

Award Scheme for Secondary Steel Producers (2017-18)

1.0 Background:

- 1.1 Secondary Steel sector (mini steel plants and steel processing units) in India comprises of composite and stand-alone steel production & processing units. Composite units includes Mini Blast furnace / Coal/Gas based DRI-EAF / EIF with / without RM or DRI-EAF / EIF with / without RM or EAF / EIF-RM based plants producing semi finished steel / finished steel products using iron ore / scrap as basic input. Stand-alone steel production / processing units includes EAF, EIF and Hot / Cold rolling mills producing semi finished / finished steel products.
- 1.2 The Secondary Steel Sector has grown many folds in post liberalization era i.e. after 1991 in the private sector. The sector emerged as an important link to the overall steel supply chain of the country.
- 1.3 As per JPC Annual Statistic 2017-18, the Mini Steel sector produces around 35% of total crude steel production out of total crude steel production of 103.13 million tonnes. As per the said statistic, the profile of the Mini Steel (Secondary Steel) Sector units in the last three years is given below:

S.No	Type of Industry	No. of Units	Capacity (Million Tonne)
1	Mini Blast Furnace	45	19.23
2	Sponge Iron Producers	307	36.99
3	Electric Arc Furnace	42	14.4
4	Electric Induction Furnace	999	42.46
5	Hot Re-rolling Mills (long product)	1207	54.78
6	Hot Strips Mills (Flat Products)	17	13.21
7	Cold Rolling Mills	56	12.65
8	Wire Drawing Units	36	1.37

- 1.4 Presently, the Prime Minister's Trophy / Steel Minister Trophy are given to large integrated steel plants having achieved crude steel production of 1 million tonnes per annum.
- 1.5 This Secondary Steel sector award scheme shall cover all the composite mini steel plants and stand alone steel production / processing units having crude / finished steel installed capacity less than 1 million tonnes per annum.

2.0 Objectives :

The objective of instituting this award scheme for the Secondary Steel Sector is to give recognition to outstanding performance for its contribution in the national economy. The award is intended to spur these Secondary Sector steel producers to achieve standard of efficiency, quality, safety and economy in their operations.

3.0 Eligibility :

- 3.1 The composite mini steel plants and stand alone steel production / processing units mentioned in the above indicated list (not an exhaustive list) having crude / finished steel installed capacity less than 1 million tonnes per annum shall be eligible under this scheme.

- 3.2 The legal entity being a proprietorship, partnership or company shall be considered under the scheme.
- 3.3 Units applying for the award scheme shall have production under BIS licence or manufacturing steel products as per International standards.
- 3.4 The units shall be charged an application fee as decided by Ministry of Steel from time to time.

4.0 Scheme :

The evaluation under this scheme is designed on objective and subjective parameters mentioned in the table below:

Parameters	S.No	Objectives	UoM	Marks
Objective	1	Capacity Utilisation	%	10
	2	Yield	%	10
	3	Total Energy Consumption (Thermal + Electrical)	kcal / tonne	7
	4	Total percentage of BIS Certified products.	Nos.	5
	5	Exports to Total production	%	3
	6	Energy Efficient technologies adopted by the units.	Nos.	10
	7	Engagement of Qualified Manpower.	%	5
	Total			
Subjective	1	Measures adopted for environment protection(ISO 9001, ISO 14001, EMS 50001), waste management, Plantation etc.		5
	2	Measures adopted for safety of manpower.		5
	3	Training & Skill Up-gradation of Manpower.		5
	4	Testing Facilities		5
	5	CSR initiatives		5
	6	Financial Performance		10
Total				35

- 4.1 Participating units, shall also provide an excel sheet showing detailed calculations for each of the Objective Parameters in the application document.
- 4.2 Units applying for the award have to present credible evidence duly certified by a Chartered Engineer / Chartered Accountant as desired by the **Assessment Committee** on objective and subjective parameters (along with photographs). The participating units shall be fully responsible for the authenticity of the information / data provided by them.
- 4.3 All the participating units shall submit online application in the required format.

5.0 Selection Methodology :

The evaluation shall be done based on two tier mechanism comprising of **Assessment Committee** and **Selection Committee**.

5.1 **Assessment Committee :**

An **Assessment Committee** shall be constituted as per the details given below:

(i)	Representative of Ministry of Steel	Chairperson
(ii)	NISST Representative	Member
(iii)	Representative of BIS	Member
(iv)	Expert on Safety	Member
(v)	Representative of Energy	Member
(vi)	Representative of Environment	Member
(vii)	Relevant Sectoral Experts	Member
(viii)	Additional Industrial Advisor, Ministry of Steel	Member Secretary

5.1.1 The **Assessment Committee** shall assess the objective and subjective parameter and submit a report to selection committee based on available information in the application document as submitted by the secretariat and unit visit (if required). The **Assessment Committee** will allot marks out of 85 as given in Para 4.0.

5.1.2 To achieve the larger objectives of the scheme, the **Assessment Committee** shall also submit their observation / recommendation in detail, for the improvement of each unit. The recommendations of **Assessment Committee** may cover areas like technologies, strategy, energy and environment, marketing, skill up-gradation etc.

5.2 **Selection Committee :**

A selection committee shall be constituted under the chairpersonship of Joint Secretary, Ministry of Steel and members as per the details given below:

(i)	Joint Secretary to the Govt. of India, Ministry of Steel	Chairperson
(ii)	Experts from Iron and Steel Industry -03	Member/s
(iii)	Representative of Educational / Technical Institute(s)-02	Member/s
(iv)	Experts on Energy and Environment-01	Member
(v)	Financial Expert-01	Member
(vi)	Additional Industrial Advisor, Ministry of Steel	Member Secretary

5.2.1 Representatives of the associations shall be special invitees to the Selection Committee

5.2.2 To select the top 50 units, units will be short listed adopting 1: 5 ratio normally; it may increase to 1:10 under each category, if required.

5.2.3 Based on the findings / report by the members of the **Assessment Committee**, the Secretariat shall compile the data as per the scheme and place before the Selection Committee for finalising eligible units for Awards / Trophies.

5.2.4 The **Selection Committee** after scrutinising the documents submitted as per techno-economic parameters, innovation, management, economics, etc. shall assign the marks out of 15 to the shortlisted entities.

5.2.5 The selection committee shall finalise the list of the units for giving away the Trophy Awards / Trophies etc., based on the recommendations of Assessment Committee.

5.2.6 Approval of Hon'ble Steel Minister shall be taken before the results is announced.

6.0 Qualifying criteria of Members of the Selection / Assessment committee. :

- 6.1 The members shall comprise only such individuals whose antecedents are known, and enjoy good reputation and there is nothing adverse against them.
- 6.2 Nomination / Appointment of such person, whose nomination shall be prejudicial to the prestige of Awards, should be avoided.
- 6.3 Further, the **Selection / Assessment committee** members shall not be related to the participating units directly or indirectly during the performance year as well as assessment year under consideration.

7.0 Secretariat :

- 7.1 Joint Plant Committee, New Delhi shall function as the Secretariat for the scheme and provide the secretariat services and general assistance to the Assessment / Selection Committee.
- 7.2 The Secretariat shall appoint a Nodal Officer for this purpose.
- 7.3 The Secretariat shall give wide publicity to the scheme through print / electronic media. The secretariat shall call for application through advertisement and on receipt of application, the secretariat shall scrutinize the applications and compile the list of eligible participants and the details shall be submitted to the **Assessment Committee**.
- 7.4 Necessary fund requirement for all the operation of the scheme shall be made through SDF / SRTMI fund.

8.0 Criteria for Evaluation :

The units will be evaluated / assessed by the **Assessment / Selection Committee** based on the evaluation criteria as annexed in **Annexure-1**

9.0 Schedule :

The agreed time frame of the assessment and award process is given below:

S.No	Activity	Time Frame
1	Inviting applications by advertisement.	zero day
2	Appointment of Members of Assessment / Selection Committee	
3	Receipt of applications	zero + 30 days
4	Scrutiny of application by the Sectt.	zero + 90 days
5	Evaluation by Assessment Committee	
6	Submission of report to Sectt. and Scrutiny of report by the Sectt.	Zero + 110 days
7	Meeting of the Selection Committee to discuss the report	zero + 125 days
8	Preparation of Final Report by the Sectt.	zero + 130 days
9	Approval of Hon'ble Steel Minister and declaration of results	zero + 140 days

NB: Trophy / Awards will be given away by Hon'ble Steel Minister on a date / time / venue as per his convenience

10.0 Category-wise selection of Top 50 Units :

10.1 Top Fifty (50) units will be selected on the following installed capacity criteria for awards under each category

- Installed capacity less than 2,00,000 tonnes per annum
- Installed capacity of more than 2,00,001 and less than 10,00,000 tonnes per annum

S.No	Category	No. of units to be selected for award in each category	
Composite Units			
1	Mini Blast Furnace / DRI - EAF/EOF with / without RM	Billet / Bloom / Ingots	1
		TMT/Wire Rod	2
		Bars / Structural Sections / Flats	2
		Flat – Rolled products incl. Skelp	2
		Alloy / Stainless Steel Products	2
2	DRI-EAF/EIF-RM	TMT/Wire Rod	3
		Bars / Structural Sections / Flats	2
		Flat – Rolled products incl. Skelp	2
		Alloy / Stainless Steel Products	2
3	EAF/EIF-RM	TMT/Wire Rod	3
		Bars / Structural Sections/Flats	3
		Flat – Rolled products incl. Skelp	3
		Alloy / Stainless Steel Products	3
4	DRI- EAF/EIF	Billet / Bloom / Ingots	2
Stand-alone Units			
1	EAF	2	
2	EIF	3	
3	Rolling Mills	TMT/Wire Rod	3
		Bars / Structural Sections / Flats	3
		Flat – Rolled products incl. Skelp	3
		Alloy / Stainless Steel Products	2
4	Cold Rolling Mills	2	
	Total	50	

10.2 **Certificate of Recognition** shall be given to recognize initiatives & innovations which are trendsetters, exemplary and add value to the Secondary Steel Sector.

10.3 **“ISPAT AGRADOOT”** award shall be given for recognizing trendsetting Innovation in the mini steel sector.

* For the purpose of the scheme, production capacity is considered same as installed capacity.