

**45**

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

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**MINISTRY OF STEEL**

**[Action Taken by the Government on the Observations/Recommendations  
contained in the Fortieth Report (Seventeenth Lok Sabha) of the Standing  
Committee on Coal, Mines and Steel on Demands for Grants (2023-24) of the  
Ministry of Steel]**



**FORTY FIFTH REPORT**

**LOK SABHA SECRETARIAT  
NEW DELHI  
AUGUST 2023/SRAVANA 1945(Saka)**

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COAL, MINES AND STEEL (2022-2023)**

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Ministry of Steel]**

**Presented to Lok Sabha on 1.08. 2023**

**Laid in Rajya Sabha on 1.08..2023**



**LOK SABHA SECRETARIAT  
NEW DELHI  
JULY 2023/SRAVANA 1945(Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL**  
**(2022-23)**

**Chairperson - Shri Rakesh Singh**

**Lok Sabha**

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

**Rajya Sabha**

22. Shri Subrata Bakshi
23. Smt. Mahua Maji
24. Shri Rwngrwa 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

# Vacant w.e.f. 30.05.2023 due to sad demise of Shri Balubhau Dhanorkar alias Suresh Narayan, on 30.05.2023 vide Bulletin – Part-II, Para no. 6752 dated 01.06.2023.

**Secretariat**

- |    |                         |   |                   |
|----|-------------------------|---|-------------------|
| 1. | Shri J.M. Baisakh       | - | Joint Secretary   |
| 2. | Shri Arvind Sharma      | - | Director          |
| 3. | Smt. Sunanda Chatterjee | - | Deputy Secretary  |
| 4. | Smt. Huma Iqbal         | - | Executive Officer |

## INTRODUCTION

I, the Chairperson, Standing Committee on Coal, Mines and Steel having been authorised by the Committee to present the Report on their behalf, present this Forty-fifth Report (Seventeenth Lok Sabha) on Action Taken by the Government on the Observations/Recommendations contained in the Fortieth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel on "Demands for Grants (2023-2024)" relating to the Ministry of Steel.

2. The Fortieth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel was presented to Lok Sabha on 21.03.2023. Replies of the Government to all the Observations/ Recommendations contained in the Report were received on 22.06.2023.

3. The Standing Committee on Coal, Mines and Steel considered and adopted this Report at their sitting held on 27.07.2023.

4. An analysis on the Action Taken by the Government on the Observations/ Recommendations contained in the Fortieth Report (Seventeenth Lok Sabha) of the Committee is given at Annexure-II.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Chapter-I of the Report.

NEW DELHI;  
...31.. July, 2023  
....9. Sravana, 1945(Saka)

RAKESH SINGH  
Chairperson  
Standing Committee on Coal, Mines and Steel

## CHAPTER I

### REPORT

This Report of the Committee deals with Action Taken by the Government on the observations/recommendations contained in the Fortieth Report (Seventeenth Lok Sabha) of the Standing Committee on Coal, Mines and Steel on the subject "Demand for Grants (2023-24)" of the Ministry of Steel which was presented to Lok Sabha and laid in Rajya Sabha on 20<sup>th</sup> March, 2023.

2. The Report contained 12 Observations/Recommendations. The Action Taken Replies have been received from the Ministry of Steel on 22<sup>nd</sup> June, 2023 in respect of all the 12 observations/recommendations contained in the Report. These have been categorized as follows:

(i) Observations/Recommendations which have been accepted by the Government  
Sl. Nos. 1,2,3,4,5,6,9,10,11. (Total: 09)  
(Chapter-II)

(ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government :

Sl. No. 7,8, 12

(Total:03)  
(Chapter III)

(iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Sl. No. Nil

(Total: Nil)  
(Chapter IV)

(iv) Observations/Recommendations in respect of which final replies of the Government are still awaited :

Sl. No. Nil

(Total: Nil)  
(Chapter V)

3. The Committee do hope and trust that utmost importance would be accorded for implementation of the Observations/Recommendations accepted by

the Government. In case, where it is not feasible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter must be reported to the Committee with reasons for non-implementation. The Committee desire that final Action Taken Notes on the Observations/ Recommendations contained in Chapter-I of this Report be furnished to them within three months.

4. The Committee will now deal with the action taken by the Government on some of their observations/recommendations contained in the Fortieth Report.

### **Budget Estimates of the Ministry.**

#### **Recommendation SI No. 1**

5. The Committee had noted 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 had assigned Rs. 2.17 crore as Capital Expenditure under Secretariat head for meeting expenditure related to motor vehicles, machinery and equipment's, computers, furniture's and other fixtures for the Ministry. For the year 2022-23, the Revised Estimates (RE) was Rs. 57 crores. The Committee notes 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 felt 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 techno-economic parameters, etc. are addressed and also kick-start



new schemes needed for development of steel sector.

6. In their action taken reply, the Ministry of Steel have stated that as pointed out by the Committee, steel will not only play a pivotal role in infrastructure projects but also in creation of basic amenities like rural housing, drinking water mission, irrigation, etc. The budget allocation to support the above activities/initiatives is being provided by the concerned Ministries/Departments. This Ministry is pursuing R&D Scheme "Promotion of Research & Development in Iron & Steel Sector" to fund R&D initiatives of the stakeholders from the steel sector. The budgetary provision for the scheme has been enhanced to ₹10 crore in BE 2023-24 from ₹4.49 crore in RE 2022-23.

It is also added that steel is a deregulated sector where Government acts as a facilitator. In this role, Government has taken various steps towards making adequate availability of raw material and kick-start new schemes for development of steel sector which include the following:

- i. Policy intervention through calibration of import and export duties on iron ore, pellets, coking coal, iron & steel products between May-November '22.
- ii. Reduction of Basic Customs Duty uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy, and stainless steels vide Union Budget 2021-22.
- iii. Exemption of Basic Customs Duty (BCD) on CRGO raw materials and steel scrap upto 31.03.2024.
- iv. Implementation of Production Linked Incentive (PL1) Scheme for Specialty Steel with total financial outlay of 6322 Crore to promote the manufacturing of 'Specialty Steel' within the country by attracting capital investment, generate employment and promote technology up-gradation in the steel sector.

**7. The Committee appreciate the efforts being made by the Ministry to impart skill enhancing techniques to youths engaged in the iron and steel sector and increasing the budgetary provision of R&D Scheme "Promotion of Research & Development in Iron & Steel Sector" to ₹10 crore in BE 2023-24 from ₹4.49 crore at the RE stage during 2022-23. The Committee believe that the steps**

taken by the Government like Reduction of Basic Customs Duty uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy, and stainless steels vide Union Budget 2021-22 and exemption of Basic Customs Duty (BCD) on CRGO raw materials and steel scrap upto 31.03.2024 are in the right direction to make achieve the target of 300 Million Tonnes of steel production by 2030. The Committee would like to be apprised of the year-wise, targeted increase in steel production until 2030.

### Promotion of Flagging of Merchant Ships in India

#### **Recommendation SI No. 3**

8. The Committee were 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 was 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 41.50 crore for the scheme. The Committee while observing that it is a new scheme, asked the Ministry to ensure for proper utilization of benefits of the Scheme and its implementation. The Committee was 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.

9. In their action taken reply, the Ministry of Steel have stated as under:-

“Steel Authority of India Limited (SAIL) has been on the forefront in implementing the scheme of Promotion of Flagging of Merchant Ships in India. The subsidy claimed by SAIL since the beginning of the scheme is as under:

Year	Subsidy Amount in INR Cr
2021-22	1.34
2022-23	3.21

The participation of Indian owners has been concentrated in specific sector from Mozambique to East coast of India and has picked up 43% of cargo of SAIL in that sector. To further improve the participation of Indian merchant ships in other sectors like Australia and USA, SAIL has reached out to Indian companies individually and collectively.

A meeting was convened by SAIL where major Indian Owners like SCI, Great Eastern Shipping, The Indian National Ship Owners' Association (**INSA**) participated. The main issue emerged out of discussion was that the Indian Vessel don't have vessels opening at China to position their vessels at Australia. Similarly, they don't have vessels opening in continent to catch cargo originating from US Gulf. This makes their shipment of SAIL cargo from Australia and US port to eastern India port costlier compared to foreign ships.

Ministry of Ports, Shipping and Waterways convened a meeting on 4<sup>th</sup> May, 2023 to take up the issues raised by INSA and SAIL and to remove the obstacles coming in implementation of the scheme.

SAIL has successfully utilized an amount of Rs. 3.21 crores as subsidy in the year 2022-23 and it is expected to improve upon the performance in 2023-24.

Further, a subsidy amount Rs.1,52,25,145/- has also been sanctioned for release to Rashtriyalspat Nigam Limited (**RINL**) under this scheme in the FY 2023-24."

**10. The Committee are happy to note that SAIL and RINL are making full use of the scheme of Promotion of Flagging of Merchant Ships in India. A meeting was convened by SAIL where major Indian Owners like Shipping Corporation of India, Great Eastern Shipping, The Indian National Ship Owners' Association (INSA) participated. The main issue emerged out of discussion was that the Indian Vessel don't have vessels opening at China to position their vessels at Australia. Similarly, they don't have vessels opening in continent to catch cargo originating from US Gulf. This makes their shipment of SAIL cargo from Australia and US port to eastern India port costlier compared to foreign ships. The Committee have been informed that the Ministry of Ports, Shipping and Waterways convened a meeting on 4<sup>th</sup> May, 2023 to take up the issues raised by INSA and SAIL and to remove the obstacles coming in implementation of the**

scheme. The Committee also note that the SAIL has successfully utilized an amount of Rs. 3.21 crores as subsidy in the year 2022-23 and it is expected to improve upon the performance in 2023-24. Similarly, a subsidy amount Rs.1,52,25,145/- has also been sanctioned for release to Rashtriya Ispat Nigam Limited (RINL) under this scheme in the FY 2023-24. The Committee note that the Steel Companies are identifying problem areas while implementing the scheme. The Committee hope that the Ministry of Steel along with the Ministry of Ports, Shipping and Waterways will help SAIL, RINL and other PSUs to resolve the issues arising in successful implementation of the scheme. The Committee would like to be apprised of the progress made in this regard.

### Production Linked Incentive (PLI) Scheme for Specialty Steel

#### Recommendation SI No. 4

11. The Committee noted 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 was 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, were 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 'Specialty 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.

12. In their action taken reply, the Ministry of Steel have informed the Committee

that on 17.03.2023, the Ministry of Steel signed Memorandum of Understanding (MoU) covering 57 applications from 27 selected companies. This scheme will attract total investment commitment of Rs 29,530 Crore with capacity addition of 24.78 million tonne. FY 2023-24 is the first performance year under the scheme for which incentives would be disbursed in the next FY 2024-25. A dedicated online portal (<https://plimos.meconlimited.co.in>) has been made available to all the applicants for registration, submission of data, details of the scheme and guideline etc. Scheme's progress monitoring shall be carried out through the online data entered by the applicant in PLI portal on quarterly basis. For verification of data, PMA appointed for implementing the scheme shall visit each plant/unit during installation stage as well as production stage.

**13. The Committee are happy to note that on 17.03.2023, Ministry of Steel signed Memorandum of Understanding (MoU) covering 57 applications from 27 selected companies for Production Linked Incentive (PLI) Scheme for Specialty Steel . This scheme will attract total investment commitment of Rs 29,530 Crore with capacity addition of 24.78 million tonne. FY 2023-24 is the first performance year under the scheme for which incentives would be disbursed in the next FY 2024-25. Taking note of the significant progress made under the scheme, the Committee would like to be apprised of the time-lines fixed for capacity addition of 24.78 million tonne of steel production in the country.**

**Domestically Manufactured Iron and Steel Products (DMI & SP Policy, 2017)**

**Recommendation SI No. 5**

14. The Committee appreciated 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 percent 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 (C.S)/ 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 believed that the amendment in the scheme with the new list of 49 products having minimum prescribed value addition ranging between 20-50 percent, 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.

15. In their action taken reply, the Ministry of Steel has stated as under:-

"The whole purpose of this policy is to promote growth and development of domestic steel industry and reduce the inclination to use, low quality low cost imported steel in Govt. funded projects. Major steel plants including PSU's steel plant are in advantageous position because they have the complete melt & manufacturing facilities.

The steel procurement for Government Projects since implementation of DMI & SP Policy has been in the tune of Rs. 34800 crore (approx.).

**16. The Committee in their original report had observed that Domestically Manufactured Iron and Steel Products Policy covers a list of 49 manufactured products of Iron and Steel. Earlier, the domestic content was specified as 15-50 percent on the 49 products of iron and steel. The Committee had believed that the amendment in the scheme with the new list of 49 products having minimum prescribed value addition ranging between 20-50 percent, is a right step taken by the Government in the direction of making the country 'Atmanirbhar Bharat'.**

The Ministry of Steel in their action taken reply have informed the Committee that the whole purpose of this policy is to promote growth and development of domestic steel industry and reduce the inclination to use, low quality low cost imported steel in Govt. funded projects. Major steel plants including PSU's steel plant are in advantageous position because they have the complete melt & manufacturing facilities.

The steel procurement for Government Projects since implementation of DMI & SP Policy has been reported to be in the tune of Rs. 34800 crore (approx.). The Committee are of the opinion that the scheme will ensure transparency in procurement of good quality steel products by government departments and is a right step in promoting domestically produced steel in the country. The Committee would like to be apprised of the increase in sale of steel to Government Departments after amendment in the policy to increase minimum value addition ranging between 20-50 per cent.

#### Reducing import Bill on Coking Coal

##### Recommendation SI No. 6

17. The Committee observed 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.

18. In their action taken reply, the Ministry of Steel has stated as under:-

Steel Authority of India Limited (SAIL) has entered into an Agreement with M/s Rospadskaya Coal Company, Russia for supply of Rospadskaya Soft Coking Coal in Aug, 2022. M/s Rospadskaya has supplied 4 shipments (about 3,00,000 Metric tonne) of Soft Coking coal during 2022-23. Further, 4 shipments (about 3,00,000 Metric Tonne) are to be supplied during April-June 23.

SAIL has also taken the following steps in reducing the import bill on coking coal:

- SAIL has participated in the Auction Linkage of Raw coking coal for Steel Sectors by CIL/BCCL and secured 1.6195 MTPA of raw coal for 10 years for meeting the requirement of Chasnallawashery.
- SAIL is in the process of finalization of MDO for development-cum-operation of Tasra coal block and to set up a coking coal washery with a capacity of 3.5 MTPA.
- Due to space constraints and geological conditions, the productions from Ramnagore Mines of SAIL and Kalyaneswari coal block of BCCL are limited. M/s CMPDIL is carrying out a feasibility report for the joint exploitation of Ramnagore Mines and Kalyanneswari coal block for enhancing the availability of coking coal.

19. Rashtriyaspat Nigam Limited (RINL) has taken the following steps in reducing the import bill on coking coal:

New Sources – Trials for identifying and establishing new sources are being continuously pursued for the supply of Coking Coals & PCI Coals:

- a. Procurement of Coking Coal against Global Tender (GT) & Cost Savings - Bachatsky PCI Coal (Russia) –Ordered on M/s Avani Resources Pte Ltd, Singapore for two shipments (75000 tons each) under Open Account payment terms with 90 days credit. Net cost savings of INR 45.81 Crores w.r.t other regular Australian sources through Long Term Agreement.
- b. New Coals against Expression of Interest (EOI) & Cost Savings - Leer Coking Coal (USA): Ordered Industrial Trial shipment of 'LEER' Coking Coal from M/s Arch Coal Asia Pacific Pte Ltd. Net cost savings of INR 44.49 Crores w.r.t other regular Australian sources through Long Term Agreement.
- c. In the 2ndQtr & 3rd Qtr of Financial year 2022-23: Split LC mechanism from one US supplies was secured and thereby avoiding / minimizing demurrages.
- d. Diversification of Coal Basket:
  - i. Six (06) coals brands from Five (05) new suppliers - (2 of US Origin, 1 of Australian Origin, 1 of Russian Origin and 1 from Kazakhstan Origin) are at various stages of testing /processing.



- ii. Seven (07) new coal brands from the existing suppliers have been identified and the suppliers are being pursued to give sample for testing/trials.
- e. Usage of Prime Coking Coal/ Medium Coking Coal - Prime coking coal / Medium Coking Coal was introduced in the Coal blend up to 5-8%.

20. The Committee note that steel PSUs have taken steps to reduce the Import Bill on Coking Coal. Steel Authority of India Limited (SAIL) has entered into an agreement with M/s Rospadskaya Coal Company, Russia for supply of Rospadskaya Soft Coking Coal in Aug, 2022. The Company has participated in the Auction Linkage of Raw coking coal for Steel Sectors by CIL/BCCL and secured 1.6195 MTPA of raw coal for 10 years for meeting the requirement of Chasnalla washery. SAIL is reported to be in the process of finalization of MDO for development-cum-operation of Tasra coal block and to set up a coking coal washery with a capacity of 3.5 MTPA.

Similarly, RINL has also taken steps like Procurement of Coking Coal against Global Tender (GT) & Cost Savings resulting in Net cost savings of Rs.45.81 Crores with respect to other regular Australian sources through Long Term Agreement. The Company has also identified New Coals against Expression of Interest (EOI) & Cost Savings - Leer Coking Coal (USA): Ordered Industrial Trial shipment of 'LEER' Coking Coal from M/s Arch Coal Asia Pacific Pte Ltd. resulting in anticipated Net cost savings of Rs.44.49 Crores with respect to other regular Australian sources through Long Term Agreement. The Committee believe that these are the right steps for reducing the import costs on coking coal. These efforts will ensure diversification in procurement of quality coking coal and benefit the domestic steel industry. The Committee would like to be apprised of the further progress made in the matter.

## CHAPTER II

### OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### **Recommendation Serial No. 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 equipment's, computers, furniture's 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 techno-economic parameters, etc. are addressed and also kick-start new schemes needed for development of steel sector.

#### **Action Taken**

It is submitted that as correctly pointed out by the Committee, steel will not only play a pivotal role in infrastructure projects but also in creation of basic amenities like rural housing, drinking water mission, irrigation, etc. The budget allocation to support the above activities/initiatives is being provided by the concerned Ministries/Departments. This Ministry is pursuing R&D Scheme "Promotion of Research & Development in Iron & Steel Sector" to fund R&D initiatives of the stakeholders from the steel sector. The budgetary provision for the scheme has been enhanced to ₹10 crore in BE 2023-24 from ₹4.49 crore in RE 2022-23.

It is also added that steel is a deregulated sector where Government acts as a facilitator. In this role, Government has taken various steps towards making adequate availability of raw material and kick-start new schemes for development of steel sector which include the following:

- i. Policy intervention through calibration of import and export duties on iron ore, pellets, coking coal, iron & steel products between May-November '22.
- ii. Reduction of Basic Customs Duty uniformly to 7.5% on Semis, Flat and Long products of non-alloy, alloy, and stainless steels vide Union Budget 2021-22.
- iii. Exemption of Basic Customs Duty (BCD) on CRGO raw materials and steel scrap upto 31.03.2024.
- iv. Implementation of Production Linked Incentive (PLI) Scheme for Specialty Steel with total financial outlay of 6322 Crore to promote the manufacturing of 'Specialty Steel' within the country by attracting capital investment, generate employment and promote technology up-gradation in the steel sector.

**Ministry of Steel O.M No. H-11013/6/2023-parl (E-16339) dated : 22.06.2023**

### **Comments of the Committee**

[Please see para. no 7. of Chapter 1]

### **Recommendation SI No. 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.

### **Action Taken**

Ministry of Steel is pursuing a R&D Scheme "Promotion of Research & Development in Iron & Steel Sector" to fund R&D initiatives of the stakeholders from the steel sector. The stakeholders comprise of the steel companies, research laboratories & academic institutions. The budgetary provision for the scheme has been enhanced to ₹10 crore in BE2023-24 from ₹4.49 crore in RE2022-23.

The progress of the R&D projects being pursued by the stakeholders under the R&D scheme of the Ministry is being monitored periodically by the Project Review Committee constituted for the purpose by Ministry of Steel. The Project Review Committee comprises of members from Principal Scientific Adviser to the Government of India, DRDO, Premiere Academic Institutions and Industry. The Project Review Committee carry out review of the progress of the on-going R&D projects periodically.

Ministry of Steel encourages funding R&D projects in joint collaborative mode between the stakeholders from the steel sector viz. the steel industry, research labs & academic institutions. The following R&D projects are in progress in joint collaborative mode:

Sl.No.	Title of the project	R&D Agency	Implementing Agency
1	Development of Design Guidelines and Specifications for utilization of steel slag in road construction	CSIR-CRRI in association with AM/NS, Tata Steel, RINL and JSW Steel.	
2	Development of Steel Slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth	Indian Agriculture Research Institute (ICAR-IARI) in association with SAIL, JSW & Tata Steel	
3	Technology development at Pilot scale for energy-efficient production of medium carbon ferro-manganese in electric arc furnace	CSIR-NML in association with SAIL	
4	Development of Type Designs of Aanganwaadi and Houses using Structural Steel as part of Pradhan Mantri Awas Yojana towards Enhancing Use of Steel in Housing Sector	MNIT Jaipur & SPA Bhopal in association with SAIL, JSW, Tata Steel, AM/NS & JSPL	
5	Designing a sustainable, low-energy consuming, and modular CO2 capture and mineralization technology	IIT Bombay in association with SAIL	
6	Developing facile electrocatalytic CO2 to CO conversion technology	IIT Bombay in association with JSPL	

Ministry of Steel O.M No. H-11013/6/2023-parl (E-16339)

dated : 22.06.2023

### Recommendation SI No. 3

#### Promotion of Flagging of Merchant Ships in India

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 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.

#### **Action Taken**

Steel Authority of India Limited (SAIL) has been on the forefront in implementing the scheme of Promotion of Flagging of Merchant Ships in India. The subsidy claimed by SAIL since the beginning of the scheme is as under:

Year	Subsidy Amount in INR Cr
2021-22	1.34
2022-23	3.21

The participation of Indian owners has been concentrated in specific sector from Mozambique to East coast of India and has picked up 43% of cargo of SAIL in that sector. To further improve the participation of Indian merchant ships in other sectors like Australia and USA, SAIL has reached out to Indian companies individually and collectively.

A meeting was convened by SAIL where major Indian Owners like SCI, Great Eastern Shipping, The Indian National Ship Owners' Association (**INSA**) participated. The main issue emerged out of discussion was that the Indian Vessel don't have vessels opening at China to position their vessels at Australia. Similarly, they don't have vessels opening in continent to catch cargo originating from US Gulf. This makes their shipment of SAIL cargo from Australia and US port to eastern India port costlier compared to foreign ships.

Ministry of Ports, Shipping and Waterways convened a meeting on 4<sup>th</sup> May, 2023 to take up the issues raised by INSA and SAIL and to remove the obstacles coming in implementation of the scheme.

SAIL has successfully utilized an amount of Rs. 3.21 crores as subsidy in the year 2022-23 and it is expected to improve upon the performance in 2023-24.

Further, a subsidy amount Rs.1,52,25,145/- has also been sanctioned for release to Rashtriyalspat Nigam Limited (**RINL**) under this scheme in the FY 2023-24.

Ministry of Steel O.M No. H-11013/6/2023-parl (E-16339)

dated : 22.06.2023

### **Comments of the Committee**

[Please see para 10 of chapter 1]

### **Recommendation SI No. 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 MoU 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 'Specialty 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.

### **Action Taken**

On 17.03.2023, Ministry of Steel signed Memorandum of Understanding (MoU) covering 57 applications from 27 selected companies. This scheme will attract total investment commitment of Rs 29,530 Crore with capacity addition of 24.78 million tonne. FY 2023-24 is the first performance year under the scheme for which incentives would be disbursed in the next FY 2024-25. A dedicated online portal (<https://plimos.meconlimited.co.in>) has been made available to all the applicants for registration, submission of data, details of the scheme and guideline etc.

Scheme's progress monitoring shall be carried out through the online data entered by the applicant in PLI portal on quarterly basis. For verification of data, PMA appointed for implementing the scheme shall visit each plant/unit during installation stage as well as production stage.

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dated :22 .06.2023

### **Comments of the Committee**

[Please see para 13 of Chapter 1]

### **Recommendation SI No. 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 percent 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 (C.S)/ 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 percent, 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 this very important scheme a grand success.

### **Action Taken**

The whole purpose of this policy is to promote growth and development of domestic steel industry and reduce the inclination to use, low quality low cost imported steel in Govt. funded projects. Major steel plants including PSU's steel plant are in advantageous position because they have the complete melt & manufacturing facilities.

The steel procurement for Government Projects since implementation of DMI & SP Policy has been in the tune of Rs. 34800 crore (approx.).

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dated :22 .06.2023

### **Comments of the Committee**

[Please see para 16 of Chapter 1]

### **Recommendation SI No. 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.

### **Action Taken**

Steel Authority of India Limited (SAIL) has entered into an Agreement with M/s Rospadskaya Coal Company, Russia for supply of Rospadskaya Soft Coking Coal in Aug, 2022. M/s Rospadskaya has supplied 4 shipments (about 3,00,000 Metric tonne) of Soft Coking coal during 2022-23. Further, 4 shipments (about 3,00,000 Metric Tonne) are to be supplied during April-June 23.

SAIL has also taken the following steps in reducing the import bill on coking coal:

- SAIL has participated in the Auction Linkage of Raw coking coal for Steel Sectors by CIL/BCCL and secured 1.6195 MTPA of raw coal for 10 years for meeting the requirement of Chasnallawashery.
- SAIL is in the process of finalization of MDO for development-cum-operation of Tasra coal block and to set up a coking coal washery with a capacity of 3.5 MTPA.
- Due to space constraints and geological conditions, the productions from Ramnagore Mines of SAIL and Kalyaneswari coal block of BCCL are limited. M/s CMPDIL is carrying out a feasibility report for the joint exploitation of Ramnagore Mines and Kalyanneswari coal block for enhancing the availability of coking coal.

Rashtriyaspat Nigam Limited (RINL) has taken the following steps in reducing the import bill on coking coal:

New Sources – Trials for identifying and establishing new sources are being continuously pursued for the supply of Coking Coals & PCI Coals:

- a. Procurement of Coking Coal against Global Tender (GT) & Cost Savings - Bachatsky PCI Coal (Russia) –Ordered on M/s Avani Resources Pte Ltd, Singapore for two shipments (75000 tons each) under Open Account payment terms with 90 days credit. Net cost savings of INR 45.81 Crores w.r.t other regular Australian sources

through Long Term Agreement.

b. New Coals against Expression of Interest (EOI) & Cost Savings - Leer Coking Coal (USA): Ordered Industrial Trial shipment of 'LEER' Coking Coal from M/s Arch Coal Asia Pacific Pte Ltd. Net cost savings of INR 44.49 Crores w.r.t other regular Australian sources through Long Term Agreement.

c. In the 2ndQtr & 3rd Qtr of Financial year 2022-23: Split LC mechanism from one US supplies was secured and thereby avoiding / minimizing demurrages.

d. Diversification of Coal Basket:

i. Six (06) coals brands from Five (05) new suppliers - (2 of US Origin, 1 of Australian Origin, 1 of Russian Origin and 1 from Kazakhstan Origin) are at various stages of testing /processing.

ii. Seven (07) new coal brands from the existing suppliers have been identified and the suppliers are being pursued to give sample for testing/ trials.

e. Usage of Prime Coking Coal/ Medium Coking Coal - Prime coking coal / Medium Coking Coal was introduced in the Coal blend up to 5-8%.

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dated: 22 .06.2023

### **Comments of the Committee**

[Please see para 20 of Chapter 1]

### **Recommendation SI No. 9**

The Committee observe that against iron ore production of 34.15 million tonne and 42.19 million tonne during 2020-21 and 2021-22, the actual production upto December, 2022 was 26.69 million tonne. 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.

### **Action Taken**

Even with highest ever rainfall of about 83% more year on year, NMDC achieved Physical production performance of 41.22MT (Prov) for the year 2022-23, vis-a-vis 2021-22 performance of 42.19MT.

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dated : 22 .06.2023

### **Recommendation SI No. 10**

The Committee have been informed that around Rs.152 Cr. was envisaged for Township Project 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.

### **Action Taken**

It is informed that the Township project at Kirandul is awarded in October 2022. Clearances like Environmental clearance, lay out approval for Type III & IV from Town & Country Planning Dept. are received. However, clearances like Consent to Establish, Layout approval for Type-V quarters and Building Permission from Nagarpalika are in process.

Dismantling of few existing quarters are also required for construction of Type IV & V quarters for which eviction from these quarters are in progress. Demolition of vacated quarters has been commenced. Tender for Donimalai Township was opened on 31.01.2023 and techno-commercial evaluation of bids in progress.

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dated : 22.06.2023

Under Corporate Social responsibility, SAIL is committed to undertake skill development activities as per schedule VII of the Companies Act in the future also so as to prepare the youth with the requisite skill to meet the job requirements in the open market.

[Ministry of Steel O.M. No. 11013(18)/2022-Parl(FTS 14916) dated 03/01/2023]

### **Recommendation SI No. 11**

While examining the details of planned IEBR of PSUs Vs the actual utilization of funds for the current financial year, the committee note that as against the planned IEBR of KIOCL Rs.384 crores, actual utilization was Rs. 406 Crores. The committee further observe that for Devadari iron ore mines against CAPEX Rs. 220 crores during 22-23, actual utilization up to 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 Atmanibhar 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 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.

### **Action Taken**

Company executed mining lease deed of Devadari Iron Ore Mine with Director, Mines and Geology, Govt. of Karnataka on 02.01.2023 for 388 ha area for a period of 50 years for Iron Ore and Manganese Ore (ML No. 020 of 2023) and registered the Mining Lease Deed on 18.01.2023 at the Office of Sub-Registrar, Sandur Taluk, Ballari Dist.

Govt. of Karnataka issued Government Order on 11.04.2023 for diversion of forest land for Devadari Iron Ore Mine. KIOCL will enter into an agreement with Dy. Conservator of Forests, Ballari for handing over the forest land. On handing over the forest land to

KIOCL by forest dept., KIOCL will undertake exploration, mine development activities, development of benches, establishment of crushing & screening units, establishment of weigh bridge, development of approach road and establishment of other infrastructure facilities.

KIOCL has issued Letter of Intent on 22.04.2023 to M/s MECON for providing consultancy services for Devadari Iron Ore Mine. Company has planned to produce the iron ore by April 2024 from Devadari Iron Ore Mine. KIOCL earmarked Rs. 100 Crores as Capital Expenditure for the Devadari Iron Ore Mine during FY 23-24.

As regards setting up forward & backward coke oven plant, it is informed that for the proposed project M/s CSIR-CIMFR, Dhanbad is the technology provider for coke oven plant of specific capacity 1.8 LTPA. M/s CIMFR, Gol is monitoring the manufacturing of coke oven machines continuously to ensure the quality parameters as per their design. The thermal calculations play vital role in the process of coke making, which are verified by the consultant M/s MECON with the technology provider M/s CIMFR. The inspection of refractories is carried out vigorously by M/s MECON & inspections also carried out by third-parties to ensure quality standards. KIOCL also deputed its project team to monitor and ensure the quality of work in addition to EPCM consultant at site.

Further to ensure achieving capital & physical targets for year 2023-24, regular progress is closely monitored by project team at site, weekly review meetings are conducted at site and monitored fortnightly by functional directors. A committee consisting of senior officials of KIOCL has been constituted to monitor the project progress and suggest corrective actions for achieving the targets.

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dated : 22.06.2023

### CHAPTER-III

#### OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

##### Recommendation SI No. 7

The Committee note that against the planned IEBR 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.

##### Action Taken

In phase-1, it is planned to have a crude steel production capacity of about 35 Million Tonnes by 2030-31 wherein, it is proposed that expansion will take place in four Integrated Steel Plant of SAIL at Burnpur, Bokaro, Durgapur and Rourkela. The envisaged Crude Steel Capacity of these four Plant on completion of phase-1 expansion plan in 2030-31 is as following:

Steel Plant	Envisaged Crude Steel Capacity (MTPA)
Durgapur Steel Plant	4.73
Rourkela Steel Plant	9.70
Bokaro Steel Plant	7.03
IISCO Steel Plant	6.98

The above expansion is subject to the following:

- i. Increase in domestic steel demand in India in line with projections in National Steel Policy, 2017.
- ii. Ensuring 100% linkage of the Iron ore requirement from Captive Sources.
- iii. Generation of Internal resources to ensure funding of expansion with Debt: Equity ratio of 1:1.
- iv. Finalization of DPR

At present, SAIL is working on preparation of Pre-Feasibility Report for expansion projects at Burnpur, Bokaro, Durgapur and Rourkela. The progress is as following:

- Pre-Feasibility Report for expansion at IISCO Steel Plant at Burnpur has been prepared.
- Pre-Feasibility Report for expansion at Bokaro Steel Plant at Bokaro and Durgapur Steel Plant at Durgapur are under preparation.

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dated: 22 .06.2023

#### Recommendation SI No. 8

The Committee observe that during 2022-23, RINL had utilized Rs. 435.91 crores (upto January'23) 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 Steel 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.

#### Action Taken

##### Utilization of installed capacity

The recommendation of the Committee is noted for compliance. RINL has been focusing on full utilization of its installed capacity. Hot metal production from the two operating Blast Furnaces was ramped up from the mid-November 2022 resulting higher capacity utilization. In order to further improve the capacity utilization, RINL is planning to restart Blast Furnace-3 after commissioning ASP-BOO Plant for Oxygen.

##### Efforts to improve financial position



In addition to the efforts being made for increase in capacity utilization levels, the Company is making efforts for increasing in margins through thrust on Cost Reduction and Value Addition. The initiatives taken by the Company include:

- Procurement of Imported Coking Coals and PCI Coals through Global Tenders is being continuously pursued, to secure some quantities on Open Account payment terms. Since the Long Term Suppliers of Coal have been insisting for opening of LC before the shipment, the quantities that could be secured from LTA Suppliers are constrained by LC limits.
- Based on such Global Tenders, the Company could secure 2 shipments of PCI Coal of Russian Origin, for the first time, at competitive prices. One more tender for 2 shipments is under advanced stage of processing.
- To bridge the gap in availability of Coking Coal and PCI Coals, procurement of small parcels through GeM Open Tenders is also being pursued.
- Trials for identifying and establishing new sources of coal are being continuously pursued. In the process, a new source for Soft Coking Coal from USA has been established.
- To reduce the impact of high prices of Imported Coking Coal, procurement of Indigenous Coking Coal from Central Coalfields Limited has been increased. Further, procurement of Indigenous Coking Coal from Bharat Coking Coal Limited has also been started. In 2022-23, the usage of indigenous coking coals has increased to 8.3% in the coal blend. For increasing the usage further, BCCL is being pursued for allocation of higher quantities of coking coal.
- In order to meet the shortfall in Coking Coals, PCI Coal was used in the coal blend up to 5%.
- Anthracite Coal is being used as a replacement for coke breeze in Sinter making process.
- Usage of Steel Scrap in steel making has been increased by 16% over previous year.
- The production of High End Value Added Steel has been stepped up to achieve best ever levels of 1.037 Mt, with a growth of 17% over CPLY.
- The share of High End Value Added Steel in Domestic Sales increased over the years to reach 27% in 2022-23 from the levels of 15% before the commissioning of 6.3 Mtpa expansion in 2014-15.
- To reduce the interest burden, RINL is continuously taking up with banks for reduction of spread in interest rates which is in the range of (25 bps to 215 bps).

- On continuous follow up, IDBI bank reduced spread (risk premium) in interest rates on sanctioned working capital limits from 305 bps to 100 bps and capex limits from 225 bps to 125 bps, resulting in annual Savings of Rs. 4.5 Crore.
- RINL availed short term working capital loan of Rs. 620 Crore from SBI at reduced interest rate of 7.88% - 7.90% against the existing interest rate of 8.90%, resulting in annual savings in finance cost of about Rs.6 Crore.
- Out of total corporate loan of Rs.1500 Crore, Rs. 500 Crore Foreign Currency Non-Resident Bank (FCNRB) limits has been sanctioned at reduced interest rate of around 8.62 - 9.14 % resulting in savings of Rs.8 Crore.
- Availed Export Packing Credit (EPC) limit from SBI in the range of Rs. 100 – 300 Crore with a reduced interest rate of 6.25% - 7.86%.

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dated : 22.06.2023

#### Recommendation SI No. 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 scheme 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.

#### Action Taken

The stimulus package announced by the government for Atmanirbhar Bharat (self-reliant India) was poised to greatly help restart various industries and restore momentum across all economic activities. Infrastructure, being one of five pillars emphasized in the program of self-reliant India, will augur well for domestic steel demand.

It is further expected that Domestically manufactured Iron & Steel Products (DMI&SP) policy with indigenous value addition criterion against each product, shall give impetus to indigenous manufacturing through widening of manufacturing base, sharing of know-how, product development as well as technology transfer by way of multi-lateral collaboration. This will also encourage the foreign technology providers and critical steel plant manufacturers to set up manufacturing shops in India and thereby improving domestic skills and employment generation.

The PLI scheme is expected to meet domestic requirements of specialty steel. However, as FY 2023-24 is the first performance year under the PLI Scheme for Specialty Steel and for which incentives would be disbursed in the next FY 2024-25.

All efforts will be made to ensure that physical and financial targets set for 2023-24 are achieved.

Ministry of Steel O.M No. H-11013/6/2023-parl (E-16339)

dated : 22.06.2023

CHAPTER-IV

OBSERVATIONS/RECOMMENDATIONS IN REPECT OF WHICH  
REPLIES OF THE GOVERNMENT HAVE NOT BEEN  
ACCEPTED BY THE COMMITTEE

-NIL-

**CHAPTER-V**

**OBSERVATIONS/RECOMMENDATIONS IN REPECT OF WHICH REPLIES ARE  
STILL AWAITED**

**-NIL-**

**NEW DELHI;  
...31.. July, 2023  
...9.. Sravana, 1945(Saka)**

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

**ANNEXURE-I**

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2022-23) HELD ON 27 JULY, 2023 FROM 1530 HRS TO 1640 HRS IN HON'BLE CHAIRPERSON'S CHAMBER, ROOM NO. '210', B-BLOCK, PHA EXTENSION BUILDING, NEW DELHI**

The Committee sat from 1530 hrs. to 1640 hrs.

**PRESENT Shri Rakesh Singh - Chairperson**

**Lok Sabha**

2. Dr. Venkata Satyavathi Beesetti
3. Shri Vijay Kumar Hansdak
4. Shri Kunar Hembram
5. Smt. Kavitha Maloth
6. Shri S. Muniswamy
7. Shri S. R. Parthiban
8. Smt. Riti Pathak
9. Shri Chunni Lal Sahu
10. Shri Arun Sao
11. Shri Sunil Kumar Singh
12. Shri Sushil Kumar Singh
13. Shri Pashupati Nath Singh
14. Shri Ashok Kumar Yadav

**Rajya Sabha**

15. Smt. Mahua Maji
16. Shri Rwingwra Narzary
17. Shri Samir Oraon
18. Ms. Saroj Pandey
19. Shri Deepak Prakash
20. Shri Aditya Prasad
21. Shri B. Lingaiah Yadav

**SECRETARIAT**

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

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

(i) \*\*\*\*\*

(ii) \*\*\*\*\*

(iii) \*\*\*\*\*

(iv) \*\*\*\*\*

(v) Draft Report on Action Taken by the Government on the Observations/ Recommendations contained in the 40th Report (Seventeenth Lok Sabha) on Demands for Grants (2023-24) relating to the Ministry of Steel

3. The Committee then authorized the Chairperson to finalize the Reports and present the same to both the Houses of Parliament.

4. \*\*\*\*\*

*The Committee, then, adjourned.*

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**\*Not related to the Report.**

**ANNEXURE-II**

(Vide Para IV of Introduction)

**ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE FORTIETH REPORT ON THE SUBJECT "DEMAND FOR GRANTS(2023-24) " OF THE MINISTRY OF STEEL OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL**

I.	Total No. of Recommendations made:	<b>12</b>
II.	Observations/Recommendations that have been accepted by the Government ( <i>vide</i> recommendation at Sl. Nos. 1,2,3,4,5,6,9,10,11):	<b>9</b>
	Percentage of total	<b>75%</b>
III.	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's replies ( <i>vide</i> Recommendation at Sl. No. 7,8,12):	<b>03</b>
	Percentage of total	<b>25%</b>
IV.	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee ( <i>vide</i> recommendation at Sl. No. Nil):	<b>00</b>
	Percentage of total	<b>0%</b>
V.	Observations/Recommendations in respect of which final replies of the Government are still awaited ( <i>vide</i> recommendation at Sl. No. Nil):	<b>00</b>
	Percentage of total	<b>0%</b>