

40

**STANDING COMMITTEE ON COAL,
MINES AND STEEL
(2022-2023)**

SEVENTEENTH LOK SABHA

MINISTRY OF STEEL

**DEMANDS FOR GRANTS
(2023-24)**

FORTIETH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH, 2023/PHALGUNA, 1944 (SAKA)

FORTIETH REPORT

**STANDING COMMITTEE ON COAL,
MINES AND STEEL
(2022-2023)**

SEVENTEENTH LOK SABHA

MINISTRY OF STEEL

**DEMANDS FOR GRANTS
(2023-24)**

Presented to Lok Sabha on 21.03.2023

Laid in Rajya Sabha on 21.03.2023



**LOK SABHA SECRETARIAT
NEW DELHI**

MARCH, 2023/PHALGUNA, 1944 (SAKA)

CC&S No.

Price

©2023 by Lok Sabha Secretariat

**Published under Rule 382 of the Rules of Procedure and Conduct of
Business in Lok**

Sabha (___ Edition) and printed by _____

CONTENTS

PART-I

	Page
Composition of the Committee.....	(i)
Introduction.....	(ii)

PART-I

CHAPTER I	Introductory.....	1
CHAPTER II	Analysis of Demands for Grants.....	4
CHAPTER III	Steel Sector Initiatives.....	12
CHAPTER IV	Plan Investment and Performance of PSUs.....	17
	A. Steel Authority of India Ltd.(SAIL).....	17
	B. Rashtriya Ispat Nigam Limited (RINL).....	22
	C. NMDC Ltd.....	24
	D. MOIL Ltd.....	26
	E. KIOCL Ltd.....	29

PART II

Observations/Recommendations of the Standing Committee on Coal, Mines and Steel contained in the Report.....	32
--	----

ANNEXURES

I	Minutes of the Third sitting of the Standing Committee on Coal, Mines and Steel (2022-2023) held on 27.02.2023	40
II	Minutes of the Sixth sitting of the Standing Committee on Coal, Mines and Steel (2022-2023) held on 15.03.2022.....	44

**COMPOSITION OF THE STANDING COMMITTEE ON
COAL, MINES AND STEEL(2022-2023)**

Chairperson- Shri Rakesh Singh

Lok Sabha

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

Rajya Sabha

22. Shri Subrata Bakshi
23. Smt. Mahua Maji
24. Shri Rungwra Narzary
25. Shri Samir Oraon
26. Ms. Saroj Pandey
27. Shri Deepak Prakash
28. Shri Aditya Prasad
29. Shri Dhiraj Prasad Sahu
30. Shri Prabhakar Reddy Vemireddy
31. Shri B. Lingaiah Yadav

SECRETARIAT

- | | | |
|----|--------------------|-------------------|
| 1. | Shri J.M. Baisakh | Joint Secretary |
| 2. | Shri Arvind Sharma | Director |
| 3. | Smt. Huma Iqbal | Executive Officer |

(1)

INTRODUCTION

I, the Chairperson, Standing Committee on Coal, Mines and Steel having been authorized by the Committee to present the Report on their behalf, present this Fortieth Report (Seventeenth Lok Sabha) on Demands for Grants (2023-24) 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 08.02.2023. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal, Mines 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 27.02.2023.

4. The Report was considered and adopted by the Committee at their sitting held on 15.03.2023.

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, 2023
24PHALGUNA,1944(Saka)**

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

REPORT

PART-I

CHAPTER-I INTRODUCTORY

The Steel Sector is pivotal for the nation in terms of employment generation and economic growth. It has a catalytic effect on the overall economy stemming from both direct and associated effects on the Supply Chain and Consumption industry.

1.2 A vibrant domestic steel industry is a must for a developing economy as it is a critical input across major sectors such as Construction, Infrastructure, Automotive, Capital goods, Defence, Railways etc. Steel has also proven to be driver for prompt economic development due to its recyclable nature and faster associate completion times. India has become the world's second largest producer as well consumer of steel after China. Accordingly the National Steel Policy 2017 lays down a broad roadmap for encouraging long term growth for the Indian Steel Industry both on demand and supply sides by the year 2030.

1.3 The main Functions of the Ministry of Steel are:

- Promoting the development of infrastructure required for enhancing national steel production.
- To facilitate adequate availability of raw materials for steel industry from domestic & overseas sources.
- Creating and updating a comprehensive data base for various segments of the steel industry.
- To 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.
- Facilitate improvement in 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 Secretary, Ministry of Steel, during the oral evidence on Demands for Grants 2023-2024 submitted the role of the nodal Ministry before the Committee as under:-

"The Committee is aware that India is the second largest producer of steel in the world. Its contribution to GDP is about 2 percent. About 80 lakh people get employment directly or indirectly from this sector ."

1.5 The following are Central Public Sector Enterprises (CPSEs) under the administrative control of 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 Ltd. ; and SRCL is a subsidiary of SAIL.

1.6 The Ministry of Steel has informed the Committee that Steel being a de-regulated sector, Government acts as a facilitator, by creating enabling environment for development of the sector. Decisions relating to enhancement of steel production are taken by individual companies based on techno-commercial consideration. There are no specific scheme for providing any special incentives/benefits to Steel PSUs by the Ministry of Steel. The following targets have been set in NSP 2017:-

Sl.No.	Parameter	Projections (2030-31)(in MTPA)
1	Total Crude Steel Capacity	300
2	Total Crude steel demand/production	255
3	Total finished steel demand/production	230

1.7 For the year 2023-24, Demand No. 97 has been presented to the Parliament by Ministry of Finance on behalf of the Ministry of Steel during the Budget Session. The total

Demand is of ₹70.15 crore of which Rs. 67.98 crores is under Revenue Section and Rs. 2.17 crores is under Capital Section of the Ministry. The demand includes Rs.43.64 crores (Revenue Section- Rs. 41.47 crores and Capital Section- Rs. 2.17 crores) for Secretariat Expenditure; Rs. 24.00 crores for Central Sector Schemes; and Rs. 2.51 crores for Other Central Sector Expenditure.

1.8 The detailed Demands for Grants (2022-23) of the Ministry of Steel were presented to Lok Sabha on 08.02.2023. 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 the PSUs under its administrative control. A 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

2.1 The analysis of the Demand for Grants i.e. increase/decrease in various heads over the last three years is given as under:

A brief summary of percentage increase/decrease in various heads of Demand for Grants over the last three years:

Table No. 1

(Rs. in crore)

Heads of Expenditure	BE 2020-21	RE 2020-21	Actual 2020-21	BE 2021-22	RE 2021-22	Actual 2021-22	BE 2022-23	RE 2022-23	Actual 2022-23 (upto 31.01.2023)	BE 2023-24	%age increase / decrease in BE 2023-24 over BE 2022-23
Secretariat											
Secretariat - Economic Services/ other General Economic Services	38.58	29.34	29.06	32.78	36.73	33.54	40.51	39.25	32.03	43.64	7.73 %
Central Sector Schemes											
Scheme for Promotion of Research and Development in Iron and Steel Sector	15.00	5.00	0.54	5.00	4.81	4.81	4.49	4.49	0.69	10.00	122.72 %
Flagging of Merchant Ships in India	0.00	0.00	0.00	0.00	0.01*	1.32	0.00	12.00	0.00	14.00	--
Other Central Sector Expenditure											
Advertising, Publicity (IEC), Contributions (OECD membership), Awards to distinguished Metallurgists etc.	46.42	45.10	44.71**	1.47	1.46	0.48	2.00	1.98	0.76	2.51	25.50%
Grand Total	100.00	79.44	74.31	39.25	43.01	40.15	47.00	57.72	33.48	70.15	49.26%
*Rs. 0.01 crore were obtained through Supplementary Demands for Grants, 2021-22 and Rs. 1.31 crores were re-appropriated from the savings available under the Grant to meet requirements under this new Scheme.											
**Under Other Central Sector Expenditure, Rs. 44.24 crores were allocated in FY 2020-21. This was released to SAIL for upgradation of Ispat General Hospital (IGH), Rourkela. The total funds for IGH have been released by FY 2020-21. Hence, no provision has been made in BE 2021-22 onwards.											

Budgetary Allocations for 2023-24

2.2 The total financial requirements of Ministry of Steel covered in Demand No. 97 for BE 2023-24, are summarized in the following Table:-

Table No.2

(Rs. in crore)

Demand No. 97 for 2023-24	BE 2023-24			
	Schemes	Establishment Expenditure	Other Central Sector Expenditure	Total
Revenue Section	24.00	41.47	2.51	67.98
Capital section	0.00	2.17	0.00	2.17
Total (Gross)	24.00	43.64	2.51	70.15

Annual Plan for 2023-24 (BE) proposed by the Ministry of Steel and approved by the Ministry of Finance

2.3 The Committee has been informed that Ministry of Steel introduced an R&D scheme viz. 'Promotion of Research and Development in Iron and Steel Sector', in the year 2009-10, based on the recommendations of the Working Group for Iron & Steel Industry for 11th Five Year Plan and since then the scheme has continued. The objective of the scheme is to provide financial assistance to stakeholders for pursuing R&D projects for addressing the R&D needs of the Iron and Steel Sector in the country. The Scheme has been approved for continuation beyond 31st March, 2021 for a period of 5 years (2021-22 to 2025-26). The Ministry of Steel has raised a demand of Rs. 10.00 crores for this scheme.

2.4 The Committee has also been informed that the Ministry of Steel is also implementing a scheme of the Ministry of Ports, Shipping and Waterways (MoPSW) namely 'Promotion of Flagging of Merchant Ships in India'. In order to promote the objective of Atmanirbhar Bharat, Government of India has decided to provide subsidy support to Indian shipping companies in global tenders floated by Ministries/Departments and CPSEs for import of Government cargo. The scheme is applicable for the period of five years i.e. from FY 2021-22 to 2025-26. The Ministry has

raised a demand of Rs. 14 crores for this scheme . The Ministry of Finance has approved the amount raised for both these schemes.

2.5 The Committee has been informed that Rs. 4.49 crores were allocated under BE 2022-23 and RE 2022-23 for the R&D Scheme of the Ministry. Upto December, 2022, the expenditure on R&D scheme is Rs. 0.69 crores. The remaining fund is likely to be utilized by the end of the Financial Year. There was no provision for the scheme Flagging of Merchant Ships in India in BE 2022-23. However, in RE 2022-23, an amount of Rs. 12.00 crore was sought, which has been approved by Ministry of Finance. No expenditure has been incurred under the scheme till December, 2022.

2.6 On being asked about other schemes of the Ministry, the Committee have been informed that the provision under Other Central Sector Expenditure is for Information, Education and Communication (IEC); Membership fees for OECD/GFSEC; and Awards for Distinguished Metallurgists. Under IEC, the provision has been kept for participation in India International Trade Fair (IITF); participation in some national and international exhibitions and conferences to showcase the various initiatives of the Ministry like PLI Scheme, Circular Economy, adoption of green technology for Steel making; participation in INDIA STEEL 2023, an international exhibition and conference on Steel Industry, scheduled to be held in FY 2023-24; and taking up actions for creation of awareness, capacity building and training and to meet the expenditure to be involved in hiring social media management service for publicity of programmes and policies of Ministry of Steel

2.7 CPSEs under the Ministry of Steel use their Internal and Extra Budgetary Resources (IEBR) for Capital Expenditure. The IEBR of the CPSEs and its utilization during 2019-20, 2020-21 and 2021-22 is as given below:

The information in respect of IEBR of the CPSEs is as given in the table below:

Table No. 3 (Rs. in crore)

No.	Name of the PSU/ Organization	2022-23 Approved IEBR		Actual Expenditure 2022-23 (uptoDec, 2023)	%age utilization upto Dec,22 w.r.t RE 2022- 23	Likely utilization by 31.03.2023 w.r.t RE 2022- 23
		BE	RE			
1	SAIL	8000.00	6803	3249.00	47.76	6803.00
2	RINL	910.00	603.00	420.19	69.68	603.00
3.	NMDC Ltd.*	3512.00	2012.00	993.00	49.35	2012.00
4.	NMDC Steel Ltd.(NSL)*	0.00	1500.00	1143.00	76.20	1500.00
5.	KIOCL Ltd.	384.63	384.63	72.09	18.74	451.49
6.	MOIL Ltd.	304.58	242.58	139.01	57.30	242.58
7.	MECON Ltd.	17.25	17.25	9.32	54.03	17.25
8.	MSTC Ltd.	10.00	10.00	2.87	28.70	10.00
9.	FSNL	18.00	18.00	14.61	81.17	18.00
	TOTAL	13156.46	1590.46	6043.09	56.84	11657.32

Name of PSU	2020-21		2021-22		2022-23	
	Planned IEBR	Actual CAPEX	Planned IEBR	Actual CAPEX	Planned IEBR	Actual CAPEX (up to Jan. 2023)
SAIL	4800.00	4283.00	8000.00	6013.00	6803.00	3783
RINL	534.00	737.39	730.00	738.55	603.00	435.91
NMDC	2249.00	2031.00	3720.00	2849.00	2012.00	1067.00
NSL*	--	--	--	--	1500.00	1362.00
KIOCL	342.00	41.05	653.60	290.45	384.63	406.61
MOIL	220.00	136.66	216.63	215.58	242.58	165.07

MSTC	34.00	20.56	17.40	15.30	10.00	3.15
FSNL	14.00	13.48	11.00	12.46	18.00	14.93
MECON	7.75	3.22	12.51	12.99	17.25	9.90
SRCL	0.50	0.34	0.86	0.00	0.00	0.00
OMDC (BGC)	71.01	0.02	0.00	0.00	0.00	0.00
Total (%)	8272.26	7266.72 (87.84%)	13362.00	10147.33 (75.94%)	11590.46	7247.96 (62.53%)

*Nagarnar Steel Plant (NISP), a unit of NMDC Ltd. has now been demerged into a separate legal entity i.e. the NMDC Steel Limited (NSL) during FY 2022-23. The CAPEX pertaining to NISP has been transferred to NSL in the half yearly books of accounts and the CAPEX of NMDC Ltd. and NMDC Steel Ltd. has been published separately in the Budget documents.

Advance planning for the Annual Plan 2023-24 and 2024-25

2.8 The exercise for preparation of the Annual Plan 2023-24 has already been completed IEBR/GBS has been finalized. The Committee have been informed that the exercise for Annual Plan 2024-25 will be initiated during November–December, 2023. Based on assessment, a tentative outlay is being projected in the table below:

Projections For Plan Outlay For Annual Plan 2024-25 (Tentative)

Table 4 (Rs. In crore)

No.	Name of the PSU/Organization	IEBR	GBS	Total
A.	Scheme of Ministry of Steel			
1.	Scheme for promotion of R&D in Iron & Steel sector	0.00	10.00	10.00
2.	Flagging of Merchant Ships in India	0.00	41.50	41.50
3.	Production Linked Incentive Scheme for Specialty Steel	0.00	775.00	775.00
B.	CPSEs of Ministry of Steel			

1.	Steel Authority of India Ltd.	Not finalized yet	0.00	Not finalized yet
2.	Rashtriya Ispat Nigam Ltd.	556.00	0.00	556.00
3.	NMDC Ltd.	2200.00	0.00	2200.00
4.	NMDC Steel Ltd.(NSL)	358.00	0.00	358.00
5.	KIOCL Ltd.	237.00	0.00	237.00
6.	MOIL Ltd.	250.00	0.00	250.00
7.	MECON Ltd.	5.00	0.00	5.00
8.	MSTC Ltd.	3.00	0.00	3.00
9.	Ferro Scrap Nigam Ltd.	18.00	0.00	18.00
10.	SAIL Refractory Co. Ltd.	Not finalized yet	0.00	Not finalized yet

Physical Targets of Steel

2.9 On being asked about the trends and development in steel sector, the Committee have been given the following information.

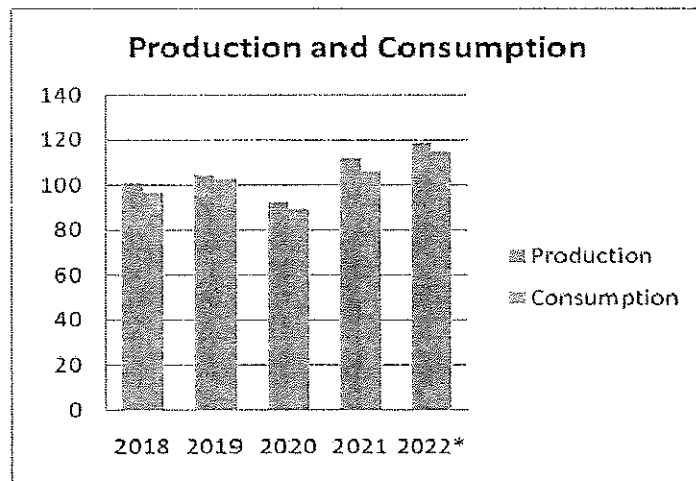
- During the period of January – December 2022 (provisional), India was the 2nd largest producer of Crude Steel as per data released by the World Steel Association (WSA) on December 22, 2022.
- Over the last five years, the Crude Steel production expanded from 109.25 Million Tonne (MT) in 2018 to 124.72 MT (provisional) in 2022. Crude Steel production in 2022 showed a year on year growth of 5.5% over 2021.
- Capacity for domestic crude steel expanded from 142.236 Million Tonne Per Annum (MTPA) in 2018 to 157.585 MTPA in 2022.

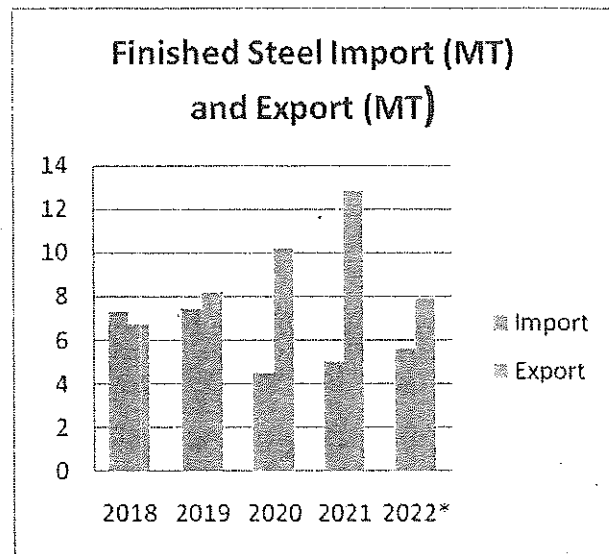
Detailed information on production, consumption, import and export of total Finished Steel and production of crude steel for the last five years (2018-2022) are shown in the table below:-

Table 5

Item	(in Million Tonne)				
	2018	2019	2020	2021	2022*
Crude Steel					
Production	109.250	111.344	100.256	118.201	124.720
Finished Steel					
Production	100.574	104.062	92.231	111.953	118.714
Consumption	96.737	102.622	89.331	106.226	114.894
Import	7.295	7.440	4.463	5.001	5.615
Export	6.692	8.205	10.150	12.799	7.906

Source: JPC; Provisional, January-December, 2022





Facts of Indian steel sector during the year 2022:
Table 6

Indian steel scene: 2022*		
Total Finished Steel (alloy+non-alloy)	Quantity (MT)	% change
Production	118.714	6.0
Import	5.615	12.3
Export	7.906	-38.2
Consumption	114.894	8.2
Crude steel		
Production	124.72	5.5
Capacity Utilization (%)	79	-
Source: JPC; *Provisional, January-December, 2022		

Chapter III

STEEL SECTOR INITIATIVES

3.1 The Secretary, Ministry of Steel, during the oral evidence on Demands for Grants 2023-2024 submitted the role of the nodal Ministry before the Committee as under:-

“If you look at the period from April, 2022 to January, 2023, the steel production has been around one million tonnes, which is almost six and a half percent more than last year. If you look at the domestic consumption, it was 97.1 million tonnes, which is almost 11.7 per cent higher than the same period last year. If we look at the domestic crude production, it is 103.5 million tonnes and was 4.6 percent higher than last year.”

3.2 The Committee was informed that the Ministry has taken several policy initiatives to achieve the above mentioned targets. Some of the major initiatives are listed below .

- (i) **Production Linked Incentive (PLI) Scheme:** PLI Scheme for domestic production of specialty steel has been approved with an outlay of Rs.6322 crore by the Cabinet. The scheme is set to commence from FY-2023-24 (PL I to be released in FY 2024-25). 57 MoUs have been finalized out of 67 applications from 30 companies which were selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. This will attract committed investment of Rs.29530 crore with a downstream capacity addition of 25 million tonne and employment generation potential of 70000.
- (ii) **PM GatiShakti Masterplan:** In order to address the concerns in logistics in the Steel Sector, Ministry of Steel has on boarded itself as user of infrastructure on PM Gati Shakti Masterplan by uploading the Geo locations of more than 2100 steel units functioning in the country.
- (iii) **Quality Control on Steel:** 145 Indian Standards have been notified under the Quality Control Order so far to ensure availability of quality steel to end users. Standards have been notified under the Quality

- (iv) Control Order covering carbon steel, alloy steel and stainless steel. Out of these QCO on 144 Indian Standards have been enforced.
- (v) **Formulation of Safety Guidelines:** For ensuring a safe working environment in the Indian steel sector, the Ministry of Steel has formulated 25 safety guidelines in the form of a book viz. "Safety Guidelines for the Iron and Steel Sector". These guidelines pertain to specific activities/ hazards faced by the Indian steel industry (both large and small). These guidelines have been uploaded in Ministry of Steel's website. The stakeholders from the Indian steel Industry and its associations have been urged to adopt these guidelines wholeheartedly, to ensure a safe working environment for the workforce.
- (vi) The Government had introduced DMI&SP Policy in 2017 to provide preference to domestically produced iron and steel material in Government tenders. Further, to fine tune this objective the Policy was revised in 2019 and in 2020. The salient features of the Policy are as under:
- This policy provides preference to Domestically Manufactured Iron and Steel Products (DMI&SP) in Government procurement.
 - The policy covers a list of 49 manufactured products of iron and steel. The policy also covers capitals goods for manufacturing iron and steel products.
 - While earlier the domestic content was specified as 15-50 per cent on the 49 products of iron and steel, the new list of 49 products have minimum prescribed value addition ranging between 20-50 per cent making it difficult for imported steel to compete with domestic bidders for government contracts.
 - Each Ministry or Department of Government and all agencies/entities under their administrative control is under the purview of the DMI&SP policy as notified by the Ministry of Steel. All Central Sector Schemes (CS)/Centrally Sponsored Schemes (CSS) for which procurement is made

by States and Local Bodies come within the purview of this Policy, if that project / scheme is fully / partly funded by Government of India.

- The policy is applicable to projects where the procurement value of iron and steel products is greater than Rs.5 lakh. The policy is also applicable for other procurements (non-project), where annual procurement value of iron and steel products for that Government organization is greater than Rs. 5 lakh. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this policy.
- The policy is applicable to purchase of iron and steel products by private agencies for fulfilling an EPC contract and/or any other requirement of Ministry or Department of Government or their CPSEs and also to capital goods for manufacturing iron and steel products in compliance to prescribed quality standards, as applicable.
- No Global Tender Enquiry (GTE) shall be invited for tenders related to procurement of iron and steel products. No Global Tender Enquiry (GTE) shall be invited for tenders related to procurement of Capital Goods for manufacturing iron and steel products having estimated value upto Rs. 200 Crore except with the approval of competent authority as designated by Department of Expenditure.

(vii) Steel Import Monitoring System (SIMS) for import data dissemination: Steel Import Monitoring System (SIMS) has been institutionalized which is an online platform for advance registration of intended imports of steel in order to provide granular data on steel imports, 0-60 days in advance to help the Ministry and the industry identify the exact grade being imported into the country in order to plan domestic manufacturing, besides giving advance warning about any surge in imports. SIMS platform was launched on 16th September 2019 for import consignments started at the Port of Entry w.e.f. 1st November 2019. SIMS registration is fully online and automated without any human intervention

and registration number can be obtained by the steel importer after making an online payment of token registration fee prescribed for this purpose.

(viii) Steel Prices: Certain measures were taken by the Government to provide relief from high prices of crucial raw materials and intermediates, which included iron and steel. Accordingly, modifications were made in tariffs on raw materials of steel and other steel products vide notification dated 21.05.2022 whereby Import duty on Anthracite/Pulverized Coal Injection (PCI) coal, Coke and Semi-coke and Ferro-Nickel were reduced to zero. Export duty on Iron ores/ concentrates and iron ore pellets was raised to 50% and 45% respectively. In addition, 15% export duty was imposed on pig iron and several steel products. The prices of steel items declined by 15-25% across the board and stabilized consequent to the above measures. Taking in view the concerns of all stakeholders concerned, the said notification has been rescinded vide notification dated 18.11.2022 and status prior to 21.05.2022 has been restored.

The Secretary, Ministry of Steel during evidence held on 27th February, 2023 informed the Committee that

"As we are aware that the steel sector is a major materially sensitive sector. To produce every ton of iron steel, 1.6 ton of iron ore is required. 0.9 million tonnes of coking coal etc. is required. Along with this dolomite, limestone etc. are also required. Hence the sector is very materially incentivised. It is important for us that India has set a target of achieving 300 million tonnes of capacity, according to that target, we should also carry out mining reforms here, so that these requirements can be met."

(ix) Coal: Taking into account that Coking coal is a major cost factor in steel production to the tune of 42%, Ministry of Steel is making efforts to reduce the import bill on coking coal by diversifying the import destinations. A Memorandum of Understanding (MoU) has been signed by the Minister of Steel, Government of India and the Minister of Energy,

Russian Federation on Cooperation regarding coking coal, which is used in steel making. The MoU will benefit the Indian steel sector by diversifying the sources of coking coal which may lead to reduction in input cost for the steel players due to long term commitment of supply of high-quality coking coal to India (up to 40MT till 2035). This MoU also envisages implementation of joint projects/commercial activities in coking coal sector, including development of coking coal deposits and logistics development, sharing of experience in coking coal production management, technologies of mining, beneficiation, processing as well as training. In addition, the MoU envisages promoting research collaboration between the two countries.

(x) Manganese: MOIL has undertaken various projects for deepening of its existing shafts, sinking of new shafts in existing mines and taken up development of newly required lease areas in Maharashtra and Madhya Pradesh with a view to augment the production from 1.14 MT to 3.00 MT by 2030.

(xi) Steel Scrap Recycling Policy 2019: The Ministry of Steel has issued the Steel Scrap Recycling Policy. The policy aims to achieve the following:

3.3 To promote circular economy in the steel sector.

- To promote a formal and scientific collection, dismantling and processing activities for end of life products that are sources of recyclable (ferrous, non-ferrous and other non-metallic) scraps which will lead to resource conservation and energy savings and setting up of an environmentally sound management system for handling ferrous scrap.
- Processing and recycling of products in an organized, safe and environment friendly manner.
- To evolve a responsive ecosystem by involving all stakeholders.
- To produce high quality ferrous scrap for quality steel production thus minimizing the dependency on imports.
- To decongest the Indian cities from ELVs and reuse of ferrous scrap.

CHAPTER-IV

PLAN INVESTMENT AND PERFORMANCE OF PSUs

4.1 The Internal and Extra Budgetary Resources (IEBR) of the CPSEs under the Ministry of Steel for the year 2023-24 are given below

Table 7

(Rs. in crore)

No.	Name of the PSU	BE 2023-24		
		IEBR	Budgetary Support	Total
1	SAIL	6800.00	0.00	6800.00
2	RINL	683.00	0.00	683.00
3	NMDC Ltd.	1630.00	0.00	1630.00
4	NMDC Steel Ltd.(NSL)*	570.00	0.00	570.00
5	KIOCL Ltd.	286.88	0.00	286.88
6	MOIL Ltd.	290.25	0.00	290.25
7	MECON Ltd.	15.72	0.00	15.72
8	MSTC Ltd.	5.00	0.00	5.00
9	FSNL	20.00	0.00	20.00
	TOTAL	10300.85	0.00	10300.85

Steel Authority of India Limited (SAIL)

4.2 Steel Authority of India Limited (SAIL) is a company registered under the Companies Act, and is a "Maharatna" Central Public Sector Enterprise (CPSE). It has five integrated steel plants at Bhilai (Chhattisgarh), Rourkela (Odisha), Durgapur (West Bengal), Bokaro (Jharkhand) and Burnpur (West Bengal).

4.3 As per the Annual Report of the Ministry, the highlights of SAIL for the year 2022-23 are as follows:-

- Crude Steel production of 13.337 MT and Finished Steel production of 10.918 MT has been achieved (upto December, 2022).
- Sales turnover was Rs. 74810 crore (upto December, 2022) has been achieved as against Rs. 72,220 crore during CPLY.
- Profit Before Tax (PBT) of Rs. 1157 crore (upto December, 2022) has been registered as against PBT of Rs. 12,829 crore during CPLY.

- Profit After Tax (PAT) of Rs. 854 crore (upto December, 2022) has been achieved as against Rs.9597 crore during CPLY.
- Net-worth of the company was Rs. 43,495 crore as on 31.03.21, Rs. 52,017 crore as on 31.03.22 and Rs. 52,190 crore as on 31.12.2022.

4.4 The Committee in its written replies has informed that Details of Plan and actual expenditure for the year 2022-23 for SAIL is as follows:

Table 8

Rs in Crore

2022-23 Approved outlay		Actual Expenditure (upto Jan' 2023)
BE	RE	
8000	6803	3783

4.5 The Ministry in its written replies to the Committee has informed that there are 04 major ongoing projects of SAIL. The details of these projects are as follows: -

Table 9

Sl. No.	Name of the Project	Original/ likely completion Date (Delay in months)	Original / Revised Cost (Rs. cr)	Expenditure till Jan'2022 (Rs. cr.)	Major reasons for time/cost over run
1	New Sinter Plant at Bokaro Steel Plant (BSL)	Oct'2017/ Nov'22 (61 months)	1111.24/ 1111.24 No cost overrun	571.6	<ul style="list-style-type: none"> • Initial delay due to site unavailability • Delay in renewal of Environmental Clearance • Site works got affected due to COVID-19 pandemic. • Poor progress by the contractor. Progress could not be improved inspite of financial assistance extended to the contractor
2	Rebuilding of COB-8 at BSL	Jun'2019/ May'2022 (35 months)	285.06/ 285.06 No cost overrun	209.03	<ul style="list-style-type: none"> • Delay by the main contractor (M/s MECON) in awarding contract for civil work of Battery Proper, poor resource mobilisation by the contractor etc. • Sub-contractor for civil works had stopped work for 3 months due to payment related issues • Delay in repair work of deck slab of dismantled

					battery <ul style="list-style-type: none"> • Rain water leakage in flue tunnel necessitating its repair • Site works got affected due to COVID-19 pandemic.
3	Rebuilding of COB-2 alongwith Augmentation of Coke Handling & Gas Handling Facility at Rourkela Steel Plant (RSP)	May'2023/ May'2023 No Delay	433.58/ 433.58 No cost overrun	56.05	Nil
4	Rebuilding of Coke Oven Battery No.7 & 8 at Bhilai Steel Plant (BSP)	Dec'2023/ Dec'2023 No Delay	625.1/ 625.1 No cost overrun	84.81	Nil

4.6 Asked about the physical targets achieved by SAIL, the Committee was given the following details as under:-

(Unit: Million Tonnes (MT))

SAIL	2020-21	2021-22	2022-23*
Hot Metal	16.58	18.73	14.16
Crude Steel	15.21	17.36	13.33
Saleable Steel	14.60	16.89	12.54

*Upto December, 2022

4.7 Asked about the initiatives taken by SAIL to enhance steel production in the country the Ministry in a written reply furnished to the Committee has informed as under.

SAIL has engaged in various promotional activities to promote steel use awareness throughout the country. "SAIL Steel- गांवकीओर" specifically aims to conduct rural workshops to educate rural India on advantages of steel use.

- i. To enhance retail presence, SAIL has launched retail brand "SAIL- SeQR", which is being promoted as better quality steel for safer homes. SAIL has also been promoting usage of steel by advertising through various platforms.
- ii. SAIL has conducted numerous seminars/workshop to promote steel based design and construction. SAIL has also been meeting with senior officials of Central and State Governments to promote enhanced and innovative uses of steel in Government projects.
- iii. SAIL is actively collaborating with IIT Bombay to introduce steel design specific electives in undergraduate/post graduate curriculum and introduce "Encode Steel" – a competition for steel based designs in IIT Bombay technical festival.
- iv. SAIL has made presentations along with prototype designs to key officials of Rural Development Ministries of various States to promote steel intensive low-cost housing in rural areas.

4.8 The Committee during the sitting held with the Ministry had enquired regarding the physical targets achieved by SAIL in the last few years and whether it is satisfied with the progress. To this, the Chairman SAIL replied :--

" What we had done in the year 2019-20, that is, our production was less than that in the year 2020-21, it happened because of Covid. We had to close the blast furnace due to lack of market. In the year 2021-22, we have 14 percent growth in crude steel, because the base was reduced. So far in the year 2022-23, the production of crude steel has increased by 5 percent. We face a problem in this, the availability of rakes, which has become a priority in the power sector, there is a crisis in the availability of rakes, our coking coal is lying at the port for a long time, we are not able to bring it. This affects production."

4.9 The plant-wise information for the SAIL plants is given below:

Plant-wise information

Name of project Plan/Unit	2020-21		2021-22		2022-23 (up to Jan 23)	
	Planned IEBR Outlay (RE)	Actual utilization	Planned IEBR Outlay (RE)	Actual utilization	Planned IEBR Outlay (RE)	Actual utilization
Bhilai Steel Plant (BSP)	1348	1075	1865	1888	1589	1136
Durgapur Steel Plant (DSP)	293	287	525	351	642	273
Rourkela Steel Plant (RSP)	1308	1388	1819	1153	1589	891
Bokaro Steel Plant (BSL)	1190	1108	1592	876	1247	617
IISCO Steel Plant (ISP)	313	313	565	547	618	347
Alloy Steel Plant (ASP)	4	1	5	1	12	2
Salem Steel Plant (SSP)	11	10	9	6	22	10
Visvesvaraya Iron & Steel Plant (VISP)	6	2	8	1	14	6
Jharkhand Group of Mines (JGOM)	281	75	340	133	205	114
Collieries					128	25
Odisha Group of Mines (OGM)					180	133
Central Unit (CU)	41	20	1265	1055	531	227
Chandrapur Ferro Alloy Plant (CFP)	5	3	5	2	25	3
TOTAL	4800	4283	8000	6013	6803	3783

Major reasons for slowdown in cash flow and CAPEX spending:

- Delay in finalization of tenders of new projects due to poor response by contractors; and commercial deviations. Delay in finalization of new projects planned for FY 22-23 leading to delay in scheduled start of the project has resulted in poor cash flow towards new projects.
- Due to overleveraged position, there was a shortfall/absence of a shelf of major ongoing projects/schemes (Rs 500 crs and above) that are required to sustain large CAPEX initiatives

Due to impact of export duty on steel items, war in Ukraine, recessionary global scenario and increase in price of raw materials have all impacted the steel market in India; and, SAIL's Q1 and Q2 performance also.

Rashtriya Ispat Nigam Limited(RINL)

4.10 Rashtriya Ispat Nigam Limited is the country's first shore-based integrated steel plant at Visakhapatnam, Andhra Pradesh. RINL has one integrated steel plant of 7.3 MTPA Liquid Steel capacity at Visakhapatnam, Andhra Pradesh. In addition, the company operates three mines viz. Jaggyyapeta mines (Limestone), Garbham (Manganese) Mines, in Andhra Pradesh and Madhram mines (Dolomite) in Telangana State. RINL has one subsidiary, Eastern Investment Limited (EIL) with 51% shareholding, which in turn has 2 subsidiaries, M/s Orissa Mineral Development Company Ltd (OMDC) and M/s Bisra Stone lime Company Ltd (BSLC). RINL set up Forged Wheel Plant (FWP) at Lalgunj, UP, to cater to the requirement of Indian Railways for import substitution.

4.11 The highlights of RINL for the year 2022-23 are given below:-

- Crude Steel production of 2.909 MT and Saleable Steel production of 2.722 MT .
- Finished Steel component of 2.494 MT increased to 92% of Saleable Steel production from 71% in CPLY
- High End Value Added Steel component increased to 27% of Saleable Steel production (0.742 MT out of 2.722 MT) from 18% in CPLY
- Achieved Sales Turnover of Rs. 15,618 crore with Domestic Sales of Rs.14,858 crore and Export Sales of Rs.760 crore
- Networth of the company is Rs. 3175 crore as on 31.03.2022 and Rs. 479 crore as on 31.12.2022
- PBT of Rs. (-)3025.94 crore (provisional, upto December, 2022) has been registered.
- PAT of Rs. (-)2751.34 crore (provisional, upto December, 2022) has been registered.

4.12 The Ministry of steel in its written replies has furnished to the Committee the following project wise outlays of RINL: -

Table 11

(Rs. in crore)

Name of the Project/Scheme	2020-21		2021-22		2022-23	
	Planned IEBR Outlay	Actual Utilization	Planned IEBR Outlay	Actual Utilization	Planned IEBR Outlay	Actual Utilization (up to Jan-23)
Forged Wheel Plant (2251.43 Cr)	148	188.75	222	157.72	185	121.13
Coke oven Battery-5 (2858Cr)	230	231.99	125	231.89	150	98.86
Revamping of ESP's 4 Boilers (169.44Cr)	-	6.44	46	38.27	40	32.86
Cat-I capital repairs of BF-1&2 (1662.58Cr)	11	24.22	11	17.65	-	11.83
Central Despatch Yard (336.32Cr)	30	39.85	17	11.97	6	7.05
SP productivity enhancement (358 Cr)	15	28.37	11	3.65	-	8.75
Other schemes	30	59.50	23	24.10	26	18.46
Ind AS Spares & Other CAPEX	-	120.89	130	134.80	140	110.17
Miscellaneous	70	37.17	145	118.5	56	26.8
TOTAL (%)	534	737.39 (138%)	730	738.55 (101.17%)	603	435.91 (72.29%)

4.13 The Secretary, Ministry of Steel during evidence on 27.2.2023 has informed the Committee

"If you look at the PSU steel production, it decreased by 2.1 percent compared to last year. This was mainly due to low production in RINL."

From the annual Report of the Ministry, the Committee have been informed that the net production figures for RINL are as given below:-

Table 12

Unit: '000 t

Production	2020-21	2021-22	2022-23*
Hot Metal	4682	5774	3106
Crude Steel	4302	5272	2909
Saleable Steel	4163	5138	2722

*Provisional upto December, 2022

4.14 RINL registered a turnover of Rs. 15,618 crore (Prov.) during the period April, 2022 to December, 2022 and the company made a Net Loss of Rs.2,927 crore (Provisional) upto December 2022. The Committee has also been informed that there is

no lower expenditure during the last 3 years and the utilization has been more than 100%.

NMDC Limited

4.15 NMDC Limited is a “Navratna” CPSE under the Ministry of Steel, Government of India, primarily engaged in the business of exploring minerals and developing mines to produce raw materials for the industry. It is also expanding its activities towards steel making and other value-added products. NMDC operates the large mechanized iron ore mines in the country at Bailadila (Chhattisgarh) and Donimalai (Karnataka). The Diamond Mine of NMDC is situated at Panna (Madhya Pradesh), Sponge Iron Unit of the company is situated at Paloncha, Telangana and 1.2 MT capacity Pellet Plant in Karnataka.

4.16 The highlights of NMDC as per the annual report of the Ministry are as follows:-

- Production of iron ore 26.69 MT (upto December, 2022) has been achieved.
- Total Sale of 25.81 MT (upto December, 2022) has been achieved.
- Turnover of Rs. 11,816 crore (upto December, 2022) has been achieved.
- **PBT of Rs. 4,351 crore (upto December, 2022) has been achieved.**
- **PAT of Rs. 3,252 crore (upto December, 2022) has been achieved.**

4.17 Asked about the IEBR/Capital outlay of NMDC ltd. the Ministry in its written replies to the Committee has informed the following:-

Table 13

(Rs. In crore)

Quarter	FY 2020-21			FY 2021-22			FY 2022-23		
	IEBR Target	Actual Expdt.	% of target	IEBR Target	Actual Expdt.	% of target	IEBR Target	Actual Expdt. (upto Jan'23)	% of target
Total	2249	2031	90.31%	3,720	2,849	76.6%	2,012	1,067	69.2%

The details of the actual production at NMDC are given below:

Table 14

Items	2020-21	2021-22	2022-23*
Iron ore (in MT)	34.15	42.19	26.69

* upto December,2022

4.18 The Committee has been informed that major expansion initiatives of NMDC can be summarized below

- NMDC is setting up 3.0 MTPA Integrated Steel Plant at Nagarnar, near Jagdalpur, Dist. Bastar, Chhattisgarh. The plant is in advanced stage of completion. Stage wise commissioning has started with coke pushing on 28.10.2022.
- NMDC has taken up construction of Slurry Pipeline project which consists of 2.0 MTPA Pellet Plant at Nagarnar, 2.0 MTPA Ore Processing Plant at Bacheli and 130 Km Slurry Pipeline from Bacheli to Nagarnar and its Auxiliary systems in the state of Chhattisgarh. Major packages like Slurry pipeline laying package, Slurry Pump house package, Technological package of Pellet Plant at Nagarnar and Main Substation Packages are awarded and works are in progress at site. NMDC is in the process of finalizing the agency for Ore Processing Plant at Bacheli.
- NMDC has taken up Installation of 12.0 MTPA Screening Plant -III at Kirandul Complex, Bailadila, Chhattisgarh. Major packages like Dry Circuit Package, Wet Circuit Package, RWLS Package, Substation Package, Building Packages are awarded and work is in progress.
- NMDC is also in the process of augmenting its production and evacuation capacity by installing the following additional facilities
 - ❖ Construction of 5th Screening line in existing Screening Plant and Up-gradation of downhill conveyor system at deposit-5, Bacheli Complex, Bailadila, Chhattisgarh is in progress.

- ❖ Installation of 7.0 MTPA Screening and Beneficiation Plant-II at Donimalai Complex, Karnataka: NMDC is in the process of obtaining statutory clearances for the project. Parallely tender documents are also under finalisation.
- ❖ Doubling of Kirandul - Kottavalasa railway line, Kirandul to Jagdalpur (150 km approx.) is being executed by East Coast Railways on deposit basis funded by NMDC. Total 106 km doubling from Jagdalpur to Dantewada is commissioned and opened to traffic, Kirandul to Bacheli 9.5 km is likely to be completed by March 2023. Balance 34.5 km doubling from Bacheli to Dantewada is planned to be completed progressively by March 2024.
- ❖ Around Rs. 152 Cr. was envisaged for Township projects at Kirandul & Donimalai. However, clearances are yet to be received from the Authorities. Township package for Kirandul has already been awarded in Oct-2022 and clearances are expected by Feb/March-2023.

MOIL Ltd.

4.19 According of Ministry of Steel MOIL is a Schedule-A Mini Ratna Category-I CPSE. MOIL is the largest producer of manganese ore in the country with share of around 48% in domestic production. At present, MOIL operates eleven mines, seven located in the Nagpur and Bhandara districts of Maharashtra and four in the Balaghat district of Madhya Pradesh. Except one all mines of MOIL are about a century old. Seven mines are worked through underground method and rest 4 mines are worked through opencast method.

4.20 The highlights of MOIL for the year 2022-23 are given below:-

- Production of 8.99 lakh tonne of manganese ore (provisional, upto December, 2022) has been achieved.
- Total income of the company was Rs.961.65 crore(provisional, upto December, 2022).

- PBT of Rs. 227.02 crore (provisional, upto December, 2022) has been achieved.
- PAT of Rs. 169.89 crore (provisional, upto December, 2022) has been achieved.
- The Net worth of the company was Rs. 2141.51 crore as on 31.03.2022 and Rs. 2246 crore as on 31.12.2022 (Provisional).

4.21 The Ministry in a written reply informed the Committee as under:-

Regarding plan outlays and plan utilization by the company.

Total and Projects Plan outlay during last three years

Table 15

(Rs. In crore)

Name of project	2020-21		2021-22		2022-23	
	Plan Outlay	Actual utilization	Plan Outlay	Actual utilization	Plan Outlay	Actual utilization (Up to Jan-23)
Sinking of 2 nd vertical shaft at Munsar Mine	2.50	6.55	NIL	NIL	NIL	NIL
Sinking of 2 nd vertical shaft at Ukwa Mine.	5.00	15.91	10.00	18.51	7.00	7.66
Sinking of HSS at Balaghat Mine.	15.00	6.15	60.00	27.92	28.44	20.37
Sinking of HSS at Gumgaon Mine.	10.00	1.35	50.00	6.95	39.56	27.34
Sub Total (Projects)	32.50	29.96	120.00	53.38	75.00	55.37
Modernisation of Mines/Plants	18.10	0.00	15.28	9.69	27.99	13.01
AMR and R&D	169.40	106.70	158.43	152.51	139.59	96.69
Total	220.00	136.66	293.71	215.58	242.58	165.07

4.22 On being asked regarding the details of RE and actual expenditure incurred by MOIL Ltd. the Ministry in its written reply has furnished the following data:-

Table 16

(Rs. in crore)

Quarter	FY 2020-21			FY 2021-22			FY 2022-23		
	IEBR Target [RE]	Actual Exp.	%of Target	IEBR Target [RE]	Actual Exp.	%of Target	IEBR Target [RE]	Actual Exp. (up to Jan'23)	%of Target
Q1	34.87	13.80	39.57	23.23	31.50	136%	49.38	49.38	100%
Q2	43.99	32.98	74.98	74.49	57.32	77%	48.06	48.06	100%
Q3	64.39	27.12	42.12	83.99	67.85	81%	38.73	41.57	107%
Q4	76.75	62.76	81.77	34.92	58.91	169%	106.41	26.06	24.49%
Total	220.00	136.66	62.12	216.63	215.58	100%	242.58	165.07	65.05%

Reasons for lower utilization of outlays:

4.23 Balaghat High Speed Shaft (HSS) Project: The HSS project is being executed by a Chinese Company. Progress up to March 2020 was satisfactory. The work was adversely impacted due to COVID, the Chinese experts had issues with respect to visas and the work of sinking of the shaft could be started from April-2021 only. Further on 17.11.2021, during construction of loading chamber at 26th level (680 mtr), heavy inrush of water was encountered. Work stopped since 17.11.2021. The dewatering of shaft and arrangement of pre-grout at the shaft was completed on 12.06.2022. However, after pre-grout, increased inrush of water was observed again and work was stalled. Now the second phase of pre-grout is in progress

4.24 Gumgaon High Speed Shaft Project: The HSS project is being executed by the same Chinese Company, progress up to March 2020 was satisfactory. Due to the COVID pandemic, the expat workers/experts returned to China. The crew which was expected by September 2020 returned ultimately in November 2021 due to visa related issues. Physical activities on the project could not proceed. Shaft sinking work could be restarted on 18.12.2021 and now is progressing at normal pace, as per revised schedule. Shaft sinking up to the full depth has been completed and work of underground infrastructure development has been started at this project.

4.25 2nd Vertical shaft project at Ukwa: The project was initially delayed due to tribal land acquisition related issues. Due to the Covid-19 pandemic, the progress was hampered mainly in March 2020 -May 2020 and Apr 2021-May 2021. Shaft sinking and commissioning has now been completed and allied excavation is in progress and will be completed by March 2023. Since shaft commissioning is completed, production from this shaft has started from Dec. 2022 and shall be gradually scaled up.

4.26 The production performance is summarized below:-

Table 17

Parameters	2020-21	2021-22	2022-23*
Manganese Ore (Lakh Metric Tonne)	11.43	12.31	8.99
E.M.D. (Metric Tonne)	1070	1202	808
Ferro Manganese (Metric Tonne)	8851	10245	7363

*Provisional upto December, 2022

KIOCL Ltd.

4.27 KIOCL Limited , a Schedule-A, Mini Ratna Category-I CPSE under the Ministry of Steel was incorporated on 02.04.1976 with an objective to mine and beneficiate low grade magnetite iron ore from Kudremukh Iron Ore mine in Chickmagaluru District of Karnataka State. Government of India holds 99.03% of its equity. The Company is currently engaged in the business of manufacturing and selling of Iron Ore Pellets and Foundry Grade Pig Iron from its manufacturing facilities of 3.5 MTPA Pelletisation Plant and 0.216 MTPA mini-Blast Furnace Unit at Mangaluru.

4.28 The highlights of KIOCL for the year 2022-23 are given below

- Production of 8.340 Lakh Tonne of Iron Ore Pellets was achieved upto December, 2022.
- Sales of 7.648 Lakh Tonne of Iron Ore Pellets was achieved upto December, 2022.
- Turnover of Rs. 815.05 crore has been achieved upto December, 2022.
- PBT/PAT of Rs. (-)181.64 crore (provisional, upto December, 2022) has been registered.

4.29 As per the annual report of the Ministry the physical performance and financial performance of KIOCL can be summarized as below

Table 19

(In Million Tonne)

Particulars	2020-21	2021-22	2022-23*
Production of Iron Ore Pellets	2.210	2.030	0.834
Sales of Iron Ore Pellets	2.311	2.072	0.765

*Provisional upto December, 2022

4.30 On being asked about the overall CAPEX target for the current Financial Year of KIOCL the Ministry in its written reply to the Committee informed as under:-

Table 20

Name of Project	2020-21		2021-22		2022-23 till January, 2023	
	CAPEX Planned	CAPEX Actual	CAPEX Planned	CAPEX Actual	CAPEX Planned	CAPEX Actual
Devadari Iron ore Mine	105.00	1.81	400.00	174.61	220.00	350.01
Setting up of forward and backward integration with BFU, Mangalore Karnataka A) Installation and commissioning of COKE OVEN plant	125.00	2.42	63.60	28.21	127.14	20.82
Installation of Vertical Pressure Filters at Pellet Plant Unit	80.00	3.57	120.00	65.69	12.49	16.52
Miscellaneous	32.00	33.25	70.00	21.94	25.00	19.26
Total	342.00	41.05	653.60	290.45	384.63	406.61

Reasons for lower utilization

- **Devadari Mines:** Since statutory clearances received in Jan-2023, CAPEX for FY 20-21 and 2022-23 could not be achieved. CAPEX for FY 22-23 is achieved. Road map for infrastructure development is under progress.
- **Setting up of forward and backward integration with BFU, Mangalore Karnataka**
A) Installation and commissioning of COKE OVEN plant : As NRHR coke oven is being developed with indigenous technology provided by M/s CIMFR under Atmanirbhar Bharat

initiative. As Design & engg., equipments are specific to the project requirements, the execution of works are delayed and capex target couldn't be achieved. Major CAPEX component supply of refractory bricks and main equipments and the same is expected to reach the site by end of March-2023.

- **Installation of Vertical Pressure Filters at Pellet Plant Unit :**Project was delayed due to change in the layout, site technical issues, because of brown field project. Resource mobilisation, execution of jobs were delayed due to COVID-19 restrictions. Proposed CAPEX for the current financial year is achieved.

OBSERVATIONS/ RECOMMENDATIONS

Budgetary Provisions for Financial Year 2022-23

1. The Committee note that the total Demand for Grants for Ministry of Steel for the year 2023-24 is of Rs. 70.15 crores, of which Rs. 67.98 crores is under Revenue Section and Rs. 2.17 crores is under Capital Section of the Ministry. The demand includes Rs.43.64 crores for Secretariat Expenditure (Revenue Section- Rs. 41.47 crores and Capital Section- Rs. 2.17 crores); Rs. 24.00 crores for Central Sector Schemes and Rs. 2.51 crores for other Central Sector Expenditure. The Ministry of Steel has assigned Rs. 2.17 crore as Capital Expenditure under Secretariat head for meeting expenditure related to motor vehicles, machinery and equipments, computers, furnitures and other fixtures for the Ministry. For the year 2022-23, the Revised Estimates(RE) are Rs.57 crores. The Committee note that the country plans to augment the capacity of steel production to 300 Million Tonnes by 2030 from the present level of 143 Million Tonnes and this gives an insight into the economy's development curve. There is no denying the fact that steel will not only play a very pivotal role in infrastructure projects but also in creating common basic facilities like rural housing, drinking water mission, irrigation, etc. Keeping this in mind, the Committee feel that the budgetary provision of the Ministry of Steel should ensure that major functions of the Ministry like promoting development of infrastructure enhancing national steel production, adequate availability of raw materials, quality control and improvement in tehno-economic parameters, etc. are addressed and also kick-start new schemes needed for development of steel sector.

Central Sector Schemes

2. Promotion of Research and Development in Iron and Steel Sector.

The Committee note that the scheme of Promotion of Research and Development in Iron and Steel Sector was introduced in the year 2009-10, and since then the scheme has been continued. The objective of the scheme is to provide

financial assistance to the stakeholders for pursuing R&D projects for addressing the R&D needs of the Iron and Steel Sector in the country. The Scheme has been approved for continuation beyond 31st March, 2021 for a period of 5 years (2021-22 to 2025-26). The Committee note that the BE and RE for the year 2022-23 for this scheme were Rs.4.49 crores . The BE for the year 2023-24 has been kept at Rs.10 crores.

The Committee feel that Research and Development in iron and steel sector is very important not only to achieve the target set for 300 MT iron ore production by the year 2030 but also for indigenous production of special steel items. The Committee while reiterating their earlier recommendation that since Research and Development lay the foundation of modification, improvement and extension of availability and potential resources of an industry, adequate funds should be allocated to the Ministry for R&D activities; urge the Ministry to monitor and review the progress of ongoing and upcoming R&D projects taken up by Steel PSUs/ Private Sector Steel Plants.

The Committee would also like to be informed if joint ventures between the Public Sector, the Private Sector and the Country's major academic institutions is possible at present so that the common goal of technological advancement, indigenous development and growth of the domestic Steel industry can be pursued together. The Committee would like to be apprised of the steps being taken in the matter.

Promotion of Flagging of Merchant Ships in India

3. The Committee are happy to note that the Ministry of Steel is implementing the scheme of Promotion of Flagging of Merchant Ships in India for the Ministry of Ports, Shipping and Waterways. In order to promote the objective of Atmanirbhar Bharat, the scheme provides subsidy support to Indian shipping companies in global tenders floated by Ministries/Departments and CPSEs for import of Government cargo. The Scheme is applicable for a period of five years i.e. from 2021-22 to 2025-26. The RE for this scheme for the year 2022-23 are Rs.12 crore and the BE for the year 2023-24 for this scheme has been kept at Rs. 14 crore. For the year 2024-25, the proposed GBS is likely to be Rs. 41.50 crore for the scheme. The Committee while observing that it is a new scheme, would like the Ministry to ensure for proper utilization of benefits of the Scheme and its implementation. The Committee are glad to note that for the year 2023-24, the scheme is expected to kick start very well and will fulfill the vision for which it has been started.

Production Linked Incentive (PLI) Scheme for Specialty Steel

4. The Committee also note that the Government has announced production linked incentive scheme for specialty steel production and an outlay of Rs. 632 crores has been approved by the Cabinet. The scheme is set to commence from FY-2023-24 (PLI to be released in FY 2024-25). 57 MoUs have been finalized out of 67 applications from 30 companies which were selected under the Production Linked Incentive (PLI) Scheme for Specialty Steel. The Committee are glad to note that the scheme will attract committed investment of Rs.29530 crores with a downstream capacity addition of 25 million tonne and employment generation potential of 70000.

The Committee, have been given to understand that a proposal of Rs. 775 crores will be made under this scheme during 2024-25. The objective of the Scheme is to promote and to attract significant investment in 'Speciality Grade Steel' areas so that not only, dependence on the import of such steel can be avoided but also excess production could be exported. The Committee in their 28th Report, 17th Lok Sabha had felt that this is a step in the right direction. While again applauding the Government initiatives, the Committee would like to be apprised of the action plan for implementation of 57 MOUs that have been finalized so far.

DMI & SP policy

5. The Committee appreciate the new policy of the Ministry for providing preference to Domestically Manufactured Iron and Steel Products (DMI & SP Policy, 2017) in Government Procurement. The policy covers a list of 49 manufactured products of iron and steel. The policy also covers capital goods for manufacturing iron and steel products. Earlier, the domestic content was specified as 15-50 per cent on the 49 products of iron and steel making it difficult for imported steel to compete with domestic bidders for government contracts. Each Ministry or Department of Government and all agencies/entities under their administrative control is under the purview of the DMI&SP policy as notified by the Ministry of Steel. ~~All Central Sector Schemes (CS)/Centrally Sponsored Schemes (CSS) for which procurement is made by States and Local Bodies come within the purview of this Policy, if that project / scheme is fully / partly funded by Government of India.~~

The Committee believe that the amendment in the scheme with the new list of 49 products having minimum prescribed value addition ranging between 20-50 per

cent, is a right step taken by the Government in the direction of making the country 'Atmanirbhar Bharat' and will boost the growth of steel sector in the country in a big way. The Committee would like to be updated about the success of the scheme.

Reducing import Bill on Coking Coal

6. The Committee observe that taking into account that Coking Coal is a major cost factor in steel production to the tune of 42%, the Ministry of Steel have been making efforts to reduce the import bill on coking coal by diversifying the import destinations. A Memorandum of Understanding (MoU) has been signed by the Minister of Steel, Government of India and the Minister of Energy, Russian Federation on Cooperation regarding coking coal, which is used in steel making. The MoU will benefit the Indian steel sector by diversifying the sources of coking coal which may lead to reduction in input cost for the steel players due to long term commitment of supply of high-quality coking coal to India (up to 40 MT till 2035). The Committee while appreciating this step taken by the Ministry which will go a long way in reducing the import bill on coking coal would like to be apprised of the steps taken and strategy pursued in that direction.

Steel Authority of India Ltd.(SAIL)

7. The Committee note that against the planned IEFR of Rs. 6803 crores of SAIL at RE stage for the year 2022-23, the actual utilization is Rs 3783 crores till January, 2023. The Committee note that SAIL had undertaken Modernisation and Expansion Plan (MEP) of its Integrated Steel Plants at Bhilai, Bokaro, Rourkela, Durgapur, Burnpur and Special Steel Plant at Salem. The enhancement of Crude Steel

production capacity from 12.8 million tonne per annum to 21.4 Million Tonne per annum was envisaged under the plan.

While examining the DFG for 2022-23 of the Ministry of Steel, the Committee in their 28th Report had observed that the Board of Directors of SAIL, in principle, approved 'Vision 2030' which envisages expansion of crude steel production capacity of SAIL to 49.6 million tone per annum in a phased manner by 2030-31. Considering these projections and recognizing SAIL's potential and responsibility in achieving the target of 49.6 Million Tonne per annum by 2030-31, the Committee had directed that a road map be prepared for achieving these targets of capacity expansion of SAIL. The Committee would like to be apprised of the progress made by SAIL in this direction.

Rashtriya Ispat Nigam Limited (RINL)

8. The Committee observe that during 2022-23 , RINL had utilized Rs.435.91 crores(upto January,2023) which is 72.29% of the proposed plan outlay. The Committee also observe that RINL has achieved Crude Steel production of 2.909 MT and Saleable production of 2.722 MT. While appreciating the efforts made by the Ministry/RINL to fully utilize the plan outlays, the Committee , recommend that RINL must focus on full utilization of its installed capacity and efficient utilization of funds. The Committee would like to be apprised of the efforts made by RINL to improve its financial position.

NMDC Limited

9. The Committee observe that against iron ore production of 34.15 million tone and 42.19 million tone during 2020-21 and 2021-22, the actual production upto

December, 2022 was 26.69 million tone. The Committee has been informed that NMDC Ltd. had recorded turnover of Rs. 11, 816 crore in the financial year 2022-23 with profit after tax of Rs. 3,252 crore. The Committee, while appreciating the financial performance of the company recommend that the Ministry of Steel/NMDC Ltd. should ensure that the targeted physical production is achieved and plan outlays are fully utilized .

10. The Committee have been informed that around Rs.152 crores was envisaged for Township projects at Kirandul & Donimalai . In October, 2022 Township package for Kirandul was awarded and clearances which was expected by February/March-2023 has since been received. The Committee hope that NMDC Ltd. will carry out this project expeditiously and utilize the budgetary resources for speedy and effective implementation of the project.

KIOCL Limited

11. While examining the details of planned IEPR of PSUs versus the actual utilization of funds for the current financial year, the Committee note that as against the planned IEPR of KIOCL Rs. 384 crores, actual utilisation was Rs.406 crores. The Committee further observe that for Devadari Iron ore mines against Capex Rs.220 crore during 2022-23, actual utilization upto January 2023 was Rs. 350 crores and the roadmap for infrastructure development of this project is under progress. As regards, setting up a forward and backward integration Coke Oven plant by KIOCL ltd. at Mangalore, Karnataka under Atmanirbhar Bharat initiative, the Committee have been informed that the design and equipments are specific to the project requirements. The Committee are of the opinion that since this project is being

developed under the Atmanirbhar scheme of the Ministry , steps should be taken to make it a success. The Committee hope that for the year 2023-24 the Capital and physical targets for all the ongoing projects of KIOCL will be fully achieved

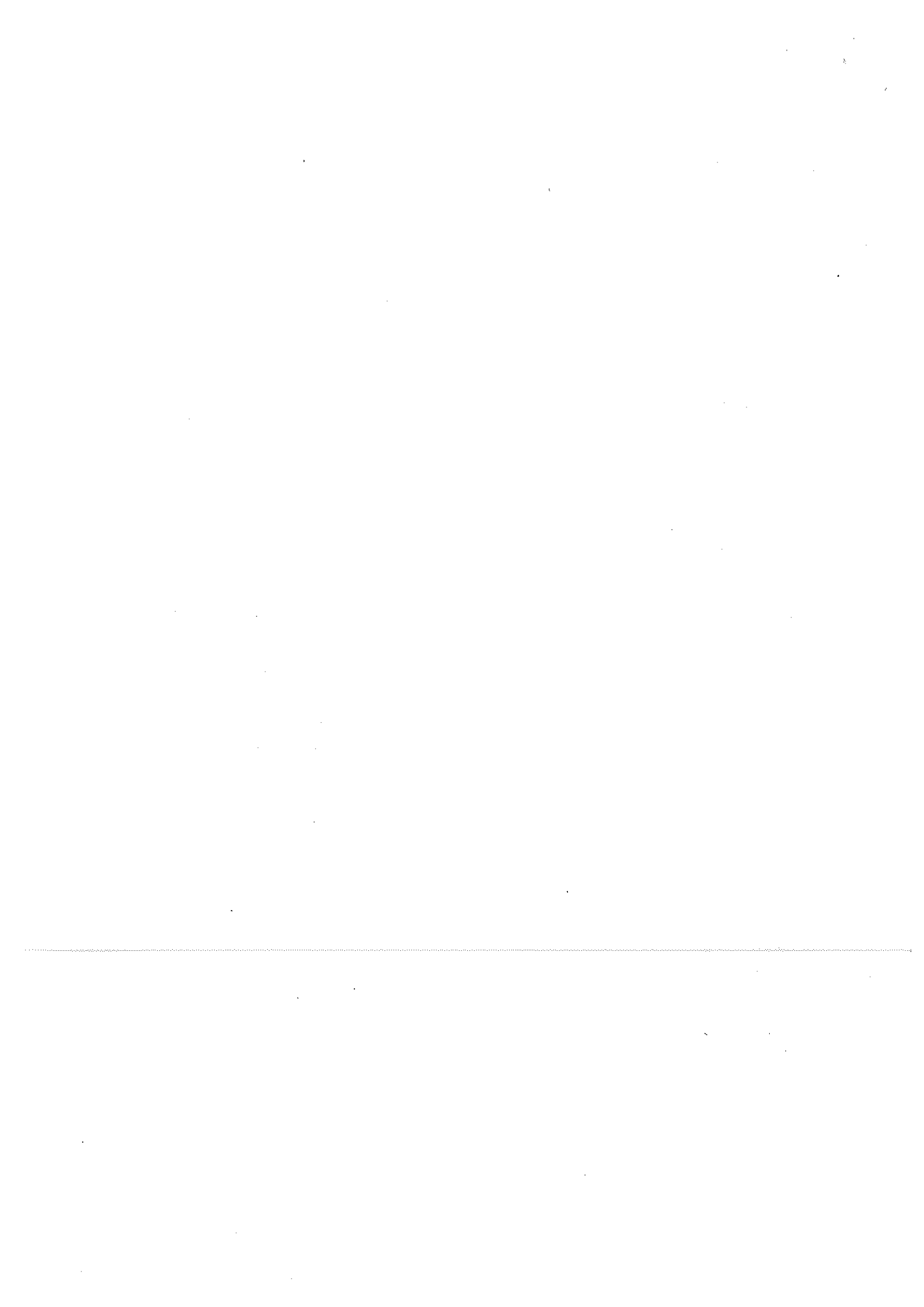
Overall Performance

12. The Committee acknowledge and appreciate the vision and objective being achieved by the Ministry of Steel by focusing on promoting the development of infrastructure required for enhancing domestic steel production and also to facilitate adequate availability of raw materials for steel industry, R&D and Technology intervention, Quality Control and improvements in techno-economic parameters Further, the Ministry are not only monitoring the physical and financial performance of CPSEs and capital expenditure on projects but also giving level playing field to the private sector.

The Committee are hopeful that PSUs like SAIL and NMDC Ltd. will continue to excel in their production targets and make remarkable contribution in the steel sector. The Central Sector schemes of the Government like Production Linked Incentive scheme and DMI &SP policy scheme will also pave the way for Atmanirbhar Bharat in the steel sector. The Committee also expect that during the year 2023-24 with concerted efforts and monitoring of the Ministry all physical and financial targets will be achieved .

NEW DELHI;
15 March, 2023
24PHALGUNA,1944(Saka)

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



MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2022-2023) HELD ON MONDAY, THE 27th FEBRUARY, 2023 IN COMMITTEE ROOM No. '2', BLOCK-A, FIRST FLOOR, PARLIAMENT HOUSE ANNEXE EXTENSION, NEW DELHI.

The Committee sat from 1100 hrs. to 1310 hrs.

PRESENT

Shri Rakesh Singh- Chairperson

Lok Sabha

2. Shri Chunni Lal Sahu
3. Shri Khan Saumitra
4. Shri Sunil Kumar Singh
5. Shri Sushil Kumar Singh
6. Shri Pashupati Nath Singh

Rajya Sabha

7. Shrimati Mahua Maji
8. Shri Rwngrwa Narzary
9. Shri Samir Oraon
10. Ms. Saroj Pandey
11. Hri Dhiraj Prasad Sahu

SECRETARIAT

1. Shri J.M. Baisakh - Joint Secretary
2. Shri Arvind Sharma - Director
3. Smt. Savita Bhatia - Deputy Secretary

WITNESSES

MINISTRY OF STEEL

1. Shri Nagendra Nath Sinha, Secretary
2. Smt. Sukriti Likhi, Additional Secretary &FA
3. Smt. Ruchika Chaudhry Additional Secretary
4. Shri Abhijit Narendra, Joint Secretary

STEEL PSUs

5. Smt. Soma Mondal Chairman, SAIL
6. Shri Atul Bhatt CMD, RINL
7. Shri Amitava Mukherjee , Director(Finance) NMDC
8. Shri Ajit Kumar Saxena, CMD MOIL
9. Shri Sanjay Kumar Verma, Dir(comm.) MECON
10. Shri Surinder Kumar Gupta CMD, MSTC
11. Shri T. Saminathan CMD, KIOCL

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 of the Ministry(2023-24). The Chairperson then drew their attention to Direction 55 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings. [Thereafter, he directed the representatives to introduce themselves].

3. ~~The Secretary, Ministry of Steel, then briefed the Committee about~~ their role as coordinators and planners for the Steel Sector in the Country, as well as progress of the Ministry during the current financial year. He further informed the Committee that during this year, Steel Industry has witnessed a record production of 100 Million Tonne from April 2022 to

January 2023 which is around 6.5 % more than corresponding period last year. The Steel industry contributes 2% to GDP of the country and nearly 80 lakh persons are directly or indirectly engaged in the steel sector. The Committee were informed that the Ministry is making all efforts to promote steel usage in the country by implementing 'Domestically manufactured Iron and Steel policy'. According to the Ministry of Steel, under the Production Linked Incentive Scheme, 57 MoUs have been signed and an investment of around 29, 300 crore is expected in the near future. The Secretary, Steel explained that iron ore and coking coal being the main ingredients in steel production , the Ministry are making all efforts to make country self-reliant in these sectors also. An MoU has been signed with Russia to import coking coal for domestic needs.

4. Thereafter, the Hon'ble Chairperson while appreciating the efforts of the Ministry of Steel, sought certain clarifications on the issues relating to the utilization of plan outlay by Ministry of Steel and its PSUs during the current financial year, constraints being faced to implement PLI Scheme, allocation of funds for Research and Development initiatives; performance of various Steel PSUs, issues affecting their performance. The Members also sought clarifications on detailed Demands for Grants (2023-24) of Ministry of Steel, performance of steel PSUs and the measures being taken by them to meet the targets.

5. The representatives of the Ministry replied to some of the queries of the Members. The Chairperson then 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 five days.

6. Hon'ble Chairperson thanked the members of the Committee and officials of the Ministry and PSUs for their active participation in the sitting of the Committee.

The witnesses then withdrew.

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

ANNEXURE-II

MINUTES OF THE SIXTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2022-2023) HELD ON 15.3.2023 FROM 1530 HRS. TO 1630 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. Dr. Venkata Satyavathi Beesetti
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Shri Chandra Prakash Joshi
6. Shri Ajay Nishad
7. Shri S. R. Parthiban
8. Smt. Riti Pathak
9. Shri Komati Reddy Venkat Reddy
10. Shri Sunil Kumar Singh
11. Shri Pashupati Nath Singh
12. Shri Ashok Kumar Yadav

Rajya Sabha

13. Shri Rwngrwa Narzary
14. Shri Samir Oraon
15. Shri Deepak Prakash
16. Shri Aditya Prasad
17. Shri B. Lingaiah Yadav

SECRETARIAT

1. Shri J.M. Baisakh - Joint Secretary
2. Shri Arvind Sharma - Director
3. Smt. Savita Bhatia - Deputy Secretary

2. At the outset, Chairperson welcomed the Members to the sitting of the Committee.

3. The Committee, thereafter, considered and adopted the following draft reports with slight modifications:-

- (i) *** *** *** ***;
- (ii) *** *** *** ***;
- (iii) Draft Report on Demands for Grants (2023-24) relating to the Ministry of Steel.

4. 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.

5. *** *** *** ***

The Committee, then, adjourned.

***Not related to the Report.**