GOVERNMENT OF INDIA

OUTCOME BUDGET

OF

MINISTRY OF STEEL

2013-2014

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. 2013-14.

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 2012-13 available on the website of Cabinet Secretariat .

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 2013-14, 51 such major Plan schemes have been included in the outcome budget statement. Out of 51 Plan schemes, Steel Authority of India Ltd. (14 schemes), Rashtriya Ispat Nigam Ltd. (23), KIOCL Ltd. (7), NMDC Ltd. (4) and MOIL Ltd. (2) are implementing schemes with entire expenditure funded from their Internal & Extra Budgetary Resources (I&EBR) and 1 scheme for promotion of research and development in iron and steel sector with Plan budgetary support. The estimated/ sanctioned cost, outlay for 2013-14, 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 new National Steel Policy is under preparation. 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, 2012-13 of the Ministry of Steel. The actual achievements (up to 31st December, 2012) vis-à-vis the intended outcome in respect of the 51 major Plan schemes included in Outcome Budget, 2012-13 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 the scheme relateing 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.121.89 crore in BE 2012-13 and Rs. 247.07 crore in RE 2012-13, a provision of Rs. 118.97 crore has been provided in BE 2013-14 under Demand No.92 for the Ministry of Steel. The Ministry's Annual Plan outlay of Rs. 21802.00 crore (I&EBR: Rs. 21756.00 crore and Plan budgetary support: Rs. 46.00 crore) in BE 2012-13 has been decreased to Rs. 19730.77 crore (I&EBR: Rs. 19684.77 crore and Plan budgetary support: Rs. 46.00 crore) in BE 2013-14. The substantial part of the plan outlay for 2013-14 has been earmarked for expansions of SAIL's Plants i.e. Bhillai Steel Plant (Rs. 5900 crore), Rourkela Steel Plant (Rs. 2400 crore), IISCO Steel Plant (Rs. 1800 crore), Durgapur Steel Plant (Rs. 900 crore), Bokaro Steel Plant (Rs. 1425 crore) & Salem Steel Plant (Rs. 45 crore) and an outlay of Rs. 600 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 2012-13 and financial year 2013-14 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 2012-13 (up to 31st December, 2012) as also the projections for 2013-14 (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, 2013-14.

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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, a Special Secretary and Financial Adviser, a Chief Controller of Accounts, four Joint Secretaries, one Economic Adviser, four 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 Limited, (SAIL), New Delhi
2. Rashtriya Ispat Nigam Limited, (RINL), Visakhapatnam
3. NMDC Limited, Hyderabad
4. MOIL Limited, Nagpur
5. KIOCL Limited, Bangalore
6. Hindustan Steelworks Construction Limited (HSCL), Kolkata
7. MECON Limited, Ranchi
8. MSTC Limited, Kolkata
9. Ferro Scrap Nigam Limited (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. NMDC Ltd. has acquired 50% equity in Legacy Iron Ore Ltd., Australia.

NMDC has signed an MoU with RINL for setting up a joint venture project under which a pellet plant of 4mtpa capacity would be set up at Visakhapatam and an underground pipeline of 336 kms would be laid from Nagarnar to Visakhapatnam which carries the slurry as the input material to this pellet plant. NMDC has also signed an MoU with Railways for doubling of 150 kms of railway line from Kirandul to Jagdalpur, Chhattisgarh to create an additional capacity of evacuation upto 12 mt/annum.

(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 10000 MT 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 and MOIL's share of investment is estimated to be around Rs. 152.00 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 – 834002) 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 accepts Engineering Consultancy & Project Management Consultancy (PMC) services as the thrust area of business procurement and therefore concentrating to procure and execute more jobs of this nature. The Company has laid emphasis for procurement of business in the sectors of operation in this area. Business procurement in the area of engineering consultancy & PMC services had shown and excellent upward trend.

(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 2013-14 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 since 2009-10. Total cumulative amount of Rs. 51.51 crore has been released under the scheme upto December, 2012.

In the first year of 12th Five Year Plan (2012-17) i.e. 2012-13, 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 were included with token provisions of Rs. 1.00 crore each for pursuing research activities in Iron & Steel sector. However, Schemes have been dropped due to the lower overall allocation to Ministry of Steel for the 12th Plan by the Planning Commission.

In the Annual Plan (2013-14), which is the second year of 12th Five Year Plan (2012-17) Rs. 12.00 crore has been earmarked for existing projects. One new component under the existing R&D scheme i.e. Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets and other value added innovative steel products has been included with budgetary provision of Rs. 32.00 crore and new projects under the existing scheme on Development of innovative iron/steel making Process Technology has been included with budgetary provision of Rs. 2.00 crore.

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 (2013-14)
(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 2013-14			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)	Cold Repair of COB-9	To meet the shortfall in coke demand as well as stabilizing coke oven gas balance and to reduce emission level	359.78	--	**--**	**137.00**	Improve production & achieve latest pollution norms of MOEF	--	Aug'14	Aug'14	--
(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 Railways	18847.00	--	**--**	**5300**	Increase in HM capacity from 4.82 Mtpa to 7.5 Mtpa	--	Mar'13	Sept'13	The main reasons for shifting of timelines include inadequate deployment of manpower, lack of technically competent/ skilled manpower and non- deployment of modern and robust equipment by the contractors. Further, increase in quantities in structural packages of BOF, CCP & Universal Rail Mill (URM) is requiring extra time for execution. Progress of work is slow by M/s HEC in Ore Handling (OHP Part-A), Coal handling Plant and supply of cranes for BOF, CCP & Mills; M/s HSCL for Civil work of BOF & CCP and URM and M/s EPI in OHP Part-B & Fuel Flux Plant. Due to poor performance of HSCL, Risk Purchase Notice (RPN) has been issued and alternate agency for the balance work is under finalization. Performance of the contractors is being reviewed periodically at SAIL and MOS level.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2013-14			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)	**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	--	--	775.00	Increase of hot metal capacity from 2.09 to 2.45 Mtpa	--	Dec'12	Dec'13	For Bloom-Cum-Round caster, work got affected due to poor performance of civil contractor M/s Jain Infra. Risk Purchase Notice (RPN) issued to the party. Against RPN, fresh orders placed on M/s Bridge & Roof. For Medium Structural Mill, the progress of civil work had been slow as there was an increase in the scope of work for piling by around 180%, since MECON had earlier considered piles for building structures only and the piles required for machine foundation were not considered. This has also affected the structural erection work. Further, due to poor performance of M/s Jain Infra for civil works, RPN issued to the party and alternate agency is being finalized. Further, for equipment erection, the cranes to be supplied by M/s HEC have been delayed.
(c)	**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	--	--	**10.25**	Replacement of coke with pulverized coal on 1:1 basis. Coal injection rate in Blast Furnace at 120 Kg/thm.	--	Oct'08	May'13	Delay in design engineering, civil & structural work, and supply of equipment by M/s Sino Steel China. Commercial disputes between Sino Steel & sub agencies affected the work. Risk Purchase Notice issued to the contractor and the balance work are now being done through placement of orders by RSP on behalf of Sino Steel.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2013-14			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)	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	--	--	**2050.00**	Increase in hot metal capacity from 2.12 Mtpa to 4.5 Mtpa	--	Mar'13	June'13	Ore Bedding & Blending Plant and New Sinter plant has been completed. For New COB, battery heating started and Under-firing has been done on 10.01.13. In Power & Blowing station, three boilers have been lighted up. For Blast Furnace No.5, major equipment erection completed. Pressure testing of all stoves completed and chimney lighted-up in Jan'13.
(iii)	Rebuilding of COB-3	To meet the coke requirement for hot metal production of 4.5 Mtpa and to reduce emission levels	249.74	--	--	45.00	Improve production & achieve latest pollution norms of MOEF	--	Dec'14	Dec'14	--
(iv)	Installation of heat treatment facilities	To meet the increasing requirement of quenched & tempered plates for Defence and other sectors of strategic importance	178.73	--	--	12.00	Additional production of 12000t	--	Aug'14	Aug'14	--
(d)	**Bokaro Steel Plant (BSL)**										
(i)	**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	--	--	**1200**	New Cold Rolling Mill complex of 1.2 MTPA & enhancing Hotmetal production from 4.7 to 5.77 MTPA	--	Dec'11	June'13 (New CRM)	Acid regeneration Plant and Coil Packaging Line completed. Cast House Slag Granulation Plant of Cast House No6 of BF-3 commissioned in Oct'12. Factors which affected the site work of New Cold Rolling Mill include inadequate resource mobilization by structural contractor which delayed the handing over of fronts for equipment erection; coordination problems between principal and erection contractors for the work of Pickling Line and Tandem Cold Mill. In case of Steel Melting Shop-II, rerouting and diversion of existing railway tracks and pipelines and non- availability of shut down due to operational requirements have affected the site work.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2013-14			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
(e)	**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	17960.59	--	--	**1750.00**	2.7 MTPA hot metal, 2.5MTPA crude steel & 2.37 MTPA saleable steel.	--	Dec'10	June'13 (2 Conv)	Raw Material Handling Plant, Sinter Plant and Blast Furnace are almost complete. Heating of the battery has started and under firing started on 5.12.12. Coke dispatch system commissioned in Sep'12 after resolution of 'Jhoraburi issue'. Hot trials of Sinter machine started in Dec'12. In BOF/ CCP area, difficult & unforeseen soil conditions led to increase in civil & structural work substantially. Further, removal of underground boulders and hillocks in the areas of BOF, CCP & mills took additional time. Also, slow execution of structural work & equipment, erection by the respective contractors and disruption of work by locals in Jhoraburi area has adversely affected the progress.
(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	--	--	**15.00**	--	--	Dec'09	Mar'13	One line has been completed in Jul'12. Stacker commissioned. Slow progress of work by M/s Tecpro Ltd, delay in modified drawings by Railways and encroachment of land by locals affected the site progress. Encroachment concerning project work related to M/s Tecpro Ltd was cleared in Jun'11.

(Rs. In crore)

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				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)	Enhancement of production capacity of Meghahatubu-ru Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion.	125.78	--	--	**31.00**	capacity from 4.3 MTPA to 6.50 MTPA of finished product	--	Jun'12	June'13	Delay in submission of drawing by M/s Tecpro Ltd including poor performance of the party in the main package and delay in execution of upgradation of loading system has affected the completion schedule. Regular review meetings are being held at RMD and Corporate level for expediting the progress.
(iii)	Enhancement of production capacity of Kiriburu Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion.	106.54	--	--	**37.00**	capacity from 4.25 MTPA to 5.50 MTPA of finished product	--	Sep'12	June'13	One set of classifiers commissioned in Jul'12. Jobs in conveyors and screens in one line completed in Sep12. There had been initial delays in design engg. in the main conveyor package by M/s Bengal Tools and short supply of material. The party is being followed up for expediting the job. The progress is being reviewed with the party both at plant and corporate level.
(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	--	--	**93.00**	capacity from 4.1 MTPA to 10 MTPA of finished product	--	Nov'13	Mar'14	Additional time shall be required for integration of various packages and integrated commissioning of the project.
(g)	**Chandrapur Ferroalloy Plant**										
(i)	Installation of 1x45 MVA sub-arc Furnace	The additional production of HCFeMn & HCSiMn	203.85	--	--	**25.00**	The additional production of 37500t of HCFeMn & 35000t of HCSiMn or 60,000t of HCSiMn on standalone basis.	--	Oct'13	Oct'13	--

(Rs. In crore)

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				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)	AMR schemes	To maintain good health of plant	Continuous	--	--	100.00	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		--
(ii)	R&D schemes	To enhance productivity / achieve cost reduction / Development of new products	Continuous	--	--	15.00	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		--
(iii)	COB-4 (Ph-1)	To meet the coke requirements and gas balance, it is essential to have an additional battery replacement battery to maintain hot metal & liquid steel production at current levels.	380.46	--	--	3.00	To produce 0.75 Mt of BF coke.	To operate COB-4 as independent Battery	Battery-4 commissioned		--
(iv)	COB-4 (Ph-II)	Full utilisation of gas and enhancing better realisation of by products by providing addl by product facilities and balancing facilities in coal handling	355.30	--	--	35.00	Increase in recovery of by products	Increase in recovery of by products	Jun'13- Coal Handling side Jun'13 - By products side.		**Time Over run:** There has been delay w.r.t. original schedule mainly due to: - Delay in finalization of consultant due to poor response from bidders. - Delay in engineering. - Delay in release of Civil and structural drawings by consultant - Delay in supply of equipment. -low progress by civil & structural agencies in Coal handling Plant - encountered hard rock in excavation **Cost Over run:** No cost over run is anticipated with respect to the ordered cost except contractual escalations.

(Rs. In crore)

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				Budget Support		I&EBR			Original	Actual/Now scheduled	
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1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(v)	Expansion to 6.3 mtpa	To increase the plant capacity	12291.00	--	--	600.00	Increase production. Enhancing production of liquid steel to 6.3 mtpa of liquid steel	Increase production. Enhancing production of liquid steel to 6.3 mtpa of liquid steel	For Stage-I some units already commissioned WRM-2 Feb/Mar'13 Stage-II 1st quarter of 2013-14		The major reasons for delay are:- Delay in submission of feed back data by process package suppliers delayed the issue of construction drawings by consultant particularly in Civil & Structural works. - Shortage of availability of skilled work force at times, heavy attrition rates etc. - Inadequate Mobilisation of field construction equipment by the agencies. Time overrun is mainly on account of unfortunate incident that took place at PRS.
(vi)	Air Separation Plant (ASU-4)	Additional facility to meet shortfall of argon for combined blowing process. Oxygen produced is used for PCI in BF.	170.00	--	--	5.00	2 Nos of 600 ton capacity at an estimated Cost of Rs. 165 crore each.	Will help in increasing production of liquid steel in SMS and hot metal in BF.	ASU-4 Commissioned		No cost overrun is anticipated with respect to approved cost of Rs. 170 crore except contractual escalations. Pending payments pertains to performance tests.
(vii)	Pulverised Coal Injection System	Injection system for reduction in consumption of expensive BF coke with less expensive pulverised coal	133.00	--	--	8.00	Increased production of hot metal. To reduce cost of production of hot metal	--	Mar'13		PCI installation initially got delayed due to Chinese firm M/s CERI. At present, all supplies have been completed. Chinese experts have come. Start-up procedure under finalization.
(viii)	Acquisition of Mine Development	To achieve self-reliance for raw material and cost reduction	600.00	--	--	3.00	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. Request of RINL for Coal block pending with MDC.
(ix)	Facilities for Iron Ore Storage	To increase iron storage facility.	450.00	--	--	50.00	Shall increase Iron ore storage facility to 30 days	--	June'13		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. Time over run: Nil w.r.t. contractual schedule. Cost overrun: Nil (saving expected)

(Rs. In crore)

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				Budget Support		I&EBR			Original	Actual/Now scheduled	
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1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(x)	330 TPH (6th) Boiler with Auxiliaries	To supplement steam requirement for expansion and help in generation of power	350.00	--	--	20.00	Shall add addl. process steam and steam for power generation to meet the requirements of expansion units.	To supplement steam requirements for expansion and help in generation of power	Boiler-6 has been lighted up on 7.1.2013		Time overrun: There has been time over run in completion of the project by M/s BHEL mainly due to delay in supply and also poor erection activity at site in spite of monitoring at highest level including ministry. However, there has been improvement in pace of work recently but project is behind the schedule. Cost overrun: No cost overrun is anticipated over ordered value on M.s BHEL except for statutory variations.
(xi)	67.5MW TG-5 Power Evacuation System	To meet continuous power requirement.	344.00	--	--	15.00	Shall generate partly the power requirements of expansion units.	To meet continuous power requirement.	Mar/April'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	--	--	406.00	To increase the production by 0.5Mt from 2Mt to 2.5Mt of Hot Metal	--	BF-1: Apr'13 to Jul'13 BF-2: Jun'14 to Oct'14		--
(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	--	--	2.00	To increase the production from 5.5 Mt to 6.8 Mt of Sinter.	--	Sinter M/c 1: Jun'14 and Sinter M/c 2: Dec'14		--
(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	--	--	25.00	Technological necessity to change the converters.	--	LD-3 from Jan'14; LD-1 from Jul'14; LD-2 from Apr'15		--

(Rs. In crore)

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				Budget Support		I&EBR			Original	Actual/Now scheduled	
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1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(xv)	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	--	--	2.00	To increase the production of steel by 0.97 Mt	--	30 months from date of signing of contract (yet to be signed)		--
(xvi)	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	--	--	10.00	To generate 20.6MW Electricity by capturing waste heat of sinter machines and with out burning any fossil fuel.	--	Mar'13		Project completion date is 34 months from date of signing of MOU i.e. 25.05.2009. The project delayed due to poor response of bidders, incomplete bid and poor performance of agencies.
(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	--	--	150.00	To generate 120MW electricity by utilising the lean by-product gases while mitigating the effect of climate change	To generate 120MW electricity by utilising the lean by-product gases while mitigating the effect of climate change	Sep'13		Contractual completion date is Sept'13.
(xviii)	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.	391.00	--	--	20.00	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.	--	DPR is under finalization by the consultant i.e. MECON		--

(Rs. In crore)

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				Budget Support		I&EBR			Original	Actual/Now scheduled	
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1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(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.	280.00	--	--	1.00	To Install TB-5 to cater the need of cold Blast requirement of BF1 & BF2 in case existing TBs are under modernization / maintenance	--	27 months from the date of award of contract (yet to be signed)		--
(xx)	Feasibility/project report	To under take various feasibility studies and preparation of project reports in relation to expansion and modernization	Continuous	--	--	2.00	To under take various feasibility studies and preparation of project reports in relation to expansion and modernization	--	Continuous		--
(xxi)	Miscellaneous (Power and Water infrastructure Augmentation)	(i) To strengthen AP Power Grid for transmission of power of 400 MVA. (ii) Strengthening the internal systems of VSP like substations etc. to enable to receive 400 MVA power to meet the expansion needs. (iii) construction of additional storage reservoir with capacity of 16 Mqm. To met the water requirement of expansion	364.10	--	--	21.00	--	--	3 years from the date of clearance of Ministry of Environment and Forests.		MOU signed with Central Design Organisation (CDO) on 12th Jan'12 for design of reservoir. Basic engineering is in progress and 70% of the drawings issued.
(xxii)	Seamless Tube Mill (SLTM)	To utilize the additional liquid steel of 1 mt that will be produced after revampring/upgradation of existing BFs and conventers/casters	2512.00	--	--	5.00	To produce 400000 tpa of seamless tubes in the size range of 5 ½" to 18" OD	--	2014-15		--
(xxiii)	Coke Oven Battery No. 5	To meet the coke requirements and gas balance for 6.3/7.3 mtpa stage, and to facilitate rebuilding of COBs# 1,2&3 successively.	2858.00	--	--	2.00	To produce 0.82 mtpa of Gross Coke	--	May'15		--

(Rs. In crore)

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				Budget Support		I&EBR			Original	Actual/Now scheduled	
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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	--	--	10.00	To reduce raw material cost	22 months from date of placement of order on the Coke Oven Battery Supplier	22 months from date of placement of order on the Coke Oven Battery Supplier		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.
(ii)	Development of permanet railway siding at Mangalore	Magnetite iron ore concentrate not being available in the counrtry and use of high grade hematite iron ore from Bellary/Hosept is considered as one of the alternative sources on long term, as raw material for operation of Pellet Plant. Major portion of raw materi is to be transported thro rail. It is therefore proposed to development a perment railway siding at Mangalore	130.00	--	--	5.00	Handle receipt of 4mtpy iron ore at Mangalore	New timeliness will be finalised after acquisition of Land from private party and also from KIADB	New timeliness will be finalised after acquisition of Land from private party and also from KIADB		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 fromprivate parties. 2.945 acres of private land has already been procured and balance land procurement is under process.
(iii)	Construction of Bulk Material Handling facilities for reciept of iron ore by rail.	Since major portion of raw material is to be transported thro rail, proposal is to construct bulk material handling facilities for recept of iron ore assignemtn to KIOCL for its Pellet Plant and Blast Furnace Unit	173.00	--	--	1.00	Handle receipt of 4mtpy iron ore at Mangalore	--	--		-Do-

(Rs. In crore)

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				Budget Support		I&EBR			Original	Actual/Now scheduled	
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1	2	3	4	5(i)	5(ii)	5(iii)	6	7	8	9	10
(iv)	Development of Chicknayakanahlli & other mines	To have a captive mine to meet requirement of raw materials	200.00	--	--	2.00	Supply of 4mtpy of iron ore for production of pellets	New timelines will be finalised on obtaining necessary statutory clearance	New timelines 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. Revised ML sketch for obtaining statutory clearances is awaited from GoI. Vide order dated 30 Nov 2012 Hon'ble Supreme Court has stated that no new MLs in Bellary, Tumkur and Chitradurga will be granted without its permission. This includes the cases for which notifications were issued but leases have not been executed. In view of this, ML execution process is likely to get delayed further. Hence, the budget expenditure for the FY 2012-13 could not be met with.
(v)	Development of Ramanadurg Mines	To have a captive mine to meet requirement of raw materials	900.00	--	--	1.00	Supply of 4mtpy of iron ore for production of pellets	New timelines will be finalised on obtaining necessary statutory clearance	New timelines 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 25.05.2011. Vide order dated 30 Nov 2012 Hon'ble Supreme Court has stated that no new MLs in Bellary, Tumkur and Chitradurga will be granted without its permission. This includes the cases for which notifications were issued but leases have not been executed. In view of this, ML execution process is likely to get delayed further. Hence, the budget expenditure for the FY 2012-13 could not be met with.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2013-14			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	--	--	1.00	Production of 100,000 t/year of pipes	KIOCL have proposed for setting up a coke oven plant as a backward integration to BFU. Once the coke oven plant is installed, KIOCL will take appropriate decision on investment on the DISP project	KIOCL have proposed for setting up a coke oven plant as a backward integration to BFU. Once the coke oven plant is installed, KIOCL will take appropriate decision on investment on the DISP project		Work order was placed on M/s MECON for the preparation of DPR for DISP project as a forward integration to BFU.
(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	483	--	--	1.00	Development of eco-tourism	New timelines will be finalised on obtaining necessary statutory clearance	New timelines will be finalised on obtaining necessary statutory clearance		The estimated cost is Rs. 483 Crores. Draft DPR prepared for establishing Eco-tourism facility at Kudremukh is put up to KIOCL Board for approval. Revenue Department, Govt. of Karnataka have conducted a survey of the lease area(1220.03 Ha) proposed for establishing Eco-tourism facilities at Kudremukh in presence of Dept. of Forest & KIOCL. Dy. Commissioner, Chickmagalur, had a field visit and discussion on the matter with KIOCL on 31 Dec 2012.

(Rs. In crore)

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				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
4.	**NMDC Ltd.**										
(i)	Bailadila Deposit 11B	To increase the production	607.18	--	--	80.00	Capacity of 7mtpa	Capacity of 7mtpa	Mar'13		Capaciy was enhanced from 3MTPA to 7 MTPA and approved on 16/05/2008 for Capital Outlay of Rs 607.18 Cr. Cummulative expenditure upto Mar'12 was Rs 323.39 Cr. During the period Apr-Dec'12 Rs 19.98 has been incurred. Thus total expenditure on the scheme up to Dec'12 is Rs 343.37 Cr. Maoist activities in Bailadila region are continuing to disrupt the progress at site. CISF barracks constructed close to the working area and additional lighting towers are installed at strategic locations of the Mine. Trial run of secondary crusher, EOT crane in SCH & scalping screen was done. Electrical substation & all HT panels were already charged.
(ii)	Kumaraswamy Iron Ore Project	To increase the production of iron ore	898.55	--	--	115.00	Capacity of 7mtpa	Capacity of 7mtpa	Nov'13		Main technological packages are already ordered and the design is completed for crushing plant package. Design & Engg of downhill conveyor system is in advanced stage. Dumper platform civil works are in progress. Major civil works for Primary crusher and Secondary Crusher house are completed and balance works in progress. Primary Crusher & Secondary crusher received at Site. Mine office building and Silo foundation works are completed. Civil works are in progress for Downhill conveying system & service center buildings.
(iii)	Pellet Plant at Donimalai	To diversify into pellet production	572.00	--	--	100.00	Capacity of 1.2mtpa	Capacity of 1.2mtpa	July'13		Critical equipment for the Pelletisation package is received at site. Orders placed for the critical equipment of Benefication package. Civil work are completed for ground water tank, pump house, rotary kiln, and waste gas chimney of pelletisation package. Structural works and equipment erection of these packages are in progress. Mixer equipment, GIS & Cooler erection completed.

(Rs. In crore)

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				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)	3 MTPA Steel Plant at Nagarnar	i) Ensure value addition to Iron ore mined in CG State. ii) Development of Baster region inhabited mostly by tribals. iii) Partially meet the growing demand for steel products, primarily in the Indian market. iv) Investment of funds available for business growth.	15525.00	--	--	--	Capacity of 3mtpa	Capacity of 3mtpa	May'15		M/S MECON has been awarded engineering, consultancy and Project Management Contract on 25/10/2011. Out of 9 major technological packages agreements have been signed for 8 packages and civil construction works for most of these packages have been commenced at site. Order has been placed for Lime & Dolomite package on 23rd Nov'12. 03rd Mar'2011 has been declared as Zero date. Order has been placed for one of the important auxiliary package i.e. Power and Blowing Station on 23rd Nov,12. Some of the Auxiliary packages have been tendered out and are in different stages of ordering.
5.	**MOIL Ltd.**										
(i)	Joint Venture for Ferro Manganese/ Silico Manganese Plant with SAIL	The project will be set up at Bhilai to produce Ferro/Silico Manganese to cater to the demand of SAIL	391.00	0.00	0.00	0.00	The project will be producing Ferro Manganese 31000 MT and Silico Mn. 75000 MT	The project will be producing Ferro Manganese 31000 MT and Silico Mn. 75000 MT	Will be quantified after finalization of tender for furnace		Land has been acquired for the project. Technical specification of furnace is under reworked by SAIL in tune with their present requirement of Ferro and Silico Manganese.
(ii)	Joint Venture for Ferro Manganese/ Silico Manganese Plant with RINL	The project will be set up at Bobbili to produce Ferro/Silico Manganese to cater to the demand of RINL.	217.00	0.00	0.00	15.00	The project will be producing Ferro Mn. 20000 MT and Silico Mn. 37500 MT	The project will be producing Ferro Mn. 20000 MT and Silico Mn. 37500 MT	Will be quantified after finalization of tender for furnace		Land has been acquired for the project. Technical specification of furnace is under reworked by RINL in tune with their present requirement of Ferro and Silico Manganese.
	Total A					***12123.25***					

Rs. In crore)

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				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**										
1	Scheme for promotion of Research & Development in Iron & Steel sector										
1(i)	On-going R&D projects	Development of innovative/ path breaking technilogies for utilisation 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.	48.00	--	12.00	--	1) Improvement in sinter productivity through deep beneficiation and agglomeration technologies for rational utilization of low grade iron ores and fines. 2) Development of Alternate complementary Route of Iron/Steel making with reference to Indian raw material viz low grade iron ore and non coking coal. 3) Smelting reduction of iron ore/fines by hydrogen plasma and elimination of CO2 emission. 4) Beneficiation of Iron Ore slimes from Barsua and other mines in India. 5) Development of pilot scale pelletization technology for Indian Goethitic/hematitic ore with varying degree of fineness. 6) CO2 abatement in Iron and Steel production by process optimisation. 7) Production of low ash (10% ash) coal (coking non coking) from high ash Indian coals including desulphurisation of high sulphur North East coal.	Same as in col. 6	--	During 11th Plan 2007-12. Continued in 12th Five Year Plan (2012-17)	1) The Scheme for R&D was introduced in MoS in the 11th Five Year Plan and it took considerable time to get appraisal and approval as per laid down procedure. 2) The EFC approved the scheme in Nov 2008 and Ministry of Finance accorded final clearance on Jan 2009 with a rider that the scheme be operated with effect from 2009-10. 3) Ministry of Steel took follow up action for selection of R&D projects in consultation with the stake holders, got the projects approved by Panel of Experts and 4 projects were approved in Feb 2010. Four more projects were approved by PAMC in Nov 2010. 4) Because of the delays on the approval of the scheme and subsequent approval of the individual R&D projects, the 4 projects could only be started in April 2010, 2 projects on Jan 2011 and the balance 2 projects in Dec 2011. Therefore the projects could not be completed in the 11th Five Year Plan. 5) The ongoing 8 projects have been continued in the 12th Five Year Plan. As per the original schedule, these projects are likely to be completed in 2012-13, 2013-14, 2014-15 & 2015-16.

(Rs. In crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved outlay 2013-14			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
1(ii)		Development of the technology for Cold Rolled Grain Oriented (CRGO) Steel sheets and other value added innovative steel products (New Component)	150.00	--	32.00	--	Development of the technology for production of CRGO Steel Sheets and other value added Steel Products.	Same as in col.5	--	During 12th Five Year Plan (2012-17)	This Project was recommended by the working group for the steel industry for the 12th FY Plan. The draft scheme/Concept Note is under preparation in consultation with all the stake holders. After finalization of the Project, the same will be submitted to Planning Commission for in-principle approval.
1(iii)		Development of Innovative Iron/Steel making Process/Technology (New Projects under existing Scheme)	2.00	--	2.00	--	Development of Innovative Iron/Steel making Process/Technology	Same as in col.5	--	During 12th Five Year Plan (2012-17)	New Projects to be taken up under the existing Scheme.
	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.	--	**--**		**7561.52**	--	--	--	--	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)		**--**	--	--	*7561.52*					
	GRAND TOTAL - A + B + C		**--**	*72.97#*	*46.00*	*19684.77*					

On Gross basis. The Non-Plan budget for 2013-14(BE) after netting of receipts of Rs. 6.10 crore relating to waiver of guarantee fee provisions for HSCL is **Rs. 66.87 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 2011 and is also expected to maintain this position, based on January-November, 2012 data as released by the World Steel Association.

India was also the third largest consumer of finished steel in the world, after China and USA in 2011 and is expected to maintain the rank based on the consumption figures for 2012 projected by the World Steel Association.

The country has also been 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 2012 (prov.) was 56.57 million tonnes, up by 3.3% over same period of last year (source: JPC Flash Report, December 2012).

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 7.5 per cent for flat steel (alloy and non-alloy) and at 5 per cent for all other items. 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 all forms of iron ore (except pellets, on which there is no duty) in order to conserve the mineral for long term requirement of the domestic steel industry.

(iv) Excise duty for steel is currently at 12 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) Earlier, the Government had notified 16 steel products under the "Steel & Steel Products (Quality Control) Order" issued under the Bureau of Indian Standard Act 1986. Further, in September 2012, the Government has issued the amended Steel & Steel Products (Quality Control) Second Order, according to which no manufacturer can manufacture, import, store for sale or distribute steel and steel products which do not conform to the standards and which do not bear the standard mark (BIS or ISI Mark).

(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.

As per the decisions of this Committee, a Monitoring Committee has been constituted by the Ministry of Steel under the Chairmanship of Joint Secretary to Government of India and comprising of representatives from public sector steel plants i.e. SAIL, RINL, Ministry of Steel, JPC and INSDAG. The Terms of Reference of the Monitoring Committee include:

(a) To monitor the implementation of the various action areas approved in the Action Plan
(b) To periodically review the results of the various action areas, post implementation
(c) To build up a database on rural stock points of various steel producers and any other parameter considered important
(d) To suggest areas for further improvement
(e) Any other related area considered important over course of time.

2. **<u>NEW NATIONAL STEEL POLICY</u>**

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, it has been decided to formulate a New National Steel Policy (National Steel Policy, 2012). 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 were 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

These Task Forces have since submitted their respective reports to the Ministry of Steel. A final view in the matter will be taken after discussions with the various stakeholders in the matter.

3. <u>MAJOR INITIATIVES TAKEN BY THE MINISTRY OF STEEL</u>

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

(i) **<u>Progress of Mega Expansion Plans of SAIL, RINL & NMDC Ltd.</u>**

SAIL: Steel Authority of India Ltd has undertaken Modernization & Expansion of its integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur & Burnpur and special steel plant at Salem. In the current phase, the crude steel capacity is being enhanced from 12.8 Million tonne to 21.4 million tonne per annum. The indicative investment for current Phase is about ₹ 62,000 crore. Additional approximately ₹10,000 crore has been earmarked for modernization and expansion of SAIL Mines. The Expansion Plan of SAIL, besides capacity enhancement, adequately addresses the need of SAIL Plants towards eliminating technological obsolescence, energy savings, enriching product mix, pollution control, developing mines & collieries to meet higher requirement of key inputs, introduce customer centric processes and have matching infrastructure facilities in the Plant to support higher production volumes.

Expansion of Salem Steel Plant has been completed in Sep'10. At Rourkela Steel Plant, the Sinter Plant has been put into operation, new Coke Oven Battery is under heating and Blast Furnace is in advanced stage of completion. At IISCO Steel Plant, New

Coke oven Battery is under heating & hot trials are in progress for Sinter Plant and other major facilities like Raw Material Handling System, Wire Rod mill, Oxygen Plant, Blast Furnace etc. are ready. At Bokaro Steel Plant, up-gradation of one Blast Furnace and re-building of two coke oven batteries completed and New Cold Rolling Mill is in advanced stage of completion. At Bhilai Steel Plant and Durgapur Steel Plant, work is in various stages of implementation. The cumulative expenditure against Modernization and Expansion incurred till Dec'12 is ₹41,221 crore.

RINL: RINL has drawn up its long term directional plans to expand the capacity of liquid steel to 20 million tonnes in phases by the year 2022-23. In this endeavour, expansion to 6.3 mtpa of liquid steel, funded fully through internal accruals, is on the verge of completion. All units of stage-I (covering Iron & Steel zone including Wire Rod Mill) have been commissioned and several units are under operation, except Converter Shop, Sinter Plant -3 and part of Wire Rod Mill-2. Blast Furnace-3 commissioned in April'12 and is under stabilization. Wire Rod Mill-2, Stage-1 up to roughing stands to roll 70 mm rounds got commissioned with first billet rolling in Jun'12.

Balance units are planned to be commissioned progressively during 2013-14. Special Bar Mill and Structural Mill under Stage-2 are also brought to trial run stage.

<u>Modernisation & Up-gradation</u>: Implementation of up-gradation & modernization of existing Blast Furnaces & Converters is in full swing. Revamp of existing Sinter Plant is also at an advanced stage of ordering. These will be implemented progressively from 2013 to 2014 adding 1Mt capacity.

Next phase of Expansion: Feasibility study for next phase of expansion to 11mtpa of crude steel is under initialization has already commenced and implementation is envisaged by 2017-18.

NMDC Ltd: 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. Works for development of two mining projects of 7mtpa capacity each are under progress at Bailadila, Chhattisgarh and Kumaraswamy, Karnataka. 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. 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 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. Construction work for this steel project is going on. M/s. MECON has been awarded Engineering consultancy and Project Management Contract. Out of the total 9 Major technological packages, Contract Agreement has been signed for 8 packages:- (i) Sinter

Plant Package with M/s. Siemens VAI Metal Technologies and M/s. Nagarjuna Construction Company; (ii) Blast Furnace package with M/s. Danieli Corus and M/s. Tata Projects Ltd.; (iii) RMHS package with M/s. BHEL; (iv) Coke oven package with M/s. Bhilai Engg. & others; (v) Byproduct package with consortium of M/s. Shriram EPC (SEPC) Ltd., M/s. Hunti Project and M/s. Beekay Engineering Corporation; (vi) SMS packages with M/s. Siemens VAI metal Technologies GumH, Austria & consortium; (vii) Oxygen Plan with M/s. Lende AG-Germany and BOC India Ltd. on 16.7.2012; (viii) Thin Slab Caster & Hot Strip Mill packages to Danieli & C SpA, Itlay & Consortium on 24.8.2012. Lime & Dolomite Plant package is in the final stage of ordering. Important auxiliary packages like turbo blowers, power and blowing station, main receiving sub-station, Inter plant pipeline, permanent water and plant power distribution system are tendered out. Others are in advanced stage of tendering. LAC issued for architectural consultancy services for permanent township at Nagarnar for residential buildings and commercial buildings.

NMDC is in the process of expanding its business through forward integration in both Greenfield and Brownfield projects by setting up (a) 1.2 mtpa Pellet Plan at Donimalai in Karnataka (b) 0.36 mtpa BHJ ore beneficiation plant at Donimalai (c) 2 mtpa Pellet Plant at Nagarnar along with 2 mtpa Beneficiation Plant at Bacheli interconnected by a Slurry Pipeline between Bacheli and Nagarnar in Chhattisgarh.

(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, Indoneasia 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**

- Revival of Steel Complex Limited, Kerala (A 50:50 JV of SAIL & Government of Kerala): For revival of SCL, SAIL & Government of Kerala have contributed Rs 9.72 crore each as their contribution towards equity of installing new 65000 tonnes per annum rolling mill at SCL with the contribution of equity capital by the promoters. The net worth of SCL has been positive. In the meeting of BIFR held on 22nd

January, 2013, it is gathered that the BIFR is likely to issue order making SCL out of the purview of BIFR.

- RINL has also taken up various strategic/new ventures, towards growth and business diversification aiming at 10-12% of turnover which include:

    - Transmission Line Tower Unit: Unit of 200,000 tpa being set up with Power Grid Corporation -first of its kind in India.
    - Axle Plant: 2nd Largest Axle Unit in the country for supply of 50000 axles to Indian Railways - work has already begun.
    - Forged Wheel Plant: A specialized unit catering to the need of special grade wheels for high speed trains with a capacity of producing 100,000 wheels every year -MOU signed with Indian Railways.
    - Slurry Pipeline and Pellet Plant: JV with NMDC to install Iron Ore Slurry Pipeline to Visakhapatnam from Nagarnar and 4 mtpa Pellet Plant at Visakhapatnam-MOU signed with NMDC.
    - Seamless Tube Mill: Setting up of Seamless Tube Mill at Visakhapatnam for manufacture of 18" dia pipes-first of its kind in India is in process.

- NMDC has acquired 50% equity in Legacy Iron Ore Ltd., Australia. NMDC has a majority in the Board of Directors and management control in the company.

(B) **Strategic alliances/Joint Ventures**

- MOU for revival of Sindri Unit of FCIL: An MOU was signed on July 6, 2012 amongst SAIL, National Fertilizers Ltd. (NFL) & Fertilizers Corporation of India Ltd. (FCIL) for revival of Sindri Unit of FCIL. As advised by BIFR, FCIL has to take required actions for deregistering the case from BIFR including the waiver of loans by GoI, One time Settlement of dues/ payment of dues and then go for actions as per their revised scheme approved by CCEA. SAIL Board has approved to provide inter-corporate loan to FCIL, up to Rs. 75 crores for settling their pending liabilities, on "One Time Settlement (OTS)" basis. This amount shall be disbursed, subject to receipt of a guarantee from Government of India & FCIL will repay the loan amount from the proceeds generated through sale of scrap / unusable assets of FCIL, Sindri.

- SAIL-Kobe JV: A Memorandum of Agreement (MOA) was signed on July 10, 2012 which outlines the broad terms and conditions for finalization of the JV Agreement. This MOA was signed in the august presence of Hon'ble Steel Minister. A new Joint Venture Company "SAIL-Kobe Iron India Private Limited" has also been incorporated on 25.05.12. The JV with Kobe Steel, Japan for ITmk3 Technology envisages installation of a 0.5 MTPA Iron Nugget plant at ASP, Durgapur. This unit will produce premium grade Iron Nuggets from iron ore fines and non-coking coal.

- Development of Hajigak Iron Ore Deposits in Afghanistan: The SAIL-led consortium AFISCO (Afghan Iron & Steel Consortium) comprising of SAIL, NMDC, RINL, JSW

Limited, JSPL, JSW Ispat Limited and Monnet Ispat and Energy Limited which had submitted its bid for development of Hajigak Iron Ore deposits, have been selected as the 'Preferred Bidder' for blocks B, C and D of the mines with an estimated reserve of 1.28 billion tonnes of high-grade magnetite iron ore (with 62-64% Fe content) and invited for negotiation of Hajigak Mining Contract. The consortium is holding contract negotiation discussions with the Ministry of Mines of the Islamic Republic of Afghanistan, following which Hajigak Project Contract shall be executed.

- SAIL, on May 25, 2012 signed a joint venture agreement with Burn Standard Company Limited (BSCL) for setting up a Wagon Components Manufacturing Facility at the premises of BSCL at Jellingham, Purba Medinapore district, in West Bengal, with a capacity to produce 10,000 bogies and couplers per annum. The estimated capital outlay for the project has been envisaged about Rs 200 crore. The process for incorporation of new joint venture company is under progress.

- SAIL signed a Memorandum of Understanding (MoU) in May, 2012 with the Ministry of Mineral Resource & Energy (MMRE) of the Government of Mongolia for exploring business opportunities in the mining & steel sector in Mongolia. The MoU envisages exploration of opportunities for investments to be made by SAIL either individually or in a consortium with other entities to develop mineral processing/ steel manufacturing facility in Mongolia.

- SAIL has been in talks with Chhatisgarh Mineral Development Corporation Ltd. (CMDC), an Undertaking of Govt. of Chhatisgarh for having a source of iron ore. In this respect, SAIL has signed an MOU on November 2, 2012 for Eklama Iron Ore Mines which as per preliminary estimates have resources of around 100 million tonne of iron ore. The Joint Venture Agreement is under finalization by both the companies.

- NMDC has signed an MoU with Indian Railways for doubling of the 150 km Jagdalpur-Kirandul section of the Kottavalsa-Kirnadul line of the East Coast Railways to augment the iron ore evacuation capacity.
- NMDC has signed MoU with RINL to develop Slurry Pipe Line sytem from Nagarnar to Vizag and Pellet Plant at Vizag. This will be under Joint Venture.

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

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

(v) **<u>Corporate Social Responsibility</u>**

- SAIL has kept its focus on bringing a meaningful change in the quality of life of people not only from its periphery but also across country. SAIL has made commitments to the cause of CSR and has been earmarking 2% of their distributable surplus for CSR activities since 2006-07. The total budget allocated for CSR during 2012-13 is Rs 42.00 crore and Rs 18.33 crore has been spent during first half of FY 2012-13. Besides the allocated budget, the expenditure on non SAIL people on account of health, education, township, etc during 2011-12 has been more than Rs 200 crores.

- CSR activities in SAIL focuses on education, health care, family welfare, sanitation, access to water facilities, road connectivity, cultural support, preservation of heritage, environmental care, promotion of additional source of energy, and social initiatives. In the area of health /medical support , nearly 1600 medical-camps have been organized, benefiting over 75 thousands people providing free health check-up, path lab treatment, medicines, immunization surgical cases referred to plant hospitals in 2012-13 (till dec,12).

- Seven special schools has been setup for underprivileged children at all integrated steel plant locations (2 each at Bhilai & Bokaro) providing, free education, mid day meals, transport, text books and stationary items, school bag & water bottles, etc. The strength of students in these schools is more than 1500 students. Mid-day meals are being provided to more than 23000 children every day in and around Bhilai in association with Akshay Patra Foundation. The aim is to feed 25000 children in future. Process for replicating the project at Rourkela & Bokaro is being undertaken.

- SAIL is constantly working to identify various areas where training can be imparted so as to make people self sustaining. People living in the peripheral area of SAIL's plants/ units are trained to acquire skills like weaving, handicrafts, animal husbandry, chullha making, fishery & poultry farming etc, which will help them to earn a decent living for themselves and for their family members. These programmes promote rural savings and credit, natural resource management, village infrastructure development, increased agricultural productivity through better management of resources & intensive cropping & skill development.

- Various infrastructure development activities like installing of hand pumps, installing of solar lights, construction of roads, bridges, additional class rooms, etc. are also being undertaken by SAIL in various rural and needy places. SAIL has adopted 79 villages as ‘Model Steel Villages’ (MSVs), out of which necessary physical infrastructure development in 77 villages have been completed. The work in remaining 2 MSVs is under progress. The model steel Villages receive attention in the areas of building basic infrastructure, providing adult education, primary health, income generation schemes, SHGs, etc.

- CSR activities of RINL focus on sustained development and inclusive growth of the surrounding community. DPE guidelines has been complied with and an amount of Rs. 9 crore has already been spent up to Dec’12 on CSR activities. The company has taken up various initiatives during 2012-13 in the areas of Peripheral Development, Education, Medical & Health, People care, Sports & Cultural Efflorescence etc. Some of the major activities include:

- ‘**Green Visakha’** - an environment project has been taken up for plantation of 75000 trees in the Parawada village, Visakhapatnam.
- ‘**Surya**’ -Providing Solar Street lighting and Home lighting system to all the homes, library and office in SOS Children village, Bheemunipatnam.
- ‘**Jaladhara’** - Supplying drinking water in tribal areas through 3rd phase of ‘Jaladhara’, an innovative scheme.
- Providing the state-of-the-are mobile cancer detection van ‘Sanjeevan’ to reach out to people in the interior villages for early detection and enable speedy recovery from the dreadful disease.
- Conducting medical camps, Child immunization programmes, AIDS awareness campaigns, De-addiction programmes etc.
- Constructing Mother Blood Bank building for Indian Red Cross Society, Visakhapatnam with all advanced facilities.
- Distribution of “Artificial limbs” to the poor and needy people.
- Conducting free cataract operations for the benefit of the poor through M/s. Sankar Foundation.
- Providing free education to children of BPL families through Visakha Vimala Vidyalaya schools at Ukkunagaram and Pedagantyada.
- Introducing Digital Class room concept in Visakha Vimala Vidyalaya schools.
- Construction of school buildings and provision of school furniture, computers, play equipment, library books, shoes, school bags, plates, glasses etc.
- Providing vocational training in LMV driving, Automobile mechanism, Electrical works, DTP, Dress designing, Embroidery, Beautician course, Pickle and Papad making etc, towards self-reliance of youth.
- Distributing Biomass cooking stoves (Smokeless chulhas) to village folk.
- ‘**Saksham’** - Facilitating Women Literacy programs to increase literacy rate among women.
- ‘**Sanskrithi’** - Construction of Multi-purpose halls in 4 Rehabilitation colonies has been taken up.
- ‘**Kalyan’** - A CSR Project of RINL for Community welfare - construction of Function hall for SC colony residents of Kanithi, Visahapatnam is at advance stage of completion.

The status of CSR programmes undertaken/initiated by the company are as follows:-

- Integrated development work in progress in 23 villages in Bailadila.

- Free out-door & in-patient treatment facility was extended to 58277 & 5574 local tribals respectively during the year 2012-13.

- During 2012-13, 24155 tribal villagers have been treated at the doorsteps in 37 villages (upto dec).

- NMDC has introduced a focused initiative called Balika Siksha Yojana for the benefit of the tribal girl students of Bastar Region. In the first year during 2011-12, 25 tribal girls were sponsored in nursing courses at Apollo Hospitals Hyderabad. During the current academic 2012-13, second batch of 40 girls have been sponsored in GNM & B. Sc. Nursing courses at Apollo Hospitals, Hyderabad.

- The Residential Public School started at Nagarnar in 2010 is running successfully with 386 no. of students.
- The ITI with Welder & Mason trades at Nagarnar with the intake of 28 students each year is functioning successfully
- The ITI at Bhansi with 5 trades is running successfully with the intake of 76 no.of students each year.
- The Polytechnic College at Dantewada established in 2010 with two streams i.e. Electrical & Mechanical with an intake of 126 students is running successfully. Construction of permanent building at an estimated expenditure of Rs.3194.80 lakh is on the anvil. Plans are being drawn to start a new trade of 'Civil Engg' from the ensuing year of 2013-14.
- The Scholarship Scheme"NMDC Shiksha Sahayog Yojana" to motivate ST/SC students is in operation and during the year 2011-12, 6619 scholarships have been awarded. In order to increase the coverage upto 11000 students and to retain the spirit of the scheme eligibility criteria of 40% marks has been reduced to 'pass' during 2012-13.
- Mid day meal programme covering 8000 rural school children in & around Donimalai Project is running successfully.
- Implementation of Education improvement program in 84 Schools of Dantewada block is in progress. The number of beneficiaries is 4200.
- Construction of SC/ST Girls Hostels at Ongole & Guntur in Partnership with Govt. of A.P. is in progress.
- Upgradation of Hostels for SC/ST/BCs in Bellary at a cost of Rs.190 lakh in partnership with Govt. of Karnataka
- Construction of 100 bedded Hostel at Barabanki, U.P. at a cost of Rs.506.06 lakh completed.
- 3000 Solar Lanterns procured for distribution among needy girl students in Gonda area, UP @ Rs. 60.75 lakh.
- Strengthening PHCs in Bellary in partnership with Govt. of Karnataka by upgrading them/equipping them with various necessary/desirable medical equipment.
- Contributed Rs.50.00 lakh to MGM Eye Institute for expanding their Infrastructure & other facilities & provide free treatment for patients sponsored by NMDC.
- NMDC has partnered with State Govt. of Chhattisgarh for construction of Gaurav Path – 4 way lane at Dantewada at a cost of Rs.1300.00 lakh.

- Construction of 7 roads (total length – 3600m) in Gonda area,UP @ Rs.178.54 lakh & Construction of Additional 7 roads & One Class Room (total length – 5050m) in Gonda area, UP @ Rs.256.44 lakh.
- Electrification related works in 67 villages of Bastar District at a cost of Rs.257.00 lakh
- Installation of 300 Solar Street lights in Gonda area, UP @ Rs.64.20 lakh.
- Construction of 30 Community Centres in 30 villages of Bastar District at a cost of Rs.30.00 lakh each
- Constructing Community centres at Rasoolpur, Barabanki & Akbarpur, Kanpur Dehat in UP @ Rs.35.24 lakh.
- Construction of 'Shanti Dham' - a home for destitutes, mentally challenged and aged people at a cost of Rs.505.00 lakh.
- Completed Construction of Flood Relief Shelter with 32 rooms at Kusheshwar Asthan, Bihar at a cost of Rs.209.75 lakh
- Drinking water facility has been provided in 42 ashrams in Dantewada District.
- NMDC has partnered with State Govt of Karnataka for providing Drinking Water Facility in 7 villages of Bangalore Rural District, Karnataka at a cost of Rs.78.34 lakh.
- Installation of 300 nos India Mark II Handpumps in Gonda area, UP @ Rs.90.56 lakh.
- Launched two Livelihood-linked Learning Diploma programs in Air Conditioning & Refrigeration and Automobile Repairs & Service at Raipur in two batches. First batch completed and successful candidates are placed suitably. Training for Second batch is in progress.
- Another Livelihood-linked program leading to employment in Retail, BPO, Hospitality sectors has been launched in partnership with Youth4Jobs Foundation.
- Skill Development Training Centre at Kanker in partnership with M/s. Kalinga Institute of Social Sciences is on the anvil. Work of preparation of site plans & estimates in progress.

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

- With a view to widen the reach of its products, SAIL has established its dealer network extensively to cover almost all the districts in the country. As on 1st January, 2013 SAIL dealership network consists of 2433 dealers spread over 629 districts. Further, SAIL has appointed 541 rural dealers under its new Rural Dealership Scheme launched in 2011-12 with a view to expand its scope of business in rural areas of the country especially at block/taluka level. Process for further appointment of rural dealers is under progress. 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. Total number of dealers as on 01.01.2013 is 2974 (including Rural Dealers).

- As per SAIL Dealership Policy and Rural Dealership Policy, dealers are required to stock TMT Bars, GP/SC Sheets and other items required by common men and sell to small/retail customers at prices fixed by SAIL. Appointment of dealers in various districts / blocks / talukas 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 to dealers at the nearest SAIL warehouse location.

- SAIL Dealership Policy accords preference 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 @ Rs.500/- per tone 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.

- With a view to popularizing usage of steel in rural areas, RINL-VSP introduced the scheme of registration of District Level Dealers in Small Towns and Rural Dealers at Block and Panchayat Level locations. The process of registration of Rural Dealers is continuous and simple. Preference is given for the minorities and women entrepreneurs in the Rural Areas for the Rural Dealerships. Till the end of December 2012, RINL has 519 Rural Dealers spread across 234 Districts, covering 23 States and Union Territories in the country to supply steel products to the semi-urban and rural consumers. For promotion of e-sales, RINL has also launched e-portal.

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

In pursuance of the 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 players, 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. 200 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 which is roughly $1/10^{th}$ of the International 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 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) **R&D with Steel Development Fund (SDF)**

The Empowered Committee (EC) has approved 73 research projects costing Rs. 600.00 crore including SDF component of Rs. 316.00 crore. Of these, 40 projects have been completed. 22 projects are in progress.

(ii) **R&D with 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 R&D projects. The total cost of these projects is Rs. 123.27 crore with contribution from GBs of Rs. 87.28 crore. The projects are in progress. 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**

Ministry of Steel has notified 16 steel products having direct bearing on consumer health/safety and also critical for infrastructure development under the mandatory certification marks scheme of BIS on 12th March, 2012. Out of these, the order has been fully enforced on 9 Standards/Products and partly enforced in 5 Standards/Products. All the 16 Standards/Products will be fully enforced from 1st April, 2013.

(x) **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, 176 projects have been accorded HCA in India. These projects will result in Green House Gas (GHG) abatement worth 107 million tonnes of CO_2 equivalent, resulting in generation of 107 million Certified Emission Reduction Unit which can be traded in the international market for earning substantial foreign exchange. The companies as well as the nation will thus gain substantially.

RINL has taken up several Clean Development Mechanism (CDM) Projects. The progress of projects is as given below:

- As a part of validation of two CDM projects (Waste Heat Recovery from Stoves of Blast Furnace-3 and Power Generation using Top Pressure Recovery Turbine of BF-3) webhosted for global stake holder comments and the site visit completed by Designated Operational Entity.
- Eight CDM projects have been accorded HCA by National CDM Authority. Out of eight, four projects are under validation.
- Submitted Project Design Documents (PDD) for nine numbers of projects to National CDM Authority for Host Country Approval (HCA).

- The PDD for Generation of 120 MW of Electricity by using Waste Blast Furnace Gas has been submitted to NCDMA for HCA. Installation of 20.6 MW (NEDO Project) waste heat recovery system on sinter straight line cooler at Sinter Machine 1&2 is in progress. All the packages have been ordered and more than 80% of Equipment Erection is completed.

(xi) **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 2.5% 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.

(xii) **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.

(xiii) **Future plans/new business initiatives**

KIOCL has envisaged various ambitious projects during 12th Five Year Plan (2012-17) for exponential growth. Funding of these projects would be either from the Reserves of the Company and/or by JV partners.

- Setting up forward & Backward integration projects at Blast Furnace Unit at Mangalore - Coke Oven Battery Plant & DISP Plant;
- Setting up Beneficiation & Pelletisation plants on Joint Venture with CPSEs and State PSE;
- Establishment of Chemical Laboratory in Sandur, Bellary Distt;
- E-Commerce service;
- Initiatives for setting up of Solar Power Unit;
- Prospecting and acquisition of Iron ore mines in various states.

4. ENVIRONMENT MANAGEMENT & POLLUTION CONTROL

As a conscious Corporate Citizen, SAIL takes its responsibility sincerely towards protection of the environment both at its Plants/Units and the community in which it operates. SAIL is one of the first companies in the country to set up a dedicated Environment Management Division at Corporate level in 1988 to monitor and guide steel making operations in an environmental friendly manner. In 1996, SAIL became one of the first steel companies in India to adopt a companywide Environmental Policy.

Some of the achievements of the company towards environment protection include reduction in important environmental indices which are as follows:

- PM emission load has reduced from 2.2 kg/tcs (tonnes crude steel) in 2007-08 to 1.01 kg/tcs in 2011-12, a reduction of 54% during the last 5 years.
- Specific Water Consumption has reduced from 4.00 m^3/tcs in 2007-08 to 3.86 m^3/tcs in 2011-12; a reduction of 3.5% during the last 5 years.
- Specific effluent discharge from SAIL Plants has reduced from 2.61 m^3/tfs (tonnes finished steel) in 2007-08 to 2.26 m3/tfs; a reduction of around 18% over the last 5 years.
- With continuing thrust on solid waste utilization at the integrated steel plants, an improvement of over 18% for Blast Furnace Slag and 18% for Basic Oxygen Furnace Slag has been achieved in the last 5 years.
- Total solid waste utilization has increased from 77% 2007-08 to 86%; an increase of 9% over the last 5 years.

SAIL has also carried out massive plantation programme to green its Plants, Mines, Townships and peripheral areas. Over 179 lakh trees have been planted in SAIL since inception. These include over 2.81 lakh saplings planted during 2011-12.

SAIL Plants are also certified to Environment Management System (EMS) ISO 14001 Standard. Recently, SAIL has implemented EMS as per ISO 14001 in four major warehouses of its Central Marketing Organization, a key step towards greening its supply chain.

RINL-VSP is the first Indian Steel Plant to be certified for ISO 14001 system standard for Environment. Activities toward Environment Management in the company ensures that the community in and around VSP are protected from the adverse effects of emissions and effluents. All the environmental parameters achieved are better than the norms. A number of clean technologies based on utilization of waste heat, waste gas, pressure energy, solid wastes and sludge have been adopted in VSP for the first time in India.

Investment of abot Rs. 468 crore was made in the initial stage of 3 MT and 1283 crore for 6.3 MT stage to provide a wide array of pollution control equipment to contain dust emissions and for treatment of effluents. An annual expenditure of more than Rs. 150 crore/year (approx.) is incurred on the operation and maintenance of the pollution control equipment.

RINL-VSP is the first plant targeting to achieve zero discharge for which various projects are being completed. The project of laying of marine discharge pipeline of 350 mm diameter was successfully completed with which discharge is pumped through the main discharge pipeline into sea, thus minimizing impact on marine life.

Today the plant is enveloped by lush green man made forest of around 4.80 million trees which will be scaled upto 6 million by 2014 with the motto of one tree per every ton of steel.

Highlights of Environment Management:

- The Centre for Science and Environment (CSE) recognized environmental performance of company and awarded with "3 Leaves rating" (1st amongs Integrated Steel Plants in India).
- Commissioning of 'Appikonda Waste Water treatment' with RO plant first time in India - towards Zero Water discharge (saving of about 1.5-2.0 MGD of water).
- BF Slag utilization of 108% achieved upto December'12 and overall utilization of solid waste has been improved to 95.9% during current year from 87.02%
- Four environmental projects have been initiated during the year to bring down Stack Emission concentrations from 115mg/Nm3 to below 50mg/Nm3 in BF-1 and Sinter Plant-1.
- Implementation the 'E-waste Rules 2011' to dispose E-waste. About 25.38 tons of E-waste was disposed during the year.
- 14 MW Power Plant of COB-4 as a part of environmental projects got commissioned in April'12 and operating at 100% of its rated capacity.
- Work commenced for 120 MW Power Plant, which is unique in India, utilizing 100% Blast Furnace gas for power generation. This is environment friendly and pollution free.

5. **SAFETY MEASURES**

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

- Updation of Safe Operating Procedures and Maintenance Procedures.
- Enhancing safety awareness through training programmes, workshops and safety campaigns.
- Conducting schedule inspections as per checklist and formulation of check list for new areas/technologies.
- Ensuring use of job specific quality Personal Protective Equipments (PPEs) by all concerned including contractor workers.
- Standardising safety protocols and adherence to Work Permit/Protocol system for critical jobs involving multi agencies.
- Conducting mock drills as per plan.
- Inspection of all the prone areas including underground cellars and cable galleries for preventive action.
- Thrust on improving Safety Management (OHSAS-18001 implementation, Safety Audits, Safety Training, etc.)
- Inquiry/On the Spot study of all serious accidents for root cause analysis and its preparation.

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 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 2013-14

Ministry of Steel has provided information on 51 Plan schemes/programmes in the Outcome Budget, 2012-13. 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 for implementation from 2009-10. The scheme has been continued in the 12th Five Year Plan (2012-17) with an allocation of Rs. 200 crore. Upto December, 2012, eight (8) R&D project proposals have been approved.

During 2012-13, 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 were included with token provision of Rs. 1.00 crore each for pursuing research activities in Iron & Steel sector. However, Schemes have been dropped due to the lower overall allocation to Ministry of Steel for the 12th Five Year Plan (2012-17).

The PSUs under the administrative control of the Ministry formulate and implement various schemes/ programmes related to their respective areas of operation. 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 are included in the Outcome Budget of Ministry of Steel. Based on this criterion, 48 Plan schemes of PSUs (13 schemes of SAIL, 21 of RINL, 7 of KIOCL Ltd., 4 of NMDC Ltd., 2 of MOIL, 1 of Ministry of Steel) were included in the Outcome Budget, 2012-13. The PSU-wise actual achievements (up to 31st December, 2012) vis-à-vis the intended outcomes indicated in the Outcome Budget, 2012-13 in respect of these 48 schemes with estimated/sanctioned cost more than Rs. 50.00 crore are given in the following table. Achievements under the 3 plan schemes of the Ministry are also given in the 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.

Actual Achievement vis-à-vis the intended outcome projected in Outcome Budget 2012-13

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulative upto Dec'12		
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	30.00	9.00	**700 tonne per day of O_2**	Jul'09	May'12 (Completed)	10.31	200.23	--	Completed
(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	37.00	Increase in HM capacity from 4.82 mtpa to 7.5 mtpa	Mar'13	Sept'13	2173.63	7353.31	--	The main reasons for shifting of timelines include inadequate deployment of manpower, lack of technically competent/ skilled manpower and non-deployment of modern and robust equipment by the contractors. Further, increase in quantities in structural packages of BOF, CCP & Universal Rail Mill (URM) is requiring extra time for execution. Progress of work is slow by M/s HEC in Ore Handling (OHP Part-A), Coal handling Plant and supply of cranes for BOF, CCP & Mills; M/s HSCL for Civil work of BOF & CCP and URM and M/s EPI in OHP Part-B & Fuel Flux Plant. Due to poor performance of HSCL, Risk Purchase Notice (RPN) has been issued and alternate agency for the balance work is under finalization. Performance of the contractors is being reviewed periodically at SAIL and MOS level.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulative upto Dec'12		
1	2	3	4	5	6	7	8	9	10	11	12	13
(b)	**Durgapur Steel Plant**											
(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	805.00	Increase of hot metal capacity from 2.09 to 2.45 Mtpa	Dec'12	Dec'13	531.56	1282.41	--	For Bloom-Cum-Round caster, work got affected due to poor performance of civil contractor M/s Jain Infra. Risk Purchase Notice (RPN) issued to the party. Against RPN, fresh orders placed on M/s Bridge & Roof. For Medium Structural Mill, the progress of civil work had been slow as there was an increase in the scope of work for piling by around 180%, since MECON had earlier considered piles for building structures only and the piles required for machine foundation were not considered. This has also affected the structural erection work. Further, due to poor performance of M/s Jain Infra for civil works, RPN issued to the party and alternate agency is being finalized. Further, for equipment erection, the cranes to be supplied by M/s HEC have been delayed.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulative upto Dec'12		
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	5.00	5.00	Replacement of coke with pulverized coal on 1:1 basis. Coal injection rate in Blast Furnace at 120 Kg/thm.	Oct'08	May'13	0.99	56.80	--	Delay in design engineering, civil & structural work, and supply of equipment by M/s Sino Steel China. Commercial disputes between Sino Steel & sub agencies affected the work. Risk Purchase Notice issued to the contractor and the balance work are now being done through placement of orders by RSP on behalf of Sino Steel.
(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	3050.00	Increase in hot metal capacity from 2.12 Mtpa to 4.5 Mtpa	Mar'13	Jun'13	1609.21	8450.87	Ore Bedding & Blending Plant and New Sinter plant has been completed. For new COB, battery heating started and under-firing has been done on 10.01.13. In Power & Blowing station, three boilers have been lighted up. For Blast Furnace No.5, major equipment erection completed. Pressure testing of all stoves completed and chimney lighted-up in Jan'13.	--

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulative upto Dec'12		
1	2	3	4	5	6	7	8	9	10	11	12	13
(c)	**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	15.00	CB at blower discharge vol. of 4000 Nm3/min and discharge pressure of 3.9kg/cm2 at blower end.	Aug'09	Jan'12 (Completed)	4.46	87.57	--	Completed
(ii)	**Rebuilding of COB-1 & 2**	To improve production & achieve latest pollution norms of MOEF.	500.90	55.00	30.00	Improve production & achieve latest pollution norms of MOEF.	Apr'10	Feb'12 (Completed)	26.64	392.30	--	Completed COB-1: Jun'11 COB-2: Feb'12
(iii)	**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	1540.00	1400.00	New Cold Rolling Mill complex of 1.2 MTPA & enhancing Hotmetal production from 4.7 to 5.77 MTPA	Dec'11	Jun'13 (New CRM)	564.67	3189.32	Acid regeneration Plant and Coil Packaging Line completed. Cast House Slag Granulation Plant of Cast House No6 of BF-3 commissioned in Oct'12	Factors which affected the site work of New Cold Rolling Mill include Inadequate resource mobilization by structural contractor which delayed the handing over of fronts for equipment erection; coordination problems between principal and erection contractors for the work of Pickling Line and Tandem Cold Mill. In case of Steel Melting Shop-II, rerouting and diversion of existing railway tracks and pipelines and non-availability of shut down due to operational requirements have affected the site work.

(*Rs. in crore*)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulative upto Dec'12		
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	2550.00	1700.00	2.7 MTPA hot metal, 2.5MTPA crude steel & 2.37 MTPA saleable steel.	Dec'10	Jun'13 (2 Conv)	914.47	14002.26	Raw Material Handling Plant, Sinter Plant and Blast Furnace are almost complete. Heating of the battery has started and under firing started on 5.12.12. Coke despatch system commissioned in Sep'12 after resolution of 'Jhoraburi'issue. Hot trials of Sinter machine started in Dec'12.	In BOF/ CCP area, difficult & unforeseen soil conditions led to increase in civil & structural work substantially. Further, removal of underground boulders and hillocks in the areas of BOF, CCP & mills took additional time. Also, slow execution of structural work & supply of equipment, erection by the respective contractors and disruption of work by locals in Jhoraburi area had adversely affected the progress.
(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	22.00	31.00	--	Dec'09	Mar'13	4.71	97.10	One line has been completed in Jul'12. Stacker commissioned.	Slow progress of work by M/s Tecpro Ltd, delay in modified drawings by Railways and encroachment of land by locals affected the site progress. Encroachment concerning project work related to M/s Tecpro Ltd was cleared in Jun'11.

(*Rs. in crore*)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulative upto Dec'12		
1	2	3	4	5	6	7	8	9	10	11	12	13
(ii)	Enhancement of production capacity of Meghahatu-buru Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion.	125.78	30.00	43.00	capacity from 4.3 MTPA to 6.50 MTPA of finished product	Jun'12	Jun'13	31.46	51.40	--	Delay in submission of drawing by M/s Tecpro Ltd including poor performance of the party in the main package and delay in execution of upgradation of loading system has affected the completion schedule. Regular review meetings are being held at RMD and Corporate level for expediting the progress.
(iii)	Enhancement of production capacity of Kiriburu Iron Ore Mine	A technical necessity to increase iron ore for meeting requirement after SAIL expansion.	106.54	40.00	27.00	capacity from 4.25 MTPA to 5.50 MTPA of finished product	Sep'12	Jun'13	16.76	38.35	One set of classifiers commissioned in Jul'12.Jobs in conveyors and screens in one line completed in Sep12.	There had been initial delays in design engg in the main conveyor package by M/s Bengal Tools and short supply of material. The party is being followed up for expediting the job. The progress is being reviewed with the party both at plant and corporate level.
(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	45.00	capacity from 4.1 MTPA to 10 MTPA of finished product	Nov'13	Mar'14	7.73	12.02	--	Additional time shall be required for integration of various packages and integrated commissioning of the project.

(*Rs. in crore*)

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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	7.00	2.00	To produce 0.75 Mt of coke	Battery-4 commissioned	Battery-4 commissioned and under operation	1.76	371.32	Battery-4 commissioned and under operation	--
(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	35.00	26.00	To help in increasing production of liqid steel in SMS and hot metal in BF	ASU-4 commissioned	ASU-4 commissioned	19.44	145.31	Unit got commissioned in June'11 and reached 100% level of capacity utilization	No cost over run is anticipated with respect to approved cost of Rs. 170 crore except contractual escalations. Pending payments pertains to performance tests.
(iii)	Acquisition of iron ore Mine & coking coal mines	To achieve self-reliance for raw material and cost reduction	600.00	30.00	1.00	RINL/VSP does not have captive source for coking coal/iron ore and outlay included to acquire mines	Continuous	Continuous	--	0.29	- Hajigak (Afghanistan) Iron Ore mines - Selected as preferred bidder. Contract negotiations under progress. - 29 Applications filed in India.	Persuading state Govts. for allotment of Iron Ore mines and exploring possibilities of acquiring Iron Ore mines overseas. Request of RINL for Coal block pending with MOC.

(*Rs. in crore*)

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1	2	3	4	5	6	7	8	9	10	11	12	13
(iv)	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	65.00	50.00	To operate COB-4 as independent Battery. Increase in recovery of by products	Coal Handling Side: To be commissioned by Dec'08 as per the BOD approval	Jun'13	46.26	210.53	Coal Handling Side: Power Plant: The unit is commissioned. Coal Handling Plant: Inter connection of water pipe lines for Crushers and Ventilation system in crusher building completed. Belt laying works of conveyors commenced. Pushing Emission Control System: Electrical Control room ventilation system ducting completed and false ceiling works are completed. Electrical works are in progress. The trial runs of coal handling plant will be commenced from Mar'13 and completed progressively by Jun'13. By-Product Side: Gas condensation Plant, Mechanical Decanter, Saturators and columns of Ammonium Sulphate Plant, erection completed. One of the main packages i.e., Benzol recovery plant ordered on M/s. MECON is on critical path. MECON has delayed the package by 5 to 6 months in spite of all help extended by RINL including review held at CMD's level. Major balance jobs are about 10% of the supplies and electrical & instrumentation works at site. MECON has to deploy additional resources and manpower for expediting the balance erection activities i.e. piping, electrical and instrumentation works. MECON has now committed to complete all the equipment and piping works by March'13 and commence trial runs in Apr'13.	**Time Over run:** There has been delay w.r.t. original schedule mainly due to: - Delay in finalization of consultant due to poor response from bidders. - Delay in engineering. - Delay in release of Civil and structural drawings by consultant - Delay in supply of equipment. -low progress by civil & structural agencies in Coal handling Plant - encountered hard rock in excavation - Delay by MECON **Cost Overr un:** No cost overrun is anticipated with respect to the ordered cost except contractual escalations.

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1	2	3	4	5	6	7	8	9	10	11	12	13
(v)	Expansion to 6.3 Mtpa Liquid Steel	To increase the plant capacity	8692.00	800.00	710.00	Increase production. Enhancing production of liquid steel to 6.3Mtpa of Liquid Steel.	36/48 months in phases from 28-10-05 / Feb'11	For Stage-I -Some units already commission edWRM-2- Feb/Mar'13 Stage-II - Mar'13	476.91	9959.11	**Stage-I:** Major units are already commissioned, as detailed below: **BF-3:** Unit is Commissioned, In Operation and is under stabilization. SMS-2**:** For installation of new PRS, the works are in brisk progress. Order has been placed for new Oxygen PRS system on M/s BOCI on 10.10.12 with completion period of 7 months for first stream and 10 months for second stream. Major imported supplies having long lead viz., Pressure Control Valve & Quick Shuttle Valve have already been ordered by M/s BOCI on UK & Australia based suppliers. CCM-1&2 commissioned. CCM-3 Majority of mechanical erection & alignment jobs completed. Testing & flushing activities are in progress for utilities. CCM-3 Likely to be ready for commissioning by Feb'13. **WRM-2:** Stage-1 up to roughing stands to roll 70 mm rounds commissioned. Entire Mill Likely to be completed for commencing commissioning activities by Feb/Mar '13. **Stage-II:** Second stage of expansion includes installation of Special Bar Mill and Structural Mill. Major Civil & Structural works are completed. Auxiliary units viz., water system, power system etc are getting commissioned matching the requirement. Erection of all the system is planned to be completed and commence commissioning progressively by 1st quarter of 2013-14.	As regards cost overrun, there is no cost overrun likely with respect to the approved cost ` 12291 crores. The increase in cost is mainly due to statutory variations during project cycle like exchange rate, taxes, WPI index changes etc., except for 11% increase on account of increase in volume of work. 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 be known on completion of the project. **Time over run** – As regards time overrun, though there are some delays with respect to contractual schedules, the net impact of intermediate delay of auxiliary packages is likely to get nullified as various inputs are being made available progressively on time as per requirement of major technological packages like Blast Furnace, Steel Melting Shop, Mills etc. However, the major reasons for delay are: • Delay in Submission of feed back data by process package suppliers delayed the issue of construction drawings by consultant particularly in Civil & Structural works. • Shortage of availability of skilled work force at times, heavy attrition rates etc. • Inadequate Mobilisation of field construction equipment by the agencies

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(vi)	Pulverised Coal Injection System for BF-1 & BF-2	Injection system for reduction in consumption of expensive BF coke with less expensive pulverized coal	133.00	32.50	8.00	Increased production of hot metal. To reduce cost of production of hot metal	To be commissioned by Oct'2007 as per the BOD approval.	Mar'13	4.91	93.22	95% of erection is completed. There has been some slowdown in the progress of work by M/s Simplex due to commercial issues which has since been resolved partially. Balance electrical erection and finishing works are now committed to be completed progressively by early Jan'13 for commencement of integrated cold trial thereafter and put the unit in operation by Mar'13.	PCI installation initially got delayed due to Chinese firm M/s CERI. At present, all supplies have been completed. Chinese experts have come. Start - up procedure under finalisation.
(vii)	Facilities for Iron Ore Storage	To increase iron storage facility.	450.00	100.00	50.00	Shall increase Iron ore storage facility to 30 days	Oct'09	May/ June'13	35.87	226.41	Most of the civil works completed. Structural, mechanical & electrical equipment erection activities are in progress. M/s HEC is continuously slipping their commitment to supply Wagon Pushers and Wagon Tippler. M/s HEC has now committed to dispatch Rotary Wagon Tippler and Wagon Pusher by end Apr'13 and end Mar'13 respectively.	Project re-scheduled due to cancellation and re- tendering of major package. 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. **Time over run**: Nil w.r.t. contractual schedule **Cost Overrun**: Nil (saving expected)

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(viii)	330 TPH (6th) Boiler with Auxiliaries	To supplement steam requirement.	350.00	60.00	20.00	Shall aid in additional Power generations as well as addl. process steam to meet the requirements of expansion units	Dec'10	Boiler-6 has been lighted up on 07.01.2013	9.09	250.59	Boiler-6 has been lighted up on 07.01.13 and the unit is expected to start production from Mar'13.	**Time Overrun:** There has been time over run in completion of the project by M/s BHEL mainly due to delay in supply and also poor erection activity at site in spite of monitoring at highest level including ministry. **Cost Overrun:** No cost overrun is anticipated over ordered value on M/s BHEL except for statutory variations.
(ix)	67.5MW TG-5 Power Evacuation System	To meet addl. power requirement.	344.00	63.00	15.00	Shall generate partly the power requirements of expansion units.	Dec'10	Mar/Apr'13	7.25	254.09	Erection activities in TG-5 are progressing satisfactorily for commissioning by end Mar/ April'13.	
(x)	Strengthening of 220KV system of APTRANSCO	To strengthen AP power grid for transmission of power of 400 MVA	86.00	10.00	10.00	It enables to receive contracted demand of 400 KVA for RINL on expansion	Sep'12	Phase-I completed and Phase - II & III under revision	--	63.03	Completed	Objective achieved
(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	20.00	To augment to receive 400MVA power at VSP	Jan'11	June'13	18.41	26.96	Civil work & Equipment erection is in progress. Total system is expected to be Commissioned by June'13.	Would be needy as per requirement.

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(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	100.00	100.00	To increase the production by 0.5Mt from 2Mt to 2.5Mt of Hot Metal	End of Qtr 3 -12-13	BF-1: Apr'13 to Jul'13 BF-2: Jun;14 to Oct;14	17.65	25.83	**BF-1:**-- All Packages ordered. Site Pre-Shutdown activities are under progress for shutdown in Apr'2013 **BF-2:**-Tendering of main and auxillary packages are under progress.	--
(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	1.00	To increase the production from 5.5 Mt to 6.8 Mt of Sinter.	Matching BF-1 Captial Repairs	Sinter M/c 1 : Jun;14 Sinter M/c 2 : Dec'14	0.06	0.98	Consultancy for the sinter machines revamping is awarded on M/s Dastur & Co. Tendering Process is under progress for all the packages	--
(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	5.00	Technological necessity to change the converters.	Matching BF-1 Captial Repairs	LD-3 from Jan'14; LD-1 from Jul'14; LD-2 from Apr'15	0.00	0.00	Contract agrement has been signed with M/s SMS Siemag consortium on 27.07.2012. Basic engineering is under progress. Expected shutdown of Convertor-3 is from Jan'14.	--
(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	40.00	To generate 20.6MW Electricity by capturing waste heat of sinter machines and without burning any fossil fuel.	25.03.12	Mar'13	28.32	58.97	Erection of turbine, generator, boiler, steam drum and condenser completed. Alignment of boiler and condenser completed. Piping works under progress. Unit is likely to be ready for commissioning by Mar'2013.	--

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(xvi)	3rd Converter and 4^{th} 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	2.00	To increase the production of steel by 0.97 Mt	30 months from date of signing of contract	30 months from date of signing of contract	0.00	0.00	**<u>Installation of 3rd Converter</u>:** Revised Reduced Price bids were scheduled to be submitted by 21st Dec'12, which got further delayed due to insistence by one of the two bidders on certain commercial terms & conditions. The terms & conditions have since been frozen and revised reduced Price bid of single acceptable tender M/s SMS Siemag has been opened on 11.01.13 and the proposal for award of contract is under consideration of the Board **<u>Installation of 4th Caster</u>:** Technical Recommendation (TR) has been finalized. Commercial terms & conditions have since been finalised. The issue of qualification of one of the bidders is getting examined before proceeding to seek Revise/Reduced Price bids from the techno commercially acceptable tenderers.	

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(xvii)	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	--	113.68	--	Continuous	--
(xviii)	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	--	12.72	--	Continuous	--
(xix)	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	50.00	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. To generate 120MW electricity by utilising the lean by-product gases while mitigating the effect of climate change	Sep'13	Sep'13	39.37	40.49	All the packages other than ODPL have been ordered. In ODPL 2 packages i.e. civil & supply items out of 9 packages ordered. Major equipment supply completed. Civil and structural fabrication works are under progress. Erection of technological structures of Boiler-1&2 started by M/s Thermax and are under progress.	--

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(xx)	SLTM	To Utilise the additional liquid steel of 1 MT that will be produced after revamping/up gradation of existing BFs and Conventers / Casters.	2512	0.00	3.00	To produce 4,00,000 TPA of Seamless Tubes in the size range of 5 1/2 " to 18" OD.	2014-15	2014-15	0.00	0.00	Global tender for main pacakge has since been opened. Technical evaluation is under progress	--
(xxi)	COB-5	To meet the coke requirements and gas balance for 6.3/7.3 MTPA stage, and to facilitate rebuilding of COBs # 1, 2 & 3 successively.	2858.00	0.00	2.00	To produce 0.82 mtpa of Gross Coke.	May'15	May'2015	0.00	0.00	Tenders for 2 major packages have been opened. Technical evaluation is under progress.	--
(xxii)	Other Schemes		891.00	111.5	6.00	--	--	--	0.11	0.80	--	--
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	4.00	To reduce raw material cost	24 months from obtaining of necessary clearances	22 months from date of placement of order on the Coke Oven Battery Supplier	--	--	MoEF Clearance anticipated by end of January 2013	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.

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1	2	3	4	5	6	7	8	9	10	11	12	13
(ii)	Development of permanet railway siding at Mangalore	Magnetite iron ore concentrate not being available in the counrtry and use of high grade hematite iron ore from Bellary/Hosept is considered as one of the alternative sources on long term, as raw material for operation of Pellet Plant. Major portion of raw materi is to be transported thro rail. It is therefore proposed to development a perment railway siding at Mangalore	130.00	70.00	5.00	Handle receipt of 4mtpy iron ore at Mangalore	New timelines will be finalised on obtaining necessary statutory clearance	New timeliness will be finalised after acquisition of Land from private party and also from KIADB	--	7.54	--	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 fromprivate parties. 2.945 acres of private land has already been procured and balance land procurement is under process.
(iii)	Construction of Bulk Material Handling facilities for reciept of iron ore by rail.	Since major portion of raw material is to be transported thro rail, proposal is to construct bulk material handling facilities for recept of iron ore assignemtn to KIOCL for its Pellet Plant and Blast Furnace Unit	173.00	73.00	0.00	Supply of 4mtpy of iron ore for production of pellets	New timelines will be finalised on obtaining necessary statutory clearance	--	--	--	--	
(iv)	Development of Chicknayakanahlli & other mines	To have a captive mine to meet requirement of raw materials	200.00	5.00	0.00	Supply of 4mtpy of iron ore for production of pellets	New timelines will be finalised on obtaining necessary statutory clearance	New timelines 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. Revised ML sketch for obtaining stautory clearances is awaited from GoK. ** Vide order dated 30 Nov 2012 Hon'ble Supreme Court has stated that no new MLs in Bellary, Tumkur and Chitradurga will be granted without its permission. This includes the cases for which notifications were issued but leases have not been executed. In view of this, ML execution process is likely to get delayed further. Hence, the budget expenditure for the FY 2012-13 could not be met with.

(Rs. in crore)

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				BE	RE		Original	Now Anticipated	For Apri-Dec'12	Cumulative upto Dec'12		
1	2	3	4	5	6	7	8	9	10	11	12	13
(v)	Development of Ramanadurg Mines	To have a captive mine to meet requirement of raw materials	900.00	5.00	0.00	Supply of 4mtpy of iron ore for production of pellets	New timelines will be finalised on obtaining necessary statutory clearance	New timelines 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, Gvot of Karnataka on 12.05.2011 and also in the meeting between Chief Secretary and KIOCLon 25.05.2011. ** Vide order dated 30 Nov 2012 Hon'ble Supreme Court has stated that no new MLs in Bellary, Tumkur and Chitradurga will be granted without its permission. This includes the cases for which notifications were issued but leases have not been executed. In view of this, ML execution process is likely to get delayed further. Hence, the budget expenditure for the FY 2012-13 could not be met with.

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1	2	3	4	5	6	7	8	9	10	11	12	13
(vi)	Ductile Spun Pipe Plant	This is a value added aproduct.	309.00	10.00	0.00	Production of 100,000 t/year of pipes	New timelines will be finalised on obtaining necessary statutory clearance	KIOCL have proposed for setting up a coke oven plant as a backward integration to BFU. Once the coke oven plant is installed, KIOCL will take appropriate decision on investment on the DISP project.	--	--	--	DPR already approve
(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	483.00	5.00	0.50	Developmen of eco-tourism	New timelines will be finalised on obtaining necessary statutory clearance	New timelines will be finalised on obtaining necessary statutory clearance.	--	--	--	Draft DPR prepared for establishing Eco-tourism facility at Kudremukh is put up to KIOCL Board for approval. Revenue Department, Govt. of Karnataka have conducted a survey of the lease area(1220.03 Ha) proposed for establishing Eco-tourism facilities at Kudremukh in presence of Dept. of Forest & KIOCL. Dy. Commissioner, Chickmagalur, had a field visit and discussion on the matter with KIOCL on 31 Dec 2012.

(Rs. in crore)

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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	60.00	60.00	Capacity of 7mtpa	Oct'09	Mar'13	19.98	343.37	All packages have been ordered and works are in advance stage	Capaciy was enhanced from 3MTPA to 7 MTPA and approved on 16/05/2008 for Capital Outlay of Rs 607.18 Cr. Cummulative expenditure upto Mar'12 was Rs 323.39 Cr. During the period Apr-Dec'12 Rs 19.98 has been incurred. Thus total expenditure on the scheme up to Dec'12 is Rs 343.37 Cr. Maoist activities in Bailadila region are continuing to disrupt the progress at site. CISF barracks constructed close to the working area and additional lighting towers are installed at strategic locations of the Mine. Trial run of secondary crusher, EOT crane in SCH & scalping screen was done. Electrical substation & all HT panels were already charged.
(ii)	Kumaraswamy Iron Ore Project	To increase production of iron ore	898.55	200.00	105.00	Capacity of 7 mtpa	May'13	Nov'13	76.23	148.58	All Main Packages awarded. Order for two supporting packages i.e., road and telecommunications package are being finalised.	Main technological packages are already ordered and the design is completed for crushing plant package. Design & Engg of downhill conveyor system is in advanced stage. Dumper platform civil works are in progress. Major civil works for Primary crusher and Secondary Crusher house are completed and balance works in progress. Primary Crusher & Secondary crusher received at Site. Mine office building and Silo foundation works are completed. Civil works are in progress for Downhill conveying system & service center buildings.
(iii)	Pellet Plant at Donimalai	To diversify into pellet production	572.00	200.00	158.40	Capacity of 1.2 mtpa	Apr'13	July'13	140.16	226.71	All the major packages have been ordered and work is under progress.	Critical equipment for the Pelletisation package is received at site. Orders placed for the critical equipment of Benefication package. Civil work are completed for ground water tank, pump house, rotary kiln, and waste gas chimney of pelletisation package. Structural works and equipment erection of these packages are in progress. Mixer equipment, GIS & Cooler erection completed.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulat ive upto Dec'12		
1	2	3	4	5	6	7	8	9	10	11	12	13
(iv)	3 MTPA Steel Plant at Nagarnar	i) Ensure value addition to Iron ore mined in CG State. ii) Development of Baster region inhabited mostly by tribals. iii) Partially meet the growing demand for steel products, primarily in the Indian market. iv) Investment of funds available for business growth.	15575.00	3513.00	1884.00	Capacity of 3 mtpa	Sep'14	May'15	672.70	1761.20	All the Statutory clearances have been received. Sanctions for infrastructural facilities like water, power have been received.	M/S MECON has been awarded engineering, consultancy and Project Management Contract on 25/10/2011. Out of 9 major technological packages agreements have been signed for 8 packages and civil construction works for most of these packages have been commenced at site. Order has been placed for Lime & Dolomite package on 23rd Nov'12. 03rd Mar'2011 has been declared as Zero date. Order has been placed for one of the important auxiliary package i.e. Power and Blowing Station on 23rd Nov,12. Some of the Auxiliary packages have been tendered out and are in different stages of ordering.
5.	**MOIL Ltd.**											
(i)	Joint Venture for Ferro Manganese/ Silico Manganese Plant with SAIL	The project will be set up at Bhilai to produce Ferro/Silico Manganese to cater to the demand of SAIL	391.00	50.00	0.00	The project will be producing Ferro Manganese 31000 MT and Silico Mn. 75000 MT	Project will be complete d by June, 2012	Will be quantified after finalization of tender for furnace.	0.00	2.10	NA	Land has been acquired for the project. Technical specification of furnace is under reworked by SAIL in tune with their present requirement of Ferro and Silico Manganese.
(ii)	Joint Venture for Ferro Manganese/ Silico Manganese Plant with RINL	The project will be set up at Bobbili to produce Ferro/Silico Manganese to cater to the demand of RINL.	217.00	20.00	0.00	The project will be producing Ferro Mn. 20000 MT and Silico Mn. 37500 MT	Project will be completed by June, 2012	Will be quantified after finalization of tender for furnace.	0.00	7.85	NA	Land has been acquired for the project. Technical specification of furnace is being reworked by RINL in tune with their present requirement of Ferro and Silico Manganese.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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'12	Cumulative upto Dec'12		
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 crore in 11th Plan and 200.00 crore in 12th Plan	44	26.49	1) Improvement in sinter productivity through deep beneficiation and agglomeration technologies for rational utilization of low grade iron ores and fines. 2) Development of Alternate complementary Route of Iron/Steel making with reference to Indian raw material viz low grade iron ore and non coking coal. 3) Production of low Phosphorus Steel using DRI through Induction furnace route adopting innovative fluxes and/or design (refractory) changes. 4) Smelting reduction of iron ore/fines by hydrogen plasma and elimination of CO_2 emission. 5) Beneficiation of Iron Ore slimes from Barsua and other mines in India. 6) Development of pilot scale pelletization technology for Indian Goethitic/hematite ore with varying degree of fineness. 7) CO_2 abatement in Iron and Steel production by process optimisation. 8) Production of low ash (10% ash) coal (coking non coking) from high ash Indian coals including desulphurisation of high sulphur North East coal.	During 11th Plan 2007-12	During 11th Plan 2007-12 scheme continued in the 12th Plan 2012-17	12.19	52.99	Projects are in progress.	1) The Scheme for R&D was introduced in MoS in the 11th Five Year Plan and it took considerable time to get appraisal and approval as per laid down procedure. 2) The EFC approved the scheme in Nov 2008 and Ministry of Finance accorded final clearance on Jan 2009 with a rider that the scheme be operated with effect from 2009-10. 3) Ministry of Steel took follow up action for selection of R&D projects in consultation with the stake holders got the projects approved by Panel of Experts and 4 projects were approved in Feb 2010. Four more projects were approved by PAMC in Nov 2010. 4) Because of the delays on the approval of the scheme and subsequent approval of the individual R&D projects, the 4 projects could only be started in April 2010, 2 projects on Jan 2011 and the balance 2 projects in Dec 2011. Therefore the projects could not be completed in the 11th Five Year Plan. 5) The ongoing 8 projects have been continued in the 12th Five Year Plan. As per the original schedule, these projects are likely to be completed in 2012-13, 2013-14, 2014-15 & 2015-16.

(Rs. in crore)

No	Name of PSUs and Scheme/ Programme	Objective/ Outcome	Estimated/ Sanctioned Cost	Approved Outlay 2012-13		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 Anticipated	For Apri-Dec'12	Cumulative upto Dec'12		
1	2	3	4	5	6	7	8	9	10	11	12	13
C.	Proposed New Schemes											
(i)	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.	During 12^{th} & 13^{th} Plan	Nil	Nil	Nil	Nil	New Scheme proposed for 12th Plan. Token provision of 1 crore given for 2012-13. The Scheme has been dropped.
(ii)	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.	During 12^{th} & 13^{th} Plan	Nil	Nil	Nil	Nil	New Scheme proposed for 12th Plan. Token provision of 1 crore given for 2012-13. The Scheme has been dropped.

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CHAPTER - V

FINANCIAL REVIEW

For the year 2013-2014, 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 2013-14

1.1 The total financial requirements covered in Demand No. 92 for BE 2013-14, are summarized in the following Table:-

(Rs. in crore)

Demand No. 92 for 2013-2014	**BE 2013-14**		
	Plan	**Non-Plan**	**Total**
REVENUE SECTION	46.00	72.97	*118.97*
CAPITAL SECTION	0.00	0.00	*0.00*
Total (Gross)	**46.00**	**72.97#**	***118.97***

Includes provision of Rs. 6.10 crore for accounting adjustments relating to waiver of guarantee fee.

2. ACTUAL EXPENDITURE: 2010-11 TO 2012-13 (UPTO DEC'12)

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**
2012-13	69.29	46.00	115.29	214.48	26.49	240.97	53.62	10.69	64.31#
2011-12	70.76	40.00	110.76	204.94	30.00	234.94	71.36	9.63	80.99
2010-11	78.92	36.00	114.92	80.24	30.00	110.24	67.77	27.05	94.82

Expenditure upto Dec'12.

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 2012-13 (BE & RE) and requirement of fund in 2013-14 (BE) are given in the following table :-

(Rs. in crore)

No.	Major Head & Item of Expenditure	BE 2012-13	RE 2012-13	% age increase in RE over BE 2012-13	BE 2013-14	% age increase over BE 2012-13
I.	MH – 3451					
1.	Secretariat - Economic Services	20.00	20.22	*1.10%*	22.02	*10.10%*
II.	MH – 2852					
2.	Development Commissioner for Iron & Steel, Kolkata	0.61	0.58	*-4.92%*	0.60	*-1.64%*
3.	Awards to Distinguished Metallurgists.	0.14	0.12	*-14.29%*	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	44.11	*-5.95%*	44.11	*-5.95%*
(ii)	Subsidy to MECON Ltd. for payment of interest on loans raised from banks for implementation of VRS	1.64	0.00	*-100.00%*	0.00	*-100.00%*
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	0.50	0.00	*-100.00%*	0.00	*-100.00%*
	Less – Receipts netted [5(i) to (ii)]#	*-6.60*	*-6.10*	*-7.58%*	*-6.10*	*-7.58%*
6.	*Grant-in-aid*					
(i)	*Grants -in-aid to Bisra Stone Lime Company Ltd.*	-	*149.45*	-	-	-
	Total : Non- Plan Expenditure(Net of receipts)	**69.29**	**214.48**	**209.54%**	**66.87**	**-3.49%**
	Total : Non- Plan Expenditure(Gross)	**75.89**	**220.58**	**190.66%**	**72.97**	**-3.85%**

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 2012-13 exceeded the BE 2012-13 mainly because of the additional provision of Rs. 149.45 crore for grant-in-aid to Bisra Stone Lime Company Ltd. for discharge of income tax liability arising out of restructuring of M/s. Bird Group of Companies approved by the Govt. The provision was obtained in the 1st Batch of Supplementary Demands on Grants and has since been utilised.

3.3 As against Non-Plan provision of Rs. 75.89 crore in BE 2012-13, the BE 2013-14 provision is Rs. 72.97 crore.

4. PLAN EXPENDITURE

4.1 The total approved plan outlay in BE 2013-14 is Rs. 46.00 crore for the scheme for promotion of R&D in iron & steel sector to cover the following:

(i) Rs. 12.00 crore for scheme for Promotion of Research & Development in Iron & Steel sector - ongoing R&D projects.

(ii) Rs. 32.00 crore for a new component of the existing R&D scheme for Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets and other value added innovative steel products.

(iii) Rs. 2.00 crore for new projects under existing objectives of the R&D scheme.

4.2 The total Plan budgetary support of Rs. 46.00 crore in BE 2012-13 has been reduced to 26.49 crore in RE 2012-13. A total Plan budgetary support of Rs. 46.00 crore has been provided in BE 2013-14. The break-up of Plan provision during 2012-13 & 2013-14 are given in the following table:-

(Rs. in crore)

No	Name of Scheme	Plan BS 2012-13 (BE)	Plan BS 2012-13 (RE)	Plan BS 2013-14 (BE)	%age increase/decrease over BE 2012-13 in BE 2013-14
1.	Scheme of the Ministry: Promotion of R&D in iron & steel sector				
1(i)	Scheme for Promotion of Research & Development in Iron & Steel sector On-going R&D projects	44.00	26.49	12.00	*-72.73%*
1(ii)	Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets and other value added innovative steel products (new component)	--	--	32.00	
1(iii)	Development of innovative iron/steel making process/ technology (new project under the existing scheme)	--	--	2.00	
2.	Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines	1.00	-*	-	
3.	Scheme for improving energy efficiency of secondary steel sector	1.00	-*	-	
	Total	**46.00**	**26.49**	**46.00**	**0.00%**

*****Scheme dropped due to the lower overall allocation to Ministry of Steel for the 12th Plan by the Planning Commission.

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	9.63	-
2012-13	46.00	26.49	10.69	Rs. 10.69 released till December, 2012
2013-14	46.00			Out of Rs. 46.00 crore budgetary support, provision of Rs. 12.00 crore has been made for scheme for Promotion of Research & Development in Iron & Steel sector on-going R&D projects, Rs. 32.00 for new component of the existing R&D scheme and Rs. 2.00 crore for new projects under the existing R&D scheme respectively.

6. ANNUAL PLAN OUTLAY FOR 2013-14 (BE)

6.1 Based on the Annual Plan, 2013-14 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 2013-14 (BE) for Ministry of Steel has been approved by the Planning Commission:

(Rs. in crore)

		Actual 2011-12	BE 2012-13	RE 2012-13	BE 2013-14
a)	Gross Budgetary Support	9.63	46.00	26.49	46.00
	EAP component of GBS	0.00	0.00	0.00	0.00
b)	Internal & Extra Budgetary Resources (I&EBR)	14574.73	21756.00	16360.60	19684.77
	Total	***14584.36***	***21802.00***	***16387.09***	***19730.77***

6.2 Details of PSU-wise plan outlays for Annual Plan, 2012-13 (BE & RE) Annual Plan 2013-14 (BE) is given in the table below:

(Rs. in crore)

No.	Name of the PSU/ Organisation	BE 2012-13			RE 2012-13			BE 2013-14		
		IEBR	B.S.	Outlay	IEBR	B.S.	Outlay	IEBR	B.S.	Outlay
A.	**Central Sector Scheme**									
1	SAIL	14500.00	0.00	14500.00	12000.00	0.00	12000.00	13000.00	0.00	13000.00
2	RINL*	1942.00	0.00	1942.00	1365.86	0.00	1365.86	2216.14	0.00	2216.14
3	HSCL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	MECON Ltd.	5.00	0.00	5.00	5.00	0.00	5.00	5.00	0.00	5.00
5	MSTC Ltd.	25.00	0.00	25.00	20.00	0.00	20.00	65.00	0.00	65.00
6	FSNL	12.00	0.00	12.00	12.00	0.00	12.00	12.00	0.00	12.00
7	NMDC Ltd.	4655.00	0.00	4655.00	2814.00	0.00	2814.00	4084.00	0.00	4084.00
8	KIOCL Ltd.	409.00	0.00	409.00	40.00	0.00	40.00	95.00	0.00	95.00
9	MOIL Ltd.	208.00	0.00	208.00	103.74	0.00	103.74	207.63	0.00	207.63
10	Scheme for promotion of R&D in Iron & Steel sector									
10(i)	Scheme for Promotion of Research & Development in Iron & Steel sector On-going R&D Projects	0.00	44.00	44.00	0.00	26.49	26.49	0.00	12.00	12.00
10(ii)	Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets and other value added innovative steel products (new component)	--	--	--	--	--	--	0.00	32.00	32.00

No.	Name of the PSU/ Organisation	BE 2012-13			RE 2012-13			BE 2013-14		
		IEBR	B.S.	Outlay	IEBR	B.S.	Outlay	IEBR	B.S.	Outlay
10(iii)	Development of innovative iron/steel making process/ technology (new project under the existing scheme)	--	--	--	--	--	--	0.00	2.00	2.00
11	Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines		1.00	1.00		#-	--	--	--	--
12	Scheme for improving energy efficiency of secondary steel sector		1.00	1.00	--	-#	--	--	--	--
	TOTAL - A	***21756.00***	***46.00***	***21802.00***	***16360.60***	***26.49***	***16387.09***	***19684.77***	***46.00***	***19730.77***
B.	**Centrally Sponsored Schemes**	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	***21756.00***	***46.00***	***21802.00***	***16360.60***	***26.49***	***16387.09***	***19684.77***	***46.00***	***19730.77***

* OMDC Ltd. and BSLC Ltd. were constituents of erstwhile Bird Group of Companies, which have become subsidiary PSUs of RINL and their figures have been clubbed with RINL.

*The scheme has been dropped.*

Not 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 2013-14 is Rs. 19730.77 crore which will be financed by budgetary support of Rs. 46.00 crore and IEBR of Rs. 19684.77 crore. Out of the budgetary support of Rs. 46.00 crore, provision of Rs. 32.00 crore has been made for a new component of R&D scheme for Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets and other value added innovative steel products. Provision of Rs. 2.00 crore for new projects under existing objectives of the R&D scheme and provision of Rs. 12.00 crore has been made for scheme for Promotion of Research & Development in Iron & Steel sector-ongoing R&D projects 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.

Brief description of the PSU-wise outlays provided in BE 2013-2014 for various schemes of the PSUs are given below:-

6.4 Out of the total outlay of **Rs.19730.77 crore** in Annual Plan 2013-14 (BE), an amount of ***Rs.13000.00 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.5900.00* crore has been provided for **Bhilai Steel Plant**. Major portion (Rs.5300.00 crore) of the total outlay is for modernization and expansion the Plant. Balance outlay is for schemes like installation of 700 TPD Oxygen Plant, HAGC, PVR in Plate Mill, Hot Metal Desulphurisation unit, Slab Caster, RH Degasser, Mining Railway track-Rowghat and other ongoing and new schemes.

(ii) Outlay of *Rs.900.00 crore* has been provided for **Durgapur Steel Plant**, of which Rs.775.00 crore is earmarked for expansion of the Plant. Other schemes covered under the outlay include installation of Bell less top charging system in BF, installation of Steel Processing Units at Kangra, Modification/modernization of Gas cleaning plant of BF-3 and other small schemes.

(iii) An amount of *Rs.2400.00 crore* has been provided for **Rourkela Steel Plant.** Major scheme included in the outlay is expansion of RSP (Rs. 2050.00 crore). Other schemes are Rebuilding of COB No.4, Installation of 700 TPD Oxygen Plant, Installation of Coke Oven Gas Holder, Simultaneous blowing of BOF Converters of SMS-II, Jagdishpur Steel Project and other ongoing and new schemes.

(iv) Outlay of *Rs.1425.00 crore* for **Bokaro Steel Plant** has been provided for expenditure on expansion of Bokaro Plant (Rs. 1200.00 crore), 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 and new schemes.

(v) Outlay of *Rs. 1800.00 crores* for **IISCO Steel Plant.** Major portion is for Expansion of ISP (Rs. 1750.00 crore), Rebuilding of COB No.10 and balance amount is for other ongoing and new schemes.

(vi) Outlay of *Rs. 25.00 crore* for **Alloy Steels Plant** is for several completed and ongoing schemes.

(vii) Outlay of *Rs. 45.00 crore* has been allocated for **Salem Steel Plant.** Major portion of the outlay is for Expansion of SSP (Rs. 40.00 crore) and the remaining amount is for small value miscellaneous schemes.

(viii) Remaining outlay of *Rs.505.00 crore* has been provided for Visvesvaraya Iron & Steel Ltd. (Rs. 20.00 crore), Central Units of SAIL (Rs. 350.00 crore), Raw Materials Division (Rs. 30 crore), Chandrapur Ferro Alloy Plant (Rs. 105 crore) for various ongoing and new schemes/ projects and research work.

6.5 Outlay of ***Rs. 2216.14 crore*** has been provided for **Rashtriya Ispat Nigam Ltd**. Major portion of this outlay amounting to Rs. 600 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, BF-1 category – 1&2 repairs, 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. RINL's outlay includes the outlays of two subsidiary PSUs viz., OMDC Ltd. and BSLC Ltd., which were constituents of erstwhile Bird Group of Companies.

6.6 Outlay of ***Rs. 4084.00 crore***, to be met from I&EBR of the company, has been provided for **NMDC Ltd.** Plan outlay has been made for schemes/ projects like Bailadila Deposit-11B, Kumarswamy iron Ore Project, 3 million tonne Steel Plant in Chhattisgarh, Pelletisation Plant at Donimalai and Bacheli, AMR/Township and R&D schemes etc.

6.7 Outlay of ***Rs. 95.00 crore*** has been provided for **KIOCL Ltd.,** of which Rs. 32.35 crore is for AMR schemes and Rs. 10.00 crore for Coke Oven Plan. Remaining outlay is for various ongoing scheme and R&D/feasibility studies. Outlay is being met from I&EBR of the company.

6.8 Outlay of ***Rs. 207.63 crore*** for **MOIL Ltd**. has been provided for investment in joint venture for Ferro Manganese/ Silico Manganese Plant with RINL (Rs.15 crore), sinking of vertical shaft at Munsar, Chikla, Balaghat, Ukwa and Gumgaon Mine, AMR schemes, township, R&D/feasibility studies etc. Entire outlay will be met from I&EBR of the company.

6.9 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.

6.10 Outlay of ***Rs. 65.00 crore,*** to be met out of I&EBR, has been provided for **MSTC Ltd.** for Shredding Plant.

6.11 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.

6.12 Provision of ***Rs. 46.00 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. The break-up of the provision is as follows:-

- Provision of Rs. 12.00 crore for the on-going projects of scheme for Promotion of Research & Development in Iron & Steel sector.

- Provision of Rs. 32.00 crore has made for a new component of the existing R&D scheme for Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel Sheets and other value added innovative steel products.

- Provision of Rs. 2.00 crore has been made for new projects under existing R&D scheme for Development of Innovative Iron/Steel making Process/Technology.

7. 11TH FIVE YEAR PLAN 2007-2012 (APPROVED) & ACTUAL EXPENDITURE

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 actual expenditure 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		
		IEBR	GBS	Total	IEBR	GBS	Total
A.	**PSUs**						
1	Steel Authority of India Ltd.	27409.00	0.00	27409.00	40321.00	0.00	40321.00
2	Rashtriya Ispat Nigam Ltd.	9569.18	0.00	9569.18	11271.84	0.00	11271.84
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	8.90	63.00	71.90

No.	Name of the PSU	Outlay for 11th Plan (Approved) (2007-08 to 2011-12)			Actual Expenditure		
		IEBR	**GBS**	**Total**	**IEBR**	**GBS**	**Total**
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	19.27	0.00	19.27
8	Ferro Scrap Nigam Ltd.	60.00	0.00	60.00	55.69	0.00	55.69
9	NMDC Ltd	7147.00	0.00	7147.00	3082.76	0.00	3082.76
10	KIOCL Ltd.	650.00	0.00	650.00	128.45	0.00	128.45
11	MOIL Ltd.	342.90	0.00	342.90	254.27	0.00	254.27
12	Bird Group of Companies	148.00	1.00	149.00	98.44	0.00	98.44
B.	**New Scheme**						
1	Scheme for promotion of R&D in the Iron & Steel Sector	0.00	118.00	118.00	0.00	40.82	40.82
2	TUFS for SME	0.00	0.00	0.00	--	--	--
3	Scheme for Institution of Manpower Development	0.00	0.00	0.00	--	--	--
Total (A+B)		**45390.08**	**217.00**	**45607.08**	**55248.31**	**113.82**	**55362.13**

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

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

7.2 The total approved outlay for the 11th Plan (2007-12) was RS. 45607.08 crore (IEBR of Rs. 45390.08 crore and Gross Budgetary Support (GBS) of Rs. 217.00 crore). The year-wise total outlay approved by the Planning Commission and the total expenditure during 11th Plan 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	21062.71	40.00	21102.71	16827.13	30.00	16857.13	14574.73	9.63	14584.36
Total	**67595.89**	**210.00**	**67805.89**	**58518.46**	**168.01**	**58686.51**	**55248.31**	**113.82**	**55362.13**

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 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	
			Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual	Approved	Actual
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	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
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
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
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	9.63
	TOTAL	**217.00**	**66.00**	**70.00**	**34.00**	**0.00**	**34.00**	**7.14**	**36.00**	**27.05**	**40.00**	**9.63**

* 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. During 2011-12, an amount of Rs. 9.63 crore has been released under R&D Scheme.

9. YEARWISE ANALYSIS OF GROSS BUDGETARY SUPPORT (GBS) OUTLAY IN 12TH FIVE YEAR PLAN

9.1 The Scheme-wise break up of GBS of Rs. 200.00 crore approved for 12th Plan (2012-17). While the total Plan budgetary support of Rs. 46.00 crore in BE 2012-13 was reduced to Rs. 26.49 crore in RE 2012-13, a total plan budgetary support of Rs. 46.00 crore has been provided in BE 2013-14. The details of Plan provisions are given in the table below:-

(Rs. in crore)

No	Name of Scheme	Plan BS allocated for 12th Plan (2012-17)	2012-13		2013-14
			BE	RE	BE
1	Scheme of the Ministry : Promotion of R&D in the Iron & Steel sector				
1(i)	Scheme for Promotion of Research & Development in Iron & Steel sector-on-going R&D projects	48.00	44.00	26.49	12.00
1(ii)	Development of Technology for Cold Rolled Grain Oriented (CRGO) Steel sheets and other value added innovative steel products (new component)	150.00	--		32.00
1(iii)	Development of innovative Iron/Steel making Process/Technology (new projects under existing scheme)	2.00	--	--	2.00
	TOTAL	**200.00**	**46.00***	**26.49**	**46.00**

*Rs. 2.00 crore token provision for 2 new schemes in BE 2012-13 have been dropped in RE.

10. PLAN OUTLAY AND ACTUAL EXPENDITURE DURING 2012-13

10.1 Plan outlay and actual expenditure during 2012-13 (upto December, 2012).

For the financial year 2012-13, the Planning Commission approved an outlay of Rs. 21802.00 crore (Rs. 21756.00 crore as IEBR and Rs. 46 crore as GBS). The source-wise details of approved outlay for 2012-13 (BE) and actual expenditure upto December, 2012 are given in the table below:-

(Rs. In crore)

No.	Name of the PSUs	2012-13 (BE)			2012-13 Actual expenditure (upto Dec'12)		
		I&EBR	B.S.	Total	I&EBR	B.S.	Total
A	**Central Sector Scheme**						
1.	SAIL	14500.00	0.00	14500.00	6554.00	0.00	6554.00
2.	RINL^	1942.00	0.00	1942.00	833.33	0.00	833.33
3.	HSCL	0.00	0.00	0.00	0.00	0.00	0.00
4.	MECON Ltd.	5.00	0.00	5.00	3.46	0.00	3.46
5.	MSTC Ltd.	25.00	0.00	25.00	0.00	0.00	0.00
6.	FSNL	12.00	0.00	12.00	6.34	0.00	6.34
7.	NMDC Ltd.	4655.00	0.00	4655.00	1018.00	0.00	1018.00
8.	KIOCL Ltd.	409.00	0.00	409.00	5.37	0.00	5.37
9.	MOIL Ltd.	208.00	0.00	208.00	33.76	0.00	33.76
10.	Scheme for promotion of R&D in Iron & Steel sector						
10(i)	Scheme for Promotion of Research & Development in Iron & Steel sector-on-going R&D projects	0.00	44.00	44.00	0.00	10.69	10.69
11.	Scheme for promotion of beneficiation & agglomeration of low grade iron ore & ore fines	0.00	1.00	1.00	0.00	0.00	0.00
12	Scheme for improving energy efficiency of secondary steel sector	0.00	1.00	1.00	0.00	0.00	0.00
B	**Centrally Sponsored Scheme**	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**
	Grand Total (A+B)	**21756.00**	**46.00**	**21802.00**	**8454.26**	**10.69**	**8464.95**

^OMDC Ltd. and BSLC Ltd. were constituents of erstwhile Bird Group of Companies, which have become subsidiary PSUs of RINL and their figures have been clubbed with RINL.

11. STATUS OF OUTSTANDING UTILISATION CERTIFICATES

As on 31.12.2012, no utilization certificate is pending.

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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.4130.52 crore as on 31st March, 2012, of which Rs. 3544.69 crore (85.82%) is held by the Govt. of India and the balance 14.18% by the financial institutions, GDR holders, banks, employees, etc.

1.2 PHYSICAL PERFORMANCE

(in million tonnes)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE (LII)
(i)	Hot Metal	14.5	14.9	14.1	14.4	14.5	10.7	15.5
(ii)	Crude Steel	13.5	13.8	13.6	13.6	13.6	10.1	14.3
(iii)	Saleable Steel	12.6	12.9	12.8	12.8	12.8	9.3	13.5
(iv)	Pig Iron	0.3	0.3	0.1	0.3	0.4	0.2	0.6

1.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14 @
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE (LII)
(i)	Income	45565	50697	54017	51680	51680	40057	57237
(ii)	Operating Cost	33694	41542	46359	45679	45679	35569	51947
(iii)	Gross Margin	11871	9155	7658	6000	6000	4488	5291
(iv)	Profit (Loss) before Tax	10132	7194	5151	3302	3302	2500	2237
(v)	Profit (Loss) after Tax	6754	4905	3543	2230	2230	1724	1511
(vi)	Dividend proposed*	1363	991	826	826	826$	660.88#	826
	of which:							
	Dividend proposed to the Govt. of India	1170	851	709	709	709	567	709

* Excluding dividend tax.
$ 20% of PAT or equity whichever is higher, as per letter dated 15th Jan'13 sent to MOS.
# Interim dividend @ 16% of paid-up equity capital.
@Plan for 2013-14 is proposed and shall be finalized during the Task Force meeting of MOU which is planned in Feb'13.

1.4 Production in first 9 months of 2012-13 has been 101% of plan for Hot Metal, 101% of plan for Crude Steel and 99% of plan for Saleable Steel.

1.5 SAIL has reported a turnover of Rs. 23888 crore during 2012-13, was marginally higher as compared to the corresponding period of last year, resulting from increase in net sales realization of saleable steel despite lower saleable steel sales volume. However, the profitability has declined mainly due to adverse impact of input prices consisting of iron ore including royalty, lime stone, dolomite, silico manganese, furnace oil/LSHS, LPG and purchased power. Also, there was increase in consumption of external coke, furnace oil, stores & spares, repairs & maintenance, depreciation, lower interest earnings on term deposits, etc. The adverse impact has partially been offset by higher production, higher net sales realization, better product mix, increase in value added production, lower price of coal, lower salary & wages, lower interest cost and lower loss due to FE variations.

2. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

2.1 The company's capital structure as on 31st March, 2012 comprises of Rs.4889.85 crore of Equity Capital and Rs. 2837.47 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	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE @
(i)	Hot Metal	3900	3830	3778	4185	3815	2829	4300
(ii)	Crude Steel	3205	3235	3128	3018	3153	2278	3597
(iii)	Saleable Steel	3167	3077	2990	3467	3001	2093	3410
(iv)	Pig Iron	408	318	395	239	427	383	409

2.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (Prov.) (upto Dec'12)	BE @
(i)	Income	11392.16	12042.55	14898.58	15148.55	14732.72	10220.65	16363.82
(ii)	Operating Cost	9789.79	10630.40	13253.11	13873.20	13928.48	9416.41	15294.81
(iii)	Gross Margin	1602.37	1412.15	1645.47	1275.35	804.24	804.18	1069.01
(iv)	Profit (Loss) before Tax	1247.65	981.66	1110.01	387.06	138.00	362.97	141.19
(v)	Profit (Loss) after Tax	796.67	658.49	751.46	309.61	93.22	250.78	95.38
(vi)	Dividend paid	339.18	285.29	271.47	0.00	187.91	0.00	0.00

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

2.4 Financial performance during the current year is better than budgeted; though there is shortfall with reference to previous year. Fall in net sale realization due to market conditions, increase in iron ore prices, even though there is a reduction in imported coal prices the same was offset by rupee depreciation against US Dollor, fall in interest income on deposits due to repayment of preference share capital to the tune of Rs. 1241 crore at the beginning of the year, as some of the expansion units are commissioned during the year 2012-13, this has the impact of higher depreciation, increase of excise duty and railway freight without commensurate increase in price, increase in power tariff and imposition of penalties even within Contracted Demand Load by State Power Distribution companies have led to the shortfall.

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 Ltd. & BSLC Ltd. Thus all the three operational companies under the Bird Group namely, EIL, OMDC Ltd. and BSLC Ltd. 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	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
1.	**Production**							
	Iron Ore	5.64	0.70	0.00	10.00	6.00	0.00	0.00
	Manganese Ore	0.17	0.13	0.00	0.20	0.06	0.00	0.00
	Sponge Iron	0.08	0.02	0.00	0.00	0.00	0.00	0.00
2.	**Despatch**							
	Iron Ore	6.43	2.22	0.00	10.00	6.00	0.00	0.00
	Manganese Ore	0.19	0.07	0.00	0.20	0.15	0.00	0.00
	Sponge Iron	0.06	0.04	0.01	0.00	0.00	0.00	0.00

FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
(i)	Income	166.53	99.16	61.18	312.60	221.00	61.68	65.00
(ii)	Operating Cost	51.72	64.30	54.17	82.00	36.00	36.10	53.85
(iii)	Gross Margin	114.81	34.86	7.01	290.00	185.00	25.58	11.15
(iv)	Profit (Loss) before Tax	112.26	13.35	8.28	268.00	160.00	19.02	2.15
(v)	Profit (Loss) after Tax	74.44	7.72	3.44	181.00	108.00	5.57	1.45
(vi)	Dividend paid/ proposed	11.16	1.16	0.52	0.00	0.00	0.00	0.00
	Of which :							
	Dividend paid/ proposed to the Govt. of India	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The income amount shown above includes receipt of interest by the company on term deposits and other income like forfeiture of EMD etc.

Sales realization has been constantly in decline upto 2011-12 due to non-availability of clearances from Statutory Authorities for mining operation. The mining operation has become stand still from 01.10.2010 when all the mines of OMDC were closed. Considerable drop in sale realization have affected adversely the financial performance.

(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	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
1.	**Production**							
(i)	Limestone	2.09	1.25	0.25	1.00	0.24	0.19	0.60
(ii)	Dolomite	9.56	8.60	5.10	6.00	2.16	2.18	7.20
2.	**Despatch**							
(i)	Limestone	2.44	2.02	0.45	1.00	0.24	0.12	0.60
(ii)	Dolomite	9.26	8.44	5.17	6.00	2.16	2.36	7.20

FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
(i)	Income	682.73*	58.89	31.69	45.00	13.85	18.33	45.50
(ii)	Operating Cost	621.42	63.82	38.55	54.50	34.67	30.65	49.34
(iii)	Gross Margin	621.24*	-4.93	-8.86	-9.50	-20.32	-11.73	-3.44
(iv)	Profit (Loss) before Tax	620.63*	-5.45	-6.86	-10.00	-20.82	-12.32	-4.34
(v)	Profit (Loss) after Tax	620.63*	-5.45	-6.86	-10.00	-20.82	-12.32	-4.34
(vi)	Dividend paid/ proposed	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Of which							
	Dividend paid/ proposed to the Govt. of India	0.00	0.00	0.00	0.00	0.00	0.00	0.00

*Due to waiver of accumulated interest on Government loan of Rs. 624.20 crore during 2009-10 (as part of the approved restructuring scheme) the company registered a profit of Rs. 620.63 crore for the year 2009-10.

3. HINDUSTAN STEELWORKS CONSTRUCTION LIMITED (HSCL)

3.1 As on 31st March, 2012, 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	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
(i)	***Order Booking***	1036.00	1826.00	1899.00	0.00	2050.00	852.65	0.00

3.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
(i)	Income	800.35	996.30	1208.16	1250.00	1345.00	809.05	1300.00
(ii)	Operating Cost	731.26	925.09	1121.52	1175.00	1258.00	765.35	1222.00
(iii)	Gross Margin (PBIDT)	69.09	71.21	86.64	75.00	87.00	43.70	78.00
(iv)	Profit (Loss) before Tax	-54.59	-38.09	-28.08	-35.00	-22.00	-39.41	-32.00
(v)	Profit (Loss) after Tax	-54.59	-38.09	28.08	-35.00	-22.00	-39.41	-32.00
(vi)	Dividend paid/ proposed	Nil	Nil		Nil	Nil	Nil	Nil
	of which:							
	Dividend proposed to the Govt. of India	Nil	Nil		Nil	Nil	Nil	Nil

The financial results also are improving with the company earning an operating profit of Rs.86.64 crore during 2011-12. 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 as on 31.3.2012 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	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12) *	BE
(i)	Income	668.86	689.42	790.90	811.00	696.00	453.83	841.00
(ii)	Operating Cost	533.35	539.94	580.54	611.82	548.00	340.81	594.39
(iii)	Gross Margin	135.51	149.48	210.36	199.18	148.00	113.02	246.61
(iv)	Profit (Loss) before Tax	124.69	140.93	201.54	192.20	141.77	107.16	240.23
(v)	Profit (Loss) after Tax	82.62	93.68	136.36	129.84	95.77	72.39	162.29
(vi)	Dividend paid/ proposed	3.15	3.15	10.98	27.86	21.05	1.88	33.71
	Of which :							
	Dividend paid/ proposed to the Govt. of India	3.15	3.15	10.98	27.86	21.05	1.88	33.71

*Provisional

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	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
(i)	Marketing	6385	5933	5746	2900	4800	5772	2700
(ii)	Agency	6354	8168	16005	9500	11000	10553	9150

5.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12)	BE
(i)	Income	4381.18	1947.31	2695.92	1243.90	2200.00	2952.14	1893.15
(ii)	Operating Cost	4243.51	1796.61	2517.69	1148.90	2094.58	2849.08	1803.35
(iii)	Gross Margin	137.67	150.70	178.23	95.00	105.42	103.06	89.80
(iv)	Profit (Loss) before Tax	135.99	149.40	176.15	91.00	101.42	101.06	85.80
(v)	Profit (Loss) after Tax	86.10	99.16	118.39	60.06	66.94	68.26	57.80
(vi)	Dividend paid/ proposed	17.23	2.20	23.69	-	-	-	-
	Of which :							
	Dividend paid/ proposed to the Govt. of India	15.48	1.98	21.29	-	-	-	-

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 31.3.2012, the company's net worth was Rs.136.67 crore.

6.2 PHYSICAL PERFORMANCE

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12) (Prov.)	BE
(i)	Recovery of Scrap *(in lakh M.T.)*	23.71	26.45	21.60	27.69	22.15	17.01	23.86
(ii)	Market Value of Production *(Rs.in Crore)*	1043.40	1163.94	950.32	1218.47	974.92	748.38	1049.72

6.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12) (Prov.)	BE
(i)	Income	158.61	168.53	164.63	193.15	195.24	135.71	214.50
(ii)	Operating Cost	137.42	155.07	150.95	174.40	179.49	123.96	198.78
(iii)	Gross Margin	21.19	13.46	13.68	18.75	15.75	11.75	15.72
(iv)	Profit (Loss) before Tax	5.76	1.78	2.03	3.25	3.25	0.74	2.72
(v)	Profit (Loss) after Tax	4.18	1.20	1.37	2.20	2.20	0.50	1.84
(vi)	Dividend paid/ proposed	1.01	0.46	0.46	0.00	0.00	0.00	0.00
	Of which :							
	Dividend paid/ proposed to the Govt. of India#	0.86	0.40	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 31.3.2012. The Government of India has disinvested the shares of NMDC in March'10 and brought down the share holding to approx 90%. During the year in December'12, the Government of India has further disinvested 10% of NMDC shares thus the equity participation of the Govt. in the company has now come down to approx 80%.

7.2 PHYSICAL PERFORMANCE

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual upto Dec'12 (Prov)	BE
(i)	**PRODUCTION:**							
	IRON ORE (LAC MT)	238.03	251.55	272.60	265.00	264.00	175.80	278.00
	DIAMONDS (CARATS)	16529.21	10865.93	18043.44	23500	23500	21254	24700
	SPONGE IRON (MT)	0.00	38962	37237.40	42500	42500	27688	44600
(II)	**SALES**							
	IRON ORE (LAC MT)	240.85	263.15	273.01	265.00	264.00	180.30	278.00
	DIAMONDS (CARATS)	7335.34	18421.22	8085.16	23500	23500	6737	24700
	SPONGE IRON (MT)	0.00	39775	33731.79	42500	42500	28978	44600

7.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	(Actual)	(Actual)	BE	RE	Actual (upto Dec'12 (Prov)	BE
(i)	Income	7098.90	12687.81	13278.38	12723.00	13670.00	9247.28	13972.00
(ii)	Operating Cost	1814.96	2835.66	2385.28	3098.00	3277.00	1895.70	3500.00
(iii)	Gross Margin (1-2)	5283.94	9852.15	10893.10	9625.00	10393.00	7351.58	10472.00
(iv)	Depreciation/DRE	76.62	124.98	133.63	175.00	145.00	101.58	190.00
(v)	Profit (Loss) before Tax	5207.32	9727.17	10759.47	9450.00	10248.00	7250.00	10282.00
(vi)	Profit (Loss) after Tax	3447.26	6499.22	7265.39	6384.00	6923.00	4895.60	6946.00
(vii)	Dividend paid/ Proposed*	693.82	1308.35	1784.12	0.00	0.00	792.94	0.00
	Of which :							
	Dividend paid/ proposed to the GOI	649.39	1177.58	1605.78	0.00	0.00	713.68	0.00

**Balance sheet figure for the year.*

7.4 Total income has increased by 5.61% from Rs. 12572.45 crore to Rs. 13278.38 crore, over 2011-12. The profit before tax has increased by 10.63% from Rs. 9725.66 crore to Rs. 10759.47 crore, over 2011-12. The profit after tax has increased by 11.79% from Rs. 6499.22 crore to Rs. 7265.39 crore, over 2011-12. The production and sales quantities of iron ore have increased by 8.37% and 3.75 respectively, over 2011-12. During the year 2011-12, the company has declared 450% dividend on its paid up capital.

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 as on 31.03.2012. Approximately 99% of share capital of the company is held by Government of India.

8.2 PHYSICAL PERFORMANCE

(In million tonnes)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	**(Actual)**	**(Actual)**	**BE**	**RE**	**Actual (upto Dec'12)**	**BE**
(i)	Pellet	1,273	2,124	1,710	2,500	1,600	1,090	2,000
(ii)	Pig Iron (incl. auxiliary)	0.062	2,090	1,716	2,500	1,600	1,056	2,000

8.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No	Item	2009-10	2010-11	2011-12	2012-13			2013-14
		(Actual)	**(Actual)**	**(Actual)**	**BE**	**RE**	**Actual (upto Dec'12)**	**BE**
(i)	Income	912.59	1784.85	1560.62	2416.08	1583.78	1136.33	1845.03
(ii)	Operating Cost	1047.23	1622.24	1392.95	2253.78	1512.38	1100.55	1757.04
(iii)	Gross Margin	-134.64	162.61	167.67	162.30	71.40	35.77	87.99
(iv)	Profit (Loss) before Tax	-194.95	99.95	115.39	128.10	37.10	10.04	53.68
(v)	Profit (Loss) after Tax	-177.27	76.27	94.30	85.55	24.77	6.89	35.85
(vi)	Dividend paid/ proposed	0.00	15.86	19.03	17.11	0.00	0.00	7.17
	Of which :							
	Dividend paid/ proposed to the Govt. of India	0.00	15.70	18.84	17.10	0.00	0.00	7.16

8.4 Poor demand for pellets - due to availability of imported pellets at lesser price in DTA (Domestic Tariff Area) market, sharp fall in pellet prices, steep increase in prices of Iron Ore Fines & other inputs, no export of pellets due to levy of Distance Based Charge by Railway, Mining has stopped w.e.f. 31/12/2005 in view of Hon'ble Supreme Court judgment.

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 and Rs. 18.84 crore for the year 2011-12.

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, 2012 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.		2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 BE	2012-13 RE	2012-13 Actual (upto Dec'12)	2013-14 BE
	PRODUCTION:							
(i)	Manganese Ore	1093363	1150742	1070717	1200000	1150000	801673	1100000
(ii)	Electrolytic Manganese Dioxide	1150	805	714	1000	700	528	750
(iii)	Ferro Manganese	9555	9081	8694	10000	8000	6859	9000

9.3 FINANCIAL PERFORMANCE

(Rs. in crore)

No.		2009-10 (Actual)	2010-11 (Actual)	2011-12 (Actual)	2012-13 BE	2012-13 RE	2012-13 Actual (upto Dec'12)	2013-14 BE
(i)	Income	1101.37	1290.80	1102.90	1102.77	1075.80	854.30	1071.41
(ii)	Operating Cost	383.47	427.77	453.21	529.33	511.91	365.01	561.93
(iii)	Gross Margin	732.09	912.66	636.54	537.45	578.24	462.41	534.95
(v)	Profit (Loss) Before Tax	706.79	880.75	606.63	501.49	541.37	439.91	498.08
(v)	Profit (Loss) After Tax	466.35	588.06	410.77	334.91	365.73	293.40	336.48
(vi)	Dividend Paid/ Proposed	94.08	117.60	84.00	66.98	73.15	0.00	67.30
	Of which :							
	Dividend paid/ proposed to the GOI	76.74	84.17	60.12	47.94	52.35	0.00	48.16

There is no shortfall in physical and financial performance of MOIL vis-à-vis targets. Infact, the performance of the company on both counts has exceeded the targets, except production of Electrolytic

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