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Results Framework Document for Ministry of Steel

(2009-2010)

Section 1: Vision, Mission, Objectives and Functions

Vision

VISION

1. To transform India into a global leader in the steel sector in terms of national production as well as productivity, sustainability and technology adoption in steel making.
2. To meet the nation's growing demand for steel and to transform India into a leading global supplier of diversified high quality steel products.
3. To facilitate the growth and profitability of the Steel Ministry PSUs

Mission

MISSION

1. Fostering policies and initiatives for the growth of the Indian steel industry, with the objective of attaining an annual national production capacity exceeding 100 million tonnes per annum by the year 2012.
2. Promoting the modernization of the regulatory environment for enabling optimal steel production; particularly regarding the mineral policy and mine allocation regime, tariff and taxation measures, relief and rehabilitation and environmental and forest clearances.
3. Consensus building with the State Governments and other stakeholders for ensuring transparent mineral allocation policies and procedures for maximal domestic value addition and for expeditious clearance for mining

**Section 1:
Vision, Mission, Objectives and Functions**

and appurtenant infrastructure.

4. Promoting the development of infrastructure required for enhancing national steel production through coordinated efforts, particularly in sectors like Railways, Roads, Ports, Power and Water supply.

5. Enhancing access of steel makers to key raw materials like iron ore and coking coal and promoting their sustainable exploitation. Taking strategic initiatives for enabling Indian steel producers, particularly the steel PSUs to access critical raw materials like coking coal from overseas sources.

6. Enhancing domestic demand for steel through promotional efforts and by enlarging the retail network of steel PSUs.

7. Effecting mergers and acquisitions and Joint Ventures of the Steel Ministry PSUs for improving their reach and effectiveness.

8. Overseeing the early completion of the modernization and expansion programmes of the steel PSUs; particularly SAIL, RINL and NMDC.

9. Enhancing public ownership, oversight and accountability in the steel PSUs by divesting shares to the Indian public.

10. Promoting ethical practices, transparency and fairness

Section 1: Vision, Mission, Objectives and Functions

Objectives

- 1 1. To facilitate the early realization of investment proposals in the steel sector through coordination and consensus building with State Governments and concerned agencies of the Union Government; particularly through the forum of the Inter-Ministerial Group (IMG); for attaining the national objective of total annual steel production exceeding 100 MT by the year 2012. 2. To oversee the completion of the capex and modernization programmes of the PSUs SAIL, RINL and NMDC.
- 2 To oversee the completion of the capex and modernization programmes of the PSUs SAIL, RINL and NMDC.
- 3 To pursue with Ministry of Mines for the early promulgation of the revised Mines and Minerals Amendment Act and Rules for ensuring a modern, equitable and normative national mineral allocation policy that fosters domestic value addition.
- 4 To enable and support the acquisition of strategic raw material assets and /or stakes overseas, particularly of coking coal; by the public sector steel companies.
- 5 To facilitate and oversee mergers, acquisitions and Joint Ventures by the steel Ministry PSUs .
- 6 To complete the present tranche of the disinvestment initiative by disinvesting/enhancing the equity base of SAIL and NMDC in FY 2011.
- 7 To pursue with the Ministry of Finance and the Ministry of Commerce for the adoption of fiscal and tariff measures for ensuring the sustainability and prospects of the Indian steel industry.
- 8 To ensure the adoption of Government's "Good Corporate Governance Initiatives" in all the PSUs of the Ministry of Steel
- 9 To undertake promotional efforts for popularizing steel use by enlarging the retail supply chain of Steel PSUs.

Functions

- 1 1. Planning, development and facilitation of setting up of iron and steel production facilities including Electric Arc Furnace (EAF) units, Induction Furnace (IF) units, processing facilities like re-rollers, flat products (Hot/cold rolling units), coating units, wire drawing units and steel scrap processing including ship breaking. 2. Development of iron mines in the Public Sector and other ore mines (manganese ore, chrome ore, limestone, sillimanite, kyanite and other minerals used in the iron and steel industry but excluding mining lease or matters related thereto). 3. Matters relating to production, distribution, imports and exports of iron and steel and ferro alloys. 4. Matters relating to the following Undertakings/Companies including their subsidiaries , namely: (i) Steel Authority of India Ltd (SAIL); (ii) NMDC Limited ; (iii) International Coal ventures Ltd (ICVL); (iv) Rashtriya Ispat Nigam Ltd (RINL); (v) Manganese (Ore) India Ltd (MOIL); (vi) MSTC Ltd.; (v

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	VeryGood	Good	Fair	Poor
						100%	90%	80%	70%	60%
1 1. To facilitate the early realization of investment proposals in the steel sector through coordination and consensus building with State Governments and concerned agencies of the Union Government; particularly through the forum of the Inter-Ministerial Group (IMG); for attaining the national objective of total annual steel production exceeding 100 MT by the year 2012. 2. To oversee the completion of the capex and modernization programmes of the PSUs SAIL, RINL and NMDC.	25.00	Convening meetings of Inter-Ministerial Group (IMG) with representatives of Union Ministries/State Govts for enabling settlement of issues for expediting steel sector investments.	Frequency / Timely conduct of IMG meeting	number of meetings upto 31.3.2010	10.000	1	0	0	0	0
		To pursue with the Ministry of Railways, Planning Commission and other Ministries/Departments of the Government of India as well as the State Governments for developing and improving appurtenant infrastructure for the growth of Indian steel industry	Conduct of Joint Consultative Meeting with M/o Railways.	number of meetings upto 31.3.2010	10.000	1	0	0	0	0
		Enhancing security protection for steel Ministry PSUs plants and mines and private companies	Meetings of National Security Coordination Mechanism with M/o Home Affairs, Intelligence Bureau, Central industrial Security Force and steel companies,	number of meetings upto 31.3.2010	5.000	1	0	0	0	0
2 To oversee the completion of the capex and modernization programmes of the PSUs SAIL, RINL and NMDC.	22.00	Oversight and monitoring of SAIL's expenditure targets in FY 10 for their capex programme.	Investment of Rs 2000 crore for SAIL's capex programme in the period Jan-March 2010.	Rs crore	3.667	2000	1800	1600	1400	1200
		Oversight and monitoring of physical progress of SAIL on ground.	Attaining targeted milestones of physical progress of piling	in numbers	1.835	5000	4500	4000	3500	3000

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	VeryGood	Good	Fair	Poor
						100%	90%	80%	70%	60%
			Attaining targeted milestones of physical progress of Concreting	in cubic meter	1.833	25000	22500	20000	17500	15000
			Attaining targeted milestones of physical progress of Structural Fabrication	metric tonne	3.665	10000	9000	8000	7000	6000
		Ministry's review of SAIL's capex programme	Timeliness/frequency of review	No of meetings Jan –Mar 2010.	0.915	2	1	0	0	0
		Oversight and monitoring of RINL's expenditure targets in FY 10 for their capex programme	Commissioning of Power System Stage I	Rs in Crore	1.833	400	360	320	280	240
		Oversight and monitoring of physical progress of RINL on ground.	Commissioning of Power System Stage I	Percentage progress	1.835	100	95	90	85	80
			Concreting for Sinter Plant-3, Blast Furnace -3, Steel Melt Shop -2 & Wire Rod Mill -2 .	Percentage Progress of Work	1.833	88	85	83	81	79
			Equipment erection for different shops	Percentage progress of Work	1.833	50	48	45	42	38
		Ministry's review of RINL's capex programme	Timeliness/frequency of review	No of meetings Jan –Mar 2010.	0.915	2	1	0	0	0
		Oversight of NMDC's proposed Greenfield Steel Plant. at Nagarnar, Chattisgarh.	Ensuring short listing of bidders for six1 out of the total eight major packages comprising the	No of packages finalize	0.917	6	5	4	3	2

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	VeryGood	Good	Fair	Poor
						100%	90%	80%	70%	60%
			project.	d by 31.3.2010						
		Ministry's review of NMDC's capex programme	Timeliness/frequency of review	No of meetings Jan –Mar 2010.	0.915	1	0	0	0	0
3 To pursue with Ministry of Mines for the early promulgation of the revised Mines and Minerals Amendment Act and Rules for ensuring a modern, equitable and normative national mineral allocation policy that fosters domestic value addition.	10.00	Proposing and facilitating amendments to MMDR Act for promoting steel investments within India	Forwarding suggestions and amendments & follow-up/persuasion with Ministry of Mines.	Reminder letters.	10.000	2	1	0	0	0
4 To enable and support the acquisition of strategic raw material assets and /or stakes overseas, particularly of coking coal; by the public sector steel companies.	8.00	Locating and acquiring raw material properties or stakes in raw material companies overseas.	Identification of coking coal/limestone mines overseas through steel PSUs and preparatory work for acquisition.	Finalising non-disclosure agreements for overseas properties	8.000	2	1	0	0	0
5 To facilitate and oversee mergers, acquisitions and Joint Ventures by the steel Ministry PSUs .	5.00	Merger of Sponge Iron India Ltd (SIIL)	Follow-up with Ministry of Corporate Affairs for expediting Order for Amalgamation of SIIL with NMDC	Date	2.000	31/03/2010	--	--	--	--
		Joint Ventures of MOIL with SAIL and RINL for Ferro-alloy plants at Nandini, Bhilai and Bobilli, Vishakhapatnam.	Preparation of the JV Agreement	Date	2.000	31/03/2010	--	--	--	--
		NMDC–SAIL JV for development of Arki limestone mine.	Commencement of activity on ground	Date	1.000	31/03/2010	--	--	--	--
6 To complete the present tranche of the disinvestment initiative by	14.00	Disinvestment of part equity of Idling in NMDC	Facilitating selection of Book Running Lead	Date	3.000	31/03/2010	--	--	--	--

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	VeryGood	Good	Fair	Poor
						100%	90%	80%	70%	60%
disinvesting/enhancing the equity base of SAIL and NMDC in FY 2011.			Manager (BRLM) by the Dept of Disinvestment							
			Dematting of Gol shares and transfer of shares to Offer for Sale Account	Date	1.000	31/03/2010	--	--	--	--
			Audit of Accounts for period upto 30.9.09	Date	1.000	31/03/2010	--	--	--	--
			Forwarding of names of non-official independent Directors	Date	1.000	31/03/2010	--	--	--	--
		Disinvestment of of Gol's share holding in SAIL and raising of additional equity through Follow on Public Offer (FPO).	Procuring inter-Ministerial comments on draft Note for Cabinet Committee.	Date	4.000	31/03/2010	--	--	--	--
		Forwarding final Note to the Cabinet Committee	Date	3.000	31/03/2010	--	--	--	--	
		Forwarding of names of non-official independent Directors	Date	1.000	31/03/2010	--	--	--	--	
7 To pursue with the Ministry of Finance and the Ministry of Commerce for the adoption of fiscal and tariff measures for ensuring the sustainability and prospects of the Indian steel industry.	5.00	Submission of fiscal reform/tariff measures to Ministry of Finance/Commerce.	Timely submission of proposals.	Date	5.000	31/01/2010	15/02/2010	0	0	0
8 To ensure the adoption of Government's "Good Corporate Governance Initiatives" in all the PSUs of the Ministry of Steel	3.00	Oversight and monitoring of the implementation of Corporate Governance guidelines.	Adoption of initiatives prescribed by Dept of Public Enterprises as a pilot case for SAIL upto FY 2010.	Number of initiatives complied with	3.000	16	14	12	10	8
9 To undertake promotional efforts for popularizing steel use by enlarging the retail supply chain of Steel PSUs.	3.00	Estimation of future rural steel demand through conducting survey/study by Joint Plant Committee.	Release of pilot study report.	Date	3.000	31/03/2010	--	--	--	--

* Mandatory Objective(s)

Section 2: Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	VeryGood	Good	Fair	Poor
						100%	90%	80%	70%	60%
* Efficient Functioning of the RFD System	5.00	Timely submission of Draft for Approval	On-time submission	Number	2.000	0.00	1.00	2.00	3.00	4.00
		Timely submission of Results	On- time submission	Number	2.000	0.00	1.00	2.00	3.00	4.00
		Finalize a Strategic Plan	Finalize the Strategic Plan for next 5 years	Number	1.000	0.00	1.00	2.00	3.00	4.00

* Mandatory Objective(s)

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12	
1	<p>1. To facilitate the early realization of investment proposals in the steel sector through coordination and consensus building with State Governments and concerned agencies of the Union Government; particularly through the forum of the Inter-Ministerial Group (IMG); for attaining the national objective of total annual steel production exceeding 100 MT by the year 2012.</p> <p>2. To oversee the completion of the capex and modernization programmes of the PSUs SAIL, RINL and NMDC.</p>	Convening meetings of Inter-Ministerial Group (IMG) with representatives of Union Ministries/State Govts for enabling settlement of issues for expediting steel sector investments.	Frequency / Timely conduct of IMG meeting	number of meetings upto 31.3.2010	--	1	1	2	2
		To pursue with the Ministry of Railways, Planning Commission and other Ministries/Departments of the Government of India as well as the State Governments for developing and improving appurtenant infrastructure for the growth of Indian steel industry	Conduct of Joint Consultative Meeting with M/o Railways.	number of meetings upto 31.3.2010	--	--	2	2	2
		Enhancing security protection for steel Ministry PSUs plants and mines and private companies	Meetings of National Security Coordination Mechanism with M/o Home Affairs, Intelligence Bureau, Central industrial Security Force and steel companies,	number of meetings upto 31.3.2010	--	--	1	2	2
2	To oversee the completion of the capex and modernization programmes of the PSUs SAIL, RINL and NMDC.	Oversight and monitoring of SAIL's expenditure targets in FY 10 for their capex programme.	Investment of Rs 2000 crore for SAIL's capex programme in the period Jan-March 2010.	Rs crore	2181	5233	6704	12254	14337

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
	Oversight and monitoring of physical progress of SAIL on ground.	Attaining targeted milestones of physical progress of piling	in numbers	2	17603	27057	--	--
		Attaining targeted milestones of physical progress of Concreting	in cubic meter	--	94253	183245	--	--
		Attaining targeted milestones of physical progress of Structural Fabrication	metric tonne	198	255956	47131	--	--
	Ministry's review of SAIL's capex programme	Timeliness/frequency of review	No of meetings Jan –Mar 2010.	9	8	2	--	--
	Oversight and monitoring of RINL's expenditure targets in FY 10 for their capex programme	Commissioning of Power System Stage I	Rs in Crore	--	--	910	--	--
	Oversight and monitoring of physical progress of RINL on ground.	Commissioning of Power System Stage I	Percentage progress	--	--	0	--	--
		Concreting for Sinter Plant-3, Blast Furnace -3, Steel Melt Shop -2 & Wire Rod Mill -2 .	Percentage Progress of Work	--	--	0	--	--
		Equipment erection for different shops	Percentage progress of Work	--	--	0	--	--
	Ministry's review of RINL's capex programme	Timeliness/frequency of review	No of meetings Jan –Mar 2010.	--	--	0	--	--
	Oversight of NMDC's proposed Greenfield Steel Plant. at Nagarnar, Chattisgarh.	Ensuring short listing of bidders for six1 out of the total eight major packages comprising the project.	No of packages finalized by	--	--	0	--	--

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
			31.3.2010					
	Ministry's review of NMDC's capex programme	Timeliness/frequency of review	No of meetings Jan –Mar 2010.	--	--	0	--	--
3 To pursue with Ministry of Mines for the early promulgation of the revised Mines and Minerals Amendment Act and Rules for ensuring a modern, equitable and normative national mineral allocation policy that fosters domestic value addition.	Proposing and facilitating amendments to MMDR Act for promoting steel investments within India	Forwarding suggestions and amendments & follow-up/persuasion with Ministry of Mines.	Reminder letters.	--	--	0	--	--
4 To enable and support the acquisition of strategic raw material assets and /or stakes overseas, particularly of coking coal; by the public sector steel companies.	Locating and acquiring raw material properties or stakes in raw material companies overseas.	Identification of coking coal/limestone mines overseas through steel PSUs and preparatory work for acquisition.	Finalising non-disclosure agreements for overseas properties	--	--	0	--	--
5 To facilitate and oversee mergers, acquisitions and Joint Ventures by the steel Ministry PSUs .	Merger of Sponge Iron India Ltd (SIIL)	Follow-up with Ministry of Corporate Affairs for expediting Order for Amalgamation of SIIL with NMDC	Date	--	--	--	--	--
	Joint Ventures of MOIL with SAIL and RINL for Ferro-alloy plants at Nandini, Bhilai and Bobilli, Vishakhapatnam.	Preparation of the JV Agreement	Date	--	--	--	--	--
	NMDC–SAIL JV for development of Arki limestone mine.	Commencement of activity on ground	Date	--	--	--	--	--
6 To complete the present tranche of the disinvestment initiative by	Disinvestment of part equity of Iding in NMDC	Facilitating selection of Book Running Lead	Date	--	--	--	--	--

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
disinvesting/enhancing the equity base of SAIL and NMDC in FY 2011.		Manager (BRLM) by the Dept of Disinvestment						
		Dematting of Gol shares and transfer of shares to Offer for Sale Account	Date	--	--	--	--	--
		Audit of Accounts for period upto 30.9.09	Date	--	--	--	--	--
		Forwarding of names of non-official independent Directors	Date	--	--	--	--	--
	Disinvestment of of Gol's share holding in SAIL and raising of additional equity through Follow on Public Offer (FPO).	Procuring inter-Ministerial comments on draft Note for Cabinet Committee.	Date	--	--	--	--	--
		Forwarding final Note to the Cabinet Committee	Date	--	--	--	--	--
		Forwarding of names of non-official independent Directors	Date	--	--	--	--	--
7 To pursue with the Ministry of Finance and the Ministry of Commerce for the adoption of fiscal and tariff measures for ensuring the sustainability and prospects of the Indian steel industry.	Submission of fiscal reform/tariff measures to Ministry of Finance/Commerce.	Timely submission of proposals.	Date	--	--	15/02/2010	--	--
8 To ensure the adoption of Government's "Good Corporate Governance Initiatives" in all the PSUs of the Ministry of Steel	Oversight and monitoring of the implementation of Corporate Governance guidelines.	Adoption of initiatives prescribed by Dept of Public Enterprises as a pilot case for SAIL upto FY 2010.	Number of initiatives complied with	--	--	0	--	--
9 To undertake promotional efforts for popularizing steel use by enlarging the retail supply chain of Steel PSUs.	Estimation of future rural steel demand through conducting survey/study by Joint Plant Committee.	Release of pilot study report.	Date	--	--	--	--	--

Section 3: Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value for FY 07/08	Actual Value for FY 08/09	Target Value for FY 09/10	Projected Value for FY 10/11	Projected Value for FY 11/12
* Efficient Functioning of the RFD System	Timely submission of Draft for Approval	On-time submission	Number	23	20	125	23	25
	Timely submission of Results	On- time submission	Number	23	20	23	23	23
	Finalize a Strategic Plan	Finalize the Strategic Plan for next 5 years	Number	23	40	32	23	23

* Mandatory Objective(s)

Section 4:
Description and Definition of Success Indicators
and Proposed Measurement Methodology

Description and Definition of Success Indicators

ITEM	Definition of Success Indicators	Proposed Measurement Methodology
1.	<p>(i) Frequency / Timely conduct of IMG meetings.</p> <p>(ii) Conduct of Joint Consultative Meeting with M/o Railways.</p> <p>(iii) Meetings of National Security Coordination Mechanism with M/o Home Affairs, intelligence Bureau, Central industrial Security Force and steel companies,</p>	Measured in terms of frequency of conduct of meetings on a periodic basis.
2.	<p>(i) Investment of specified amount for SAIL, RINL's capex programme in the period Jan-March 2010.</p> <p>(ii) Attaining targeted milestones of physical progress on ground by SAIL and RINL .</p> <p>(iii) Timeliness/frequency of review of SAIL, RINL and NMDC</p> <p>(iv) Ensuring short listing of bidders for six out of the total eight major packages comprising the project of NMDC</p>	<p>(i) Measured in Rupees spent.</p> <p>(ii) Measured in volumetric/weight terms or on percentage completion basis</p> <p>(iii) Measured in terms of frequency of conduct of meetings, purely on a quarterly basis</p> <p>(iv) Measured in terms of packages finalised</p>
3.	Forwarding suggestions and amendments & follow-up/persuasion with Ministry of Mines.	Measured in follow-up letter/s issued.

4.	Identification of coking coal/limestone mines overseas through ICVL or directly by SAIL/RINL/NMDC and preparatory work for acquisition.	Measured in terms of finalization of non-disclosure agreements.
5.	(i) Follow-up with Ministry of Corporate Affairs for expediting Order for Amalgamation of SIIL with NMDC. (ii) Commencement of activity on ground for Ferro Alloy JV Units. (iii) Preparation of the JV Agreement for NMDC SAIL Arki JV	Measured in terms of timeliness.
6.	(i) Facilitating selection of Book Running Lead Manager (BRLM) for Offer for Sale of NMDC (ii) Dematting of GoI shares in NMDC and transfer of shares to Offer for Sale Account. (iii) Audit of Accounts of NMDC for period upto 30.9.09 (iv) Forwarding of names of non-official independent Directors in respect of SAIL and NMDC Boards. (v) Procuring inter-Ministerial comments on draft Note for Cabinet Committee for Further Public Offer (FPO) of SAIL . (vi) Forwarding final Note of FPO of SAIL to the Cabinet Committee.	Measured in terms of completion of defined activities.
7.	Timely submission of proposals.	Measured in terms of timeliness.

<p>8.</p>	<p>Adoption of 20 odd good governance initiatives prescribed by Dept of Public Enterprises as a pilot case for SAIL upto FY 2010.</p>	<p>Measured in terms of initiatives adopted in SAIL.</p>
<p>9.</p>	<p>Release of pilot study report.</p>	<p>Measured in terms of timeliness.</p>

Section 5: Specific Performance Requirements from other Departments

1Department of Disinvestment:

The Process of Disinvestment is coordinated by Department of Disinvestment, Ministry of Finance. Hence, the Action Plans for disinvestments will depend upon the Department of Disinvestment.