of the company.

6.9 Outlay of ***Rs.208.00 crore*** for **MOIL Ltd**. has been provided for investment in joint venture for Ferro Manganese/ Silico Manganese Plant with SAIL (Rs.50.00 crore), Ferro Manganese Plant in joint venture with RINL (Rs.20.00 crore), sinking of vertical shaft at Munsar, Chikla & Ukwa Mine, AMR schemes, township, R&D/feasibility studies etc. Entire outlay will be met from I&EBR of the company.

6.10 Govt. of India on 10.09.2009 approved the restructuring proposal of **Bird Group of Companies** and after restructuring Bisra Stone Lime Co. Ltd.(BSLC), Orissa Minerals Development Co. Ltd.(OMDC) and Eastern Investments Ltd.(EIL) have become subsidiaries of RINL. Therefore, no separate plan outlay has been proposed.

6.11 Outlay of ***Rs.5.00 crore*** for **MECON Ltd.,** to be met from the company's I&EBR, is for expansion, modification & augmentation of office space/guest house at various locations.

6.12 Outlay of ***Rs. 25.00 crore,*** to be met out of I&EBR, has been provided for **MSTC Ltd.** for Shredding Plant and Mining Development Operation.

6.13 Outlay of ***Rs. 12.00 crore*** provided for **Ferro Scrap Nigam Ltd.,** to be met out of the company's I&EBR, is for AMR schemes.

6.14 Out of total provision of ***Rs. 46.00 crore,*** Rs.44.00 crore has been made for **Scheme for Promotion of Research & Development in Iron & Steel Sector** to promote and accelerate R&D for development of innovative/ path breaking and appropriate technologies for cost effective production of quality steel in an environment friendly manner.

Token provision of Rs.1.00 crore each has been made for two new Schemes viz. ***Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines*** and ***Scheme for improving energy efficiency of secondary steel sector***.

7. 11TH FIVE YEAR PLAN 2007-2012 (APPROVED) & AMOUNT ACTUALLY SPENT, TARGET FIXED

7.1 For the 11th five year plan (2007-12), Planning Commission had approved total outlay of Rs. *45,607.08 crore* (i.e. I&EBR of Rs. 45*,390.08 crore and Gross Budgetary Support **(GBS)** of Rs. 217.00 crore)*. The outlay for 11th plan (approved) and the cumulative expenditure from **2007-08 to 2011-12** (upto Dec'2011) are given in the table below:-

(Rs. In crore)

No.	Name of the PSU	Outlay for 11th Plan (Approved) (2007-08 to 2011-12)			Actual Expenditure (2007-08 to 2011-12) (upto Dec'11)		
		IEBR	GBS	Total	IEBR	GBS	Total
A.	**PSUs**						
1	Steel Authority of India Ltd.	27409.00	0.00	27409.00	36615.00	0.00	36615.00
2	Rashtriya Ispat Nigam Ltd.	9569.18	0.00	9569.18	10624.24	0.00	10624.24
3	Sponge Iron India Ltd.*	25.00	0.00	25.00	4.36	0.00	4.36
4	Hindustan Steelworks Con. Ltd.	0.00	35.00	35.00	0.00	3.00	3.00
5	MECON Ltd.	9.00	63.00	72.00	8.57	63.00	71.57
6	Bharat Refractories Ltd*	0.00	0.00	0.00	3.33	7.00	10.33
7	MSTC Ltd.	30.00	0.00	30.00	15.97	0.00	15.97
8	Ferro Scrap Nigam Ltd.	60.00	0.00	60.00	48.47	0.00	48.47
9	NMDC Ltd	7147.00	0.00	7147.00	2375.33	0.00	2375.33
10	KIOCL Ltd.	650.00	0.00	650.00	117.99	0.00	117.99
11	MOIL Ltd.	342.90	0.00	342.90	233.10	0.00	233.10
12	Bird Group of Companies	148.00	1.00	149.00	98.32	0.00	98.32
B.	**New Scheme**						
1	Scheme for promotion of R&D in the Iron & Steel Sector	0.00	118.00	118.00	0.00	40.70	40.70
2	TUFS for SME	0.00	0.00	0.00	0.00	0.00	0.00
3	Scheme for Institution of Manpower Development	0.00	0.00	0.00	0.00	0.00	0.00
Total (A+B)		**45390.08**	**217.00**	**45607.08**	**50144.68**	**113.70**	**50258.38**

*BRL and SIIL have been merged with SAIL and NMDC Ltd. respectively.

SUMMARY OF 11TH FIVE YEAR PLAN (2007-08 to 2011-12) UPTO DECEMBER, 2011

7.2. The year-wise total outlay approved by the Planning Commission and the total expenditure during 11th Plan (upto December 2011) are shown in the table given below:-

(Rs. In crore)

Year	BE			RE			Actual Expenditure		
	IEBR	GBS	Total	IEBR	GBS	Total	IEBR	GBS	Total
2007-08	6137.70	66.00	6203.70	4259.81	66.00	4325.81	3761.03	70.00	3831.03
2008-09	9509.00	34.00	9543.00	8065.82	26.00	8091.82	*8529.33*	0.00	*8529.33*
2009-10	13722.66	34.00	13756.66	13236.45	16.01	13252.46	13315.68	7.14	13322.82
2010-11	17163.82	36.00	17199.82	16129.25	30.00	16159.29	15067.54	27.05	15094.59
2011-12 (upto Dec'11)	21062.71	40.00	21102.71	16827.13	30.00	16857.13	9471.10	9.51	9480.61
Total	**67595.89**	**210.00**	**67805.89**	**58518.46**	**168.01**	**58686.51**	**50144.68**	**113.70**	**50258.38**

8. YEARWISE ANALYSIS OF GROSS BUDGETARY SUPPORT (GBS) OUTLAY IN 11TH FIVE YEAR PLAN

8.1 The PSU/Scheme - wise break up of GBS of Rs.217.00 crore approved for 11th Plan (2007-12), actual expenditure during the 2007-08, 2008-09, 2009-10, 2010-11 and 2011-12 (up to Dec'11) is as below :

(Rs. in crore)

No	Name of Scheme	Plan BS allocated for 11th Plan (2007-12)	2007-08		2008-09		2009-10		2010-11		2011-2		Actual upto Dec'11
			Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	BE	RE	
A.	Schemes of PSUs												
1.	HSCL – Capital repair and procurement of construction equipments & machinery	35.00	1.00	0.00	6.50	0.00	7.00	3.00	1.00	0.00	1.00	1.00	0.00
2.	MECON – Infusion of funds for Preference Share Capital	63.00*	63.00*	63.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.	Bird Group –AMR Schemes	1.00	0.00	0.00	1.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
4.	Bharat Refractories Ltd.-AMR schemes	0.00	1.00	7.00	8.00	0.00	0.00	0.0	0.00	0.00	0.00	0.00	0.00
B.	Scheme of the Ministry												
1.	Scheme for Promotion of R&D in the Iron & Steel sector	118.00	1.00	0.00	18.50	0.00	26.00	4.14	35.00	27.05	39.00	29.00	9.51
	TOTAL	**217.00**	**66.00**	**70.00**	**34.00**	**0.00**	**34.00**	**7.14**	**36.00**	**27.05**	**40.00**	**30.00**	**9.51**

* Provided under the restructuring package for MECON.

8.2 During 2007-08, there was an expenditure of Rs. 70.00 crore against the allocations of Rs. 66.00 crore in BE for the following reasons:

(i) Rs. 63.00 crore was spent towards infusion of funds for Preference Share Capital in MECON Ltd.
(ii) In addition to this, expenditure of Rs. 7.00 crore was also incurred for AMR schemes of BRL which was approved by Ministry of Finance at RE stage.
(iii) Though a token provision of Rs.1.00 crore was provided for HSCL in 2007-08, the same could not be released to the company as the provision was linked to the proposed restructuring scheme for the company which was under consideration of the Govt.
(iv) A token provision of Rs. 1.00 crore for R&D Scheme also could not be released.

8.3 During 2008-09, there was no expenditure because of the following reasons:-

(i) Rs. 6.50 crore plan loan to HSCL could not be released because the company being a defaulter in repayment of loans/interest, Ministry of Finance did not agree to the grant of special dispensation due to restructuring proposal for the company which was under consideration.
(ii) As a proposal for restructuring of Bird Group of Companies (Govt. managed company) was under consideration in the Ministry, the plan loan of Rs. 1.00 crore could not be utilized/released and was surrendered.
(iii) Budgetary provision of Rs. 8.00 crore for AMR scheme of BRL was not released due to its financial restructuring and merger with SAIL approved by the Govt. on 24.4.2008.
(iv) The budgetary provision of Rs. 18.50 crore for 'Scheme for promotion of Research & Development in Iron & Steel Sector' could not be utilized due to non-implementation of the scheme during 2008-09, as Ministry of Finance had advised this Ministry to initiate this scheme in the financial year 2009-10 (w.e.f. 1.4.2009).

8.4 During 2009-10, against the allocation of Rs. 34.00 crore in BE, Rs. 7.14 crore was spent because:-

(i) The allocation of Rs. 7.00 crore, Plan loan for HSCL was reduced to Rs. 3.00 crore at the RE stage and the same was not released as special dispensation for loan default by HSCL was not approved by Ministry of Finance.
(ii) Four R&D projects were approved and an amount of Rs. 4.1350 crore was released as the first installment of grant-in-aid for the projects.

8.5 During 2010-11, there was expenditure of Rs. 27.05 crore as against BE of Rs. 36.00 crore

(i) An amount of Rs.27.05 crore was released under R& D Scheme.
(ii) An amount of Rs. 1.00 crore earmarked for HSCL was not spent, as restructuring of HSCL was not approved during the year.

8.6 During 2011-12, the BE Plan provision has been reduced from Rs. 40.00 crore to 30.00 crore at the RE stage by Ministry of Finance because the slow pace of the expenditure under R&D Scheme.

(i) Eight R&D projects have been approved so far. Till December, 2011, an amount of Rs. 9.51 crore has been released under R&D Scheme.

9. PLAN OUTLAY AND ACTUAL EXPENDITURE DURING 2010-11 AND 2011-12 (Upto Dec'11) OF 11TH FIVE YEAR PLAN (2007-12)

9.1 Plan outlay vis-à-vis expenditure during 2010-11

(Rs. in crore)

	Name of the PSU/ Organisation	BE 2010-11			RE 2010-11			Actual Expenditure		
		IEBR	GBS	Total	IEBR	GBS	Total	IEBR	GBS	Total
A.	**Schemes of PSUs**									
1	SAIL	12254.00	0.00	12254.00	12254.00	0.00	12254.00	11280.00	0.00	11280
2	RINL	4049.00	0.00	4049.00	2895.00	0.00	2895.00	2901.99	0.00	2901.99
4	HSCL	0.00	1.00	1.00	0.00	1.00	1.00	0.00	0.00	0.00
5	MECON Ltd.	2.00	0.00	2.00	2.27	0.00	2.27	1.79	0.00	1.79
7	MSTC	5.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00
8	FSNL	12.00	0.00	12.00	12.00	0.00	12.00	10.58	0.00	10.58
9	NMDC Ltd.	611.00	0.00	611.00	720.00	0.00	720.00	700.29	0.00	700.29
10	KIOCL Ltd.	75.00	0.00	75.00	85.00	0.00	85.00	60.83	0.00	60.83
11	MOIL Ltd.	115.82	0.00	115.82	83.98	0.00	83.98	37.20	0.00	37.20
12	Bird Group	40.00	0.00	40.00	77.00	0.00	77.00	74.86	0.00	74.86
	TOTAL-A	17163.82	1.00	17164.82	16129.25	1.00	16130.25	15067.54	0.00	15067.26
B.	**Scheme of Ministry of Steel**									
	1. Scheme for promotion of R&D in Iron & Steel sector	0.00	35.00	35.00	0.00	29.00	29.00	0.00	27.05	27.05
	TOTAL – B	0.00	35.00	35.00	0.00	29.00	29.00	0.00	27.05	27.05
	TOTAL: A + B	17163.82	36.00	17199.82	16129.25	30.00	16159.29	15067.54	27.05	15094.59

9.2 **Plan outlay and actual expenditure upto December, 2011.**

For the financial year 2011-12, the Planning Commission approved an outlay of Rs. 21102.71 crore (Rs. 21062.71 crore as IEBR and Rs. 40 crore as GBS). The source-wise details of approved outlay for 2011-12 (BE) and actual expenditure upto December, 2011 are given in the table below:-

(Rs. In crore)

No	Name of the PSUs	2011-12 (BE)			2011-12 Actual Expenditure (Upto Dec'11)		
		IEBR	GBS	Total	IEBR	GBS	Total
1	Steel Authority of India Ltd.	14337.00	0.00	14337.00	7315.00	0.00	7315.00
2	Rashtriya Ispat Nigam Ltd.	3046.00	0.00	3046.00	1248.85	0.00	1248.85
3	Hindustan Steelworks Con. Ltd.	0.00	1.00@	0.00	0.00	0.00	0.00
4	MECON Ltd.	2.00	0.00	2.00	2.05	0.00	2.05
5	MSTC Ltd.	15.00	0.00	15.00	1.47	0.00	1.47
6	Ferro Scrap Nigam Ltd.	12.00	0.00	12.00	3.49	0.00	3.49
7	NMDC Ltd.	3309.00	0.00	3309.00	826.16	0.00	826.16
8	KIOCL Ltd.	98.00	0.00	98.00	41.06	0.00	41.06
9	MOIL Ltd.	107.71	0.00	107.71	28.74	0.00	28.74
10	Bird Group of Companies	136.00	0.00	136.00	4.28	0.00	4.28
11	Scheme for promotion of R&D in Iron & Steel sectro	0.00	39.00	39.00	0.00	9.51	9.51
	Total	**21062.71**	**40.00**	**21101.71**	**9471.10**	**9.51**	**9480.61**

@Token provision for restructuring of HSCL under consideration of the Govt.

10. STATUS OF OUTSTANDING UTILISATION CERTIFICATES

As on 31.12.2011, no utilization certificate is pending.

CHAPTER VI

PERFORMANCE OF PUBLIC SECTOR UNDERTAKINGS UNDER THE MINISTRY OF STEEL

1. STEEL AUTHORITY OF INDIA LTD. (SAIL)

1.1 The Authorized Capital of SAIL is Rs. 5000.00 crore. The paid-up capital is Rs.4130.40 crore as on 31st March, 2011, of which Rs. 3544.69 crore (85.82%) is held by the Govt. of India and the balance by the financial institutions, GDR holders, banks, employees, etc.

1.2 PHYSICAL PERFORMANCE

(in '000 tonnes)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE (LII)
(i)	Hot Metal	14442	14505	14888	14468	14468	10519	14361
(ii)	Crude Steel	13411	13506	13761	13812	13812	9961	13605
(iii)	Saleable Steel	12494	12632	12887	12600	12600	9107	12750
(iv)	Pig Iron	267	323	261	84	84	58	342

1.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE (LII)
(i)	Income	53718	45565	50697	46036	46036	39340	51680
(ii)	Operating Cost	42776	33694	41542	40560	40560	34756	45679
(iii)	Gross Margin	10942	11871	9155	5476	5476	4584	6000
(iv)	Profit (Loss) before Tax	9403	10132	7194	2180	2180	2850	3302
(v)	Profit (Loss) after Tax	6175	6754	4905	1473	1473	1966	2230
(vi)	Dividend proposed*	1074	1363	991	826	826	496	826
	of which:							
	Dividend proposed to the Govt. of India	922	1170	851	709	709	425	709

* Excluding dividend tax.

1.4 SAIL reported a turnover of Rs. 35564 crore during 2011-12, an increase of 5% over 2010-11 (Rs. 33905 crore).

1.5 SAIL achieved profit before tax (PBT) and profit after tax (PAT) of Rs. 2850 crore and Rs. 1996 crore respectively during 2011-12.

1.6 In the current nine months compared to corresponding period of last year the profit declined mainly due to lower production, sales volume of saleable steel, adverse impact of input prices consisting of imported coal, indigenous coal, BF coke, dolomite, alloys, boiler coal, purchased power and increase in royalty on iron ore. Also there was

increase in salaries & wages, adverse foreign exchange variations, higher interest and depreciation. However, the adverse impact in profitability was partially offset by higher net sales realization of saleable steel and interest earned on term deposits.

2. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

2.1 The company's capital structure as on 31st March, 2010 comprises of Rs.4889.85 crore of Equity Capital and Rs.2937.47 crore of 7% Non-Cumulative redeemable preference share capital. The entire shares are held by the Govt. of India.

2.2 PHYSICAL PERFORMANCE

(in '000 tonnes)

No	Item	2008-09*	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE @
(i)	Hot Metal	3546	3900	3830	4350	3900	2848	4185
(ii)	Crude Steel	2963	3205	3235	3673	3187	2297	3513
(iii)	Saleable Steel	2701	3167	3077	3467	3036	2199	3300
(iv)	Pig Iron	322	408	318	368	454	361	370

*In second half of 2008-09 production cut was resorted due to un-precedented global meltdown.

2.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (Prov.) (upto Dec'11)	BE @
(i)	Income	12303.61	11392.16	12042.55	13763.22	13666.99	10192.21	14821.74
(ii)	Operating Cost	9948.10	9789.79	10630.40	12962.84	12657.26	9207.60	14420.74
(iii)	Gross Margin	2355.51	1602.37	1412.15	800.38	1009.73	984.61	401.00
(iv)	Profit (Loss) before Tax	2026.59	1247.65	981.66	29.21	541.27	587.59	-313.47
(v)	Profit (Loss) after Tax	1335.57	796.67	658.49	89.88	374.01	401.27	-302.86
(vi)	Dividend paid	--	339.18	285.29	--	271.47	271.47	--

@ As per MoU 2012-13 submitted to DPE which would be finalized after discussion with ATF members.

2.4 The continuous increase of Iron Ore & Coking coal prices and further due to high cost carry forward quantity of 2008-09 agreement coking coal severely affected the profitability of 2009-10, 2010-11 and 2011-12. Although financial performance during the current year is better than budgeted, there will be shortfall in production due to non commencement of expansion units as envisaged in the Budgeted estimates. As majority of the expansion units are scheduled to be commissioned during the year 2012-13, this would have the impact of higher depreciation cost apart from generation of large quantities of semi finished products due to required stabilization time thereby affecting the overall profitability of the year. High cost of key raw materials such as Coal and Iron Ore and Depreciation of rupee against US dollar also affecting the profitability of the Company.

2.5 As per the restructuring done in respect of Bird Group of Companies, RINL has become the holding company of EIL. EIL has become holding company of OMDC &

BSLC. Thus all the three operational companies under the Bird Group namely, EIL, OMDC and BSLC are subsidiary companies of RINL and have become Public Sector Undertakings.

(A) THE ORISSA MINERALS DEVELOPMENT COMPANY LIMITED (OMDC)

OMDC is a subsidiary company of Eastern Investments Limited (EIL). Further EIL is a subsidiary company of Rashtriya Ispat Nigam Limited (RINL). The company was incorporated in the year 1918 and become a PSU in March, 2010. OMDC is engaged in mining and marketing of iron ore and manganese ore. OMDC operates six mining lease of iron ore in the state of Odisha. The mines of the company are located around Barbil, Thakurani in the district of Keonjhar, Odisha. Operations in all the six mines are closed due to non-availability of Environment & Forest Clearance. The paid-up capital of the company was Rs. 0.60 crore and the Net Worth was Rs. 799.52 crore as on 31.3.2011.

PHYSICAL PERFORMANCE

(In lakh MT)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
1.	**Production**							
	Iron Ore	16.60	5.64	0.70	12.00	8.00	-	10.00
	Manganese Ore	0.32	0.17	0.13	0.20	0.18	-	0.20
	Sponge Iron	0.03	0.08	0.02	-	-	-	-
2.	**Despatch**							
	Iron Ore	17.34	6.43	2.22	12.00	8.00	-	10.00
	Manganese Ore	0.26	0.19	0.07	0.20	0.78	-	0.20
	Sponge Iron	0.02	0.06	0.04	-	-	0.01	-

FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
(i)	Income	348.68	166.53	99.16	308.70	290.00	49.17	372.00
(ii)	Operating Cost	59.39	51.72	64.30	203.61	110.00	32.70	82.00
(iii)	Gross Margin	289.29	114.81	34.86	105.09	180.00	16.47	290.00
(iv)	Profit (Loss) before Tax	286.24	112.26	13.35	87.59	163.00	7.56	268.00
(v)	Profit (Loss) after Tax	181.81	74.44	7.72	58.51	108.00	5.86	181.00
(vi)	Dividend paid/ proposed	27.30	11.16	1.16	-	-	-	-
	Of which :							
	Dividend paid/ proposed to the Govt. of India	3.88	-	-	-	-	-	-

(B) **THE BISRA STONE LIME COMPANY LIMITED (BSLC)**

The BSLC was incorporated in the year 1910. The mines are located in Birmitrapur in the district of Sundargarh, Odisha. BSLC became a PSU on 19.3.2010 and became a subsidiary company of the Eastern Investments Limited (EIL) which became subsidiary of RINL on 05.01.2011. Thus, BSLC became subsidiary of RINL. The authorized and paid up capital of the company is Rs. 87.50 crore and Rs. 87.29 crore respectively.

PHYSICAL PERFORMANCE

(In lakh MT)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
1.	**Production**							
(i)	Limestone	2.06	2.09	1.25	0.60	0.22	0.22	1.00
(ii)	Dolomite	8.64	9.56	8.60	7.58	4.92	4.92	6.00
2.	**Despatch**							
(i)	Limestone	2.02	2.44	2.02	0.96	0.45	0.45	1.00
(ii)	Dolomite	7.95	9.26	8.44	7.70	4.90	4.90	6.00

FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
(i)	Income	50.85	682.73	58.89	58.00	29.59	29.61	45.00
(ii)	Operating Cost	45.43	621.42	63.82	67.50	42.75	34.96	54.50
(iii)	Gross Margin	5.43	-	-4.93	-9.50	-13.16	-5.35	-9.50
(iv)	Profit (Loss) before Tax	-91.35	620.63	-5.45	-10.00	-13.66	-5.73	-10.00
(v)	Profit (Loss) after Tax	-91.38	-	-5.45	-10.00	-13.66	-5.73	-10.00
(vi)	Dividend paid/ proposed	-	-	-	-	-	-	-
	Of which							
	Dividend paid/ proposed to the Govt. of India	-	-	-	-	-	-	-

BSLC has been running into losses for the past several years. The performance of the company has been affected by changes in steel making technology, industrial relations problem and severe demand constraints resulting in mounting cash losses.

3. HINDUSTAN STEELWORKS CONSTRUCTION LIMITED (HSCL)

3.1 As on 31st March, 2011, the Authorized and Paid-up share capital of the company is Rs.150 crore and Rs.117.10 crore respectively. All the shares are held by the Govt. of India.

3.2 PHYSICAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE (Plan)	RE (MOU)	Actual (upto Dec'11)	BE
(i)	***Order Booking***	871.00	1036.00	1826.00	--	1800.00	1652.64	--

3.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE (Plan)	RE (MOU)	Actual (upto Dec'11)	BE
(i)	Income	721.26	800.35	996.30	550.00	1200.00	786.89	1250.00
(ii)	Operating Cost	656.63	731.26	925.09	495.50	1120.00	745.77	1175.00
(iii)	Gross Margin (PBIDT)	64.63	69.09	71.21	54.50	80.00	41.12	75.00
(iv)	Profit (Loss) before Tax	-6.88	-54.59	-38.09	-98.70	-26.00	-37.29	-35.00
(v)	Profit (Loss) after Tax	-6.88	-54.59	-38.09	-98.70	-26.00	-37.29	-35.00
(vi)	Dividend paid/ proposed	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	of which:							
	Dividend proposed to the Govt. of India	Nil	Nil	Nil	Nil	Nil	Nil	Nil

The financial results also are improving with the company earning an operating profit of Rs.71.21 crore during 2010-11. The company is taking various initiatives to improve all round efficiency in business operations. Presently, a proposal for restructuring of HSCL is under consideration of the Government.

4. MECON LTD.

4.1 The authorised share capital of the company is Rs. 104.00 crore against which the paid up capital is Rs.103.14 crore. All the shares are held by the Govt. of India.

4.2 PHYSICAL PERFORMANCE

As MECON is a consultancy organization, it is not possible to give the physical performance of the company.

4.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)		BE	RE	Actual (upto Dec'11) Prov)	BE
(i)	Income	614.66	668.86	689.42	515.50	602.00	422.21	811.00
(ii)	Operating Cost	528.46	533.35	539.94	466.65	488.31	345.67	611.82
(iii)	Gross Margin	86.20	135.51	149.48	48.85	113.69	76.54	199.18
(iv)	Profit (Loss) before Tax	74.76	124.69	140.93	42.50	106.33	70.38	192.20
(v)	Profit (Loss) after Tax	65.88	82.62	93.68	39.50	71.01	47.55	129.84
(vi)	Dividend paid/ proposed	3.15	3.15	3.15	3.15	2.52	2.33	27.86
	Of which :							
	Dividend paid/ proposed to the Govt. of India	3.15	3.15	3.15	3.15	2.52	2.33	27.86

5. MSTC LTD.

5.1 As on 31.3.2011, MSTC has an Authorised Capital of Rs.5.00 crore and paid up capital of Rs.2.20 crore, of which approximately 89.85% is held by the President of India and the balance 10.15% by the members of Steel Furnaces Association of India and Iron & Steel Scrap Association of India and others.

5.2 PHYSICAL PERFORMANCE

Since MSTC is not a manufacturing concern, its physical performance in terms of value of business under Marketing and Selling Agency is given below:

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
(i)	Marketing	8881	6385	5933	5000	2000	3312.07	2900
(ii)	Agency	11121	6354	8168	7000	6600	10604.41	9500

5.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
(i)	Income	7082.09	4381.18	1947.31	2751.60	2109.00	1462.03	1243.90
(ii)	Operating Cost	6950.00	4243.51	1796.61	2651.20	2046.00	1305.11	1148.90
(iii)	Gross Margin	132.09	137.67	150.70	100.40	63.00	103.52	95.00
(iv)	Profit (Loss) before Tax	129.53	135.99	149.40	97.90	60.00	100.16	91.00
(v)	Profit (Loss) after Tax	85.05	86.10	99.16	65.00	39.60	67.67	60.06
(vi)	Dividend paid/ proposed	17.05	17.23	2.20	-	-	-	-
	Of which :							
	Dividend paid/ proposed to the Govt. of India	15.34	15.48	1.98	-	-	-	-

6. FERRO SCRAP NIGAM LIMITED (FSNL)

The paid up capital of FSNL is Rs. 2.00 crore. The entire paid up capital is held by MSTC Ltd.

6.1 As on 31.3.2010, the company's net worth was Rs.136.67 crore.

6.2 PHYSICAL PERFORMANCE

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11) (Prov.)	BE
(i)	Recovery of Scrap *(in lakh M.T.)*	22.63	23.71	26.45	28.50	24.94	16.06	27.69
(ii)	Market Value of Production *(Rs.in Crore)*	995.82	1043.40	1163.94	1254.00	1097.58	706.64	1218.47

6.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11) (Prov.)	BE
(i)	Income	137.30	158.61	168.53	177.71	175.15	112.95	193.15
(ii)	Operating Cost	120.47	137.42	155.07	156.77	160.45	110.50	174.40
(iii)	Gross Margin	16.83	21.19	13.46	20.94	14.70	2.45	18.75
(iv)	Profit (Loss) before Tax	4.31	5.76	1.78	5.44	1.45	-8.09	3.25
(v)	Profit (Loss) after Tax	2.23	4.18	1.20	3.63	0.97	-8.09	2.20
(vi)	Dividend paid/ proposed	0.52	1.01	0.46	0.00	0.00	0.00	0.00
	Of which :							
	Dividend paid/ proposed to the Govt. of India#	0.45	0.86	0.40	0.00	0.00	0.00	0.00

Dividend paid to M/s MSTC Ltd. being the holding company.

7. NMDC Ltd.

7.1 Against an authorized share capital of Rs.400.00 crore, the issued and paid up capital was Rs. 396.47 crore as on 31.3.2011 after issuing Bonus Share in the ratio of 2:1 during the year 2008-09. The Government of India was holding 98.38% of NMDC's shares. In the year 2009-10, Govt. of India has disinvested the shares of NMDC worth Rs.33.22 crore, which brought down the share holding to approx 90%. NMDC Ltd. is a debt free company.

7.2. PHYSICAL PERFORMANCE

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual upto Dec'11 (Prov)	BE
(i)	**PRODUCTION:**							
	IRON ORE (LAC MT)	285.15	238.03	251.55	240.00	275.00	202.82	265.00
	DIAMONDS (CARATS)	-	16529.21	10865.93	40000	15000	12301	23500
	SPONGE IRON (MT)	-	-	38962	40000	39411	28259	42500
(II)	**SALES**							
	IRON ORE (LAC MT)	264.72	240.85	263.15	253.00	280.00	208.45	265.00
	DIAMONDS (CARATS)	-	7335.34	18421.22	40000	15000	5393.00	23500
	SPONGE IRON (MT)	-	-	39775	40000	39411	26445	42500

7.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11 (Prov)	BE
(i)	Income	8575.46	7098.90	12687.81	11030.00	13461.00	10000.54	12723.00
(ii)	Operating Cost	1850.21	1814.96	2835.66	2756.00	3046.00	1673.10	3098.00
(iii)	Gross Margin (1-2)	6725.25	5283.94	9852.15	8274.00	10415.00	8327.44	9625.00
(iv)	Depreciation/DRE	77.02	76.62	124.98	149.00	138.00	99.33	175.00
(v)	Profit (Loss) before Tax	6648.23	5207.32	9727.17	8125.00	10277.00	8228.11	9450.00
(vi)	Profit (Loss) after Tax	4372.38	3447.26	6499.22	5426.00	6943.00	5558.50	6384.00
(vii)	Dividend paid/ Proposed*	876.20	693.82	1308.35	-	-	-	-
	Of which :							
	Dividend paid/ proposed to the GOI	862.04	649.39	1177.58	-	-	-	-

**Balance sheet figure for the year.*

7.4 Total income has increased by 78.73% from Rs. 7098.90 crore to Rs. 12687.81 crore in 2010-11. The profit before tax has increased by 86.80% from Rs. 5207.32 crore to Rs. 9727.17 crore in 2010-11. The profit after tax has increased by 88.53% from Rs. 3447.26 crore to Rs. 6499.22 crore in 2010-11. The production and sales quantities of iron ore have increased by 6% and 9% respectively over 2009-10. During the year M/s. SIIL has merged with NMDC and in very first year of merger, the company could achieve a production of 38962 mt and sales of 39775 mt of sponge iorn.

8. KIOCL Ltd.

8.1 The Authorised Capital of KIOCL Ltd. is Rs. 675.00 crore. The Issued and Paid – up capital is Rs.634.51 crore, approximately 99% (Rs.628.14 crore) of which is held by the Govt. of India.

8.*2* PHYSICAL PERFORMANCE

(In million tonnes)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
(i)	Pellet	1.316	1.273	2.124	3.000	2.000	1.297	2.500
(ii)	Pig Iron (incl. auxiliary)	0.118	0.062	-	-	-	-	-

Note: Mining has been stopped w.e.f. 31.12.2005 in view of Hon'ble Supreme Court Judgment .

8.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
(i)	Income	1422.15	912.59	1784.85	2554.00	2580.80	1226.15	2581.72
(ii)	Operating Cost	1354.48	1047.23	1622.24	2445.54	2420.74	1149.62	2407.22
(iii)	Gross Margin	67.67	-134.64	162.61	108.46	160.06	76.53	174.50
(iv)	Profit (Loss) before Tax	24.18	-194.95	99.95	74.84	120.41	47.23	140.30
(v)	Profit (Loss) after Tax	22.01	-177.27	76.27	49.99	80.41	31.54	93.69
(vi)	Dividend paid/ proposed	6.34	-	15.86	-	-	-	18.74
	Of which :							
	Dividend paid/ proposed to the Govt. of India	6.28	-	15.70	-	-	-	18.55

8.4 Due to global market recession, the prices of pellets have come down to below the cost of production. As such, KIOCL was selling very less quantity of pellets. The production activities were stopped since January, 2009 for plant maintenance and restarted in July, 2009.

8.5 Due to global market recession, the prices of pellets came down in 2009-10. Hence KIOCL suffered a loss. However the performance of the company has improved substantially in 2010-11. KIOCL has paid a dividend of Rs. 15.70 crore for the year 2010-11.

9. MOIL LIMITED

9.1 The Authorized Capital of the company is Rs.250.00 crore and the Issued and Paid - up capital as at the end of 31st December, 2011 was Rs.168.00 crore. The Govt. of India and State Governments of Maharashtra and Madhya Pradesh are the shareholders of the company, with the Govt. of India having 71.57% share holding.

9.2 PHYSICAL PERFORMANCE

(Production in MT)

No.		2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
	PRODUCTION:							
(i)	Manganese Ore	1175318	1093363	1150742	1100000	1150000	755363	1200000
(ii)	Electrolytic Manganese Dioxide	1240	1150	805	1000	800	484	1000
(iii)	Ferro Manganese	10120	9555	9081	10000	7800	6510	10000

9.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No.		2008-09	2009-10	2010-11	2011-12			2012-13
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'11)	BE
i)	Income	1407.99	1101.37	1290.80	1164.51	1080.97	833.40	1098.16
ii)	Operating Cost	435.66	383.47	427.77	493.33	536.99	358.76	597.73
iii)	Gross Margin	1031.42	732.09	912.66	715.10	547.76	471.12	537.46
v)	Profit (Loss) Before Tax	1006.76	706.79	880.15	450.69	514.80	445.06	501.49
v)	Profit (Loss) After Tax	663.79	466.35	588.06	450.69	339.82	297.23	334.91
vi)	Dividend Paid/ Proposed	133.00	94.08	117.60				
	Of which :							
	Dividend paid/ proposed to the GOI	108.49	76.74	84.17				

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