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**STANDING COMMITTEE ON  
COAL AND STEEL  
(2020-2021)  
SEVENTEENTH LOK SABHA**

**MINISTRY OF STEEL**

**DEMANDS FOR GRANTS  
(2021-22)**

**EIGHTEENTH REPORT**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

**MARCH, 2021/PHALGUNA, 1942 (SAKA)**

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(2020-2021)**

**SEVENTEENTH LOK SABHA  
MINISTRY OF STEEL  
DEMANDS FOR GRANTS  
(2021-22)**

**Presented to Lok Sabha on 16.03.2021**

**Laid in Rajya Sabha on 16.03.2021**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

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**COMPOSITION OF THE STANDING COMMITTEE ON  
COAL AND STEEL(2020-2021)**

**Chairperson - Shri Rakesh Singh**

**Lok Sabha**

2. Shri Balubhau Dhanorkar *alias* Suresh Narayan
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Chandra Prakash Joshi
6. Shri Saumitra Khan
7. Shri C. Lalrosanga
8. Shri S. Muniswamy
9. Shri Ajay Nishad
10. Shri Basanta Kumar Panda
11. Smt. Riti Pathak
12. Dr. Lorho S. Pfoze
13. Shri S.R. Parthiban
14. Shri Komati Reddy Venkat Reddy
15. Shri Chunni Lal Sahu
16. Shri Arun Sao
17. Shri Pashupati Nath Singh
18. Shri Sunil Kumar Singh
19. Shri Sushil Kumar Singh
20. Dr. Beesetti Venkata Satyavathi
21. Dr. Thirumaavalavan Thol

**Rajya Sabha**

22. Shri Anil Desai
23. Dr. Vikas Mahatme
24. Shri Venkataramana Rao Mopidevi
25. Shri Prashanta Nanda
26. Shri Ram Vichar Netam
27. Shri Samir Oraon
28. Shri Dhiraj Prasad Sahu
29. Shri Shibu Soren
30. Shri Prabhakar Reddy Vemireddy
31. Shri B. Lingaiah Yadav

## **SECRETARIAT**

- |                                  |   |                     |
|----------------------------------|---|---------------------|
| 1. Shri Pawan Kumar              | - | Joint Secretary     |
| 2. Shri Arvind Sharma            | - | Director            |
| 3. Smt. Geeta Parmar             | - | Additional Director |
| 4. Smt. Vandana Pathania Guleria | - | Under Secretary     |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Eighteenth Report (Seventeenth Lok Sabha) on Demands for Grants (2021-22) relating to the Ministry of Steel.

2. The Demands for Grants of the Ministry of Steel were laid on the Table of the House on 11.02.2021. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Steel on 25.02.2021.

4. The Report was considered and adopted by the Committee at their sitting held on 15.03.2021.

5. The Committee wish to express their thanks to the officials of the Ministry of Steel for the cooperation extended by them in furnishing written replies and for placing their considered views and perceptions before the Committee.

6. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

7. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**NEW DELHI;  
15 March, 2021  
24 Phalguna, 1942 (Saka)**

**RAKESH SINGH  
Chairperson,  
Standing Committee on Coal and Steel**

**REPORT**  
**PART-I**  
**CHAPTER-I**  
**INTRODUCTORY**

**STEEL: A DYNAMIC MATERIAL**

Over the years, steel has become a popular construction material for buildings, bridges, flyovers, pipelines etc. as it is durable, highly recyclable and environment friendly. It is cost effective too, based on Life Cycle Cost Analysis, because usually steel structures can be maintained easily and require less frequent repairs. Sustainable structures can be constructed by adding steel in it. It has been widely acknowledged by civil engineering experts across the world that appropriate combination of steel and concrete, utilizing the distinctly different merits of the two materials, is the best possible solution for a structural problem. As a result, bridge engineering mostly in road bridges and flyovers, is moving towards more extensive use of steel-concrete composite structural systems utilizing the strength of the two materials synergistically.

**Role of the Ministry of Steel**

1.2 The Ministry of Steel has played in the pre-deregulation phase played the key role of a regulator which was essential, given the operating economic conditions, the limited presence of industry and the scarcity of key raw material for steel-making at home. Through skillful and judicious decisions on allocation and pricing and formulating related policy measures, the Ministry of Steel had played an important role in taking the steel industry forward in this phase.

1.3 In the post-deregulation period, the role of the Ministry of Steel has primarily been that of a facilitator for the Indian steel industry. In its present-day role, the Ministry of Steel is extending all possible support for the development of the Iron and Steel Industry in the country, in matters like:

- Facilitating expeditious growth of steel capacity, investments through active coordination and formulation of right policy directives.
- Providing linkage for raw materials, rail movement clearance etc. for new plants and expansion of existing ones.
- Facilitating movement of raw materials other than coal through finalization of wagon requirements and ensuring an un-interrupted supply of raw materials to the producers.
- Regular interactions with entrepreneurs proposing to set up new ventures, to review the progress of implementation and assess problems faced.
- Identification of infrastructural and related facilities required by the steel industry, and coordination of infrastructure requirement of steel sector with the concerned Ministries/Department.
- Promoting, developing and propagating the proper and effective use of steel and increasing the intensity of steel usage, particularly in the construction sector in rural and semi urban areas, through "Institute for Steel Development and Growth (INSDAG)" in Kolkata.
- Creating and updating a comprehensive data base for various segments of the steel industry.
- Monitor the physical and financial performance of CPSEs and capital expenditure on projects.
- Monitoring performance of commitments made in the MOUs and modernization and expansion programme of CPSEs.
- Improving the performance of Iron & Steel industry through R&D and Technology intervention, Quality Control and improvements in techno-economic parameters
- Boosting domestic demand for steel through promotional efforts.



1.4 The following are Public Sector Undertakings under administrative control of the Ministry of Steel:

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. MECON Limited, Ranchi
7. MSTC Limited, Kolkata

**Note:** Bird Group of Companies (OMDC, BSLC and EIL) are subsidiary of RINL; FSNL is a subsidiary of MSTC; and SRCL is a subsidiary of SAIL.

1.5 The detailed Demands for Grants (2021-22) of the Ministry of Steel were presented to Lok Sabha on 11.02.2021. While analyzing the detailed Demands for Grants of the Ministry of Steel, the Committee in the present Report have examined various schemes/programmes of the Ministry and other PSUs under its administrative control. The detailed analysis along with observations/ recommendations of the Committee on various issues have been given in the succeeding chapters of the Report.

**CHAPTER-II**  
**ANALYSIS OF DEMANDS FOR GRANTS (2021-22)**

The total budget outlay of Rs. 39.25 crore has been made for Ministry of Steel and the entire provision is for Revenue Expenditure of the Ministry. The approved budget outlay includes Rs. 32.78 crore for Secretariat Expenditure; Rs. 5 crore for Central Sector Scheme; and Rs. 1.47 for Other Central Sector Expenditure. Under Other Central Sector Expenditure, provisions of Rs. 0.50 crore for Awards to Distinguished metallurgist ; Rs. 0.56 crore for Information, Education & Communication; Rs. 0.40 crore for Membership Fees for Organisation for Economic Cooperation and Development (OECD)/Global Forum on Steel Excess Capacity (GFSEC); and Rs. 0.01 crore has been kept as token provision for Development of Steel Clusters in India.

**Budgetary Allocations for 2021-22**

2.2 The total budgetary allocations covered in Demand No. 96 for BE 2021-22, are summarized as under:-

(Rs. in crore)

Demand No. 96 for 2021-22	BE 2021-22			
	Scheme	Establishment Expenditure	Other Central Sector Expenditure	Total
REVENUE SECTION	5.00	32.78	1.47	<b>39.25</b>
CAPITAL SECTION	0.00	0.00	0.00	<b>0.00</b>
<b>Total (Gross)</b>	<b>5.00</b>	<b>32.78</b>	<b>1.47</b>	<b>39.25</b>

**Budgetary Allocations during 2020-21**

2.3 Demand No. 96 for BE, 2020-21 depicting financial requirement of funds is as under:

(Rs. in crore)

Demand No. 96 for 2020-21	BE 2020-21			
	Scheme	Establishment Expenditure	Other Central Sector Expenditure	Total
REVENUE SECTION	15.00	38.58	46.42	100.00
CAPITAL SECTION	0.00	0.00	0.00	0.00
<b>Total (Gross)</b>	<b>15.00</b>	<b>38.58</b>	<b>46.42</b>	<b>100.00</b>

2.4 It has been observed that there is a significant reduction in the allocation of funds for the year 2021-22, as compared to 2020-21. Allocation of Rs. 100 crore was made during 2020-21, however, Rs. 39.25 crore has been allocated for 2021-22. This is due to reduction in outlay of Central Sector Scheme, Establishment Expenditure and Other Central Sector Expenditure.

2.5 The analysis of the Demand for Grants i.e. percentage variations in various heads over the last three years is given as under:

(Rs. in crore)

No.	Major Head & Item of Expenditure	BE 2018-19	RE 2018-19	% age increase/decrease in RE 18-19 over BE 2018-19	BE 2019-20	RE 2019-20	% age increase/Decrease in RE 2019-20 over RE 2018-19	BE 2020-21	RE 2020-21	% age increase/Decrease in RE 2020-21 over RE 2019-20	BE 2021-22	% age increase/Decrease in BE 2021-22 over RE 2020-21
<b>Secretariat</b>												
1.	Secretariat - Economic Services	31.83	32.92	3.42%	34.54	34.54	0.00%	38.58	29.34	-23.95%	32.78	11.72%
<b>Centre Sector Schemes</b>												
1.	Scheme for Promotion of Research and Development in Iron and Steel Sector	15.00	15.00	0.00	15.00	15.00	0.00%	15.00	5.00	-66.67%	5.00	0.00%
<b>Other Central Sector Expenditure</b>												
1.	Upgradation of Ispat General Hospital, Rourkela to a Super Specialty Hospital #	0.00	105.75	--	190.04	144.83	-23.79%	44.24	44.24	0.00%	0.00	-100%
2.	Development Commissioner for Iron & Steel, Kolkata*	0.30	0.19	-36.66%	0.00	0.00	0.00%	0.00	0.00	0.00%	0.00	--
3.	Awards to Distinguished Metallurgists.	0.26	0.26	0.00%	0.26	0.26	0.00%	0.50	0.25	-50.00%	0.50	100%
4.	Membership/Observer Status in Steel committee of OECD and GFEC	0.41	0.51	24.39%	0.45	0.45	0.00%	0.44	0.20	-54.54%	0.40	100%
5.	Advertisement and Publicity (IEC)	0.10	0.26	160%	1.00	1.00	0.00%	1.23	0.40	-67.48%	0.56	40%
6.	Development of Steel Clusters in India	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00%	0.01	0.00%
<b>Total Other Central Sector Expenditure</b>		<b>1.07</b>	<b>106.97</b>	<b>9897.20%</b>	<b>191.75</b>	<b>146.54</b>	<b>-23.57%</b>	<b>46.42</b>	<b>45.10</b>	<b>-2.84%</b>	<b>1.47</b>	<b>-96.74%</b>
<b>Grand Total</b>		<b>47.90</b>	<b>154.89</b>	<b>223.36%</b>	<b>241.29</b>	<b>196.08</b>	<b>-18.74%</b>	<b>100.00</b>	<b>79.44</b>	<b>-20.56%</b>	<b>39.25</b>	<b>-50.59%</b>
*The Office has been closed since 31.10.2018. There no expenditure from the FY 2019-20. Hence, the negative change. #The total fund for IGH has been released in FY 2020-21. Hence, no provision has been made in BE 2021-22.												

2.6 It has been informed that based on the recommendation of the Working Group on Steel Industry for 11<sup>th</sup> Plan (2007-12), 'Scheme for Promotion of R&D in Iron and Steel Sector' was included in the 11<sup>th</sup> Five Year Plan with an outlay of Rs. 118.00 crore. The objective of the scheme was to provide financial assistance to the stakeholders for pursuing R&D projects for addressing the R&D need of the Iron and Steel Sector in the country. The current approval of the scheme is till March, 2021. The proposal for continuation of the scheme for the period 2021-22 to 2025-26 is under submission. The Gross Budgetary Support for scheme in BE 2021-22 is Rs. 05.00 crore.

2.7 As regards the constraints faced by the Ministry in implementation of the "Scheme for Promotion of R&D in Iron and Steel Sector" during 2020-21, it has been stated that due to the impact of COVID-19, the R&D institutions were also affected. As a result, no funds were required to be released on the on-going projects. Review of the projects was carried out on-line. New R&D proposals from the stakeholders were also evaluated on-line. Two new R&D projects have already been approved during the year and Rs 32.11 lakh has been released for these projects in 2020-21.

2.8 The details with regard to allocation *vis-a-vis* actual expenditure under "Scheme for Promotion of R&D in Iron and Steel Sector" since inception and the likely expenditure under the Scheme during 2020-21 are given below:-

(Rs. in crore)

Sl.No	Year	Allocation (RE)	Actual Expenditure
1	2009-10	13.00	4.14
2	2010-11	29.00	25.55
3	2011-12	29.00	9.63
4	2012-13	26.49	24.90
5	2013-14	8.00	8.00
6	2014-15	7.00	2.03
7	2015-16	15.00	10.26
8	2016-17	15.00	15.00

9	2017-18	14.00	14.00
10	2018-19	15.00	15.00
11	2019-20	15.00	15.00
12	2020-21	5.00	0.32

The anticipated expenditure for the scheme during 2020-21 is stated to be around Rs 50 lakh.

2.9 On being asked about the current status with regard to the approval of proposal for continuation of the aforesaid Scheme, it has been informed that as per the Department of Expenditure guidelines, a third party evaluation of the Scheme has been carried out by Administrative Staff College of India (ASCI) Hyderabad. On the basis of observations/ suggestions of ASCI, revised guidelines for considering R&D project proposals have been prepared and included in the draft Standing Financial Committee (SFC) Memorandum of the Scheme and has been circulated to stakeholder Ministries/ Departments, for comments. Based on the feedback received from the stakeholders, the Scheme shall be finalized and approval of SFC shall be sought.

2.10 In this context, the Secretary, Ministry of Steel during the course of evidence emphasised on revamp of this Scheme by directly involving steel producers in collaborating for projects undertaken under the Research Scheme. He added that the Ministry is planning to bring new Scheme before end of March, 2021.

2.11 During the last three years, the financial assistance was provided for R&D projects pursued by CSIR Labs, leading academic institutions like IITs and companies like SAIL, MIDHANI and KIOCL. The R&D projects pursued were in the areas of utilization of waste generated from steel plants such as mill scale and steel slag, beneficiation of iron ore & coal, development of super alloys, development of steel grade for biomedical implants, conversion of Carbon Dioxide into useful products etc.

2.12 The Committee have been informed of the achievements made during the period as follows: -

- Production of highly metallised Directly Reduced Iron from mill scale & lean grade coal in Tunnel Kiln by CSIR-NML Jamshedpur.
- Production of low Carbon & low Phosphorus Ferromanganese by metallothermic treatment of high Manganese Slag using Silicomanganese by CSIR-NML Jamshedpur.
- Development of Automation System for Optimum Coal Blending at Coal Handling Plant of Coke Oven Batteries by RDCIS SAIL. The indigenously developed system has been implemented at Bokaro Steel Plant of SAIL.

#### **ANNUAL PLAN PROPOSED FOR 2021-22 (BE)**

2.13 The details with regard to the budget outlay proposed by Ministry of Steel and that approved by Ministry of Finance are furnished as under:-

	(Rs. in crore)	
	<b><u>Proposed by Ministry of Steel</u></b>	<b><u>Approved by Ministry of Finance</u></b>
<b><u>Secretariat</u></b>	41.00	32.78
<b><u>Central Sector Scheme</u></b>		
Scheme for promotion of R&D in Iron & Steel sector	15.00	5.00
<b><u>Other Central Sector Expenditure</u></b>		
Information, Education & Communication	1.35	0.56
NMD, OECD/GFSEC, Steel Clusters in India	0.91	0.91
<b>TOTAL</b>	<b>58.26</b>	<b>39.25</b>

2.14 On being enquired about the proposed activities/ areas for which a fund of Rs 15 crore was sought by the Ministry in 2021-22, the details are as under: -

<b>Ongoing Projects</b>	Rs 05 crore
<b>New Projects</b>	Rs 10 crore
<b>Total</b>	<b>Rs 15 crore</b>

2.15 The Ministry have informed that in view of less budgetary support of Rs 5 crore than the proposed allocation of Rs.15 crore for 2021-22, Government funding in the projects would be reduced. Larger funding support from various stakeholders shall be sought for new project proposals.

2.16 The Annual Plan (IEBR) for the year 2021-22, of all the CPSEs under the Ministry of Steel informed to Ministry of Finance is as given below. Ministry of Finance has not suggested any modification in the Annual Plan of CPSEs :-

(Rs. in crore)

No.	Name of the PSU	BE 2021-22		
		IEBR	Budgetary Support	Total
1	SAIL	8000.00	0.00	8000.00
2	RINL	595.00	0.00	595.00
3	NMDC Ltd.	3720.00	0.00	3720.00
4	KIOCL Ltd.	653.60	0.00	653.60
5	MOIL Ltd.	293.50	0.00	293.50
6	MECON Ltd.	12.50	0.00	12.50
7	MSTC Ltd.	17.40	0.00	17.40
8	FSNL <sup>§</sup>	10.00	0.00	10.00
9	SAIL Refractory Co. Ltd.(SRCL)*	Yet to be finalized	0.00	Yet to be finalized
	<b>TOTAL</b>	<b>13302.00</b>	<b>0.00</b>	<b>13302.00</b>

<sup>§</sup>FSNL is a subsidiary of MSTC Ltd.

\*SRCL is a subsidiary of SAIL.

2.17 Brief description of the PSU-wise outlays provided in BE 2021-22 for major schemes of the PSUs is as given below:-

(i) **SAIL** has earmarked an amount of **Rs. 8000.00 crore as its IEBR**. Out of this Rs. 2290 crore is towards Modernization and Expansion Plan (MEP) of SAIL Plants/Units, mainly on account of likely payments towards post-completion contractual liability against demonstration of Commissioning, Performance Guarantee (PG) by the Vendors/Suppliers and Final Acceptance of the new facilities. Rs. 3053 crore is towards other on-going Addition, Modification and Replacement (AMR) Schemes. A provision of Rs. 2019 crore has been kept for schemes to be sanctioned in future, the major ones

amongst which include Installation of 4<sup>th</sup> Slab Caster at RSP, Installation of New Bar Mill at DSP, and Installation of one New Stamp Charge Batteries each at RSP & DSP.

(ii) **Rashtriya Ispat Nigam Ltd.** has earmarked an amount of **Rs. 595.00 crore** as its IEBR. Out of this, Rs. 10 crore for Cat-I capital repairs of BF-1&2, Rs. 9 crore for SP productivity enhancement, Rs. 405 crore for Coke oven Battery-4, Rs. 20 crore for Central Despatch Yard, Rs. 84 crore for Forged Wheel Plant, Rs. 3 crore for Twin LHF (SMS-2) and Rs. 100 crore AMR and R&D, other schemes has been kept.

(iii) **NMDC Ltd.** has earmarked an amount of Rs. 3720 crore as its IEBR for major schemes like 3 MTPA Steel Plant at Nagarnar in Chhattisgarh, Slurry Pipeline Project, Third Screening Plant at Kirandul, Other Capital Schemes and Addition, Modification and Replacements (including Township, ERP & R&D).

(iv) **KIOCL** has earmarked an IEBR of **Rs. 653.60 crore**. Out of this major outlay is for Devadari iron ore Mines lease deed registration and payment of Stamp Duty; Setting up of Coke Oven Plant at Blast Furnace Unit, Mangalore; and installation of vertical pressure filters at pellet plant unit.

(v) **MOIL** has earmarked an amount of **Rs. 293.50 crore**, towards sinking of high speed vertical shafts at Balaghat and Gumgaon, vertical shafts at Ukwa mine, development of new areas and acquisition of land, forest and environment clearance including prospecting and exploration and AMR schemes, township, R&D.

(vi) **MECON** has earmarked an amount of **Rs. 12.50 crore** for upgradation, modification & automation of office space/township at various locations.



(vii) **MSTC** has earmarked **Rs. 17.40 crores** out of which Rs. 7.00 crore is for construction of office building, purchase of office premises & furnishing, etc., Rs. 4.00 crore for Misc. items of Administrative nature and Rs. 6.40 crore for equity contribution towards setting up of Auto Shredding Plant through JV MMRPL.

(viii) FSNL has earmarked an amount of Rs. 10.00 cores for procurement under addition/modification/replacement of equipment.

## CHAPTER-III

### PLAN INVESTMENT AND PERFORMANCE OF PSUs

The Financial targets (IEBR) and Utilization during 2017-18, 2018-19 and 2019-20 of CPSEs

(Rs. in crore)

No.	Name of PSU	2017-18			2018-19			2019-20		
		Target		Utilization	Target		Utilization	Target		Utilization
		BE	RE		BE	RE		BE	RE	
1.	SAIL	3500.00	4700.00	5130.00	4000.00	4300.00	4303.00	4000.00	4000.00	4114.00
2.	RINL	1550.00	1550.00	1583.84	1400.00	1400.00	1917.75	1400.00	1377.00	1416.21
3.	NMDC	5174.00	3324.00	2346.00	3778.00	2083.00	2090.00	3010.00	1945.00	2491.00
4.	KIOCL	1800.00	496.00	3.36	1782.44	338.00	19.98	317.00	317.00	21.93
5.	MOIL	205.80	226.51	207.04	190.49	201.89	208.30	209.74	260.79	243.85
6.	MSTC	32.79	49.00	15.24	49.37	47.60	26.96	44.40	22.40	13.08
7.	FSNL	34.62	13.00	19.31	23.17	15.29	18.35	18.12	19.54	22.22
8.	MECON	5.00	5.00	2.69	5.00	5.00	3.71	5.00	5.00	4.82
9.	OMDC	341.65	20.00	Nil	0.00	20.00	Nil	0.00	6.00	0.02
10.	SRCL	7.58	7.58	0.11	6.93	6.93	2.07	15.00	5.66	0.63

3.2 Physical Targets and Achievements during 2017-18, 2018-19 and 2019-20 of CPSEs

No.	Name of PSU	Physical Parameters	2017-18		2018-19		2019-20	
			Target	Actual	Target	Actual	Target	Actual
1.	SAIL	i. Hot Metal ( <i>in million tonne</i> )	17.26	15.98	17.82	17.51	18.30	17.44
		ii. Crude Steel ( <i>in million tonne</i> )	16.16	15.02	16.73	16.27	17.27	16.16
		iii. Saleable Steel ( <i>in million tonne</i> )	15.12	14.07	15.62	15.07	16.20	15.15
		iv. Pig Iron ( <i>in million tonne</i> )	0.28	0.27	0.28	0.48	0.30	0.57
		v. Saleable Production ( <i>in million tonne</i> )	15.40	14.34	15.90	15.55	16.50	15.72
2.	RINL	(i) Hot Metal ( <i>in million tonne</i> )	5.200	5.132	5.830	5.769	5.161	5.161
		(ii) Crude Steel ( <i>in million tonne</i> )	4.737	4.731	5.401	5.233	4.759	4.759

		<i>million tonne)</i>						
		(iii) Saleable Steel (in million tonne)	4.500	4.500	5.050	5.000	4.452	4.452
3.	NMDC	<b>Production</b>						
		(i) Iron Ore (in Lakh Tonne)	345.00	355.76	315.00	323.61	330.00	314.89
		(ii) Diamonds (Carats)	30000	39394	35000	38149	30000	28537
		(iii) Sponge Iron (Tonne)	0	0	4500	2475	-	-
		(iv) Pellets (in Lakh Tonne)	1.80	0.58	1.20	1.16	1.50	1.10
		<b>Sales</b>						
		(i) Iron Ore (in Lakh Tonne)	355.00	360.75	320.00	323.56	325.10	315.10
		(ii) Diamonds (Carats)	35000	33175	35000	29346	30000	33723
		(iii) Sponge Iron (Tonne)	0	0	4500	496	-	1944
		(iv) Pellets (in Lakh Tonne)	1.80	0.43	1.20	1.12	1.50	0.86
4.	KIOCL	(i) Production (in Metric Tonne)- Pellets	1750000	2327000	2170000	2238000	2300000	2375000
		(ii) Despatches (in Metric Tonne)- Pellets	1750000	2300801	2170000	2206000	2300000	2356302
5.	MOIL	Production (in MT)						
		i) Manganese Ore	1200000	1201113	1375000	1301191	1475000	1277444
		ii) Electrolytic Manganese Dioxide	1000	872	1250	992	1500	925
		iii) Ferro Manganese	10000	10573	12000	11003	12000	10421
6.	MSTC	(i) E-Commerce (Rs. in crore)	60000.00	72659.11	88000.00	103588.11	163600.00	126238.91
		(ii) Trading (Rs. in crore)	7000.00	9351.81	7450.00	7685.63	4850.00	1152.32
7.	*FSNL	(i) Scrap (in Lakh Metric Tonne)	27.46	32.90	31.74	35.66	42.03	48.59
		(ii) Slag (in Lakh Metric Tonne)	91.12	77.99	90.98	95.76	103.57	99.51
8.	MECON	Business procurement @	--	1003.44	--	3191.75	--	4929.87

		(value in Rs. crore)						
9.	Bird Group	Production						
	OMDC	--	Nil	Nil	Nil	Nil	Nil	
	BSLC	Production						
		(i) Limestone (in Million Tonne)					--	0.017
		(ii) Dolomite (in Million Tonne)	--	--	--	--	0.96	0.605
		Dispatch						
		(i) Limestone (in Million Tonne)	--	--	--	--	--	0.008
(ii) Dolomite (in Million Tonne)					0.96	0.596		
10.	SRCL	DBM Production (in MT)	2814	0	0	0	0	0
		Bricks Production (in MT)						
		i. Fired Bricks	10980	12502	11500	12272	12003	13336
		ii. Mag Carbon Bricks (unfired)	6807	8016	8149	8552	11707	11296
		Bulk Production (in MT)	1400	1315	1500	1609	850	1153
		Ground Calcined Magnesia (in MT)	1000	0	0	0	0	0
		Others - by Products (in MT)						
		i. Smoke Dust	6000	7986	9000	7612	0	0

### A. STEEL AUTHORITY OF INDIA LTD.(SAIL)

3.3 The details with regard to the physical and financial performance of SAIL during 2018-19, 2019-20 and 2020-21 are as under:-

	2018-19	2019-20	2020-21
Crude Steel Production ('000 T)	16266	16155	12201(Till Jan'21)
Turnover (Gross) (Rs. in crore)	66267	61025	45286
Outlay/Budget for Capital Expenditure (IEBR) (Rs. in crore)	4300	4000	4800
Actual Expenditure (Rs. in crore)	4303	4114	2896 (Till Jan'21)
Gross Margin (EBIDATA) (Rs. in crore)	10283	11199	7267*
Profit (+)/ Loss(-) Before Tax(Rs. in crore)	3338	3171	2271*
Profit (+)/ Loss(-) After Tax (Rs. in crore)	2179	2022	406*

\*Figures from Apr'20 to Dec'20

3.4 It has been informed that SAIL increased its growth in saleable steel production during 2020-21. Post Covid lockdown, production ramped up and sales improved by 1.4% in the third quarter of 2020-21. SAIL also achieved 12% growth in long Rail production and 16% growth in despatch during April, 2020 – January, 2021 over Corresponding Period Last Year (CPLY). SAIL sold 20.17 lakh tonne of fresh fines and 1.12 lakh tonne of dumped fines till 31st January, 2021. Exports by SAIL also increased by 63.12% during April, 2020 – January, 2021 in comparison to CPLY. SAIL achieved a 9 month reduction in borrowing of more than Rs. 8000 crore and saleable steel inventory by 61.35% between April to December, 2020.

**Utilization of IEBR**

(Rs. in crore)

No.	Name of the PSU/ Organisation	2020-21 Approved IEBR		Actual Expenditure 2020-21 (upto Dec.'20)	%age utilization upto Dec, 20 w.r.t RE 2020	Likely utilization by 31.03.2021	Reasons for non-achievement of targets, if any
		BE	RE				
1	SAIL	4000.00	4800.00	2445.00	50.94	4800.00	--

3.5 It may be seen from the above that IEBR of Rs. 4000 crore earmarked by SAIL for BE(2020-2021) was increased to Rs. 4800 crore during RE (2020-21). However, during the first 3 quarters of Financial Year, only 50% of the funds i.e. Rs. 2445 crore could be utilised till December, 2020. An IEBR of Rs. 8000 crore has been earmarked for 2021-2022. SAIL has informed that suspension of site work on account of outbreak of COVID-19 pandemic had affected the completion of milestones and corresponding payments and efforts are being made to expedite the implementation of projects. 100% increase in BE for 2021-22 compared to 2020-21 is based on directions from the Government.

3.6 SAIL has informed that after lockdown ended and the economic activities gathered steam, it has managed to reduce its borrowings to Rs 42813 crore as on 31<sup>st</sup> January, 2021 and a deleveraging of Rs 9478 crore can be seen. Efforts are on to deleverage further by taking advantage of the buoyant prices of steel. The status of debts of SAIL from 31.03.2020 till 31.01.2021 is given as under:-

(Rs in crore)

As on	31-03-2020	30-04-2020	30-06-2020	30-09-2020	31-12-2020	31-01-2021
<b>Borrowings</b>	51481	52291	51845	48232	44312	42813

3.7 It has been added that SAIL is also increasing the supply of cash by monetizing its idle assets, sale of Sub-Grade Fines & Tailings, etc. The target is to reduce the net debt to less than Rs 40,000 crore by 31<sup>st</sup> March-21. Attempts are also being made to maintain a judicious mix of long term vs short term loans by optimising cost vs safety. The momentum of deleveraging will continue into the next financial year. SAIL would like to target a Net Debt/EBITDA ratio of 3.5 – 4 by the end of 2021-22.

3.8 Asked about the major ongoing projects of SAIL, the Ministry has informed as under:

Sl. No	Name of the Project	Original/ likely completion Date (Delay)	Original Cost/ Revised Cost (Rs. crore)	Major reasons for delay/ time over run
1	Rebuilding of COB-2 along with Augmentati on of Coke Handling & Gas Handling Facility at Rourkela	May'2023/ May'2023 No Delay	377.18/ 377.18 No cost overrun	Nil

	Steel Plant (RSP)			
2	Rebuilding of Coke Oven Battery No.7 & 8 at Bhilai Steel Plant (BSP)	Dec'2023/ Dec'2023 No Delay	542.24/ 542.24 No cost overrun	Nil
3	New Sinter Plant at Bokaro Steel Plant (BSL)	Oct'2017/ Dec'2021 (38 months)	1034.01/ 1034.01 No cost overrun	<ul style="list-style-type: none"> <li>• Poor progress by the contractor</li> <li>• Delay in renewal of Environmental Clearance</li> </ul>
4	Rebuilding of COB-8 at BSL	Jun'2019/ May'2021 (23 months)	262.87/ 262.87 No cost overrun	<ul style="list-style-type: none"> <li>• Delay by the main contractor (M/s MECON) in awarding contract for civil work of Battery Proper, poor resource mobilisation by the contractor etc.</li> <li>• Sub-contractor for civil works had stopped work for 3 months due to payment related issues</li> </ul>
5	Replacement of Converter Shells at Durgapur Steel Plant (DSP)	Sep'2020/ May'2021 (08 months)	263.36/ 263.36 No cost overrun	<ul style="list-style-type: none"> <li>• Disruption of international travel affected the availability of foreign experts at site. Plant had resorted to remote supervision</li> <li>• Delay in replacement of refractories (100 T approx.) damaged in fire incident. The supply got delayed due to fresh outbreak of Covid-19 in Dec'20 and heavy snowfall in the first week of January'21 in China which had resulted into port congestion</li> </ul>

3.9 The Committee have been informed of the total Production and Capacity utilization for Crude Steel production at SAIL Plants during last three years as follows:

<b>Crude Steel</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21 (Apr'20-Jan'21)</b>
<b>Capacity(MT)</b>	19.6	19.6	19.6
<b>Actual Production (MT)</b>	16.3	16.2	12.2
<b>Capacity Utilization (%)</b>	83	82	74*

\*Prorata capacity utilization upto Jan, 21.

3.10 Plant-wise details for Crude Steel production and capacity during last three years are as under: -

Unit: '000 T

<b>PLANT</b>	<b>YEAR</b>	<b>CRUDE STEEL</b>		
		<b>Capacity</b>	<b>ACTUAL</b>	<b>% C.U</b>
<b>SAIL</b>	2018-19	19630	16266	83
	2019-20	19630	16155	82
	2020-21(Apr-Jan'21)	19630	12201	74
<b>BSP</b>	2018-19	6000	4447	74
	2019-20	6000	4497	75
	2020-21(Apr-Jan'21)	5030	3360	67
<b>DSP</b>	2018-19	2200	2220	101
	2019-20	2200	2194	100
	2020-21(Apr-Jan'21)	1844	1702	92
<b>RSP</b>	2018-19	3800	3660	96
	2019-20	3800	3505	92
	2020-21(Apr-Jan'21)	3186	2814	88
<b>BSL</b>	2018-19	4600	3833	83
	2019-20	4600	3667	80
	2020-21(Apr-Jan'21)	3856	2769	72
<b>ISP</b>	2018-19	2500	1888	76
	2019-20	2500	2083	83
	2020-21(Apr-Jan'21)	2096	1435	68



## B. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

3.11 The Details with regard to the physical and financial performance of RINL during 2017-18, 2018-19, 2019-20 and 2020-21 are as under:-

### RINL : Physical & Financial Highlights

Unit: Rs. Crore

	2017-18	2018-19	2019-20	2020-21* (up to Jan/21)
Saleable Steel Production ('000 T)	4500	5000	4457	3165
Turnover (Gross) (Rs. in Cr)	16618	20844	15819	12856
Outlay/Budget for Capital Expenditure (IEBR)	1550	1400	1377	534
Actual Expenditure	1584	1918	1416	624**
Gross margin (EBIDTA)	346	1803	-1498	315
Profit (+)/ Loss(-) Before Tax	-1911	-307	-4287	-1904
Profit (+)/ Loss(-) After Tax	-1369	97	-3910	-1704

\* Provisional

\*\* Includes Rs.148Cr on account of capitalized schemes and spares and other schemes and assets

3.12 The Committee have observed that during January, 2021, RINL achieved liquid steel production of 5.49 lakh tonne for the first time and managed to export 1.1 MT of saleable steel till January, 2021 which is a growth of 125% over CPLY. Export of saleable steel beyond 1 MT has happened for the first time. Regarding cost reduction measures, RINL took the initiative of utilizing ore slime in place of iron ore fines which was stepped up to an average of 25% in 2020-21 compared to 9% in 2019-20. Coke Over Battery-5 Project was commissioned by RINL on 22.12.2020. The Forged Wheel Plant (FWP) Project of RINL at Lalgunj, UP is under testing/trial runs stage. Secretary, Ministry of Steel informed during oral evidence that RINL is facing problems due to borrowings of about Rs. 22000 crore, though in recent months it has performed well. Due to impact Covid, RINL could not do production for first six months of 2020-21, but during November-December,

2020 RINL earned a profit of Rs.200 crore each and of Rs. 100 crore in January, 2021.

3.13 A brief description of outlays provided in BE 2020-2021 for RINL is as under:-

(Rs. in crore)

Sl. No	Name of the Scheme	Allocated Outlay 2021-22	Major activities to be undertaken
1	Expansion - 6.3 MTPA	15	Contracts closure payments and settlements, etc.
2	Cat-I capital repairs of BF-1&2	10	BF Stoves revamping, Contracts closure related payments
3	SP productivity enhancement	5	ESPs revamping
4	Coke oven Battery-5	350	Payments for contracts of COB-5 (Phase-A) and construction activities of Coal Chemical Plant (Phase-B)
5	Central Despatch Yard	25	Contracts closure payments and settlements, etc.
6	Forged Wheel Plant	80	Commissioning activities of FWP and construction activities of township and administrative building and related contractual payments.
7	Twin LHF(SMS-2)	10	Contracts closure payments and settlements, etc.
8	AMR and R&D, Other Schemes	100	Continuous schemes for sustainability
	<b>TOTAL</b>	<b>595</b>	-

3.14 The Committee have been informed of the original date of inception, the current status and likely date of completion along with time and cost overrun of the schemes/projects of RINL which are as under:-

Sl. No	Name of the Scheme	Original date of inception	Completed/ Likely date of completion	Time overrun (months)	Cost Overrun (Rs Cr)	Current Status	Reasons for Delay
1	Expansion - 6.3 MTPA	May'07	Completed	51	7.3% on the approved RCE cost of Rs.12,291 Cr.	Completed	--
2	Cat-I capital repairs of BF-1&2	BF-1: Feb'11 BF-2: Aug'13	Completed	BF-1: 19 BF-2: 27	Nil	Completed	--
3	SP productivity enhancement	Jun'14	Completed	10	Nil	Completed	--
4	Coke oven Battery-5	Jul'15	Phase-A: Completed Phase-B: Sep'21	Phase-A: 36 Phase-B: 21	Nil	Phase-A: Completed, Phase-B 29% completed	Refer Annexure-1
5	Central Despatch Yard	Jan'16	Completed	14	Nil	Completed	--
6	Forged Wheel Plant	Mar'16	Feb'21	29	Nil	Plant is under testing & trial run for commissioning	Refer Annexure-1
7	Twin LHF(SMS-2)	Nov'16	Completed	16	Nil	Completed	--
8	AMR and R&D, Other Schemes	--	Continuous	--	Nil	Continuous	--

### C. NMDC Ltd.

3.15 The details with regard to the physical and financial performance of NMDC Ltd. during 2017-18, 2018-19, 2019-20 and 2020-21 are as under:-

#### NMDC Limited : Physical & Financial Highlights

	Unit: Rs. Crore			
	2017-18	2018-19	2019-20	2020-21 (upto Dec '20)
Production ( '000 T)	35576	32361	31489	21843
Turnover ( Gross) ( Rs. In Cr)	11615	12153	11699	8522
Outlay/Budget for Capital Expenditure (IEBR)	3697 *	3778 *	1822	2249
Actual Expenditure	2346*	2090*	2295	792 (upto Jan '20)
Gross margin (EBIDTA)	6472	7518	6427	4819
Profit (+)/ Loss(-) Before Tax	6179	7198	6122	4635
Profit (+)/ Loss(-) After Tax	3806	4642	3610	3415
<small>IEBR Target of 2017-18 &amp; 2018-19 is as per MoU including investment target of Rs 317 cr. and Rs 393 cr. and achievement is inclusive of investment of Rs 349 cr and Rs 228 cr respectively. However for 2019-20 and 2020-21 IEBR is RE Target and excluding investment.</small>				

3.16 It has been observed that for the month of January, 2021, Iron Ore production of 3.86 MT and sales of 3.74 MT have been achieved by NMDC Ltd. which are the highest ever since its inception. During 2020-21, total production of 25.66 MT and sales upto 26.01 MT was achieved upto January, 2021. Donimalai mines also got operationalized w.e.f. 18 February, 2021. Moreover, the commissioning of 5th Screening Line in Screening Plant-II at Kiranduri Complex in January, 2021 has enhanced the production capacity to 17 MTPA from existing 14 MTPA.

3.17 During oral evidence, the Secretary, Ministry of Steel informed that Government of India has envisaged National Infrastructure Pipeline w.e.f. 2019 having 8 slurry pipelines which are supposed to be completed by 2025. Out of these 8 pipelines, 7 are from private players like JSW, Tata Steel, AM/NS, ESSAR and only one is of public sector which is NMDC Ltd.

3.18 The details with regard to the Capacity Expansion and Modernization Projects of NMDC Ltd., along with reasons of delay/time and cost overrun are given as under:

Sl. No.	Name of the Project	Original/ likely completion Date (Delay)	Original Cost/ Revised Cost (Rs. crore)	Major reasons for delay/ time over run
1	3.0 MTPA Integrated Steel Plant at Nagarnar, CG	May'2015/ Jul'2021 (74 months)	15525/ 21940 Cost Overrun of Rs. 6415 cr.	• Reasons for time and cost overrun are given below
2	Screening Plant-III, Kirandul, CG	Feb'2024/ Feb'2024 No delay	1207/ 1207 No cost overrun	Nil
3	Slurry Pipeline project	Jun'2023/ Jun'2023 No delay	2907.21/ 2907.21 No cost overrun	Nil

4	<b>Doubling of KK railway line- Kirandul to Jagdalpur (executed by East Coast Railways on Deposit work basis)</b>	Jan'2019/ Mar'2023 (50 months)	826/ 1440 Cost Overrun of Rs. 614 cr.	• Reasons for time and cost overrun are given below
---	---	--------------------------------------	--	---

3.19 Asked about the reason for time overrun of 3.0 MTPA Integrated Steel Plant, the Committee have been apprised as under:

- Construction work for the project is in progress and about 97% of Civil work, 96% of Structural erection and 91% of equipment erection have been completed.
- Due to Lock Down to contain Covid-19, Construction progress at site was brought to complete stand still during the period from 25<sup>th</sup> March, 2020 to 19<sup>th</sup> April 2020. The work resumed partially at site from 20<sup>th</sup> April, 2020 with the manpower arriving at site gradually. Further availability of Contractor's foreign experts from China, Europe, etc. for supervision, testing and commissioning, balance imported items like Refractories/Equipments, Supply chain management of balance construction materials, indigenous structure & equipment, indigenous supervisory/ expert manpower required for testing and trial runs at site also adversely affected by Covid-19 Pandemic.
- Delays in RMHS package being executed by BHEL due to issues between BHEL and its subcontractors TECPRO & Prasad Engineering. Finally, BHEL removed both the contractors and work was awarded to multiple sub-contractors.
- Non-deployment of required resources and manpower by most of the contractors even after repeated follow up.

3.20 Further, the reasons for cost overrun is stated to be change in scope, volume, quantity, price, duties & taxes with respect to estimates at the time of award of work.

3.21. Also, the reason for delay in implementation of Kothavalasa–Kirandul line doubling work by Railways (project is being executed by Railways on Deposit work basis) is stated to be as under:

- This project is being executed by Railways on deposit work basis. Railways have informed that the major reason for the slow progress of Sections II (between Kirandul and Gidam) & III (between Gidam and Silakjhor) is the Left-Wing Extremist activities in the Kothavalasa–Kirandul Line area. Further, Railways informed that Land Ownership and tree felling issues between Railways and Forest Dept are also reasons for Delay in Section-II & III.
- Further, Covid-19 pandemic also delayed the project.

3.22 Regarding the status of the Slurry Pipeline project, it has been informed that about 19 Statutory clearances have been received and Site levelling works at Bacheli and Nagarnar have been completed. Further, the pipeline Laying Package has been awarded on 28.12.2020 and the scheduled date of completion for the project is June,2023.

3.23 Further, it is planned to release the initial milestone payments of Rs. 80 crore towards completion of basic engineering and order placement of specified items by March, 2021. Further, a sum of Rs 90 crore is envisaged towards supply of PD Pumps in Slurry Pump house package (package SP-02) which are under manufacturing at Netherlands and is expected to be supplied by March, 2021.

3.24 The plan outlay of NMDC Ltd. during last three years is given as under:

**(Rs. in crore)**

Name of Project	2018-19		2019-20		2020-21	
	Plan Outlay	Actual utilization	Plan Outlay	Actual utilization	Plan Outlay	Actual utilization (upto Jan,21)
<b>3 MPTA Steel Plant</b>	2500	1541	2200	1451	1435	655
<b>Slurry Pipeline</b>	175	28	400	21	10	41
<b>Third Screening Plant at Kirandul</b>	110	28	125	63	195	18
<b>Kumarswamy Iron Ore Mines</b>	10	34	-	-	-	-
<b>Bailadila Deposit 11B</b>	5	25	-	-	-	-
<b>Pellet Plant at DIOM</b>	5	3	-	-	-	-
<b>Other Schemes</b>	380	203	285	760	220	78
<b>Total</b>	3185*	1862	3010	2295	1860	792

\*BE Target was Rs. 3778.

#### D. KIOCL Ltd.

3.25 The details of the physical and financial performance of KIOCL Ltd. during 2017-18, 2018-19, 2019-20 and 2020-21 (up to December, 2020) are as under:-

#### KIOCL LTD: Physical & Financial Highlights

Unit: Rs. Crore

	2017-18	2018-19	2019-20	2020-21 (Upto Dec, 2020) (Un-Audited)
Production ('000 T)	2327	2238	2375	1496
Turnover (Gross) (Rs. in Cr)*	1637.18	1887.71	1937.65	1443.90
Outlay/Budget for Capital Expenditure (IEBR) (Rs. in Cr)	496	338	317	342
Actual Expenditure (Rs. in Cr)	3.36	19.96	21.93	17.67
Gross margin (EBIDTA) (Rs. in Cr)	105.24	204.19	101.14	174.77
Profit (+)/ Loss(-) Before Tax (Rs. in Cr)	86.09	184.12	63.68	147.20
Profit (+)/ Loss(-) After Tax (Rs. in Cr)	81.48	111.86	49.48	107.16

\* Turnover is Revenue from Operation.

3.26 It may be seen from the table above that KIOCL has produced 2.375 million tonne and exported 1.99 million tonne of Iron Ore Pellets during the year 2019-20 which are highest since closure of its captive mines w.e.f. 01.01.2006. KIOCL also earned a foreign exchange of Rs. 1574.13 crore during 2019-20 which is highest since inception of the Company.

3.27 Regarding new ventures, it has been informed that KIOCL Ltd. also been notified as 'Exploration Entity' by Ministry of Mines, Government of India. It is handling 14 blocks of different minerals viz., iron and manganese ore, limestone, nickel etc. KIOCL Ltd. has also commissioned a 3.35 MW Solar Power Plant till now and further 3 MW is going to be commissioned during this financial year.

3.28 Scheme and Project-wise, Physical and financial targets and likely actuals of KIOCL Ltd. for 2020-21 are as under:-

<b>(Rs in crore)</b>			
<b>SI No.</b>	<b>CAPEX (Project Wise)</b>	<b>Total</b>	<b>Actual</b>
1	<b>Devadari iron ore Mine Lease</b>	105	1.66
2	<b>Blast Furnace Unit (forward integration project)</b>	125	0.36
3	<b>Setting up of 2 MTPA pellet plant at RINL premises, Vishakhapatnam, JV project of KIOCL and RINL.</b>	20	JV activities are on hold, on receiving communication from RINL -
4	<b>Vertical Pressure Filters</b>	80	-
5	<b>Miscellaneous</b>	12	15.84
<b>Total</b>		<b>342</b>	<b>17.87</b>

3.29 An outlay of Rs. 104 crore was earmarked by KIOCL Ltd. during 2020-2021 for work related to Devadari Iron Ore Mines, including setting up of 4 MTPA beneficiation plant and setting up of a 2 MTPA Pellet Plant.



3.30 Regarding the present status of FC&EC clearances of these mines, it has been informed that the Mining plan for Devadari Mines was approved by Indian Bureau of Mines on 08.03.2018 for production of 2 MTPA Iron Ore and setting up of 2 MTPA crushing, conveying & beneficiation plant. The application seeking Forest Clearance was submitted to State Government on 16.03.2018. After continued intervention of Ministry of Steel and follow up by KIOCL, State Government recommended to MoEF&CC, Government of India for 'in-principle', Stage I forest clearance approval. FC proposal had been listed in Forest Advisory Committee Meeting scheduled to be held in February 2021 for grant of 'in-principle' (Stage -I) FC approval. In event of grant of Forest Clearance, Company would require to pay approximately Rs. 190 Crore towards 'Net Present Value' and Compensatory Afforestation charges to the Government of Karnataka and execute Mining Lease deed.

3.31 Regarding setting up of forward and backward integration with BFU Mangaluru, Karnataka, it has been informed that EC for this project was received on 27th February, 2020 and tendering evaluation is under progress.

#### **E. MOIL Ltd.**

3.32 The details with regard to the physical and financial performance of MOIL Ltd. for 2018-19, 2019-20 and 2020-21 is as under:-

#### **MOIL LIMITED : Physical & Financial Highlights**

Unit: Rs. Crore

	2018-19	2019-20	2020-21 A
Production ( '000 T)	1301	1475	1201
Turnover ( Gross) ( Rs. in Cr)	1440.67	1038.07	1145.00
Outlay/Budget for Capital Expenditure (IEBR) ( Rs. in Cr)	190.49	209.74	304.00
Actual Expenditure ( Rs. in Cr)	208.30	243.85	105.34
Gross margin (EBIDTA) (Rs. in Cr)	786.58	436.65	306.10 (upto Jan '21)
Profit (+)/ Loss(-) Before Tax (Rs. in Cr)	719.75	340.49	206.10
Profit (+)/ Loss(-) After Tax (Rs. in Cr)	473.89	248.22	156.36

3.33 When enquired about the new Ventures, it has been informed that MOIL Ltd. has signed a MoU with State Government of Gujarat for mineral exploration and targeted drilling of 8300 Meter for Phase-I has been completed. Second Phase drilling of 4500 Meter is under process and initial results indicate availability of good grade of ore. The process for entering into agreement and formation of JVC is being pursued. MOIL Ltd. has also undertaken procurement of machineries with latest technologies for mechanisation and production enhancement. A special initiative has been taken for development of Dongri Buzurg open cast mine for future production capacity enhancement.

3.34 The physical performance of MOIL Ltd. during the last three years is as under:

(Unit in Tonne)

No.	Name of PSU	Physical Parameters	2017-18		2018-19		2019-20		2020-21	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual
		(ii) Despatches (in Tonne) - Pellets	1750000	2300801	2170000	2206000	2300000	2356302	--	--
1.	MOIL	Production (in Tonne)								
		i) Manganese Ore	1200000	1201113	1375000	1301191	1475000	1277444	1300000	862683
		ii) Electrolytic Manganese Dioxide	1000	872	1250	992	1500	925	1200	901
		iii) Ferro Manganese	10000	10573	12000	11003	12000	10421	12000	6872

3.35 From the Table above, it may be seen that MOIL Ltd. could not achieve the targets of production of Manganese Ore, Electrolytic Manganese Dioxide and Ferro Manganese during 2018-19, 2019-20 and 2020-21. The reasons for the under-achievements of the targets by MOIL Ltd. during 2018-19 and 2019-20 are furnished as under: -

**Manganese Ore :** The production target of Manganese Ore at 13.25 lakh Tonne for 2018-19 has been arrived at after taking into consideration grant of mining lease at Parsoda, which MOIL got only in Jan-2019. Due to delay in grant of other mining leases, the production has been affected. However, it is to mention that more than 60% of MOIL's manganese ore production comes from underground mines wherein safety is the most critical factor of operation. Similarly, the safety of operation of opencast mines is also of paramount importance. In case of five (out of ten) mines, maximum environment clearance (EC) limits have been attained and hence production increase cannot come from these mines. Increase in production beyond the limits projected is not possible since Environment Clearance (EC) limits and safety have to be given top most attention. The production target of Managanese Ore at 14.75 lakh Tonne for 2019-20 has been arrived at after taking into consideration the planned progress. The performance upto Feb'2019 was 12.01 lakh Tonne as against 11.68 lakh Tonne in CPLY, showing increase of ~ 3%. However, the target could not be achieved mainly due to imposition of nationwide lockdown in view of Covid-19 resulting in stoppage of operations at mines.

**Electrolytic manganese di-oxide :** In view of making EMD of international standards, experiments were conducted during the year to reduce the impurities, because of which there were frequent obstructions for changing the process parameters to achieve the desired results. Hence, there was a shortfall in production. Once the operations are established, the plant shall produce 100% of its capacity with quality matching with international standards.

**Ferro manganese:** Initially the plant capacity was 10000 MT per annum. The same was planned to increase to 12000 MT during FY 2018-19, for which replacement of transformer was essential. In order to enhance the

production, 6MVA transformer was purchased and installed in the middle of the year. During installation of transformer, the plant was under shut down for about one month. Hence the production of 12000 could not be achieved.

3.36 The Plan Outlay of MOIL Ltd. during Last Three years is as under:

(Rs.in crore)

Sr. No.	Name of major project	2018-19		2019-20		2020-21 *		Remarks for deviation
		Plan outlay	Actual utilisation	Plan outlay	Actual utilisation	Plan outlay	Actual utilisation	
1	Deepening of Holme's shaft at Balaghat Mine.	0.00	3.37	0.00	0.00	0.00	0.00	
2	Deepening Vertical Shaft at Kandri Mine	3.33	3.72	0.00	0.00	0.00	0.00	
3	Sinking of new vertical shaft at Chikla Mine.	9.61	8.16	5.00	0.00	0.00	0.00	
4	Sinking new vertical shaft at Munsar Mine Phase-II.	8.00	14.65	10.00	9.89	2.50	5.24	
5	Sinking new vertical shaft at Ukwa Mine Phase-II.	10.00	8.37	15.00	14.53	15.00	10.42	
6	Sinking of large Dia High speed Vertical Shaft at Balaghat Mine.	5.00	6.20	15.00	43.49	95.00	5.84	
7	Sinking of new High Speed Vertical Shaft at Gumgaon Mine. Phase-II	5.00	2.54	15.00	18.18	75.00	0.00	
8	Solar Project at mines - Madhya Pradesh	0.00	7.77	0.00	0.00	0.00	0.00	
9	Solar Project at Rajgarh - Madhya Pradesh	0.25	0.00	0.25	0.00	0.25	0.00	
10	Mineral exploration project - MoU with M.P. Govt.	0.50	0.00	0.50	0.00	0.50	0.00	
11	Mineral exploration project - MoU with Gujarat Govt.	0.00	0.00	0.00	0.00	3.00	6.69	

12	Development of new areas and acquisition of land, forest and environment clearance including prospecting and exploration.	5.50	4.37	7.50	4.99	5.00	1.62
	<b>Total (A)</b>	<b>47.19</b>	<b>59.15</b>	<b>68.25</b>	<b>91.08</b>	<b>196.25</b>	<b>29.81</b>
13	Investment in Joint Venture for Ferro Manganese / Silico Manganese Plant with SAIL.	0.25	0.00	0.25	0.00	0.25	0.00
14	Ferro Manganese Plant at Bobbili in Joint Venture with RINL.	0.25	0.00	0.25	0.00	0.25	0.00
	<b>Total (B)</b>	<b>0.50</b>	<b>0.00</b>	<b>0.50</b>	<b>0.00</b>	<b>0.50</b>	<b>0.00</b>
	<b>SCHEMES SUB - TOTAL</b>	<b>47.69</b>	<b>59.15</b>	<b>68.75</b>	<b>91.08</b>	<b>196.75</b>	<b>29.81</b>
15	Addition/Modification & Replacement	110.44	96.84	105.61	121.16	169.20	62.54
16	Township	31.08	43.46	33.57	29.65	11.32	9.03
17	R & D Scheme/feasibility studies	1.28	8.85	1.81	1.96	2.52	3.96
	<b>GRAND TOTAL :</b>	<b>190.49</b>	<b>208.30</b>	<b>209.74</b>	<b>243.85</b>	<b>379.79</b>	<b>105.34</b>

\* Actual achievement is for the period Apr-Jan-2021 as against target of Rs. 258.96 crore for the said period (Provisional and unaudited)

3.37 When asked about the reasons for shortfall, MOIL Ltd. has submitted as under:

1. The reason for shortfall in actual achievements in 2020-21 against targets is due to nationwide lockdown and migration of workers in view of Covid-19. All the activities had to be temporarily suspended for the work of sinking of high speed shaft projects at Balaghat and Gumgaon mines.
2. After partial/restricted unlocking of activities, cases of Corona at suppliers' organizations led to non-availability of required workforce and slowdown of their production.

3. Due to Covid-19 pandemic, some major items like compressor, centrifugal pumps, 24 Cft tubs not yet received even for order is placed before March-2020.
4. Like compressors, pumps, etc., all the components are not manufactured by suppliers and they purchase from other manufacturers. Due to disruption in supply chains mechanism of their component, suppliers were unable to manufacture and dispatches are on hold.
5. All civil construction works were suspended due to Covid-19 and resumed only with a slow pace due to migration of workers and disruption in supply of building materials.

**F. MECON Ltd.**

3.38 MECON Limited, a Miniratna CPSE under Ministry of Steel, is one of the leading multi-disciplinary Design, Engineering, Consultancy and Contracting organization in the field of Metals and Mining, Energy (Power, Oil and Gas), Infrastructure, Environmental Engineering and other related/diversified areas with extensive overseas experience. MECON provides entire gamut of services required for setting up of Greenfield and Brownfield projects from Concept to Commissioning including Turnkey execution. MECON is an ISO:9001 accredited company and is registered with International Financial Institutions like World Bank, Asian Development Bank, African Development Bank, European Bank of Reconstruction and Development and United Nations Industrial Development Organization etc. MECON has also ventured into newer areas of business with strategic partners to meet challenges emerging from changed business scenario.

3.39 The details with regard to the Physical and Financial Performance of MECON Ltd. for 2018-19, 2019-20 and 2020-21 are as under:-

## MECON Limited: Physical & Financial Highlights

Unit: Rs. Crore			
	2018-19	2019-20	2020-21 (Upto Jan' 21) (Prov.)
(Production ('000 T) #	NA	NA	NA
Turnover (Gross) (Rs. In Cr.)	470.17	561.17	400.91
Outlay/Budget for Capital Expenditure (IEBR) (Rs In Cr.)	5.00	5.00	7.75
Actual Expenditure (Rs In Cr.)	3.71	4.82	2.51
Gross margin (EBIDTA)(Rs In Cr.)	19.05	96.01	(-)124.68
Profit (+)/ Loss(-) Before Tax(Rs in Cr.)	9.97	87.03	(-)131.36
Profit (+)/ Loss(-) After Tax(Rs In Cr.)	13.74	69.00	(-)131.36
<b>Note:</b>			
# MECON Limited is a Consultancy & Engineering organisation with nonmanufacturing capacity of its own.			

3.40 It has been informed that MECON Ltd. derives its Physical Target, which is 'Business Procurement' from the MoU signed with its Administrative Ministry. The physical targets vis-a-vis achievement of MECON Ltd. for last three years are as under: -

S. No.	Financial Year	MoU Parameter	MoU Target (under the V. Good category)	Achievement against the target
1.	2018-19	New Orders received during the year	Rs. 800 Cr.	Rs. 3191.75 Cr.
2.	2019-20	New future businesses to be added (Job Procurement) in regions or areas beyond core competence of MECON Ltd.	Rs. 90 Cr.	Rs. 102.31 Cr.  (Total Order Booking was Rs. 4929.87 Cr.)
3.	2020-21	No Target set by DPE for this parameter.		Rs. 2732.70 Cr. (upto January 2021)

3.41 It may be seen from the above that there has been a steady increase in Business Procurement by MECON Ltd. since last 3 years i.e. from Rs. 1003.44 crore in 2017-2018 to Rs. 3191.75 crore in 2018-2019 and Rs. 4929.87 crore in 2019-2020. Also, MECON Ltd. has been exceeding its Business Target Achievement against the MoU Target. Regarding no target set by DPE for Business Procurement, it has been informed that during Pre-Negotiation

Committee (PNC) meeting for finalizing the MoU targets for FY 2020-21, the past performance of MECON was reviewed and it was suggested that the target for FY 2020-21 should be aspirational. However, MECON explained that the Business Procurement, of the magnitude similar to recent past, is unlikely to come in FY 2020-21. In view of the same, PNC decided to drop the Business Procurement target as an MoU parameter.

3.42 Regarding the details of the new business and projects procured by MECON Ltd, it has been informed that during last 3 years, about 345 projects have been procured by MECON Ltd. In its endeavour of diversification beyond core capacity, MECON Ltd. also procured 27 projects during 2020-21.



## PART-II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

#### Budgetary Allocation for 2021-22

The Committee note that though the Ministry of Steel had proposed Rs. 58.26 crore for BE, 2021-22 which comprised of Rs. 15 crore for Central Sector Scheme, Rs. 41.00 crore for Establishment Expenditure, Rs. 2.26 crore for other Central Sector Expenditure for the year 2021-22, a budgetary support of Rs. 39.25 crore comprising of Rs. 5 crore for Central Sector Scheme 'Promotion of Research and Development in Iron and Steel Sector', Rs. 32.78 crore for Establishment Expenditure and Rs. 1.47 crore for other Central Sector Expenditure has been provided. The Committee further observe that the allocations for 2021-22 has been reduced, if compared with the year 2020-21 when Rs. 100 crore was allocated to the Ministry which comprised of Rs. 15 crore for Central Sector Scheme, Rs. 38.58 crore for Establishment Expenditure, Rs. 46.42 crore for other Central Sector Expenditure. The Committee note that the funds allocated under the Scheme on 'Promotion of Research and Development in Iron and Steel Sector' since its inception 11 years ago have never exceeded Rs. 15 crore except during 2010-11, 2011-12 wherein Rs.29 crore, and during 2012-13 wherein Rs. 26.49 crore were allotted for this scheme. The Committee have been told that during the last three years, financial assistance was provided for R&D projects pursued by CSIR Labs, leading academic institutions like IITs and companies like SAIL, MIDHANI and KIOCL. The R&D projects pursued were in the areas of utilization of waste generated from steel plants such as mill scale and steel slag, beneficiation of iron ore & coal, development of super alloys, development of steel grade for biomedical implants, conversion of Carbon Dioxide into useful

products, etc. In view of the reduced budgetary support of Rs. 5 crore during 2021-22 against the proposed allocation of Rs.15 crore, it has been submitted to the Committee that the Government funding in the projects would be reduced and larger funding support from various stakeholders shall be sought for new project proposals. While observing that the allocation of Rs. 5 crore for addressing the R & D need of the Steel Sector in the country is inadequate, the Committee would like to impress upon the Ministry of Steel to take up the necessary steps to ensure desired level of infusion of funds for the purpose.

2. The Committee note that from 2016-17 to 2019-20, there was 100% utilization of allocated funds by the Ministry of Steel under the Scheme 'Promotion of Research and Development in Iron and Steel Sector'. However, during 2020-21, the anticipated expenditure for the Scheme is around Rs. 50 lakh, against the outlay of Rs. 5 crore. The reason attributed by the Ministry for less utilisation of funds is impact of COVID-19 due to which R&D institutions were affected. No funds were required to be released on the on-going projects and review of the projects was carried out on-line. New R&D proposals from the stakeholders were also evaluated on-line. There is no denying the fact that Covid-19 had posed unprecedented challenges in all aspects of life and R&D scheme of the Ministry of Steel cannot be an exception. However, with passing of time and improved Covid-19 situation, the Committee hope that the Ministry of Steel would optimally utilise the allocated funds of Rs. 5 crore during 2021-22 for its Central Sector Scheme and up keep its past record in this regard .

## **SAIL**

3. The Committee note that the crude steel production by SAIL was 16266 Thousand Tonne and 16155 Thousand Tonne in 2018-19 and 2019-20, respectively. In 2020-21, till January, 2021, about 12201 Thousand Tonne production of crude steel has been achieved by SAIL. The Committee note with satisfaction that post Covid lockdown, production ramped up and sales improved by 1.4% in third quarter of 2020-21 and growth in saleable steel production has also increased. SAIL also achieved 12% growth in long Rail production and 16% growth in despatch during April, 2020 to January, 2021 over Corresponding Period Last Year (CPLY). Further, 20.17 lakh tonne of fresh fines and 1.12 lakh tonne of dumped fines were sold by SAIL till 31st January, 2021. Exports by SAIL also increased by 63.12% during April, 2020 to January, 2021 in comparison to CPLY. SAIL also managed to reduce its saleable steel inventory by 61.35% till December, 2020. The Committee note that after suffering a loss of Rs. 482 crore in 2017-18, SAIL earned profit of Rs. 2179 crore and Rs. 2022 crore in 2018-19 and 2019-20, respectively. Further, though SAIL had earned a profit of Rs. 406 crore only up to December, 2020, the Committee are hopeful that SAIL would manage to sustain its performance in 2020-21 like in previous years.

4. The Committee further note that major ongoing projects of SAIL like the New Sinter Plant at Bokaro Steel Plant (BSL), Rebuilding of COB-8 at Bokaro Steel Plant, and Replacement of Converter Shells at Durgapur Steel Plant (DSP) which were supposed to be completed by October, 2017, June, 2019 and September, 2020, respectively, are facing disruptions on account of various reasons like poor progress by the contractor, delay in

renewal of Environmental Clearance, delay by the main contractor (M/s MECON) in awarding contract for civil work of Battery Proper, poor resource mobilisation by the contractor, stoppage of work due to payment related issues, disruption of international travel affecting the availability of foreign experts at site, delay in replacement of refractories etc. In view of the disruptions faced by some plants, the Committee desire the Ministry of Steel and SAIL administration for review of performance of all SAIL Plants at regular intervals of time. The Committee also recommend for intervention of the top SAIL management to address the constraints causing delays in implementation of these projects so that they are completed expeditiously.

5. The Committee are happy to note that SAIL has managed to reduce its net debt from a peak of Rs. 52291 crore in April, 2020 to Rs. 42813 crore in January, 2021. While appreciating the performance of the SAIL even in difficult time of ongoing Covid-19 pandemic across the globe, the Committee desire that keeping in view the current globally buoyant prices of steel, all efforts should be made to further reduce the debts by the Company before the end of 2021-22.

#### **RINL**

6. The Committee note that RINL has been incurring losses for the last 4-5 years. Though, in 2018-19, it earned a profit of Rs. 97 crore, in 2019-20, RINL again suffered huge losses of Rs. 3910 crore. During 2020-21, till January, 2021, RINL has incurred losses upto Rs. 1704 crore. RINL has managed to reduce its losses during this year, as compared to losses incurred during 2019-20. According to Ministry

of Steel, RINL earned a profit of Rs. 200 crore during November-December, 2020, and Rs. 100 crore in January, 2021. During January, 2021, RINL achieved liquid steel production of 5.49 lakh tonne for the first time and also managed to export 1.1 MT of saleable steel till January, 2021. The Committee have been informed that RINL is facing problems due to borrowings of about Rs. 22000 crore which in turn incurs huge interest. Needless to say, RINL has to look into these aspects urgently to reduce losses. As submitted, RINL is taking cost reduction measures and took initiative in utilization of ore slime in place of iron ore fines which was stepped up to an average of 25% in 2020-21 compared to 9% in 2019-20. The Coke Oven Battery-5 Project of RINL was commissioned on 22.12.2020 and the Forged Wheel Plant (FWP) Project is under the trial runs stage. Although, RINL has now completed the current phase of expansion of doubling the capacity from 3 MTPA to 6.3 MTPA, there was a huge time and cost overrun in this regard. The Committee while recognising the fact that RINL is suffering losses due to lack of captive mines and forced to spend additional amount to meet iron ore requirements, desire that the Company should concentrate more on cost cutting measures and focus on manufacturing products which are unique to it for bringing the Company back into profits. The Committee are hopeful that RINL would make relentless efforts to register profits and soon would be able to witness a turnaround in its fortunes.

#### NMDC Ltd.

7. The Committee are happy to learn that NMDC Ltd. has made some major achievements this year. Iron Ore production of 3.86 MT and sales of 3.74 MT by NMDC Ltd. for the month of January, 2021 are the highest ever since its inception. The Donimalai mines have also been operationalized w.e.f. 18th February, 2021. Further,

Government has envisaged a National Infrastructure Pipeline w.e.f. 2019 having 8 slurry pipelines which are supposed to be completed by 2025. The Committee appreciate the fact that out of these 8 pipelines, only one is of public sector i.e NMDC Ltd. The rest 7 are from private players like one each for JSW and ESSAR, two for Tata Steel and three for ArcelorMittal Nippon Steel (AM/NS). Further, NMDC Ltd. had earned a profit of Rs. 4642 crore and Rs. 3610 crore in 2018-19 and 2019-20, respectively. Further, during 2020-21, NMDC Ltd. has earned a profit of Rs. 3415 crore by December, 2020. The Committee also learn that for the slurry pipeline project a major package for the main pipeline has been awarded by NMDC Ltd. during December, 2020 and expect that the project would be completed by 2023 as envisaged. The Committee are sure that NMDC Ltd. would continue with its endeavor to fulfil its objectives of being the largest iron ore producer, while establishing itself as a quality steel producer.

8. The Committee also note that two major Capacity Expansion and Modernization Projects of NMDC Ltd. viz. 3.0 MTPA Integrated Steel Plant at Nagarnar, Chhattisgarh and doubling of KK railway line from Kirandul to Jagdalpur (executed by East Coast Railways on Deposit work basis), are facing time overrun of about 6 years and 4 years, respectively. While the Nagaranar Plant was supposed to be commissioned by May, 2015, deadline for the doubling of railway line was January, 2019. These projects have incurred a cost overrun of Rs. 6415 crore and Rs. 614 crore, respectively. The Committee find that during 2020-21, only Rs. 655 crore have been spent against an outlay of Rs. 1435 crore for Nagarnar Plant and only Rs. 18 crore utilized against an outlay of Rs. 195 crore for the Third Screening Plant at Kirandul. Further,

construction work with regard to Nagarnar Plant is in progress and about 97% of Civil work, 96% of Structural erection, 91% of equipment erection have been completed. The Committee believe that commissioning of Nagarnar Plant will prove to be a major milestone achievement for NMDC Ltd. The Committee also desire that works on all other major projects be expedited so that the outlay of Rs. 3720 crore for 2021-22 be gainfully utilized. The Committee would like to be apprised of the steps taken for completion of these projects as per revised schedule.

#### **KIOCL Ltd.**

9. The Committee are pleased to note that turnover of KIOCL Ltd. has been constantly increasing from Rs.1637.18 crore in 2017-18 to 1887.71 crore in 2018-19 to Rs. 1937.65 crore in 2019-20. During the current financial year 2020-21, turnover of KIOCL Ltd. is Rs. 1443.90 crore up to December, 2020. Further, KIOCL Ltd. has constantly been earning profit of Rs. 81.48 crore, Rs. 111.86 crore and Rs. 43.48 crore in 2017-18, 2018-19 and 2019-20, respectively. In the current financial year too, KIOCL Ltd. has earned a profit of Rs. 107.16 crore up to December, 2020. The Committee, however, note that during 2020-21, out of total outlay of Rs. 342 crore, KIOCL Ltd. could utilize only Rs. 17.87 crore. The reason for less utilization is attributed to non-utilization of outlay earmarked for Devadari iron ore Mine Lease Deed Registration and payment of Stamp duty to Govt. of Karnataka, Setting up of Coke Oven Plant (backward integration project) and Ductile Iron Spun Pipe Plant (forward integration project) at Blast Furnace Unit, Mangaluru. As informed, after sustained intervention by Ministry of Steel and KIOCL Ltd., the matter regarding in principle stage-I Forest Clearance for Devadari Mines

was listed in Forest Advisory Committee meeting scheduled for February, 2021. Further, EC for Coke Oven Plant had been received during February, 2020 and tendering evaluation is under progress. The Committee would like to be kept informed of the outcome of the above said Forest Advisory Committee meeting for Devadari Mines. The Committee trust that with the combined efforts of the Ministry of Steel and KIOCL Ltd., the works on the two major projects of KIOCL Ltd. will get expedited.

**MOIL Ltd.**

10. The Committee are happy to note that MOIL Ltd. has signed a MoU with State Government of Gujarat for mineral exploration and the process for entering into agreement and formation of JVC is being pursued. The Committee would like to be updated with regard to the developments in this regard. Further, MOIL Ltd. has also undertaken procurement of machineries with latest technologies for mechanisation and production enhancement and special initiative has been taken for development of Dongri Buzurg open cast mine for future production capacity enhancement. The Committee trust that MOIL Ltd. will continue taking more initiatives in their exploration and developmental activities to enhance production capacity of the mines. The Committee would like to apprise of the action plan of MOIL Ltd. for procurement of machineries and development of Dongri Buzurg open cast mine during 2021-22.

11. The Committee observe that during 2020-21, out of the total plan outlay of Rs. 196.25 crore, MOIL Ltd. could utilize Rs. 29.81 crore only upto January, 2021. The reason for less utilization is attributed to less or NIL utilization for many of their projects during the year, like Sinking of large Dia High Speed Vertical Shaft at Balaghat Mine,



against an outlay of 95 crore only Rs.5.84 crore could be utilized by January, 2021. Also, there was NIL expenditure for 'Sinking of new High Speed Vertical Shaft' at Gumgaon Mine Phase-II, against an outlay of Rs. 75 crore due to nationwide lockdown and migration of workers in view of Covid-19. All the activities for the work of sinking of high speed shaft projects at Balaghat and Gumgaon mines were temporarily suspended. The Committee are, however, concerned to note that the profits of MOIL Ltd. have been dwindling and from Rs. 437.89 crore PAT in 2018-19, the PAT for 2019-20 reduced to Rs.248.22 crore. Till January, 2021, about Rs. 156.36 crore profit has been earned. Further, MOIL Ltd. could not achieve their targets of production of Manganese Ore, Electrolytic Manganese Dioxide and Ferro Manganese during 2018-19, 2019-20 and 2020-21. More than 60% of MOIL Ltd.'s manganese ore production comes from underground mines wherein safety is the most critical factor of operation. The Committee have been informed that in case of five (out of ten) mines, maximum environment clearance (EC) limits have been attained and hence production increase cannot come from these mines. The Committee desire that appropriate action needs to be taken by MOIL Ltd. while administering importance to safety. At the same time, the Committee recommend that MOIL Ltd. should make all efforts to ensure utilization of its outlay for 2021-22 and should identify the reasons for dwindling profits and take necessary measures accordingly.

#### **MECON Ltd.**

12. The Committee note that MECON Ltd. has exceeded its target for Business Procurement and has procured business of Rs. 3191.75 crore and Rs. 4929.87 crore in 2018-19 and 2019-20, respectively. The Committee are happy to note the surge in profits earned by

**MECON Ltd. during 2019-20 as compared to 2018-19. The Company earned a profit of 13.7 crore in 2018-19 which rose significantly during 2019-20 to Rs. 69 crore. The gross margin also increased exponentially from Rs. 19.05 crore to Rs. 96.01 crore from 2018-19 to 2019-20. However, it is surprising that during 2020-21 MECON has suffered losses of 131.36 crore (upto January, 2021). While appreciating the tremendous result in achieving Business Procurement for 2 consecutive years, the Committee find that MECON Ltd. could not translate the same into profit. The Committee would, therefore, desire the MECON Ltd. to delve into the reasons for the sudden losses incurred during 2020-21 and take timely measures to curb them. The Committee would like to be apprised of the steps taken by MECON Ltd. in this regard.**

**13. The Committee note that to enhance steel demand in the country Ministry of Steel has worked closely with Ministries of Railways, Defense, Road Transport & Highways, Shipping, Civil Aviation, Agriculture, Rural development for enhancing steel usage in their respective areas of operation. The Committee are happy to note that despite domestic and international competition during the Covid Pandemic, there has been an increase in production, sale and export of finished steel and appreciate the valuable contribution of Ministry of Steel and its PSUs in Hon'ble Prime Minister's Vision of 'Atmanirbhar Bharat'.**

**NEW DELHI;  
15 March, 2021  
24 Phalgun, 1942 (Saka)**

**RAKESH SINGH  
Chairperson,  
Standing Committee on Coal and Steel**

**ANNEXURE-I**

**MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL (2020-2021) HELD ON THURSDAY, THE 25<sup>TH</sup> FEBRUARY, 2021 IN COMMITTEE ROOM No. '2', BLOCK-A, FIRST FLOOR, PARLIAMENT HOUSE ANNEXE EXTENSION, NEW DELHI.**

The Committee sat from 1130 hrs. to 1330 hrs.

**PRESENT**

**Shri Rakesh Singh- Chairperson**

**Lok Sabha**

2. Shri Vijay Kumar Hansdak
3. Shri Kunar Hembram
4. Shri Chandra Prakash Joshi
5. Shri Ajay Nishad
6. Dr. Lorho S. Pfoze
7. Shri Komati Reddy Venkat Reddy
8. Shri Chunni Lal Sahu
9. Shri Arun Sao
10. Shri Sunil Kumar Singh
11. Shri Sushil Kumar Singh
12. Dr. Beesetti Venkata Satyavathi

**Rajya Sabha**

13. Shri Anil Desai
14. Dr. Vikas Mahatme
15. Shri Venkataramana Rao Mopidevi
16. Shri Prashanta Nanda
17. Shri Ram Vichar Netam
18. Shri Samir Oraon
19. Shri Dhiraj Prasad Sahu
20. Shri B. Lingaiah Yadav

**SECRETARIAT**

- |    |                    |   |                     |
|----|--------------------|---|---------------------|
| 1. | Shri Pawan Kumar   | - | Joint Secretary     |
| 2. | Shri Arvind Sharma | - | Director            |
| 3. | Smt. Geeta Parmar  | - | Additional Director |

**WITNESSES**

**MINISTRY OF STEEL**

- |   |                            |                      |
|---|----------------------------|----------------------|
| 1 | Shri Pradip Kumar Tripathi | Secretary            |
| 2 | Ms. Rasika Chaube          | Additional Secretary |

3	Shri Shashank Priya	Additional Secretary & Financial Advisor
4	Ms. Ruchika Chaudhry Govil	Joint Secretary
5	Shri Puneet Kansal	Joint Secretary
6	Shri T. Srinivas	Joint Secretary
7	Shri Sakesh Prasad Singh	Chief Controller of Accounts

#### **STEEL PSUs**

8	Ms. Soma Mondal	Chairman, SAIL
9	Shri P.K Rath	CMD, RINL
10	Shri Sumit Deb	CMD, NMDC Ltd.
11	Shri Surinder Kumar Gupta	CMD, MSTC Ltd.
12	Shri Dipankar Shome	Director (Prod. & Planning), MOIL Ltd.
13	Shri M.V. Subba Rao	CMD, KIOCL Ltd.
14	Shri Atul Bhatt	CMD, MECON Ltd.

2. At the outset, the Chairperson welcomed the Secretary and other representatives of the Ministry of Steel and its Public Sector Undertakings (PSUs) to the sitting of the Committee convened to examine the Demands for Grants (2021-22). The Chairperson then drew their attention to Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. Thereafter, the Secretary, Ministry of Steel briefed the Committee about the Plan Outlays *vis-a-vis* actual utilization of funds by the Ministry and PSUs under its administrative control. The Committee were apprised about the financial and physical targets set and achieved by the Ministry of Steel and its PSUs during 2020-21. The Committee were also informed of the total allocation of funds for 2021-22, the major thrust areas envisaged for the development of Steel Sector and constraints likely to be faced due to inadequate allocation of funds during 2021-22. Some of the special achievements of the PSUs during 2020-21 were also highlighted.

4. The Committee then sought certain clarifications on the issues relating to the utilization of plan outlays by Ministry of Steel and its PSUs during 2020-21, constraints faced by the Ministry due to inadequate allocation of funds for research and development initiatives, performance of various Steel PSUs and issues affecting their performance during the current year especially the impact of Covid -19 etc and also measures being taken by them to make up the shortfalls in the coming year.

5. The representatives of the Ministry replied to queries of the Members. The Chairperson directed the representatives of the Ministry of Steel to furnish written replies to the queries raised by the Members which remained unanswered during the sitting of the Committee within one week's time.

A copy of verbatim record of the sitting has been kept.

***The Committee then adjourned.***

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL (2020-2021) HELD ON MONDAY, THE 15<sup>TH</sup> MARCH, 2021  
FROM 1500 HRS. TO 1600 HRS. IN HON'BLE CHAIRPERSON'S CHAMBER,  
ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI.**

**PRESENT**

**Shri Rakesh Singh - Chairperson**

**Lok Sabha**

2. Shri Vijay Kumar Hansdak
3. Shri Chandra Prakash Joshi
4. Smt. Riti Pathak
5. Dr. Lorho S. Pfoze
6. Shri Chunni Lal Sahu
7. Shri Arun Sao
8. Shri Pashupati Nath Singh
9. Shri Sunil Kumar Singh
10. Shri Sushil Kumar Singh
11. Dr. Beesetti Venkata Satyavathi

**Rajya Sabha**

12. Shri Anil Desai
13. Dr. Vikas Mahatme
14. Shri Prashanta Nanda
15. Shri Samir Oraon
16. Shri B. Lingaiah Yadav

**SECRETARIAT**

1. Shri Pawan Kumar - Joint Secretary
2. Shri Arvind Sharma - Director
3. Shri Uttam Chand Bhardwaj - Additional Director
4. Smt. Geeta Parmar - Additional Director

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee. The Committee thereafter considered and adopted the following Reports without any amendments:-

- (i) \*\* \*\* \*\* \*\*
- (ii) \*\* \*\* \*\*
- (iii) Draft Report on Demands for Grants (2021-22) relating to the Ministry of Steel;
- (iv) \*\* \*\* \*\*
- (v) \*\* \*\* \*\*

3. The Committee then authorized the Chairperson to finalise the Reports in the light of the factual verification received from the concerned Ministries and present/lay the same in both the Houses of Parliament.

***The Committee, then, adjourned.***

