HIGHLIGHTS
(1.4.2004 to 31.12.2004)

MACRO SCENE

- The steel industry in general is on the upswing due to strong growth in demand propelled particularly by the high demand in China.
- India is today the eighth largest crude steel producing country in the world.
- Finished Carbon steel production during the current year (April to December, 2004) at 28.3 million tonnes (provisionally estimated) was up by 3.8% over the corresponding period of the previous year.
- During the same period (April to December, 2004) the merchant production of pig iron at 2.1 million tonnes (provisionally estimated) was lower by 28.6% than the production in the corresponding period in 2003-04. The secondary producers accounted for bulk of the merchant pig iron production.
- The total volume of finished carbon steel exported during the current year (April to December, 2004) at 2.65 million tonnes (provisionally estimated) was lower by 18.3% exported during the corresponding period last year.
- Apparent consumption of finished carbon steel during the current year (April to December, 2004) rose 5.7% from the level of the corresponding period last year to reach 24.90 million tonnes (Provl).
- India is the largest producer of Sponge Iron in the world. The estimated capacity in respect of sponge iron in the country is likely to go up by around 12.00 million tonnes during 2004-05. The total production during April-December 04 for has been estimated at 7.20 million tonnes.
- 18th and 19th meetings of the Steel Consumers’ Council were held under the chairmanship of the Steel Minister at New Delhi and Mumbai in June and December, 2004 respectively to address the grievances of steel consumers.

- The progressive use of Hindi in the Ministry and its Public Sector Undertakings has been widely encouraged. PSMs are given incentives by awarding Ipat Rajbhasha Shield (First Prize), Ipat Rajbhasha Trophy (Second & Third Prize); a Ipat Rajbhasha Shield for the PSMs located in Region ‘C’. Under an incentive Scheme, cash prizes of Rs. 15,000/-, Rs. 10,000/- & Rs. 7,500 are awarded to the writers of original books in Hindi on Steel and its allied subjects. Awards for the year 2002-03 have already been awarded. Entries received for the year 2003-04 are under evaluation. Entries for the year 2004-05 will be invited after 31st March, 2005.
The Empowered Committee (EC) constituted under the Chairmanship of Secretary (Steel) to give overall direction in R&D matters and to approve/review specific R&D projects with financial assistance from the Steel Development Fund (SDF) has met 12 times since 1998 and approved 36 R&D projects costing Rs. 218.04 crore. Out of this Rs. 99.50 crore is to be met from Steel Development Fund (SDF). So far Rs.79.69 crore has been disbursed to the research laboratories/institutions/steel plants etc. for R&D activities.

MAJOR PUBLIC SECTOR UNDERTAKINGS UNDER MINISTRY OF STEEL

STEEL AUTHORITY OF INDIA LTD.
- During 2004-05 (upto December) SAIL produced 8.93 million tonnes of Hot Metal compared to 12.75 million tonnes in the previous fiscal.
- During 2004-05 (upto December) SAIL produced 8.59 million tonnes of Crude Steel compared to 11.83 million tonnes in the previous fiscal.
- During 2004-05 (upto December) SAIL produced 7.70 million tonnes of Saleable Steel compared to 10.73 million tonnes in the previous fiscal.
- During 2004-05 (upto December) SAIL’s sales stood at Rs.21578 crore compared to Rs.24178 crores in the previous fiscal. The company’s gross margin was at Rs.7030 crores compared to Rs.4650 crores in the previous fiscal. During the period profit before tax stood at Rs.5799 crores compared to Rs.2629 crores in 2003-04.

RASHTRIYA ISPAT NIGAM LTD.
- RINL, VSP has become a zero debt company. The Company, till December 2004 has made a provisional net profit of Rs.1562 crores (before tax).
- During April-December of the current financial year, (2004-05), VSP’s sales have touched Rs.5475 crores which is a 26% growth over the corresponding period last year. Of these, while sales in the domestic market constituted Rs.5377 crores, the exports were to the tune of Rs.98 crores.

MSTC LTD.
- In the current financial year, upto Dec. 2004 MSTC’s total volume of business stood at Rs.4568 crores compared to Rs.4165 crores of the previous fiscal.
- During April-December 2004 MSTC’s turnover was at Rs.3823 crores compared to Rs.3344.52 crores in the previous fiscal.
- The companies profit before tax till April-December ’04 stood at Rs.38.94 crores compared to Rs.33.69 crores in the previous fiscal.

MANGANESE ORE (INDIA) LTD.
- During 2004-05 (upto December), MOIL earned Profit before Tax of Rs.81.25 crores compared to Rs.11.62 crores in the previous fiscal.
- During 2004-05 (upto December), MOIL produced 674.28 tonnes of Manganese Ore compared to 79.00 tonnes during the previous fiscal.
- During 2004-05 (upto December), MOIL’s turnover stood at Rs.234.83 crores compared to Rs.228.74 crores during the previous fiscal.

KUDRENUK IRON ORE COMPANY LTD.
- Recorded highest ever turnover of Rs.1256.67 crores upto December, 2004 surpassing the previous high of Rs.1028.38 crores achieved for the whole year 2003-04.
- Highest Profit after Tax of Rs.372.17 crores upto December, 2004 surpassing the previous high of Rs.300.70 crores for the whole year 2003-04.
- Production of 2.862 Million tonnes of Pellets (including Pellet Fines) upto December, 2004 is the highest quantity produced during December in any year so far.
- Export of 1.899 Million tonnes of Pellets (including Pellet Fines) upto December, 2004 is the highest quantity despatched during December in any year so far.

NATIONAL MINERAL DEVELOPMENT CORPORATION LTD.
- During 2004-06 (upto December), NMDC produced 14.10 million tonnes of Iron Ore compared to 17.96 million tonnes in the previous fiscal. During the same period Diamond production stood at 53901 carats compared to 71163 carats in 2003-04.
- During 2004-05 (upto December), NMDC’s sales stood at Rs.1519.92 crores compared to Rs.1532.70 crores in the previous fiscal.
- During 2004-05 (upto December), NMDC’s profit before tax stood at Rs.726.50 crores compared to Rs.716.52 crores in the previous fiscal.

SPONGE IRON INDIA LTD.
- The production during 2004-05 upto December was 42,821 tonnes with a capacity utilisation of 95%.
- The average sales realisation of Rs.15.50/- per tonne of sponge iron is achieved during 2004-05 so far upto 31.12.04 when compared to Rs.7.95/- during the corresponding period of previous year.
- The sales turnover achieved during 2004-05 upto 31.12.04 was Rs.44.34 crores, when compared to Rs.40.60 crores during corresponding period of previous year.
- The operating profit is Rs.15.12 crores upto 31.12.04 which is 105% more than the corresponding period during previous year (Rs.14.44 crores).

BHARAT REFRACTORIES LTD.
- The company achieved the MOU target both in respect of production and despatch.
- The monthly net sales of Rs.3212.42 lakhs achieved during December, 2004 was the highest since inception of the company.
- All the four units of the company earned net profit without considering interest on non-plan loan of Rs.5600.00 lakhs.

MECON LTD.
- The company successfully executed a challenging assignment depicting MECON’s capability for consultancy, designing, engineering and successful commissioning of the 1250 m3 blast furnace of M/s Jindal Vijayanagar Steel Ltd. (JVSL) in Karnataka for the first time.
- MECON was commissioned by M/s South Basic Chemicals Company Ltd. (SBCCL), Vietnam for modernization of their existing Aluminum Hydride plant at Tan Binh Factory, the assignment included study of existing plant, basic engineering, detailed engineering, assistance in equipment procurement, erection, testing, commissioning, plant scale trial and performance guarantee tests. The total schedule for the project was nine months for carrying out the above assignment.
The Empowered Committee (EC) constituted under the Chairmanship of Secretary (Steel) to give overall direction in R&D matters and to approve/review specific R&D projects with financial assistance from the Steel Development Fund (SDF) has met 12 times since 1998 and approved 36 R&D projects costing Rs. 218.04 crore. Out of this Rs. 99.50 crore is to be met from Steel Development Fund (SDF). So far Rs. 79.99 crore has been disbursed to the research laboratories/institutes/steel plants etc. for R&D activities.

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- During 2004-05 (upto December) SAIL produced 7.70 million tonnes of Saleable Steel compared to 10.73 million tonnes in the previous fiscal.
- During 2004-05 (upto December) SAIL’s sales stood at Rs.21578 crores compared to Rs.24178 crores in the previous fiscal. The company’s gross margin was at Rs.7030 crores compared to Rs.4650 crores in the previous fiscal. During the period profit before tax stood at Rs.5799 crores compared to Rs.2829 crores in 2003-04.

RASHTRIYA ISPAT NIGAM LTD.
- RINL, VSP has become a zero debt company. The Company, till December 2004 has made a provisional net profit of Rs.1662 crores (before tax).
- During April-December of the current financial year, (2004-05), VSP’s sales have touched Rs.5475 crores which is a 26% growth over the corresponding period last year. Of these, while sales in the domestic market constituted Rs.5377 crores, the exports were to the tune of Rs.98 crores.

MSTC LTD.
- In the current financial year, upto Dec. 2004 MSTC’s total volume of business stood at Rs.4568 crores compared to Rs.4165 crores of the previous fiscal.
- During April-December 2004 MSTC’s turnover was at Rs.3823 crores compared to Rs.3344.92 crores in the previous fiscal.
- The companies profit before tax till April-December ‘04 stood at Rs.39.94 crores compared to Rs.33.69 crores in the previous fiscal.

MANGANESE ORE (INDIA) LTD.
- During 2004-05 (upto December), MOIL earned Profit before Tax of Rs.85.25 crores compared to Rs.45.29 crores in the previous fiscal.
- During 2004-05 (upto December), MOIL produced 674.28 tonnes of Manganese Ore compared to 799.00 tonnes during the previous fiscal.
- During 2004-05 (upto December), MOIL’s turnover stood at Rs.234.83 crores compared to Rs.228.74 crores during the previous fiscal.

KUDREMUKH IRON ORE COMPANY LTD.
- Recorded highest ever turnover of Rs.1259.67 crores upto December, 2004 surpassing the previous high of Rs.1028.98 crores achieved for the whole year 2003-04.
- Highest Profit after Tax of Rs.372.17 crores upto December, 2004 surpassing the previous high of Rs.300.70 crores for the whole year 2003-04.
- Production of 2.862 Million tonnes of Pellets (including Pellet Fines) upto December, 2004 is the highest quantity produced in December in any year so far.
- Export of 1.999 Million tonnes of Pellets (including Pellet Fines) upto December, 2004 is the highest quantity despatched in December in any year so far.

NATIONAL MINERAL DEVELOPMENT CORPORATION LTD.
- During 2004-05 (upto December), NMDC produced 14.10 million tonnes of Iron Ore compared to 17.96 million tonnes in the previous fiscal. During the same period Diamond production stood at 53001 carats compared to 71603 carats in 2003-04.
- During 2004-05 (upto December), NMDC’s sales stood at Rs.1513.92 crores compared to Rs.1532.70 crores in the previous fiscal.
- During 2004-05 (upto December), NMDC’s profit before tax stood at Rs.753.93 crores compared to Rs.616.02 crores in the previous fiscal.

SPONGE IRON INDIA LTD.
- The production during 2004-05 upto December was 42,821 tonnes with a capacity utilisation of 96%.
- The average sales realisation of Rs.10,50/- per tonne of sponge iron is achieved during 2004-05 so far upto 31.12.04 when compared to Rs.7.90/- during the corresponding period of previous year.
- The sales turnover achieved during 2004-05 upto 31.12.04 was Rs.44.34 crores, when compared to Rs.41.60 crores during corresponding period of previous year.
- The operating profit is Rs.15.12 crores upto 31.12.04 which is 165% more than the corresponding period during previous year (Rs.14.44 crores).

BHARAT REFRACTORIES LTD.
- The company achieved the MOU target both in respect of production and despatch.
- The monthly net sales of Rs.1321.42 lakhs achieved during December, 2004 was the highest since inception of the company.
- All the four units of the company earned net profit without considering interest on non-plan loan of Rs.5600.00 lakhs.

MECON LTD.
- The company successfully executed a challenging assignment depicting MECON’s capability for consultancy, designing, engineering and successful commissioning of the 1250 m3 blast furnace of M/s Jindal Vijaynagar Steel Ltd. (JVSL) in Karnataka for the first time.
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ORGANISATIONAL STRUCTURE
MINISTRY OF STEEL

The Ministry is responsible for the planning and development of the Iron & Steel Industry, development of essential inputs such as iron ore, lime stone, dolomite, manganese ore, chrome ore, ferro alloys, sponge iron etc. and other related functions. There are 30 Public Sector Undertakings and one directly managed Government company under the administrative control of the Ministry of Steel. (See chart on page 6)

OTHER RELATED OFFICES OF MINISTRY OF STEEL

JOINT PLANT COMMITTEE: The Joint Plant Committee (JPC) was set up by the Government by Notification dated 29th February, 1964, under the Iron & Steel (Control) Order, 1966, issued under the Essential Commodities Act, 1955. The then Iron & Steel Controller was the Chairman of the Committee which was responsible for production, distribution and pricing of steel products. The Committee also functions as the Secretariat for the Steel Development Fund, which was set up for facilitating modernization, rehabilitation and development of the steel industry. Subsequently, in the wake of decontrol and liberalization, the initial functions have been discontinued and the Committee is now primarily entrusted with the task of collection of statistical data from various sectors in the steel industry, analysis and subsequent dissemination to the steel industry. The Joint Plant Committee has regional offices in Delhi, Chennai, Mumbai and Kolkata. In addition to collection and dissemination of data, it is also undertaking some promotional work for enhancing steel usage in the country. It is managed by an Apex Committee, which has representation from the main steel producers like SAIL, TISCO, RINL and also the Railways.

DCI&S CELL

Consequent upon the acceptance of the recommendations of the Expenditure Reforms Commission, an administrative decision was taken to close down the DCI&S Office, Kolkata along with its four regional offices located at Chennai, Mumbai, Kolkata and New Delhi w.e.f. 23.5.2003. All the ministerial work except collection of data from secondary sector was transferred to the newly created DCI&S Cell in the Ministry of Steel. The DCI&S Cell is handling the following tasks:

(A) Matters relating to allocation of Iron & Steel items to SSI units through Small Scale Industries Corporation (SSIC)/National Small Industries Corporation (NSIC). Iron & Steel items are allocated to the State Small Scale Industries Corporations (SSICs) for distribution to SSI units. In order to improve the distribution, a JPC rebate of about Rs.500 per tonne is also provided to the SSICs. From the 2nd quarter of 2004-05, allocations were also made in favour of the NSIC for meeting the requirement of SSI units in states where the SSICs are defunct or non-existent.

(B) Matters relating to Administration/Establishment of DCI&S Office.

Closure of the DCI&S Office led to considerable agitation among the staff posted at its office in Kolkata. However, due process was followed in terms of detailed instructions issued by the Division for Retraining and Redeployment of the Department of Personnel & Training (DOPT) for declaring the staff as surplus and subsequent redeployment. As per the DOPT guidelines all surplus employees continue to draw their salaries till such time they get redeployed to