

PUBLIC SECTOR

Steel Authority of India Ltd.

[Excluding Subsidiaries]

1. GENERAL

- 1.1 Steel Authority of India Ltd. (SAIL) is registered under the Indian Companies Act, 1956 and is an enterprise of the Government of India. It operates and manages four integrated steel plants at Bhilai (Chhatisgarh), Bokaro (Jharkhand), Durgapur (West Bengal) and Rourkela (Orissa). Besides, another integrated Steel Plant at Burnpur is owned by Indian Iron and Steel Co. Ltd., which is a wholly owned subsidiary of SAIL.
- 1.2 SAIL also has three Special and Alloy Steels units at Durgapur (West Bengal), Salem (Tamil Nadu) and Bhadravati (Karnataka). In addition to these, a Ferro Alloy producing plant at Chandrapur is owned by Maharashtra Elektrosmetelt Ltd., which is a subsidiary of SAIL. The IISCO-Ujjain Pipe and Foundry Company Ltd., a subsidiary of IISCO, which was manufacturing Cast Iron Spun Pipes at its works at Ujjain (Madhya Pradesh), is under liquidation. Besides, SAIL has seven central units viz. the Research and Development Centre for Iron and Steel (RDCIS), the Centre for Engineering and Technology (CET), the Management Training Institute (MTI) all located at Ranchi, Central Coal Supply Organisation located at Dhanbad, Raw Materials Division, Growth Division and Environment Management Division all located at Kolkata. SAIL Consultancy Division (SAILCON) functions from New Delhi. The marketing of products of SAIL plants is done through the Central Marketing Organisation (CMO), Kolkata which has a countrywide distribution network. As part of the business restructuring plan, a subsidiary company was incorporated under the name of Bhilai Oxygen Ltd. (BOL) on 9th February, 1999.

2. CAPITAL STRUCTURE

- 2.1 The authorised capital of SAIL is Rs.5000 crores. The paid-up capital of the Company was Rs.4,130.40 crores as on 31st March, 2004 which was held to the extent of 85.82% by the Government of India and the balance 14.18% by the financial institutions/GDR-holders/banks/employees/individuals etc. The company's production and financial performance is given below:—

PRODUCTION PERFORMANCE					
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)		
			Targets	Actual	%ageFulfilment
Production (in Million Tonnes)					
Hot Metal	12.080 *(95%)	12.75 *(101%)	9.01	8.93	99
Crude Steel	11.087 *(96%)	11.83 *(96%)	8.50	8.59	101
Saleable Steel	10.086 *(95%)	10.73 *(101%)	7.71	7.70	100

* %age capacity utilization

FINANCIAL PERFORMANCE			
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)
Financial (Rs. in Crores)			
Sales	19207	24178	21578
Gross Margin	2165	4650	7030
Profit before Tax	(-316)	2628	5739



Tapping of Hot Metal at SAIL Plant



Durgapur Steel Plant (DSP)

4. RAW MATERIALS

During 2003-04, total iron ore production and despatch from captive mines of SAIL were 20.95 million tonnes and 21.11 million tonnes respectively registering a growth of 15% in production and 13% in despatch over the previous year.. The production of iron ore and fluxes during the period April-November, 2004 was 12.74 Million Tonnes (provisional) and 1.53 Million Tonnes (provisional) respectively.

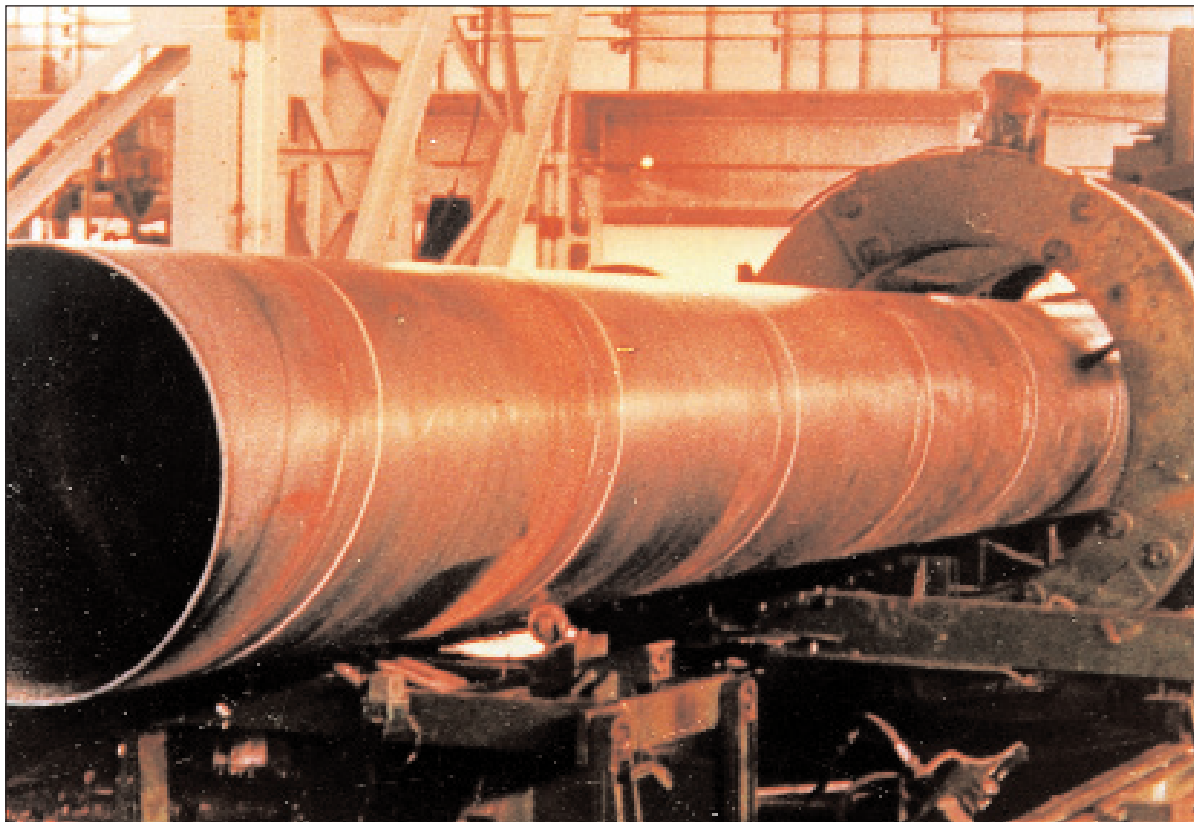
5. MANPOWER

Year	Executives	Non-Executives	Total
2003-04	14870	117040	131910
2004-05			
(upto 31/12/2004)	14700	114900	129600

SUBSIDIARIES

(A) THE INDIAN IRON & STEEL CO. LTD.

The Indian Iron & Steel Company Ltd. (IISCO) owns and operates an integrated steel plant at Burnpur, captive iron ore mines at Gua and Manoharpur, captive collieries at Chasnalla, Jitpur and Ramnagore, a coal washery at Chasnalla and a large foundry complex at Kulti. The management of IISCO was taken over by the Government of India on the 14th July, 1972. Shares held by the private parties were acquired by the Central Government on 17th July, 1976. The shares held by the Public Financial Institutions etc. were also purchased by the Central Government and subsequently all these shares were transferred to SAIL. IISCO became a wholly-owned Subsidiary of SAIL on 30th March, 1979.



Spirally welded pipes at Rourkela Steel Plant

1. PRODUCTION PERFORMANCE

The production performance during the year 2003-2004 and for the period April to December, 2004 is as follows:

	2003-04			April-December, 2004		
	Plan	Actual	Fulfilment (%)	Plan	Actual	Fulfilment(%)
Hot Metal	810.00	641.5	79.2	622	474.7	76.3
Crude Steel	423.00	301.0	71.2	381	267.8	70.3
Pig Iron	335.00	222.3	66.4	185	120.3	65.03
Saleable Steel	352.00	257.6	73.2	311	209.2	67.3

2. FINANCIAL PERFORMANCE

As on 31st March, 2004 the Authorised Capital and paid-up capital of the Company remained at Rs.550 crores and Rs.387.66 crores respectively.

During the year 2003-04 the Company achieved a turnover of Rs.1051.26 crores and posted a net profit of Rs.27.09 crores compared to the net loss of Rs.182.23 crores during 2002-03. Based on the actual upto November, 2004 and projection for December 2004, the Company is expected to achieve a sales turnover of Rs.1030 crores (Provisional) during April-December, 2004 and earn a Net Profit of Rs.142 crores (provisional).



Rail & Strd. Mill of SAIL's Bhilai Steel Plant

(B) MAHARASHTRA ELEKTROSMELT LTD.

Maharashtra Elektros melt Ltd. (MEL) is situated at Chandrapur, Maharashtra and is a major producer of Ferro Manganese and Silico Manganese and to maximise production of Ferro Manganese for captive use of SAIL Plants.

1. FINANCIAL PERFORMANCE

The Authorised and Paid-Up Share Capital of the Company as on 31.3.2004 was Rs.30 crores and Rs.24 crores respectively. SAIL's holding is approx. 99.12 percent of the paid-up capital.

During the year 2003-04 the Company has achieved a turnover of Rs. 152.98 crores as compared to Rs. 189.66 crores in the previous year. The Company has made a turnaround in performance and earned a net profit of Rs. 6.30 crores against a net profit of Rs.1.12 crores in the previous year. The provisional turnover and net profit of the Company during April to December, 2004 is Rs.199.92 crores and Rs.54.41 crores respectively (before tax).

2. PRODUCTION PERFORMANCE

The Company's production of different grades of ferro alloys was as under:

(MT)

Material	2002-2003	2003-2004	April-Dec.2004 (Prov.)
High Carbon Ferro Manganese	57849	24531	50139
Silico Manganese	35318	35670	23017
Medium Carbon Ferro Manganese	1939	1443	1574

(C) BHILAI OXYGEN LTD.

The company was incorporated with an objective to acquire, promote, develop, establish, own, operate and maintain Oxygen plants of all types and capacities and manufacture, purchase and supply Oxygen, Nitrogen, Acetylene, Hydrogen and other industrial gases to the Steel Plants, other agencies and consumer etc. The company was to take over assets covered under the Business Restructuring of SAIL relating to Oxygen Plant -II of Bhilai Steel Plant. Due to delay in the restructuring process, no asset has been transferred to the Company so far. As such, no commercial activity has been carried out by the company during the period. The company has, however, spent Rs.11,280/- on various miscellaneous matters. There being no income, loss for the period was also Rs.11,280/-.

SAIL invited the bids from the interested parties to become Strategic Alliance Partner (SAP) in the Company along with SAIL. Detailed discussions were held with the short listed party, which finally failed. SAIL started the efforts afresh for identification and selection of SAP for the Company which also failed. However, due to non-receipt of suitable offer despite repeated attempts, SAIL has decided for the closure the divestment process of Oxygen Plant-II.

RASHTRIYA ISPAT NIGAM LTD. (VISAKHAPATNAM STEEL PLANT)

INTRODUCTION

Visakhapatnam Steel Plant (VSP) is the first shore based Integrated Steel Plant located at Visakhapatnam in Andhra Pradesh. The plant was commissioned in August 1992 with a capacity to produce 3 million tonnes per annum (mtpa) of Liquid Steel. The Plant has been built to match international standards in design and engineering with the State-of-the Art Technology, incorporating extensive Energy Saving and Pollution Control measures. VSP has an excellent layout, which allows expansion of the plant capacity to over 10 mtpa. Right from the year of its integrated operation, VSP established its presence both in the domestic and international markets with its superior quality of products. The company has been awarded all the three international standards certificates, namely, ISO 9001:2000, ISO 14001:1996 and OHSAS 18001:1999. RINL, VSP has emerged as a good corporate citizen and has contributed its mite for the development of the region.



Visakhapatnam Steel Plant — Wire Rod Mill

The company's production and financial performance is given below:—

PRODUCTION PERFORMANCE					
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)		
			Targets	Actual	%ageFulfilment
Production (in Million Tonnes)					
Hot Metal	3.942 *(115%)	4.055 *(119%)	2.965	2.861	96
Liquid Steel	3.357 *(112%)	3.508 *(117%)	2.467	2.635	107
Saleable Steel	3.056 *(115%)	3.169 *(119%)	2.201	2.314	105

* %age capacity utilization

FINANCIAL PERFORMANCE			
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)
Financial (Rs. in Crores)			
Sales	5059	6169	5475.2
Gross Margin	1098	2072.7	1919.7
Profit before Tax	1098	2072.7	1919.7

NATIONAL MINERAL DEVELOPMENT CORPORATION LTD.

GENERAL

Incorporated on November 15, 1958, the National Mineral development Corporation Ltd. (NMDC) a Government of India undertaking, is engaged in the business of developing and exploiting mineral resources of the country (other than coal, oil, natural gas and atomic minerals). Presently its activities are concentrated on mining of iron ore, diamonds and silica sand. NMDC operates the largest mechanised iron ore mines in the Country at Bailadila (Chattisgarh) and Donimalai (Karnataka). The Silica Sand Project is at Lallapur, Allahabad and the Diamond Mine is situated at Panna (Madhya Pradesh). All the iron ore production units and R&D Centre of NMDC have been accredited with ISO 9000 certification. Action is on hand to obtain ISO 14000 certification.

IRON ORE

EXPORTS

Exports of iron ore produced by NMDC is canalized through Minerals and Metals Trading Corporation (MMTC). Iron Ore export is mainly to Japan, South Korea and China. In 2004-2005 (upto Dec.,04), NMDC exported 5.28 million tonnes (including direct export of 0.53 M.T.) of iron ore valued at Rs.739.64 Crores approximately.

DOMESTIC SALES

Domestic Sales of Iron Ore was 11.30 Million Tonnes during the year 2004-2005 (upto Dec.,04).

CAPITAL STRUCTURE

The Authorised share capital of the company is Rs.150 crores. The paid up equity share capital was Rs.132.16 crores. Outstanding loans from Government of India are Nil.

The company's production and financial performance is given below:—

PRODUCTION PERFORMANCE					
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)		
			Targets	Actual	%ageFulfilment
Production (in Million Tonnes)					
Iron Ore	16.97	17.96	13.85	14.10	101.8
Diamonds (in carets)	84348	71163	55344	53401	96.49

FINANCIAL PERFORMANCE			
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)
Financial (Rs. in Crores)			
Sales	1293.43	1532.70	1513.92
Gross Margin	462.72	672.95	809.56
Profit before Tax	420.18	616.02	753.93

MANDOVI PELLETS LTD.

Mandovi Pellets Ltd. (MPL), Goa is a joint venture company floated by Govt. of India through NMDC Ltd. and M/s. Chowgule & Co. Pvt. Ltd. (CCPL), a private Sector Company. The company has its pellet plant at Goa with an annual capacity of 1.8 million tonnes.

NMDC made an equity investment of Rs .600 lakhs by acquiring 60 lakh shares of Mandovi Pellets Ltd. (MPL) of face value of Rs.10/- each.

The company (MPL) however has not been performing well. To improve their profitability, MPL prepared a restructuring plan which inter-alia meant further investment by NMDC and in the absence thereof the parent group i.e. M/s. Chowgule & Co. Ltd. (CCL) offered to take over the entire share holding of the company. M/s. CCL has paid the total amount and the shares held by NMDC were transferred to M/s. MPL.

J&K MINERAL DEVELOPMENT CORPORATION LTD.

Jammu & Kashmir Mineral Development Corporation Ltd. (J&KMDC) as a subsidiary company of NMDC was incorporated on 19.5.1989 for development of various mineral products in the state of Jammu & Kashmir. NMDC holds 74% of equity in J&KMDC, the remaining 26% is owned by J&K Minerals Ltd., a State Government Public Sector Undertaking. The Dead Burnt Magnesite (DBM) plant of 30,000 tonnes per annum was sanctioned by Govt. of India in Nov.'92. But, the project construction could not start since the viability of the project was badly affected due to reduction in customs duty on DBM in 1993-94 and further fall in the International price.

In the 57th meeting of the Board of Directors of the Company held on 23rd May 2002 at New Delhi, it was decided to stop all the developmental activities of the company and put activities on hold in view of no yielding results either in Sale of raw magnesite or Dead Burnt Magnesite. It was also decided to refer the matter to the boards of JKMD and JKML, for winding up. NMDC board has approved the proposal and desired that the same to be referred to Ministry for its approval. However decision of the JKML board as well as Government of Jammu and Kashmir is awaited in the matter.

MSTC LTD.

1) INTRODUCTION

MSTC Ltd. (formerly known as Metal Scrap Trade Corporation Ltd.) was incorporated under the Companies Act, 1956 on 9th September, 1964. The status of the Company underwent change in February, 1974 to that of a subsidiary of Steel Authority of India Ltd. (SAIL). In the year 1982-83, the Corporation was converted into a Government of India Company transferring the shares of SAIL to the President of India. Presently, the company undertakes disposal of ferrous and non-ferrous scrap arising, surplus stores etc. from other Public Sector Undertakings and Govt. Departments and also import of ferrous and non-ferrous scrap, coke, finished steel and Petroleum products in competition with any other private trader.

2) CAPITAL STRUCTURE

The Company has an authorised capital of Rs. 5 crores and paid up capital is Rs. 2.20 crores as on 31.12.2004 of which approximately 90% is held by President of India and balance 10% is held by members of Steel Furnace Association of India , Iron and Steel Scrap Association of India and others. Paid up capital of Rs. 2.20 crores includes Bonus shares issued in the year 1993-94 in the ration 1:1.

3) LOCATION OF UNITS

The registered and corporate office of the Company is located at Kolkata and it has four Regional Offices at Kolkatta, Delhi, Chennai and Mumbai, three branch offices at Visakhapatnam,, Bangalore and Vadodara and five resident offices at Durgapur, Bhopal, Rourkela , Hazira and Trichy .

4) ACTIVITIES

The company has two major spheres of activities i.e. Selling Agency and Marketing.

(a) SELLING AGENCY

The Company undertakes disposal of ferrous scrap and other secondary arisings generated in integrated steel plants and disposal of scrap, surplus stores, etc. from other public sector enterprises and Govt. Departments including Ministry of Defence.

(b) MARKETING

The company undertakes import of input material required by large industrial houses on back-to-back basis. The items of import include petroleum products, LAM coke, Coking Coal, DR pellets, HR coils, melting scrap etc. It also undertakes trading in items within the country.

5. PHYSICAL AND FINANCIAL PERFORMANCE

The physical and financial performance of the Company for the last 2 years and for the year 2004-05 (Up to Dec'04) is given below: -

	2002-03	2003-04	2004-05 (Upto Dec'04)
(Rs. in crores)			
A. Physical			
(i) Selling Agency/Domestic	628.00	738	614
(ii) Marketing	2045.00	3427	3954
(iii) Total Volume of Business	2673.00	4165	4568
B. Financial			
(i) Turnover	2079.33	3344.02	3823
(ii) Operating profit (before interest depreciation and provision)	17.06	34.11	40.35
(iii) Interest depreciation and provision	0.32	0.42	0.41
(iv) Profit before Tax	16.74	33.69	39.94
(v) Dividend	83%	171%	-

FERRO SCRAP NIGAM LTD.

INTRODUCTION

Ferro Scrap Nigam Ltd. (FSNL) is a wholly owned subsidiary of MSTC Ltd. with a paid up capital of Rs.200 lakhs.

ACTIVITIES AND OBJECTIVES

The Company undertakes the recovery and processing of scrap from slag and refuse dumps in the eight steel plants at Rourkela, Burnpur, Bhilai, Bokaro, Visakhapatnam, Durgapur, Dolvi & Duburi.

The scrap recovered is returned to the steel plants for recycling/disposal and the Company is paid processing charges on the quantity recovered at varying rates depending on the category of scrap. Scrap is generated during Iron & Steel making and also in the Rolling Mills. In addition, the Company is also providing Steel Mill Services such as Scarfing of Slabs, Handling of BOF Slag, etc.

LOCATION OF UNITS

The Corporate office is situated at Bhilai and the Corporation has eight field units situated at Bhilai, Burnpur, Rourkela, Bokaro, Visakhapatnam, Durgapur, Dolvi & Duburi.

PHYSICAL & FINANCIAL PERFORMANCE

PHYSICAL PERFORMANCE

The production and financial performance of FSNL for the last two years and for the year 2004-2005 (upto 31/12/04) are given below:-

Item	02-03	03-04	2004-05 (up to 31/12/04)
PHYSICAL			
Recovery of scrap (Lakhs M.Ts)	16.29	19.36	15.54
Market Value of Prod.(Rs.in Crores)	716.77	851.84	683.76
FIANCIAL			
Total Turnover i.e, Service charge realised including misc.Income,etc.	7904.76	8816.34	6466.61
Gross Margin			
Before Int.& Dep.	1549.88	1671.41	1133.89
Int.& Dep.	731.46	840.40	675.00
P.B.T.	818.42	831.01	458.89

MANGANESE ORE (INDIA) LTD.

INTRODUCTION

Manganese Ore (India) Ltd. (MOIL) was established in 1962. It is the largest producer of Manganese Ore in India. At the time of inception, 49% of its shares were held by the Central Province Manganese Ore Co. Ltd. (C.P.M.O.), and the remaining 51% in equal proportion by Govt. of India and the State Government of Madhya Pradesh and Maharashtra. Subsequently, in 1977, the shares held by C.P.M.O. in MOIL were acquired by Govt. of India and MOIL became a wholly owned Govt. Company with effect from October, 1977. As on 31st March 2004, Govt. of India held 81.57% shares in MOIL with State Governments of Maharashtra and Madhya Pradesh holding 9.62% and 8.81% shares respectively.

MOIL produces and sells following grades of Manganese Ore .

- High Grade Ore for production of Ferro manganese .
- Medium grade ore for production of Silico manganese.
- Blast furnace grade ore required for production of hot metal and
- Dioxide ore, which goes into production of dry battery cells.

CAPITAL STRUCTURE

Authorised Capital of the Company is Rs. 30.00 crores and paid -up Capital was Rs. 15.33 crores as on 31st March 2004.

PRODUCTION AND FINANCIAL RESULTS

The physical and financial performance of the Company during 2002-03, 2003-04 and 2004-05 (April- Dec. 2004) are given below : -

Item	2002-2003	2003-04	2004-2005 (prov.) (April- Dec 2004)
1. Production:			
a) Manganese Ore (Thousand tonnes)	714.00	799.00	674.28
b) E.M.D. (tonnes)	930.00	975.00	812
c) Ferro Manganese (tones)	5996.00	10899.00	7701
2. Turnover (Rupees crores)	177.88	228.74	234.83
3. Profit before Tax (Rupees crores)	27.83	45.29	85.25

KUDREMUKH IRON ORE COMPANY LTD.

- 1.1 The Kudremukh Iron Ore Company Ltd. (KIOCL), country's largest 100% EOU, an ISO 9001 :2000, ISO 14001 and Golden Star Trading House Company was established in April, 1976 to meet the long term requirements of Iran. An Iron Ore Concentrate Plant of 7.5 million tonnes capacity was set up at Kudremukh. This project was to be financed in full by Iran. Although Iran stopped further loan disbursements after paying US \$ 255 million, the project was completed as per schedule with the funds provided by Government of India.
- 1.2 While the project was commissioned on schedule, consequent upon the political developments in Iran, they did not lift any quantity of Concentrate. As a diversification measure, the Government approved the construction of a 3 million tonnes per year capacity Pellet Plant in Mangalore in May, 1981. The capacity of the Pellet plant has been increased to 3.5 Million tonnes with additions/modifications. The Plant went into commercial production in 1987 and is now exporting Blast Furnace grade Pellets to China, Taiwan, Indonesia and Italy and also to domestic units such as Vikram Ispat and Ispat Industries. Iron Ore Concentrate is exported to Iran, Japan and China.
The company's production and financial performance is given below:—

PRODUCTION PERFORMANCE					
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)		
			Targets	Actual	%ageFulfilment
Production (Qty. in dry Metric Tonnes)					
Concentrate	5532	5090	2825	3300	115
Pellets	3450	3671	2590	2852	110

FINANCIAL PERFORMANCE			
Items	2002-2003 (Actual)	2003-2004 (Actual)	2004-2005 (upto Dec.'2004)
Financial (Rs. in Crores)			
Sales	727.14	1029.38	1256
Gross Margin	173.03	459.45	779.32
Profit before Tax	109.76	407.74	666

BIRD GROUP OF COMPANIES

INTRODUCTION

Consequent upon nationalisation of the Undertaking of Bird & Company Ltd. in 1980, the following seven companies came under the administrative control of the Ministry of Steel, Government of India.

- (a) The Orissa Minerals Development Company Ltd. (OMDC)
- (b) The Bisra Stone Lime Company Ltd. (BSLC)
- (c) The Karanpura Development Company Ltd. (KDCL)
- (d) Scott & Saxby Ltd. (SSL)
- (e) Eastern Investments Ltd. (EIL)
- (f) Burrakar Coal Company Ltd. (Burrakar).
- (g) Borrea Coal Company Ltd. (Borrea).

The status of the companies is as under:—

- a) Burrakar and Borrea Coal companies became non-operational after nationalisation of coal mines. The process of closure of these companies is in an advanced stage and the companies are continuing only to settle the income tax and other essential matters.
- b) EIL being an investment company is having a major stake in the equity shares of operating companies under the Bird Group.
- c) OMDC, BSLC, KDCL & SSL are operating companies under the Group.



Electroplating Section of EMD Plant Dongri Buzurg Mine

STATUS OF THE COMPANIES AT THE TIME OF NATIONALISATION

At the time when the Bird Group of Companies came under the administrative control of the Ministry of Steel, Government of India, all of them were financially sick and burdened with various problems. With the financial support from the Govt of India, Ministry of Steel problems relating mainly to excessive manpower, erosion of working capital and outstanding liabilities could be settled to a considerable extent.

PERFORMANCE OF THE INDIVIDUAL OPERATING COMPANIES

THE ORISSA MINERALS DEVELOPMENT COMPANY LTD. (OMDC)

LOCATION OF MINES, ACTIVITIES AND CAPITAL STRUCTURE

The mines of the company are located around Barbil, dist. Keonjhar, Orissa. The activities relate to mining and marketing of iron ore and manganese ore. The authorized as well as paid up capital is Rs. 60 lakhs.

PERFORMANCE

In view of buoyancy in the steel market, the demand for iron ore increased substantially. Due to higher production and better realization, the company staged a turnaround in 2002-03. The performance of the company is given below:—

	(Rs. in lakhs)		
	2002-03	2003-04	2004-05 (prov) (April- Dec' 04)
Production ('000 MT)	1573	3130	2738
Sales	4786	22382	22286
Gross Margin before Interest on Government Loans & Deprn	1309	15849	18940
Net Profit/Loss	314	10424	11957

DIVERSIFICATION

The company has gone in for diversified projects. It has commissioned a 100 TPD Sponge Iron Plant at Thakurani in view of rising demand of sponge iron. The plant has started commercial production since June' 2004.

THE BISRA STONE LIME COMPANY LTD. (BSLC)

LOCATION OF MINES, ACTIVITIES AND CAPITAL STRUCTURE

The mines of the company are located around Birmitrapur in the district of Sundargarh, Orissa. The main activities of the company are mining and marketing of limestone and dolomite. The authorized as well as paid up capital is Rs. 50 lakhs.

PERFORMANCE

With the change in steel making technology, the demand of BSLC's products declined sharply and consequently the company ran into heavy losses. With financial support from the Government of India in the form plan loan and non plan loan, the company was in a position to keep its existence and take some steps for augmentation of production. Measures were taken to change the product mix and improve upon the quality. Despite such measures, the performance has not been improved because of dearth of orders and problems related to railway siding. The performance of the company is given below :—

	(Rs. in lakhs)		
	2002-03	2003-04	2004-05 (prov) (April- Dec' 04)
Production ('000 MT)	982	916	585
Sales	2293	1990	1432
Gross Margin before Interest on Government Loans & Deprn	+3	(-) 303	(-) 113
Net Profit/Loss	(-)3932	(-) 4874	(-)4309

MOU WITH SAIL

The company has signed a MOU with SAIL on 31st October, 2003 for dispatch of product to SAIL Plants in Eastern Sector. This has partially stabilized the demand position.

THE KARANPURA DEVELOPMENT COMPANY LTD. (KDCL)

Location of Mines, Activities and Capital Structure

The mines of the company are located around Sirka, Jharkhand. The company produces lime-

stone suitable for cement manufacture. The authorized and paid up capital is Rs. 40 lakhs and Rs 20 lakhs respectively.

PERFORMANCE

The company markets its products mainly in the States of Jharkhand and Bihar. Demand of cement grade limestone in these states has been fluctuating, thereby affecting the performance of the company.

The performance of the company is given below :

(Rs. in lakhs)

	2002-03	2003-04	2004-05 (prov) (April- Dec' 04)
Production ('000 MT)	90	73	58
Sales	193	184	136
Gross Margin before Interest on Government Loans & Deprn	+5	2	0
Net Profit/Loss	(-)88	(-) 108	(-) 104

FUTURE OUTLOOK

The cement plant owners in areas where the company's mines are located are setting up Clinker Plants. It is expected that with the coming up of Clinker Plants dispatch would stabilize.

SCOTT & SAXBY LTD. (SSL)

LOCATION OF MINES, ACTIVITIES AND CAPITAL STRUCTURE

The company's works are located in Kolkata. The company is mainly engaged in the activities of sinking of deep tubewells and mineral exploration. The authorized as well as paid up capital of the company is Rs. 5 lakhs.

PERFORMANCE

The company's performance is not satisfactory because of impediments like dearth of orders, old and worn out machinery and excessive manpower. The performance of the company is given below:—

(Rs. in lakhs)

	2002-03	2003-04	2004-05 (prov) (April- Dec' 04)
Sales	151	157	103
Gross Margin before Interest on Government Loans & Deprn	(-)4	1	(-) 13
Net Profit/Loss	488	(-) 585	(-) 531

SCOTT & SAXBY LTD. (SSL) IN THE DEVELOPMENT OF NORTH EASTERN REGION.

SSL has taken some part in the development of the North Eastern Region. It has played a vital role in the development of Tea Gardens in the state of Assam by helping utilization of underground water. The company had sunk about 600 Deep Tubewells for Tea Gardens in the state.

The company subsequently spread its activities in the state of Tripura and has sunk about 117 nos. of Deep Tubewells in the state till 31st October 2004. The company has further orders in hand for execution in the state. The sinking of deep Tubewells in the State of Tripura constitutes a part of the Rural Development Project of the Department of Public Health Engineering. The company has been continuing its activities in these states despite an adverse law and order situation.



Plant of Sponge Iron India Ltd.

SPONGE IRON INDIA LTD.

INTRODUCTION

Sponge Iron Plant of the Company was initially established as a demonstration unit with a capacity of 30,000tpa with UNDP/UNIDO assistance to establish the techno-economic feasibility of producing sponge iron (a part substitute for ferrous scrap used by Induction and Electric Arc Furnaces) from lump iron ore and 100% non-cooking coal. The unit, based on non cooking coal from Singareni Collieries Company Ltd. (SCCL) and iron ores available at various regions in Andhra Pradesh and neighbouring states went into regular operations in November, 1980. Several improvements and modifications were effected to the Sponge Iron Plant based on Rotary Kiln Process to suit the local raw materials and operating conditions, as a result of which it has

not only helped developing SILL technology but also paved way for the development of Sponge Iron Industry in the Country.

PERFORMANCE HIGHLIGHTS UPTO DECEMBER, 2004

- The production during 2004-05 sofar was 42,821 tonnes with a capacity utilisation of 95%.
- The Average Sales Realisation of Rs. 10520/- per tonne of sponge iron is achieved during 2004-05 sofar upto 31.12.04 when compared to Rs. 7,955/- 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).
- A divided @ 20% of PAT amounting to Rs. 4.26 crores (including Dividend Tax) was paid for the year 2003-04. An amount of Rs. 1.04 crore was paid during December, 2004 towards interim Dividend for the year 2004-05.

FINANCE

Consequent upon the approval accorded by the Government of India vide letter No. 11(5)/2000-KDM, dated 28.03.2001 for conversion of outstanding loans (both plan and non-plan) from Government of India amounting to Rs. 32.51 crores into equity and for write off of the accumulated interest amounting to Rs. 36.78 crores (including penal interest of Rs. 13.23 crores w.e.f 01.04.2000. The authorised share capital of the Company stood at Rs. 66.00 crores on 31.03.2004; paid up capital was Rs. 65.10 crores. (Rs. 64.27 crores held by Government of India and the balance of Rs. 0.83 crore by the Government of Andhra Pradesh). Actual achievements vis-a-vis MOU target are as under:-

(Rs. in crores)

Particulars	MoU Target (Excellent)	Actual (Provisional)	% fulfilment
Gross Margin	9.75	23.01	236
Cash Profit	9.19	22.96	250
Net Profit (PBT)	5.93	20.53	346

In fact the profit earned during 2003-04 alone is equal to the total profits made during all the profit making years of the company since 1980.

PRODUCTION

The Production and Financial Performance of the Company during the last three years, together with provisional figures for 2004-05 upto 31.12.04 is furnished in the table below:

	2002-03	2003-04	Provn. year's Highlights for the period (01.04.04 to 31.12.04)
Production			
- Sponge Iron (t)	71,603	69,509	42,821
- Power Generation (lakh Kwh)	81	88	65
- Capacity Utilisation (%)	119	116	95
Sales (t)			
- Sponge Iron	73,943	68,072	42,150
- Sales Turnover (Net) (Rs. in lakhs)	4,414	5,886	4,434
- Generation of Internal Resources (Rs. in lakhs)	970	2,296	1,699
- Net Profit (Rs. in lakhs) (PBT)	656	2,053	1,512

As against the MoU target (very good) of 43,250 tonnes, actual sponge iron production was 42,821 tonnes representing 99% of target and 95% of capacity utilization upto 31.12.04

MECON LTD.

MECON is the first consultancy and engineering organisation in the country to be accredited with ISO: 9001. MECON was formed with the core objective of providing engineering and consultancy services for establishment of steel plants in the country. With the passage of time, it became a pioneer in providing engineering services for establishment of not only steel plants but also other metallurgical plants like Aluminum, Copper, Zinc etc. It has developed considerable expertise not only in the field of consultancy services like basic engineering, detailed engineering, project management etc. but also in design and supply of equipment for the ferrous, non-ferrous, oil and gas, petro-chemical and other general industries. Long association with integrated steel plants has enabled MECON to build a strong technological base. MECON has diversified its services also in sectors like power, environmental engineering, roads & highways, oil & gas pipelines, information technology, defence projects, etc. both as provider of engineering services as well as executing projects on turnkey basis.

The company has its registered office at





KIOCL Autogenous mills

Ranchi, Jharkhand and Engineering offices at Bangalore and Delhi. It also has liaison/marketing offices at Mumbai, Chennai & Kolkata as well as project offices at various locations besides an overseas office at Lagos, Nigeria.

CAPITAL STRUCTURE

The authorised share capital of the company is Rs. 400 Lakhs against which the paid up capital is Rs. 242 Lakhs. Out of the paid up capital of Rs. 242 Lakhs Bonus Shares of Rs. 40.31 Lakhs were issued during the year 1996-97.

HINDUSTAN STEEL WORKS CONSTRUCTION LTD. (HSCL)

BACKGROUND

Hindustan Steelworks Construction Ltd. (HSCL) was incorporated in June 1964 with the primary objective of creating in the Public Sector an organisation capable of undertaking complete construction of modern integrated Steel Plants. HSCL had done the construction work of Bokaro Steel Plant, Vizag Steel Plant and Salem Steel Plant from the inception till commissioning and was associated with the expansion and modernisation of Bhilai Steel Plant, Durgapur Steel Plant, IISCO (Burnpur) and also Bhadravati Steel Plant. With the tapering of construction activities in Steel Plant, the company intensified its activities in other sectors like Power, Coal, Oil and Gas. Besides this HSCL 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.

CAPITAL STRUCTURE

The Authorised and Paid up Share Capital as on date is Rs. 150 Crore and Rs. 117.10 Crore respectively. The total amount of GOI loan outstanding as on date is Rs 514.20 Crore (Plant

Loan Rs. 22.50 Crore and Non-Plan Loan Rs. 491.70 Crore). Company has received Rs. 222.44 Crore from Govt. as Non-Plan assistance to pay salaries & wages and statutory dues to the Employees.

PERFORMANCE HIGHLIGHTS

The financial performance of the company during the period 2002-03, 2003-04 and 2004-05 are as under:

(Rs.in Crore)

Year	2002-03	2003-04	2004-05(April-December)
Turnover	276.9	306.95	205.81
Operational Profit (PBIDT)	3.90	18.40	7.17
Net Loss	136.35	88.50*	31.28
			(provisional)

Interest on Loan received from Bank is subsidised by Govt. of India.

* The loss includes Rs. 63.98 cr., 1/5th of the expenditure incurred for VR.

BHARAT REFRACTORIES LTD. (BRL)

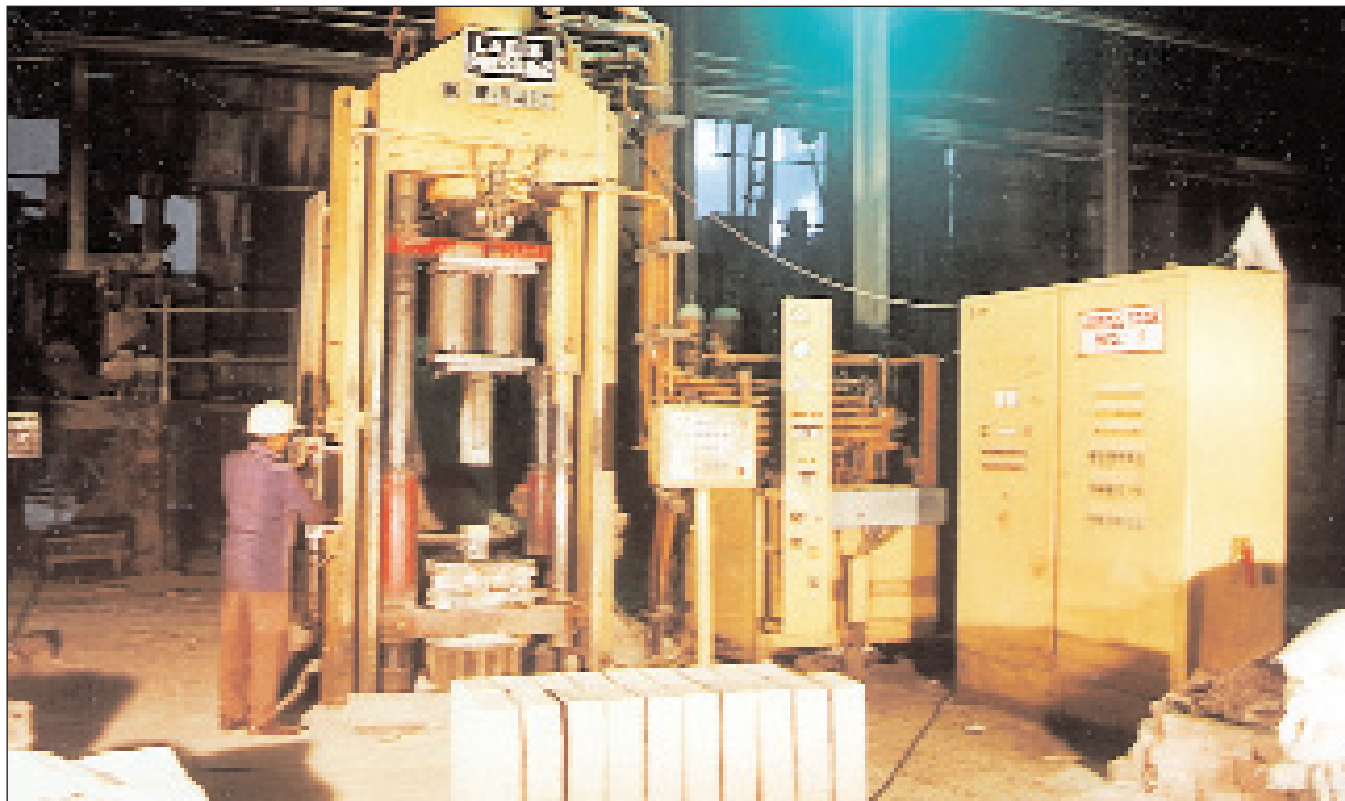
BACKGROUND

Bharat Refractories Ltd. (BRL), a Government of India Undertaking was incorporated on 22nd July, 1974 and at present it has the following four units:

- i) Bhandaridah Refractories Plant at Bhandaridah;
- ii) Ranchi Road Refractories Plant at Ramgarh;
- iii) Bhilai Refractories Plant at Bhilai and
- iv) IFICO Refractories Plant at Ramgarh.

The Company is engaged in the manufacture and supply of various kinds of refractories not only to the Integrated Steel Plants but also to the Mini Steel and Midi Steel Plants.





CAPITAL STRUCTURE

The authorised share capital of the company as on 31st March, 2004 was Rs246.00 lakh against which the paid-up capital was Rs.20879.42 lakh.

FINANCIAL PERFORMANCE

During the year 2003-2004 the profit before interest and depreciation in respect of BRL amounted to Rs. 786.66 lakh, but after providing for interest, depreciation and prior period adjustment /VR to the tune of Rs.1296.76 lakhs Rs.283.55 lakh, Rs.107.43 lakh and Rs.39.08 lakh respectively, it incurred a net loss of Rs.940.16 lakh. During the year 2004-2005, the Company earned a net profit of Rs.183.16 lakh without considering interest on non-plan loan of Rs.5500 lakhs sanctioned under the Revival Scheme for liquidation of statutory dues.

