8

STANDING COMMITTEE ON COAL, MINES AND STEEL (2024-2025)

EIGHTEENTH LOK SABHA

MINISTRY OF STEEL

ON THE SUBJECT

STEEL SCRAP RECYCLING POLICY

EIGHTH REPORT

LOK SABHA SECRETARIAT
NEW DELHI
AUGUST, 2025/SHRAVAN 1947 (Saka)

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Presented to Lok Sabha on 04.08.2025

Laid in Rajya Sabha on 05.08.2025

LOK SABHA SECRETARIAT
NEW DELHI
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CM&S No.

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COMPOSITION OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2024-2025)

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3.	Smt. Sunanda Chatterjee	-	Deputy Secretary
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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 Eighth Report (Eighteenth Lok Sabha) on the subject "Steel Scrap Recycling Policy" relating to the Ministry of Steel.

2. The Standing Committee on Coal, Mines and Steel (2024-25) had selected the subject for detailed examination and report to the Parliament. The Committee had oral evidence with representatives of the Ministry of Steel and Ministry of Road, Transport and Highways on 08.5.2025. The Ministry also undertook oral evidence with Ministry of Steel, NITI Aayog, Ministry of Ports, Shipping and Highways, Ministry of Heavy Industries and Ministry of Finance on 24.6.2025. Based on the oral and written testimony submitted to the Committee, a report on the subject was prepared.

3. The Committee considered and adopted the Report at their sitting held on 23.7.2025.

4. The Committee wish to express their thanks to the officials of the Ministry of Steel and other Ministries/organisations for placing before them and in furnishing material/information from time to time as desired by the Committee.

5. 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.

6. 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;
..1.. August, 2025
.19.Shravan, 1947(Saka)

ANURAG SINGH THAKUR
Chairperson
Standing Committee on Coal,
Mines and Steel

Part I

REPORT

Policy initiatives, implementation and the outcomes

The Govt of India (Ministry of Steel) has notified Steel Scrap Recycling Policy (SSRP) in November, 2019. The objectives of the policy as furnished by the Ministry of Steel (MoS) in their background note sent vide their OM no.H-11013(4) /2025 dated 29.04.2025 is as follows:

(i) "Promotion of circular economy in the steel sector
(ii) Evolving a responsive ecosystem by involving all stakeholders
(iii) Promotion of 6Rs- Reduce, Reuse, Recycle, Recover, Redesign and Remanufacture
(iv) Promotion of formal & scientific collection, dismantling & processing activities for end-of-life products that are sources of recyclable (ferrous, nonferrous & metallic) scraps which will lead to resource conservation, energy savings & ecofriendly system for handling ferrous scrap
(v) Promotion of processing and recycling of products in an organized, safe and environmentally friendly manner
(vi) Promote production of high-quality ferrous scrap for quality steel production minimizing there by dependency on imports
(vii) Promote decongestion of the Indian cities from End-of-Life Vehicles (ELVs) and reuse ferrous scrap.
(viii) Creation of Mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance with hazardous & other Waste material Rules, 2016of Ministry of Environment, Forests & Climate Change (MoEF &CC)"

2. With regard to the policy initiatives taken by the MoS, for attainment of objectives of SSRP, 2019, mentioned at sl.nos (i) to (v) of para 1 above, MoS submitted as under:

"(i) The Ministry of Road Transport and Highways (MoRTH) has formulated the Vehicle Scrapping Policy that includes a system of incentives/disincentives for creation of an ecosystem to phase out older, unfit polluting vehicles.
(ii) Under the policy, MoRTH has issued rules for Registration and Functions of Vehicle Scrapping Facility (RVSF), which provides the procedures and infrastructure facilities required for de-pollution and dismantling of End of Life Vehicles (ELVs) for further recovery of metal and other materials under environmental regulations.
(iii) Ministry of Mines has brought out 'National Non-ferrous Metal Scrap Recycling Framework, 2020' to promote a formal and well-organized recycling ecosystem. The Framework lays down standard procedures for recycling and processing of scrap and developing a mechanism for facilitating the Metal scrap recycling activities.

(iv) Ministry of Environment, Forest & Climate Change has introduced the Environment Protection (End-of-Life Vehicles) Rules, 2025, which establishes a framework for managing End-of-Life Vehicles (ELVs) in an environmentally sound manner and mandates Extended Producer Responsibility (EPR), requiring vehicle producers to meet annual scrapping targets based on the type of vehicle and materials recovered.

(v) Govt. of India notified Recycling of Ships Act, 2019 which aims to regulate and promote the safe and environmentally sound recycling of ships.

(vi) NITI Aayog constituted two Working Groups for addressing the issues pertaining to circular economy on ecosystems approach to address issues in scrap metal recycling and End-of-Life Vehicles comprising of members from govt, recycling companies, automobile manufactures etc."

3. The concrete outcomes of measures taken in pursuance of the policy initiatives mentioned at para 2 above, as submitted by MoS are as follows:

"By implementing these initiatives, the scrap consumption in India has been increased from 26.22 MT in FY 2019-20 to 33.37 MT in FY 2023-24. The domestic production has also increased from 19.65 MT in FY 2019-20 to 24.67 MT in FY 2023-24."

Creation and maintenance of data base on steel scrap.

4. The data on **industry wise scrap generation** in absolute quantities and also in percentage terms as furnished by MoS for the year 2023-24 is as follows:

Sectors	2023-24*	
	In MTs#	% terms
Steel	12.00	49.00
Construction &Housing Sector	01.70	06.90
Ship Breaking Units (SBUs)	01.30	05.30
Railways	01.10	04.50
End of Life Vehicles (ELVs)	00.43	01.70
Engineering industries, Defense, white goods, Households, others	08.03	32.60
Total (excluding foundries)	24.56	100.00

in Million Tons (MTs) *as furnished by Ministry of Steel in their background Note.

Database Management -Steel Scrap Policy - Need to designate nodal agency

5. In response to a query whether there is any system of and organization responsible for collecting and maintaining database on steel scrap in India and the details there of,

MoS in their written submissions sent *vide* their OM no. 11013(4)/2025 dated 11 April, 2025 stated that:

> "Steel scrap is generated across various sectors like transport, railways, defence, construction & demolition, shipping, etc. **So far no govt organization has been made responsible for collecting and maintaining database on steel scrap in India".**

6. MoS, however, in a written reply sent *vide* their OM 110123(4) dated 17 June, 2025 to another query related to data on scrap generation submitted the quantum of steel scrap generated since 2019-20 as shown below:

Year	Steel scrap generation & consumption		Imports of steel scrap		Exports of steel scrap		Total scrap consumed
	Volume (in MTs)	Value * (in ₹crore)	Volume (in MTs)	Value* (in ₹crore)	Volume (in MTs)	Value * (in ₹crore)	volume (in MTs)
1	2	3	4	5	6	7	8
2019-20	19.65	4,65,273	6.57	22,918	NA	NA	26.22
2020-21	19.16	4,97,719	5.57	20,468	NA	NA	24.73
2021-22	23.96	8,81,392	4.85	31,089	NA	NA	28.81
2022-23	20.39	8,51,099	9.91	50,181	NA	NA	30.30
2023-24	24.67	8,96,631	8.69	40,607	0.008	98.72	33.36

N.B. *Value calculated on the basis of average annual price of scrap during the year.

7. In written response to a query as to the sources of data on steel scrap submitted to the Committee as mentioned at para 6 above, as MoS in the past has categorically stated that **no Govt organization has been designated for collecting and maintaining database on steel scrap**, MoS replied as under:

> "Steel Scrap is generated across various sectors like transport, railways, defence, construction & demolition, shipping, industry, household etc. and concerned Ministries / Departments/States collect data on scrap generation in their domain area. Since, the steel industry is the **primary user of steel scrap, it has tried to compile the data published by different departments/ agencies and study groups for formulating its long-term vision.**
>
> Ministry of Steel through Joint Plant Committee (JPC) also collects data on export/import of all kinds of steel including scrap. Further, Ministry of Steel released

a Report titled 'Greening the Steel Sector in India: Roadmap and Action Plan' on 10th September, 2024 on the basis of the recommendations of 14 Task Forces constituted by this Ministry on various levers for decarbonization of steel sector. One of the Task Force was constituted on Material Efficiency including scrap consumption in the steel sector. The said Task Force compiled the scrap data from various sources **and presented scrap consumption data for the FY 2018 to FY 2024 based on their study/ assessment of scrap market, which was given in the said Report.**

Thus, the data on scrap consumption as well as its export/import data, shared with the Standing Committee have been taken from JPC and the Report titled 'Greening the Steel Sector in India: Roadmap and Action Plan'.

Ministry of Steel has further decided to take up a study to understand ferrous scrap market in India covering various aspects like scrap availability, scrap collection infrastructure and methodology across various generating sectors, challenges in scrap collection and recommendations for promotion of scrap recycling and circular economy."

8. MoS in a PPT made to the Committee on 08 May, 2025 stated *inter- alia* that Steel industry contributes to lion's (almost 50%) share of the total steel scrap generated. In view of this, the Committee sough to ascertain whether MoS should be designated as the nodal organization / agency responsible for creation and maintenance of centralized data base on steel scrap, in a written reply, MoS submitted as follows:

" The data on sector-wise scrap generation for the year 2023-24 as included in the PPT delivered on 08.05.2025 has been compiled from **multiple secondary and indicative sources/publications** and **additional inputs received from other organizations.**

India is the second largest producer of crude steel in the world, a large quantity of unused waste scrap (called virgin scrap/primary scrap) are generated during iron & steel manufacturing in steel plant and re-rolling mills. This virgin scrap are again reused as raw material in steel making by steel plants. **At present, the mandate of Ministry of Steel pertains to the processing and consumption of steel scrap only."**

Nodal agency for Steel scrap – NITI Aayog's view

9. In response to a written query whether NITI Aayog is the nodal agency responsible for inter-ministerial coordination and implementation of SSRP, 2019, NITI Aayog submitted as follows:

"... NITI Aayog is **not the nodal agency** responsible for the implementation of Steel Scrap Recycling Policy, 2019. The Ministry of Steel is the designated nodal Ministry for this Policy

... The Government of India (Allocation of Business) Rules , 1961 (As amended up to Amendment series no. 380, dated 05 May , 2025) (https://cabsec.gov.in/allocation of business rules/complete aob rules/) page no. 165, **in which scrap steel is mentioned as allocated business for Ministry of Steel.**

Further, two PSUs, metal Scrap Trading Corporation (MSTC)and Ferro Scrap Nigam Limited – both dealing with various aspects of ferrous scrap metal collection and processing are managed by Ministry of Steel "

10. A representative of MoS, during the deposition before the Committee held on 08 May , 2025 asserted that after notification of the policy in 2019; the Ministry of steel oversaw the implementation of the policy till 2022 when the coordination work with regard to the policy was transferred to NITI Aayog. NITI Aayog was requested to furnish their comments on the afore mentioned assertion made by the MoS. NITI Aayog, in a written reply submitted vide their reply dated 04 Jun2, 2025 as follows:

" NITI Aayog is a think -tank and only provides policy inputs to various ministries based on multi stakeholder consultations and while the implementation role for various policies / acts/ rules/ regulations continue to remain with the Ministries as per the allocation of business rules.
In this context it is submitted that NITI Aayog has not assumed the responsibility for implementation of the Steel Scrap Recycling Policy, 2019.Its role is limited to facilitating inter-ministerial coordination by convening Working group meetings , with the objective of supporting collaborative discussions among various stakeholders"

11 Adding further, NITI Aayog submitted as under:

"Niti Ayog is not the implementation Agency for the Steel Scrap Recycling Policy,2019. NITI Aayog is currently only facilitating stakeholder consultations through a working group ...."

12. In response to a query whether any system available or organisation responsible for collecting and maintaining database of steel scrap being generated from various from various sectors, NITI Aayog in their reply submitted that

"...NITI Aayog neither collects nor maintains any database of steel scrap generated from various sectors"

13. MoS was requested to furnish their comments on NITI Aayog's replies mentioned at paras 11&12 above. MoS in their written replies furnished *inter- alia* as under:

"**As per Allocation of Business Rules, 1961 (As amended up to Amendment series no. 380, dated 05 May, 2025), Steel scrap processing has been allocated to Ministry of Steel.** The generation and collection of scrap are done by the concerned Ministries / Departments/ State Governments in their domain.

Ministry of Steel notified the Steel Scrap Recycling Policy, 2019 (SSRP) ...took necessary steps towards implementation of the policy, including the constitution of an Inter-Ministerial Coordination Committee (IMCC) in October 2019 for coordinated implementation involving key stakeholder Ministries. The meeting of the Committee was held on 16th December, 2019, and actionable recommendations were made to various scrap-generating sectors with request to take necessary action in this regard. In response, the concerned sectors submitted their Action Taken Reports on the recommendations of the Committee. For instance, MoEF&CC informed the Ministry that CPCB has finalized the categorization of scrapping centres (for ELVs and other scraps); MoRTH circulated a Draft Note for the Cabinet on creation of an ecosystem for voluntary and environmentally friendly phasing out of unfit and older polluting vehicles; and the Department of Revenue assured that the matter regarding GST relief for scrapping centres—input credit and lower rates—would be examined. Subsequently, the Ministry also conducted meetings with State Government representatives to address key issues involved in the implementation of the Steel Scrap Recycling Policy, and actionable recommendations were provided accordingly.

In March 2021, NITI Aayog identified Circular Economy as a priority area and mapped various waste streams—including scrap metal—to line Ministries. A Committee on Circular Economy in Scrap Metal (ferrous and non-ferrous) was constituted under the Chairmanship of Secretary (Steel), and its report was submitted to NITI Aayog in July 2021. Thereafter, after various meetings, NITI Aayog constituted Working Groups on Circular Economy in Scrap Metal and End-of-Life Vehicles (ELVs), in July 2024 with the objective of addressing structural issues, policy gaps, and inter-ministerial co-ordination, with participation from various Ministries, including Ministry of Steel. In the backdrop of this development made by NITI Aayog regarding conducting of inter-Ministerial meeting with all the stakeholder Ministries to promote circular economy and improve the effectiveness of scrap recycling, Ministry of Steel did not conduct any further meeting of IMCC taking into the facts that the objective of both Committee are same and NITI Aayog's Working Group had wider participations.

Ministry of Steel does not view its position to be at variance with the response of NITI Aayog. Ministry of Steel owns the Steel Scrap Recycling Policy, 2019, however, NITI Aayog's effort towards coordination efforts through Working Groups has similar objectives as of IMCC under Steel Scrap Recycling Policy, that is of building coordination amongst all the key stakeholder Ministries for facilitation and promotion of steel scrap in the country."

14. In written reply to a query about the Departments responsible for maintaining a database on production and consumption of steel scrap in the country, MoS vide their OM no.H11013 (3) /2025 dated 26 may , 2025 submitted as under:

> "The responsibilities for generation and collection of scrap lie with the respective sectoral Ministries, Departments and State Government. Steel industry is the ned user of the scrap. As per allocation of business rule also, only steel scrap processing comes under the purview of Ministry of Steel"

Data on scrap generation, imports, exports in quantity and value terms

15. MoS vide their background note dated 29 May, 2025 furnished data on steel scrap consumption, generation and imports since 2019-20 (mentioned at para 6). Referring to the said data Mos was sought to clarify whether the data mean that the entire steel scrap generated in India is consumed in the steel production/ In other words there is no steel scrap was left unused in the country, MoS submitted as follows :

> "The said data reflects the consumption of scrap in steel production based on the study and assessment made by a Task Force constituted by this Ministry on Material Efficiency. It does not imply that the entire steel scrap generated in the country is fully consumed or utilized in steelmaking. However, since the steel is 100% recyclable it is likely that almost all the scrap being generated is going for recycling except a small percentage, which are being reused for secondary purpose or lost in waste/landfills."

16. The availability of the above data amounts to the conclusion that the country has robust data collection system for steel scrap which goes against the Ministry's assertion that there is no centralized agency for maintaining data base on steel scrap. MoS, in a written reply clarified that :

> "As stated above, Ministry of Steel has been allocated the work of **steel scrap processing only**. **The scrap data furnished to the Committee is the scrap consumption quantity used in steel production**. Steel Scrap is generated across various sectors like transport, railways, defence, construction & demolition, shipping, industry, household etc. and concerned Ministries / Departments/States collect data on scrap generation in their domain area. Since, the steel industry is the primary user of steel scrap, it has tried to compile the data published by different departments/ agencies and study groups for formulating its long term vision." (Reco)

17. Data at para 6 shows that a small quantity of steel scrap worth Rs. 100 crore (approx.) was also exported in 2023-24. In written reply to queries (i) why are the exports allowed,

however limited quantities, when there is a scarcity of scrap in domestic market? (ii) do the exports fetch more prices than the domestic prices; and, (iii) the value of the steel scrap has gone up despite the quantum of steel scrap generated in 2020-21 has gone down *vis-a- vis* that of the previous year 2019-20 ?, MoS in a written reply submitted that:

> " Steel sector is a deregulated sector and the Ministry of Steel functions primarily as a facilitator, providing policy support and creating an enabling **ecosystem for sustainable growth of the steel industry, including scrap recycling. The export and import of steel scrap are governed by market dynamics, techno-commercial issues taken by the individual companies and other concerned authorities.**
>
> At present, steel scrap export from India is small in quantity. As per available data, only about 8030 tonnes of scrap was exported during FY 2023–24, which is only 0.024 % of total consumption of scrap in India."

18. Data on steel scrap a para 6 above shows that from 2019-20 to 2023-24 the domestic scrap generation increased by 25.5%, The increase in imports at 32.2% during the period. Responding to a query whether the trend means that India has a long way to go in increasing the domestic scrap generation, MoS has submitted as under:

> "This trend highlights the growing demand for scrap in steelmaking, particularly in the Electric Arc Furnace (EAF) and Induction Furnace (IF) based steel production, which relies on scrap as the primary raw material in addition to DRI. In order to meet the growing demand of scrap, the import of scrap has been increased.
>
> The steel production through EAF/IF route is made through either DRI or scrap. Unlike the other major steel producing countries, Coal based DRI plays significant role in India due to its competitive cost. Although, coal based DRI is cheaper, sufficient quantity of DRI is not available and hence scrap is used as substitute metallic input in EAF/IF. However, keeping in view the environmental benefit of steel making through scrap, government is promoting the use of scrap in steel making.
>
> It is submitted that a large quantity of unused wasted scrap (called virgin scrap/primary scrap) are generated during iron & steel manufacturing in steel plant and re-rolling mills. This virgin scrap are reused as raw material in steel making by steel plants. As the steel production is being increased rapidly, it is expected that the virgin scrap will also be made available in large quantity to fill the gap of demand and supply of domestic scrap. Further, ELVs, Shipping and Construction sectors have been identified as key potential sectors for increasing the domestic scrap generation."

Scrap based steel production in India and other countries- A comparison

19. The year wise data on steel production through primary and secondary routes in different counties as furnished by MoS is as follows:

Year	Japan		USA		Italy		Spain		Iran		Mexico		India	
	PR*	SR^	PR*	SR^	PR*	SR^	PR*	SR^	PR*	SR^	PR*	SR^	PR*	SR^
	In percentage terms of the total steel production													
2018	75.0	25.0	32.0	68.0	18.5	81.5	34.3	65.7	9.2	90.8	24.2	75.8	44.9	55.1
2019	75.5	24.5	30.3	69.7	18.1	82.1	31.2	68.8	9.9	90.1	23.1	76.9	43.7	56.3
2020	74.6	25.4	29.4	70.6	15.3	84.7	27.5	72.4	8.8	91.2	17.3	82.7	44.5	55.5
2021	74.7	25.3	30.9	69.2	16.0	84.0	31.7	68.3	9.7	90.3	15.9	84.1	44.8	55.2
2022	73.3	26.7	31.0	69.0	16.0	84.0	31.8	68.2	10.3	89.7	14.4	85.6	46.2	53.8
2023	73.8	26.2	31.7	68.3	14.2	85.7	28.0	72.0	7.9	92.1	6.5	93.5	43.6	56.4
2024P	73.6	26.4	28.2	71.8	12.1	87.9	30.7	69.2	8.0	92.0	6.5	93.5	41.4	58.6

N.B source world steel P Provisional *Primary route ^ Secondary route

Steel scrap usage by public and private sector steel producers

20. In written response to the Committee's request to furnish the data on steel scrap used by public and private sector companies since 2020-21, MoS submitted that:

> "Ministry of Steel does not maintain the data on scrap used by public and private sector separately. However, there are only 3 public sector companies in field of steel production, which together produce approx. 25-27 MT (approx.) steel per annum through the BF-BoF route. Considering the current rate of scrap utilization in BF-BOF route at approx. 5%, the scrap utilization by public sector companies comes around 1.35 MT. The remaining scrap is consumed by private steel producers."

Steel production through primary and secondary routes

21. Steel production through three different modes – Blast furnace -Basic Oxygen Furnace (BF/BOF) , Electric Arc Furnace (EAF) and Induction Furnace (IF). National Steel Policy of production and the share of each of these three modes of production since 2017-18 as furnished by Ministry of Steel is as follows:

Year	Steel production (in Million Tons)						Total steel Production
	Blast Furnace (BF) - Basic Oxygen Furnace (BF-BOF) route		Electric Arc Furnace (EAF)		Induction Furnace (IF)		
	Production	% share in total production	Production	% share in total production	Production	% share in total production	
	1	2	3	4	5	6	7
2017-18	47.44	46	26.81	26	28.88	28	103.13
2018-19	49.91	45	27.73	25	33.28	30	110.92
2019-20	48.57	44	28.37	26	32.20	30	109.14
2020-21	45.08	44	29.41	28	29.05	28	103.54
2021-22	54.58	45	30.50	25	35.21	30	120.29
2022-23	58.79	46	28.20	22	40.20	32	127.20
2023-24	61.61	43	31.61	22	51.08	35	144.30
2024-25	62.49	41	31.61	21	58.08	38	152.18

22. The above data reveal that during the last eight years steel production through BF/BOF and EAF route has come down by 5% each and corresponding increase of production through IF route in India. The 2017 steel policy targeted to achieve 35-40% of the projected steel output of 300 MTs by 2030 through scrap-based steel. As the above data shows that even now the share of scrap-based steel production (EAF&IF) accounts for 59% of the total steel production. MoS, therefore was requested to clarify (i) why India is targeting a lesser 35-40% of the total targeted production of 300 MTs by 2030 from scrap-based mode of EAF&IF; and (ii) does the lower targets mean that India is not geared up to increase scrap- based steel production to the desired levels? MoS in their written reply furnished the following clarification :

> "Scrap-based (EAF&IF) steel production currently accounts for approximately 59% of total steel production in India—primarily due to the large presence of small and medium-scale units which includes a significant contribution from EAF/IF, which often use a mix of scrap and sponge iron (DRI) as raw material.
>
> The target under National Steel Policy, 2017 is based on the capacity of crude steel production. The actual production may vary from the capacity for the respective year. It has been observed that in near future, the big steel players like Integrated Steel Plants will invest in Blast Furnace route, which is most efficient and cost effective to meet the growing demand of India's economic development. Further,

the Ministry of Steel is reviewing the National Steel Policy and various aspects are being looked into."

23. In written reply to a query why the share of steel production through scrap-based EAF has witnessed declining trend since 2017-18 from about 26 % in 2017-18 to 22% in 2023-24 despite favourable policy regime, MoS submitted as follows:

"The sponge iron and scrap, these the two inputs used for steel making through EAF route. Unlike the other major steel producing countries, Coal based DRI plays significant role in India due to its competitive cost. Since steel sector is a deregulated sector, small EAF units use **sponge iron** in significant quantity as it is available locally and also cheaper in comparison to scrap. Therefore economics, demand and supply are the governing factor."

Crude steel production and the scrap usage therein

24. Data on crude steel production and the usage of scrap, both in absolute and percentage terms, since 2019-20 is as follows:

Year	Crude steel production (In MTs)	Scrap consumption (In MTs)	Scrap consumption as % of crude steel (in MTs)
2019-20	109.14	26.22	24.02
2020-21	103.54	24.73	23.89
2021-22	120.29	28.81	23.95
2022-23	127.20	30.31	23.82
2023-24	144.30	33.37	23.12

25. The above data shows that trend in scrap consumption is either more or less stagnant or declining since 2019-20 despite favorable policy environment. Such a stagnant or declining trend is diametrically opposite to the increasing trend in usage of steel obtaining in advanced countries such as the US (69.7 to 71.8%) , Italy (81.5 to 87.9%), Spain (68.8 to 69.2%) and developing countries namely Iran (90-92%) and Mexico (76.9 to 93.5%). In written reply to a query why the declining trend in use of scrap despite favourable policy regime during the above mentioned period, MoS submitted as follows :

" It is submitted that while the absolute quantity of scrap consumption in India has increased steadily from 26.22 million tonnes in FY 2019–20 to 33.37 million tonnes in FY 2023–24, the percentage share of scrap consumption in total crude steel production has remained relatively stable during the same period.

It is highlighted that EAF/IF production in India still relies significantly on sponge iron (DRI) along with scrap, due to economics, the limited availability of clean, segregated, and high-quality domestic scrap.

The absolute growth in scrap consumption is consistent and reflects a positive trajectory in alignment with India's long-term goals for circular economy and low-carbon steelmaking".

26. Sharing with the Committee the issues which are coming in the way of increasing scrap-based steel to catch up with the developed countries and also some developing countries such as Iran and Mexico, MoS submitted as under:

" India is focusing to increase the domestic scrap generation and reduce the import. ELVs, Shipping and Construction Sectors have been identified as potential sector, which will play key role to be self-reliance of India in scrap generation. Further, India's per capita steel consumption has been quite low in the past in comparison to the developed countries. However, in recent past the steel consumption in India has been increased significantly. Since, the average End-of-life of steel goods is around 30-40 years, it is understood that the scrap availability will be increased in future as sufficient number of End of Life steel goods are reaching their maturity age and will be available for scrap recycling in line with the developed countries. "

Sources of imports of steel scrap along with quantity and value

27. The top five source countries for scrap imports from Financial Year (FY) 2019-20 to 2024-25 as furnished by MoS are listed as under:

source country (top five only)	Quantity of scrap imported (in Million tons /MTs)					
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
USA	961.46	711.08	445.12	1,858.55	1,478.62	1,497.60
U.K.	671.65	512.21	241.36	1,417.00	1,262.48	863.57
AUSTRALIA	273.86	342.60	107.41	162.19	198.43	583.84
MALAYSIA	176.69	231.13	165.84	320.49	270.88	549.68
BRAZIL	167.31	224.34	138.92	136.76	446.62	481.26

28. The details of top 5 steel scrap importing countries in the world (according to year 2023-24) for the last five years as furnished by MoS are as under (in Million tons /MTs):

Sl No	Top countries	2019-20	2020-21	2021-22	2022-23	2023-24
1	Turkiye	22.5	25	21.10	18.80	21.60
2	Italy	5.2	6.5	5.20	5.80	5.90
3	United States	4.5	5.3	4.70	5.10	4.70
4	Belgium	4.6	5.3	4.50	4.00	4.20
5	Germany	3.8	4.8	4.20	3.20	4.30
Source: World Steel Association						

Global status of supply and demand

29. MoS in their background note for the sitting of the Committee held on 08 May , 2025 submitted as under:

" There is world wide trend to increase steel production using scrap which helps in conservation of natural resources besides other numerous benefits, Most of the major steel producing countries like Japan, USA and China are continuously increasing scrap-based steel production with proportionate reduction from primary route. The share of scrap in the total steel production across select countries in FY 2022 are as under:

Country /Global	Steel production (MTs)	Scrap consumed (MTs)	Scrap as a proportion of raw material	Scrap imports (as% of total consumption	Scrap exports (as% of total consumption)
China	1,013	200-240	22%	< 1	0%
EU	137	75-80	57%	4%	24%
India	125	25-30	21%	23%	0%
Japan	89	25-30	34%	< 1	27%
USA	81	55-60	68%	11%	21%
Russia	72	25-30	39%	0%	4%
South Korea	65	12-15	21%	33%	3%
Turkey	35	28-32	85%	73%	< 1
Global	1,885	600-650	31%	----	----

Key insights : EU and USA are expected to generate surplus scrap steel but new restrictions for export is coming up which result in significant reduction in scrap imports. "

Emission intensity of Steel Industry – India's position in the World

30. The data on the emission intensity of India's steel industry and its position *vis-a-vis* other countries as furnished by MoS is as follows:

> "Currently, the average emission intensity of the steel sector in India is 2.54 tonnes CO2/tonne of crude steel (tCO2/tcs). The emissions intensity varies widely due to several factors, including the volume of production, proportion of scrap used, the type of fuel utilized and the technology used. The details of the emission intensity is a under:

Sl. No	Country	Emission intensity (Avg.) (in tCO2/tcs)
1.	India	2.54
2.	China	2.01
3.	Russia	1.65
4.	Japan	1.61
5.	S.Korea	1.35
6.	Europe	1.06
7.	Turkey	1.04
8.	USA	0.79
9.	Global Average	1.91
Source: Report on 'Greening the Steel Sector in India: Roadmap and Action Plan		

Environmental benefits of scrap

31. MoS in their presentation made to the Committee on the subject on 24 June, 2025 submitted as follows:

> "The steel industry accounts for 12% of India's total emissions, making its decarbonization crucial for meeting the country's climate goals
>
> Increased usage of steel scrap significantly reduces fuel and electricity consumption, lowers GHG emissions, use of iron ore , water and mining waste
>
> Steel scrap is 95% recyclable - it can be used, reused and recycled infinitely."

32. Usage of scrap in steel making, as furnished by MoS results in:

> " energy savings -74%; Water savings -40% ; Raw material savins -90%
>
> Reduction in GHG emissions-76%, airpollution-85%; mining waste -97%"

Economics of different routes of steel production in India

33. MoS in their presentation to the Committee on 24 June, 2025 about the economics of routes submitted as follows:

"BF-BOF route is the most efficient and cost effective, with an average of 15-20%of EBIDTA margin

EAF&EIF routes has on an average of 3-7%EBIDTA margin with the present charge mix (25% scrap mix)

Significantly lower capital intensity for EAFs/Ifs(-INR73,100/t)

Lower installation time for capacity – for EAFs/IFs(1-2 years) as compared to BF - BOF (4-5 years)

High flexibility on the capacity and thus investment required-EAFs/ IFs, especially small capacity EIFs (-10kt/year), can be installed quickly due to smaller modular capacities. In contrast, BF-BOFs set ups typically exceed 1mt/year, requiring higher capital and longer lead times

EAF and EIF routes are positioned for a low carbon future, with room to improve efficiency and margins

While most of the BF-BoF capacity is owned by top 6 steel makers, there are over 900 EAF and IF set up by small players in India"

Cost benefit analysis of primary and secondary route steel making

34. Ministry of steel in their background note stated that scrap-based steel production involves lower capital expenditure but higher operation expenditure due to fewer large-scale facilities and cost of acquiring & processing of the scrap respectively. Further, quality of the scrap-based steel is not uniform like iron ore-based steel as the scrap quality is highly variable which can be improved by sorting, refining and purifying which may add to the cost. In this context, MoS was requested to clarify whether there are any empirical studies to show that after sorting, refining and purifying the scrap, the steel made through scrap is still competitive vis-à-vis the iron ore-based steel making , MoS in a written reply submitted as follows:

"The worldwide study shows that the BF-BOF route is most efficient and cost effective followed by coal based DRI route- EAF/IF and then Scrap based production through EAF/IF. However, it is agreed that the scrap-based steel production is less emission intensive and therefore, more useful for decarbonisation of the sector for

steel production. Ministry of steel's policies are focussing on both cost effective growth in steel sector as well as decarbonisation.

35. The MoS in a PPT made to the Committee at their sitting held on 24 June, 2025 has submitted inter-alia that coal serves as a key substitute for scrap due to its higher availability and lower cost. In written response to a query whether the aforementioned conclusion is arrived at after taking into consideration the savings as mentioned at para 32 above, MoS submitted as under:

> " ... a scenario analysis ------highlighting that the cost of crude steel production especially in EAF/IF route with current charge mix (25% scrap+58% DRI+ 17% Pig iron) with respect to the target of increased usage of scrap (80%+20% DRI%) is cheaper by 10%approximately due to the availability of coal based DRI at competitive price . It is pertinent to mention that the impact of GHG emissions have not been taken into consideration in such comparison"

Financial incentives for recycling Plants

36. In view of the increasing demand for steel scrap all over the world due to the benefits it offers in steel making, and to encourage more and more investments in **the recycling plants, financial incentives may be considered**. Sharing with the Committee about the plans, if any to offer financial incentives for the purpose**, MoS stated as follows:**

> "Presently, there is no proposal under consideration within the Ministry of Steel for providing incentives/ Viability Gap Funding (VGF) to recycling plants. However, to promote the adoption of feasible technologies in steel production, the Ministry has implemented the "Promotion of Research & Development in Iron & Steel Sector" scheme. This initiative provides financial assistance to various institutions, including CSIR laboratories and academic organizations, to conduct research in areas such as environmental sustainability, energy efficiency, and the utilization of waste materials, including scrap."

Preferential treatment to Low carbon Emission Steel (Green steel)

37. In written response to a query whether the Govt view that low carbon steel made from steel scrap is ecofriendly, consumes less water, electricity and other raw materials and hence deserves to be given preference in public procurement? if so, PI furnish the details; and, if not, state the reasons therefor., Mos stated as under:

"Ministry is taking various initiatives for green transition of steel sector. However, due to its higher production costs and capital-intensive investments in new technology and alternative fuel, low-emission steel will be costlier in comparison to the normal steel and hence, it will create extra burden on government exchequer if green steel is given priority in public procurement. However, Ministry of Steel is discussing this aspects with Department of Expenditure for exploring possibilities on Green Steel Public Procurement."

'Industry status' to Recycling Industry

38. In written reply to a query whether Recycling industry In India is officially recognized as "Industry'? If so, please furnish the details; and, if not, state the specific reasons therefor especially keeping in view of enormous benefits that recycling industry provides to environment and other benefits, MoS submitted as follows:

"Department of Revenue while furnishing the inputs on 17th January, 2020 for extending the benefit of Section 35 AD of the Income Tax Act, 1961 to the scrapping centres, intimated that setting up of a scrapping centre may not qualify as a manufacturing activity/ industry under the said Act. It was conveyed that this benefit would be available only to companies under the notified scheme."

Tracking of environmental impact due to recycling of scrap

39. In written reply to a query whether the Ministry is (i) tracking the environmental impact like reduced ore or coal used GHS saving of scrap recycling? If not, why are we not doing it? (ii) offering any targeted subsidies, viability gap funding or R&D grants to promote development and adoption of feasible technologies for sorting, refining and purification of scrap, MoS submitted as follows:

"To promote the adoption of environment friendly technologies in steel production, the Ministry has implemented the "Promotion of Research & Development in Iron & Steel Sector" scheme. This initiative provides financial assistance to various institutions, including CSIR laboratories and academic organizations, to conduct research in areas such as environmental sustainability, energy efficiency, and the utilization of waste materials, including scrap."

Awareness campaigns about steel / ferrous recycling

40. In written reply toa query whether the MoS feel the necessity to conduct campaigns to create awareness amongst the households about disposal of old/ worn out/ unused household consumer durables such as refrigerators, washing machines ,etc? If so, state

whether the Ministry conducted any such awareness campaigns to ensure these are disposed of in an organized way, submitted as under:

> "Ministry of Steel has not undertaken independent awareness campaigns specifically targeted at households for the disposal of old consumer durables, however, it remains committed to supporting broader Government efforts aimed at strengthening environmentally responsible recycling practices and formal scrap recovery systems across sectors."

Quality of steel scrap

41. The MoS has submitted to the Committee that quality inconsistency of domestically available scrap continues to impede its wider industrial use, sought to know whether (i) it is offering targeted subsidies/ Viability gap funding (VGF) /R&D grants to promote development and adoption of feasible technologies for sorting, refining and purifying scrap, and (ii) any collaborations with premier research bodies like IITs, CSIR, ,etc to indigenise processes for steel scraping, MoS submitted as follows:

> "Presently, there is no proposal under consideration with in the Ministry of Steel for providing incentives /Viability Gap Funding (VGF) specifically for the use of scrap in steel making. However, to promote adoption of feasible technologies in steel production, the Ministry has implemented Promotion of Research &Development in Steel Sector" Scheme. This initiative provides financial assistance to various institutions ,including CSIR laboratories and academic organisations , to conduct research in areas such as environmental sustainability, energy efficiency and the utilisation of waste materials ,including scrap"

Steel scrap- Initiatives by Ministry of Shipping

42. Ministry of Ports, Shipping and Waterways while deposing before the Committee on 24 June, 2025, submitted the following initiatives to boost the ship recycling sector:

> " Ship breaking Code 2013 was adopted in line with Hong Kong convention for safe and environmentally sound recycling of ships,2009(HKC)
>
> India ratified the HKC in November, 2019. Subsequently enacted the Recycling of Ships Act, 2019 and the Ships Recycling Rules 2021. The draft regulations are to be notified.
>
> Gujarat Maritime Board (GMB) has also completed the master planning of Alang ship yard to expand the capacity increase from 4.5 Million Light Displacement Tonnage (LDT) to 9 Million"

43. Adding further, the Ministry, on the future Opportunity in Ship Recycling industry submitted as follows:

"Present infrastructure is adequate for the present ship recycling requirement which is about 400 ships per year

Shipping industry predictions estimate about 15000 ships coming in for recycling after their useful life in the next decade which amounts to 1500 ships per year

India being one of the market leaders in ship recycling in order to meet the above requirement plans are being taken up to double the present capacity by the end of the decade"

Steel scrap- Initiatives of Ministry of Road Transport and Highways (MoRTH)

44. In pursuance of fulfilling the objective of promoting production of high-quality ferrous scrap for quality steel production minimizing there by dependency on imports, MoS has taken the following steps:

"1. Bureau of Indian Standard (BIS) has revised IS 2549: 2023 Processed Ferrous Scrap – Code for Classification (Second Revision). This standard provides a comprehensive framework for the classification of processed ferrous scrap, facilitating consistency and quality in the recycling process.

2. MoRTH has issued rules for Registration and Functions of Vehicle Scrapping Facility (RVSF), which provides the procedures and infrastructure facilities required for de-pollution and dismantling of End-of-Life Vehicles (ELVs) for further recovery of metal and other materials under environmental regulations."

45. With regard to the concrete outcome of the action taken in respect of the policy initiative mentioned at para 4 above, MoS in their written reply stated that -

" As on date 96 Registered Vehicle Scrapping facility (RVSF) centers have been established for production of high-quality ferrous scrap"

46. One of the objectives of SSRP, 2019 is to promote the decongestion of the Indian cities from End-of-Life Vehicles (ELVs) and reuse ferrous scrap. The steps taken to implement and the concrete outcome there of as furnished by the MoS is as under:

"Ministry of Environment, Forest & Climate Change has introduced the Environment Protection (End-of-Life Vehicles) Rules, 2025, which establishes a framework for managing End-of-Life Vehicles (ELVs) in an environmentally sound manner and mandates Extended Producer Responsibility (EPR), requiring vehicle producers to meet annual scrapping targets based on the type of vehicle and materials recovered."

47. With regard to concrete outcome of the said policy initiative , MoS in a written reply stated that ' this will promote scrapping of ELVs through RVSFs"

48. With regard to the steps taken to fulfil the objective - Creation of mechanism for treating waste streams and residues produced from dismantling and shredding facilities in compliance with hazardous & Other Wastes Rules, 2016 of MoEF&CC- MoS in a written furnished as follows:

"MoEF&CC has also issued Hazardous & Other Wastes (Management & Transboundary Movement) Rules to ensure the safe storage, treatment, and disposal of hazardous waste in an environmentally sound manner."

Generation of steel scrap - Vehicle Scrapping Policy

49. The Ministry of Road Transport and Highways (MoRTH) in their back ground note on Vehicle Scrapping Policy submitted as follows:

"The Voluntary Vehicle - Fleet Modernization Program (V-VMP) or 'Vehicle Scrapping policy' was launched by Hon'ble Prime Minister on 13th August, 2021. It is aimed at creating an eco-system for phasing out of unfit and polluting vehicles in an eco-friendly manner. To enable successful implementation of this policy a network of Registered Vehicle Scrapping Facilities (RVSFs) for environmentally friendly , safe and scientific scrapping of vehicles is required to be set up across India .The policy targets voluntary scrapping of unfit commercial and private vehicles. The Key Objectives of the Policy are to:

- Reduce population of Unfit vehicles
- Achieve reduction in vehicular air pollution
- Formalize the currently informal vehicle scrapping industry
- Improve road and vehicular safety
- Achieve fuel efficiency"

Current Policy implementation status

50. The data on number of states covered with RVSFs, RVSFs set up and operational, monthly average scrapping volumes and average monthly steel scrap generated from RVSFs, etc., as furnished by MoRTH in their presentation made to the Committee on 08 May, 2025 is as follows:

Year	No of States covered	Number of RVSFs set up & operational	Average monthly scrapping volume		Average monthly steel scrap generated (in tons)
			Govt vehicles State & Central	Private vehicles	
2022-23	06	15	500	100	300
2023-24	16	52	3,200	2,100	7,500
2024-25	20	96	5,250	5,800	14,000

MoRTH has also submitted that as on 06 May, 2025 there are 96 operational RVSFs covering 20 states. There are 52 RVSFs under construction and applications are pending for state approval in case of 27 proposals for setting up of RVSFs.

2.18 lakh vehicles scrapped in total out of which 1.12 lakh are Government owned and 1.05 lakh are non -Govt owned.
2.77 Lakh tons of scrap steel recovered from vehicle scrapping till date"

51. Furnishing further data and details on impact on steel scrap imports due to Vehicle scrapping ecosystem, MoRTH submitted as follows:

- The National Steel Policy ,2019 mentions a scrap steel import of 70 lakh tonnes every year
- At full RVSF capacity i.e. -12 lakh ELVs will contribute to -15% of scrap steel import substitution
- Current scrap steel recovery, in 2025 stands at 1.68 lakh tons which contributes2.4% of scrap steel import substitution"

52. With regard to the initiatives taken to attract the vehicle owners towards dismantling of the old / worn out vehicles MoRTH has taken the following steps:

MoRTH &MoS collaboration in V-VMP

"

- ✓ **MSTC, PSU under MoS launched a platform for Govt vehicle e-auction in Jan 2023.**
  - ➢ As per the suggestion from advisor to hon'ble PM in meeting held under the Chairmen ship of Cabinet Secretary on 23rd Dec '22, MSTc agreed to ease the documents & not to charge any platform usage fee for bidders up to Mar'23
  - ➢ Post march '23 MSTC charged 35 fee per auction to successful RVSFs
  - ➢ Further , as per suggested in the meeting held under the Chairmanship of PS to PM on 25th June'24 MoS was directed to guide MSTC to reduce platform usage fee for bidders
  - ➢ Since Aug'24 ,MSTC is charging a user fee of 0.3% per auction to successful RVSF
- ✓ Ministry of Steel suggested a formula for determining the Reserve price of government vehicles older than 15 years , and the same was communicated to all Ministries and Departments via OM dated 23rd January , 2023.
  - ➢ Reserve Price is determined as 90% of the value of ferrous scrap component of the vehicle . 65% of the kerb weight of the vehicle taken as percentage of ferrous scrap.
  - ➢ Rate of ferrous scrap taken as moving average of steel scrap price during last three months
- ✓ Mahindra& Mahindra in JV with MSTC has set up 5 RVSFsin states- AS, GJ, KA, MP &UP."

Part -II

Observations and Recommendations

Policy initiatives taken and action taken by different Ministries on steel scrap

The Committee observe that the Govt of India (Ministry of Steel) has notified Steel Scrap Recycling Policy (SSRP) in November, 2019. The objectives of the policy include Promoting circular economy in the steel sector, promoting -

(a) six Rs - Reduce, Reuse, Recycle, Recover, Redesign and Remanufacture

(b) formal & scientific collection, dismantling & processing activities for end-of-life products, in safe and environmentally friendly manner, that are sources of recyclable ferrous, nonferrous & metallic scraps, thus minimizing the dependency on imports

(c) creation of Mechanism for treating waste streams and residues produced from dismantling and shredding facilities, etc.

2. In pursuance of the SSRP 2019, the Committee note, different ministries have formulated ministry specific policies. For instance, Ministry of Road Transport and Highways (MoRTH) Vehicle Scrapping Policy to phase out older, unfit polluting vehicles; Ministry of Mines (MoM) has brought out 'National Non-ferrous Metal Scrap Recycling Framework, 2020' for developing a formal and well-organized recycling ecosystem; Ministry of Environment, Forest & Climate Change (MoEF&CC) has brought in the Environment Protection (End-of-Life Vehicles) Rules, 2025, establishing a framework for managing End-of-Life Vehicles (ELVs) in an environmentally sound manner and mandates Extended Producer Responsibility (EPR), etc. Ministry of Shipping has notified Recycling of Ships Act, 2019 to regulate and promote the safe and environmentally sound recycling of ships. While appreciating the afore mentioned ministries for taking path breaking policy initiatives and the concrete steps taken to implement these initiatives in pursuance of SSRP, 2019 of the Steel Ministry, the outcome of these actions appears to be muted and sub optimal after nearly six years of their implementation and hence require further steps and course correction in their implementation as dealt in the succeeding suggestions / recommendations.

Lack of comprehensive data base on steel scrap sector- Need to have one.

3. As per the Government of India (Allocation of Business) Rules, 1961 (as amended up to 05 May, 2025) the Ministry of Steel (MoS) has been allocated the 'Scrap Steel' subject. MoS has submitted that at present the mandate of the Ministry pertains to 'processing and consumption of steel scrap' only. In response to the Committee's request, as mentioned at para 4 of part I of the Report for 'year wise and sector wise steel scrap generation' data since 2020-21, MoS, submitted the data for the year 2023-24 only that too from multiple secondary, indicative sources/ publications, without mentioning any reasons for not furnishing data for three years (from 2019-20 to 2022-23) from its very own steel sector of which it is the administrative Ministry. Responding to Committee's subsequent request (as stated at para 6 of part I of the Report) for data on industry wise steel scrap generation, usage, imports, exports, etc across ministries / departments for the last five years, MoS could furnish the data from multiple secondary and indicative sources/publications/different departments /task forces/ study groups, etc. The written replies and the depositions made before the Committee amply make it clear that:

(i) There is no Centralised data base available as of now, even after formulation and implementation of Steel Scrap Recycling Policy (SSRP), since 2019. The data is spread across different ministries / organisations.

(ii) MoS is not maintaining data base of even steel scrap being generated from steel sector of which it is the administrative Ministry leave alone data from other ministries/ departments concerned

(iii) MoS is supervising and monitoring the implementation of SSRP, 2019 without even primary database, an essential prerequisite for any meaningful and effective policy formulation and implementation.

(iv) No concrete efforts seem to have been made by MoS to realise the importance of centralised data for effective implementation of the policy. The representatives of the MoS during their deposition before the Committee and in subsequent written replies, repeatedly referred not only about the absence of mandate to maintain database, but also conspicuously silent on the need of the same and also the efforts made by them to bring steel scrap database management under

their mandate. The Committee feel that approach of the MoS towards data management is not pro active.

(v) Even the mandate of MoS – 'steel scrap processing and consumption' appears to have been interpreted in a way that it does not include data collection and maintenance on the subject as is borne by the fact that data on steel scrap consumption, mentioned at para 6 of part I of the Report, is also collected from different sources.

4. The Committee are of the considered view that data-based decisions leads to improved outcomes, enables public to appreciate and understand the issues, muster support for policies framed by the Govt and allow them to respond effectively in tackling emerging challenges. The Committee are also of the view that the steel scrap sector in India is in its incipient stage and there exist huge potential to generate and use of scrap in India. In view of the afore mentioned and also in view the committee's conclusions at para 3 above, they suggest and recommend that:

(i) A robust database of steel scrap be developed. For the purpose, an exclusive web site/portal be created, developed and maintained containing data on every aspect of steel scrap such as steel scrap generation and its usage across various sectors, up dation of data at regular intervals, policies, programmes, benefits of steel scrap usage for general public, comparative performance of steel scrap recycling in India vis-a- vis other countries, etc.

(ii) The proposed ferrous (steel) scrap recycling website be linked to the websites of Ministries concerned such as Ministries of Railways, shipping, Road transport and Highways, MoEF&CC , heavy Industries, etc. Any changes made in the data and details by these ministries may also be reflected in the comprehensive data base on the Steel Scrap

(iii) The website site may also be linked to all the States and Union Territories (UT) to enable them to upload the data State/UT wise on the subject . This will enable the Central govt / concerned Ministry to monitor the steel scrap related data and other related matters and the State Governments may also be requested to have the data and details of steel scrap generated in that State/ UTs included/uploaded in the website.

(iv) The afore mentioned database mechanism / website will replace the current system of disaggregated mode of collection and compilation of data on steel scrap. The website/ portal should become a source of comprehensive, reliable, credible, authentic and effective database management of steel scrap in India which is essential for formulating policies, implementing them in an effective manner and enabling the Govt to arrive at informed decisions.

Need to designate Nodal Ministry in r/o Steel scrap matters

5. The Committee note that MoS in their depositions and in subsequent written replies have repeatedly stated that so far, no Govt organisation has been made responsible for collecting and maintaining database on steel scrap in India. They further note that MoS is the primary user of steel scrap, generates 50 % (approx.) of the entire steel scrap and is also the implementing Ministry of the SSRP, 2019. The Committee, considers it appropriate to recommend that:

(i) Ministry of Steel (MoS) may be designated as the nodal agency for capturing, collecting, compiling, updating, sharing, disseminating, etc of the data on steel scrap generation, usage, imports, exports, (state wise, sector wise), etc. In other words, the MoS will act as data base manager and also a one stop solution for all data related queries /issues in steel scrap sector. The ultimate objective is to evolve the database as a primary source of data on steel scrap in India. Necessary systems and procedures including the website/portal as mentioned at sl no. 3(i) above, may be put in place with defined timelines to give effect to the recommendation enabling informed policy decisions.

(ii) The responsibility for collection of data on steel scrap and creating and maintaining comprehensive data base on steel scrap as recommended at above para (i) may be included in the 'MANDATE' of the Ministry of Steel.

(iii) Necessary changes to the Govt of India (Allocation of Business) Rules, 1961 may be effected empowering the Ministry of Steel with the mandate mentioned at (ii) above at the earliest.

Steel scrap consumption, generation and imports in India

6. The data furnished by MoS and as mentioned at para 6 of part I of the report shows that the total scrap consumption in India over a period of five years has grown from 26.22 Million Tons (MTs) in 2019-20 to 33.36 MTs in 2023-24, a growth of 27 % during the period. The domestic generation of steel scrap which stood at 19.65 MTs in 2019-20 has gone upto 24.67 MTs in 2023-24, an increase of 25%. The imports which stood at 6.57 MTs in 2019-20, has however, gone up to 8.69 MTs in 2023-24, showing an increase of 32% in the same period. This shows the domestic generation of scrap is not enough to meet the growing demand for steel scrap in India.

While the Committee are glad to note that the rising demand for steel scrap in India is a sign of increased importance given to scrap based steel making, they apprehend that increasing reliance on imports may not augur well for the domestic scrap-based steel industry. It is because many developed and developing countries namely Japan USA , Italy , Spain, Iran and Mexico whose steel production through secondary route stood at 25%, 68%, 81.5%, 65.7%, 90.8% and 75.8% respectively in 2018 has gone up to 26.4%, 71.8%, 87.9%, 69.2%, 92% and 93.5 % respectively of their total steel production in 2024.

The above trend and preference for steel making through secondary route , the Committee believe, is due to decarbonisation of steel making process which primarily involves replacement of natural resources such as iron ore with scrap as raw material that offers immense benefits in terms of savings in Energy (74%) , raw material (90%,) and water (40%) in addition to reduction in (a) GHG emissions (76%); (b) air pollution (85%); and, (C) mining waste (97%).

In the light of the above, the Committee are of the view that India can't offer to miss the opportunity and want the MoS to lead the initiatives in coordination with other ministries concerned in enhancing the scrap-based steel production in India without any further loss of time. The Committee are further of the view that bureaucratic hurdles should not be allowed to come in the way of implementing policy initiatives to move towards decarbonisation of steel in defined timelines.

Exports of steel scrap

7. Data at para 6 of part I of the report shows that a small quantity of steel scrap worth Rs. 100 crore (approx.) was also exported in 2023-24. In written reply to queries (i) why are the exports allowed, however limited quantities, when there is a scarcity of scrap in domestic market? (ii) do the exports fetch more prices than the domestic prices; and, (iii) the value of the steel scrap has gone up despite the quantum of steel scrap generated in 2020-21 has gone down *vis-a- vis* that of the previous year 2019-20 , MoS in a written reply submitted that the export and import of steel scrap are governed by market dynamics, techno-commercial issues taken by the individual companies and other concerned authorities. The Committee, in view of the shortage of scrap, may like to consider reviewing exports of steel scrap.

Steel production through EAF and IF secondary routes - Comparison with other countries.

8. An analysis of the data on steel production through primary routes (Blast Furnace / Basic Oxygen Furnace), Electric Arc Furnace (EAF) and Induction Furnace (IF) mentioned at para 21 of part I of the Report shows that from 2017-18 to 2024-25, steel production through BF/BOF and EAF route has come down by 5% each and corresponding increase in production by 10% through Induction Furnace (IF) route. The Committee also note that steel making through EAF and IF routes use coal and gas based DRI (Direct reduced Iron) and the average percent of scrap used as raw material stood at 21% in India as compared to 22%, 57%, 34% 68%, 39% and, 85% in China, EU, Japan, USA, Russia and Turkey respectively in 2022. The data shows India has to do a lot to catch up with the developed countries in usage of scrap. As suggested elsewhere in the report, necessary, enabling and facilitating systems, procedures, processes and their implementation at the ground level be taken up with the authorities at regular intervals to create an ecosystem where scrap value is appreciated / recognised and used in the steel making process.

Usage of scrap in crude steel production

9. Analysis of the data on crude steel production and the usage of scrap, both in absolute and percentage terms, since 2019-20 reveals that though scrap consumption in making crude steel has gone up continuously from 26.22 MTs in 2019-20 to 33.37 MTs in

2023-24 in absolute terms (except in 20-21), the scrap consumption in percentage terms of the total crude steel production has witnessed a decline of 1% during the same period. Such a declining trend, the Committee observe, is diametrically opposite to the increasing trend in usage of steel scrap prevalent in advanced countries such as the US (69.7 to 71.8%) , Italy (81.5 to 87.9%), Spain (68.8 to 69.2%) and developing countries namely Iran (90-92%) and Mexico (76.9 to 93.5%). The MoS attributed the decline due to EAF/IF production in India which still relies significantly on sponge iron (DRI) along with scrap, due to economics and the limited availability of clean, segregated, and high-quality domestic scrap. The Committee, therefore, are of the view that such a declining trend of scrap usage despite favourable policy environment shows the lack of implementation of the policies at the ground level in an effective way making available required quantities of scrap in an organised and formal way and accordingly recommend the corrective steps may be taken in a defined timeline.

Scrap steel production -Achievement of target set under Steel Policy, 2017

10. The Committee note that Steel Policy 2017, targeted to achieve 35-40% of the projected steel out put of 300 Million tons by 2030 through scrap-based steel. The Committee, in view of the existing lack of adequate supporting structures, policies, programmes for scrap collection and its usage, in a formal way, believe that it seems a tall order to achieve the 35-40% of total steel production using scrap by 2030 and accordingly suggest to ramp up the supporting systems, processes and mechanism to realise the targets set.

Need for developing informal scrap markets into formal scrap markets in organised sector

11. The Committee also observe that both IF and EAF can use upto 100% scrap in steel production. However, MoS stated that based on economics and availability, currently scrap is used partially. For the rest, sponge iron /DRI is used. The Committee, therefore, are of the view that it is lack of availability of scrap in required quantities, hampering the ramp of steel production using scrap and hence suggest that specific steps be taken to ensure the availability of scrap in required quantities in defined timelines, which the Committee believe is possible only when the informal scrap markets transition to formal scrap markets are duly recognised and encouraged by the State and

Central Govts. The Committee also want the Ministry to put in place a road map along with timelines, to formalise the sector. As a first step towards formalisation, 'Kabadiwallahs' and scrap dismantlers /dealers in informal sector may be considered for organising themselves into cooperatives due to advantage it offers in terms of formation, operations , economic and social benefits, etc.

Economics of routes of steel making

12. The Committee while noting that (i) Blast Furnace / -Basic OF route is the most efficient and cost effective, with an average of 15-20%of EBIDTA margin; (ii) EAF&IF routes has on an average of 3-7% EBIDTA margin with the present charge mix (25% scrap mix) ; (iii) Significantly, lower capital intensity for EAFs/IFs(-INR73,100/t) ; (iv) lower installation time for capacity – for EAFs/IFs(1-2 years) as compared to BF -BOF (4-5 years) ; and, (v) High flexibility on the capacity and thus investment required-EAFs/ IFs, especially small capacity EIFs (-10kt/year), can be installed quickly due to smaller modular capacities. In contrast, BF-BOFs set ups typically exceed 1mt/year, requiring higher capital and longer lead times, sought clarification from MoS whether the above-mentioned economics take into consideration the energy savings, raw material and water consumption savings and reduction in GHG emissions, air pollution and Mining waste and its extended impact on the environment and health of the population, MoS in a reply merely stated that the cost of crude steel with present mix of 25% scrap+ 58% DRI+ 17% Pig iron, is cheaper by 10% in case of increased use of scrap (80% scrap +20% DRI) due to availability of coal based DRI at competitive rates. The impact of Green House Gas (GHG) has, however not been considered in such an assessment. As the Govt itself is emphasizing the production of decarbonized steel (green steel) the Committee, considers fit to recommend that impact of GHG emissions should be taken into consideration while calculating cost of scrap steel. The reply of the Ministry is also silent whether the cost includes savings in energy savings. The Committee, therefore, want MoS to clarify this aspect.

Emission intensity and the need for decarbonization.

13. The Committee note that steel industry accounts for 12% of India's total emissions, necessitating its decarbonization crucial for meeting the country's climate goals . The data on the emission intensity of India's steel industry as furnished at para 30 of part I of the report shows that currently, the average emission intensity of the steel sector in India is 2.54 tonnes CO2/tonne of crude steel (tCO2/tcs). The Committee note that emissions intensity varies widely due to volume of production, proportion of scrap used, the type of fuel utilized and the technology used. The data shows that Indian steel industry's average emission intensity at 2.54 t CO2/ tcs is (i) more than double that of Europe, Turkey, USA which is in the range of 0.79 to 1.06 tCO2/tcs, (ii) far higher than that of south Korea , Japan and Russia (whose intensity is in the range of 1.35 to 1.65 tCO2/tcs) (iii) higher than that of China (at 2.01 tCO2/tcs). The afore mentioned data underscores the need for faster shift to scrap based steel production. This further necessitates the urgency of collecting, processing, sorting, refining and developing scrap markets in an organized way.

As the policy and legal frameworks for steel scrap have already been put in place about few years back, the Committee recommend that necessary administrative structures, clearly defining the mandate of the ministry/ dept concerned, to avoid turf wars stymying and stifling the development of scrap sector, should be set up and made operational without any further delay.

Preference for green steel in public procurement

14. The Committee also want the Ministry to explore the possibility of giving preference to green steel (steel made of scrap) at least for a specific period (say 5 years) in public procurement to incentivize and encourage the manufacturers to adopt scrap-based steel making.

Industry status to steel scrap recycling sector

15. The Committee note that the issue of according 'Industry status' to scrap recycling was referred to Ministry of Finance (Dept of Revenue) way back in 2020. The

Dept of Revenue took a stand that setting up of a scrapping centre may not qualify as a manufacturing activity/ industry under section 35AD of the Income Tax Act,1961. The Committee view that according 'industry status' to scrap recycling sector is not merely for the purpose of tax exemptions / benefits. 'Industry status' to recycling sector, which at present is predominantly in unorganised sector, the Committee believe, would hasten its transition to 'organised sector' with huge attendant benefits such as attracting investments, both domestic and foreign, generation of employment, skill development and training, etc. They view that granting 'industry status' to the recycling sector would be a transformative step towards harnessing the full potential of the sector. Such a step would also enable the entrepreneurs to avail bank loans to fund setting up of scrap collection and dismantling Centers and accordingly recommend MoS to take up the matter with the authorities concerned at the earliest.

Awareness campaigns about steel / ferrous recycling

16. The Committee are of the view that presently households dispose of old/ worn out/ unused household consumer durables such as refrigerators, washing machines, and other consumer durables commonly referred to as 'white goods' to the unorganised 'kabadiwallahs' relies on manual dismantling and segregation of scrap components, which may increase the price of the scrap. Further, the unorganised and informal scrap dismantling entities may not be able to segregate the scrap in safe and ecofriendly manner. This underscores the need for formalisation of the steel scrap sector. The Committee believe that creation of awareness campaigns goes a long way in encouraging public participation in organised recycling of the steel scrap. The awareness campaigns may include (a) introducing recycling of scrap and its benefits in the school curriculum (ii) media campaigns in print, electronic and social media about recycling, circular economy and its positive impact on conservation of natural resources and protection of environment, etc. (iii) engaging with Civil Society Organisations (CSOs) to strengthen education and outreach initiatives.

17. The Committee also recommend that after setting up of scrap dismantling, processing sorting centres, a campaign may be carried out on the lines of 'Swatchhata Abhiyaan' to collect the old/ worn out/ unused household consumer durables such as refrigerators, washing machines, and other consumer durables commonly referred to as

'white goods' construction and building material, ferrous waste lying with households, offices , institutions, commercial and industrial establishments to dispose of the scrap items to the nearby scrap dismantling Centres. High decibel campaigns may be carried out to ensure maximum impact in terms of disposing of the ferrous scrap. Further such campaigns may be carried out in different media - print, electronic, social media in all the local languages to ensure maximum reach and to have impact to such an extent that it brings attitudinal change towards disposal of ferrous scrap in a safe and ecofriendly manner.

18. The Committee also, in view of the huge number of unused vehicles involved in committing crimes, accidents, thefts, etc for years together gathering dust, lying with law enforcement authorities/ police stations, may be considered for dismantling as part of campaign suggested above. To realise this, the Committee recommend that a supporting legal framework be put in place with in defined timelines.

Skill Development and Certification for the Scrap Workforce

19. The Govt of India has launched 'National Skill Development Mission' in 2015, a comprehensive framework to enhance skill development. The launch of the Mission is accompanied by the implementation of the National Policy on Skill Development and Entrepreneurship, 2015. National Skill Development Council (NSDC), a not-for-profit Company u/s 8 of the Companies Act, 2013, is responsible for creating training initiatives for future ready skilled workforce. The Courses offered under Skill India Mission does not include 'Scrap handling which involve collection, segregation, sorting, refining, processing, disposing in safe and ecofriendly manner etc, probably due to informal nature of the scrap markets in India.

Many Ministries of the Govt of India such as Ministries of (i) Steel, (ii) Ports, (iii) Environment , Forests, & Climate Control, (iv) Road transport and Highways during the

last six years have formulated Rules, Regulations, Guidelines for dealing with the scrap right from collection to utilisation in a safe and ecofriendly manner and also setting up of scrap dismantling Centres. The Committee believe that these initiatives will go a long way in enabling the transition of scrap sector to a formal sector in the near future contributing immensely the development of the economy and also conserve natural resources. Such transition to 'formal sector' and also to realise the objectives of the Committee's recommendation to accord 'Industry status' (sl no. 15 above), require huge number of skilled scrap manpower. The Committee accordingly recommend that NSDC should introduce certification courses on 'Scrap in general and steel scrap handling 'in particular covering the various aspects – collection, segregation, sorting, refining, processing, disposing in safe and ecofriendly manner. Such certification Courses will cater to the Human resources' requirements of formal scrap / steel scrap sector' in the near future both for the work force and also for the entrepreneurs who wants to set up scrap processing and dismantling plants.

Quality of scrap & need for R&D support

20. MoS may kindly recall that the Committee's recommendations on the R&D schemes of the MoS, as contained in the Demands for Grants (2025-26) , where in the Committee observed the not so encouraging performance in carrying out R&D- as out of 19 projects sanctioned by them with a budget of Rs. Five crores to different R&D projects carried out in various institutes, only three could be completed and the rest are at different stages of implementation. In this context , the Committee would like to be apprised of the number of R&D projects funded in the field of steel scrap to improve sorting , refining quality, etc of the steel scrap and their status at the earliest.

Scrap Processing Centres -adoption of latest technology

21. The scrap processing Centres may be incentivised by non-fiscal means to enable them to adopt modern technologies like AI powered optical sensors , block chain for

scrap traceability to ensure quality and prevent theft and digital platforms to connect scrap aggregators directly with steel mills .

Occupational safety and Health hazards.

22. The steel scrap sector, which at present is predominantly an informal sector, employs unskilled and semi-skilled workers to process the scrap. The sector is being transitioned to a formal sector in the very near future, with large number of people engaged in collection, processing, sorting, refining, etc, of the steel scrap. The Committee, therefore, feel it is imperative to formulate policy, regulations and rules on the "Occupational Safety and Health hazards" of the people working in the Steel scrap sector and put them in place at the earliest.

NEW DELHI;
1 August, 2025
10 Shravan, 1947 (Saka)

ANURAG SINGH THAKUR
Chairperson,
Standing Committee on Coal,
Mines and Steel

MINUTES OF THE NINETEENTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL HELD ON 8th MAY, 2025 IN COMMITTEE ROOM NO. 3, PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 11.15 hrs to 1300hrs.

PRESENT

Shri Anurag Singh Thakur- Chairperson

Lok Sabha

2. Shri Sukhdeo Bhagat
3. Smt. Roopkumari Choudhary
4. Shri Vijay Kumar Hansdak
5. Smt. Kamlesh Jangde
6. Shri Harish Chandra Meena
7. Smt. Bharti Pardhi
8. Shri B.K. Parthasarathi
9. Dr. Manna Lal Rawat
10. Dr. Rajkumar Sangwan
11. Shri Shatrughan Prasad Sinha
12. Smt. Pratibha Suresh Dhanorkar

Rajya Sabha

13. Shri Rwngwra Narzary
14. Shri Devendra Pratap Singh
15. Shri Pradip Kumar Verma
16. Dr Fauzia Khan

SECRETARIAT

1. Shri Srinivasulu Gunda - Joint Secretary
2. Smt. Jagriti Tewatia - Director
3. Smt. Sunanda Chatterjee - Deputy Secretary

WITNESSES

MINISTRY OF STEEL

STEEL PSUs

1. Shri Ashish Chatterjee-AS&FA
2. Shri Abhijit Narendra-Joint Secretary
3. Shri Amarendu Prakash-Chairman, SAIL
4. Shri A.K. Saxena-CMD, RINL
5. Shri Jay Kala, DGM MOIL
6. Shri Manobendra Ghoshal, CMD, MSTC,
7. Shri V. Suresh, Director(NMDC)

MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

1. Shri Mahmood Ahmed, Addl. Secretary
2. Shri Harsh Prabhakar, EE

2. At the outset, the Chairperson welcomed the Additional Secretary and other representatives of the Ministry of Steel , its Public Sector Undertakings (PSUs) and Ministry of Road Transport and Highways to the sitting of the Committee convened for briefing on the subject Steel Scrap Recycling Policy, 2019.

3. The sitting commenced with the representatives of the Ministry of Steel presenting a brief PPT on the subject. The representatives of Ministry of Steel gave an overview of the Indian Steel sector with particular reference to steel scrap and the Steel Scrap Recycling Policy 2019. During the presentation, the Ministry informed that they are the end users of Steel Scrap and also highlighted the current scrap generation and usage scenario by various sectors viz. Steel Industry, Railways, Electric vehicles, Ship breaking units, Construction and Demolition Sector and other Sectors and also about scrap imports and exports in the country, global comparison of scrap generation etc. The Committee were also informed that various implementation Ministries/agencies viz the M/o Environment, Forest and Climate Change, M/o Road Transport and Highways, Ministry of Heavy Industries and Ministry of Finance etc are also coordinating to deal with the policy and the Inter Ministerial coordination is now being handled by Niti Aayog , which has constituted two working groups to tackle issues related to the Circular Economy of ELVs and Ferrous Scrap Metals.

4. The representative of M/o Road Transport & Highways also gave a presentation on the Voluntary Vehicle Fleet Modernization Policy(V-VMP) number of Registered Vehicle Scrapping Facility (RVSF) set up and operational, the State-wise distribution of

such centers, Vehicles scrapped impact of vehicle scrapping ecosystem on steel scrap, collaboration of the Ministry with Ministry of Shipping etc.

5. Thereafter, the Members raised queries regarding the shortage of steel scrap in the country, roles and responsibilities of various Ministries regarding administration of the Steel Scrap Recycling Policy 2019 which shows apparent lack of coordination between various implementation agencies and Ministries, role of nodal Ministry efforts which are required to be made for promoting the generation of steel scrap in the country and the need to bring the largely informal scrap processing sector into the organized sector etc. The Members pointed out to the lack of data base with respect to the quantity of scrap available and collected by the Ministry and also how different State governments seem to be having different vehicle scrapping policies.

6. The representatives of the Ministry responded to some of the queries raised by the Members. The Chairperson then directed the representatives of the Ministry of Steel and the Ministry of Road Transport and Highways to furnish written replies to the queries raised by the Members which remained unanswered during the Sitting of the Committee within fifteen days.

7 . Hon'ble Chairperson thanked the Members of the Committee and officials of the Ministries and PSUs for their active participation in the sitting of the Committee and invited them to join for Tea,

The Committee then adjourned.

MINUTES OF THE TWENTY SECOND SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL HELD ON 24th JUNE, IN COMMITTEE ROOM NO. 1, PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1200 hrs to 1315hrs.

PRESENT

Shri Anurag Singh Thakur- Chairperson

Lok Sabha

2. Shri Sukhdeo Bhagat
3. Shri Govind Makthappa Karjol
4. Smt. Jyotsna Charandas Mahant
5. Shri Harish Chandra Meena
6. Smt. Bharti Pardhi
7. Dr. Manna Lal Rawat
8. Dr. Rajkumar Sangwan
9. Shri Kali Charan Singh
10. Shri Shatrugan Prasad Sinha
11. Smt. Pratibha Suresh Dhanorkar

Rajya Sabha

12. Shri Anil Kumar Yadav Mandadi
13. Shri Manas Ranjan Mangaraj
14. Shri Deepak Prakash
15. Shri Pradip Kumar Varma
16. Dr Fauzia Khan

SECRETARIAT

1.	Shri Srinivasulu Gunda	-	Joint Secretary
2.	Smt. Jagriti Tewatia	-	Director
3.	Smt. Sunanda Chatterjee	-	Deputy Secretary

WITNESSES

Ministry Of Ports, Shipping and Highways

1. Shri T.K. Ramchandran-Secretary(PSW)
2. Shri R. Laxmanan-Joint Secretary

Ministry of Finance

1. Shri Ramesh Narain Parbat-Member(legislation), CBDT
2. Shri Vivek Ranjan-Member(Tax Policy)CBIC

Ministry of Heavy Industries

1. Dr. Hanif Qureshi-Additional Secretary, MHI
2. Shri Manish Kumar-Deputy Secretary

NITI Aayog

1. Dr. Yogesh Suri-Programme Director
2. Dr. Anshu Bhardwaj-Programme Director

2. At the outset, the Chairperson welcomed the representatives of the Ministry of Ports, Shipping and Waterways, Ministry of Finance, Ministry of Heavy Industries and NITI Aayog to the sitting of the Committee convened on the subject Steel Scrap Recycling Policy, 2019.

3. The sitting commenced with the representatives of the Ministry of Ports, Shipping and Waterways presenting a brief PPT on the subject. The representatives of Ministry gave an overview of the Indian Ship Breaking Sector with particular reference to Hong Kong convention which will be adopted in India in June, 2025. During the presentation, the Ministry informed that India stands second in the Ship dismantling business after Bangladesh and also highlighted the uses of scrap generated from this sector.

4. The representative of NITI Aayog highlighted that NITI Aayog acts as a think tank regarding the efforts needed to create a circular economy and also clarified to the Committee that it is not the nodal organization for implementation of the Steel Scrap Recycling Policy. NITI Aayog has formed working groups comprising different Ministries for better inter-Ministerial cooperation on the subject and only helps to offer policy inputs.

5. The representative of the Ministry of Heavy Industries informed the Committee that they coordinate with the Ministry of Road Transport and Highways in order to boost the vehicle scrapping policy in the country. As far as the specific role of the Ministry of Heavy Industries is concerned, the Ministry gives incentives for electric vehicles. The representative of the Ministry of Finance informed the Committee that the Ministry is planning to offer new incentives to encourage the steel industry, automobile industry and the other heavy industries to increase generation of steel scrap. Also the Ministry is not giving incentives and deductions for any new industry in the new Income Tax Bill which also covers the steel scrap industry.

6. Thereafter, the Members raised queries regarding the shortage of steel scrap in the country and the efforts needed to make our country number one in ship recycling industry. Also, the Members clarified on the ways incentives can be given to the policy and whether according Industry status will offer some benefits. The Members pointed out to the lack of data base with respect to the quantity of scrap available and collected by the Ministry and also how different State governments seem to be having different vehicle scrapping policies.

7. The representatives of the Ministries responded to some of the queries raised by the Members. The Chairperson then directed the representatives of the Ministries to furnish written replies to the queries raised by the Members which remained unanswered during the Sitting of the Committee within fifteen days.

8. Hon'ble Chairperson thanked the Members of the Committee and officials of the Ministries for their active participation in the sitting of the Committee and invited them for lunch.

The Committee then adjourned.

MINUTES OF THE TWENTY THIRD SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL HELD ON 24th JUNE, IN COMMITTEE ROOM NO. 1, PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1430 hrs to 1545hrs.

PRESENT

Shri Anurag Singh Thakur- Chairperson

Lok Sabha

2. Shri Sukhdeo Bhagat
3. Shri Govind Makthappa Karjol
4. Smt. Jyotsna Charandas Mahant
5. Shri Harish Chandra Meena
6. Smt. Bharti Pardhi
7. Dr. Manna Lal Rawat
8. Dr. Rajkumar Sangwan
9. Shri Kali Charan Singh
10. Shri Shatrugan Prasad Sinha
11. Smt. Pratibha Suresh Dhanorkar

Rajya Sabha

12. Shri Anil Kumar Yadav Mandadi
13. Shri Manas Ranjan Mangaraj
14. Shri Deepak Prakash
15. Shri Pradip Kumar Varma
16. Dr Fauzia Khan

SECRETARIAT

1. Shri Srinivasulu Gunda- Joint Secretary
2. Smt. Jagriti Tewatia -Director
3. Smt. Sunanda Chatterjee-Deputy Secretary

WITNESSES

Ministry of Steel

1. Shri Sandeep Poundrik-Secretary
2. Shri Vinod K. Tripathi, Joint Secretary.
3. Shri Amarendu Prakash, Chairman, SAIL

Ministry Of Ports, Shipping and Highways

1. Shri R. Laxmanan-Joint Secretary

Ministry of Finance

1. Shri Ramesh Narain Parbat-Member(legislation), CBDT
2. Shri Vivek Ranjan-Member(Tax Policy)CBIC

Ministry of Heavy Industries

1. Dr. Hanif Qureshi-Additional Secretary, MHI
2. Shri Manish Kumar-Deputy Secretary

NITI Aayog

1. Dr. Yogesh Suri-Programme Director
2. Dr. Anshu Bhardwaj-Programme Director

The Chairperson welcomed the representatives of the Ministry of Steel to the sitting of the Committee. The Chairperson also welcomed back the representatives of the Ministry of Ports, Shipping and Waterways, Ministry of Finance, Ministry of Heavy Industries and NITI Aayog to the post luncheon sitting of the Committee convened on the subject Steel Scrap Recycling Policy, 2019.

2. At the outset the Secretary, Ministry of Steel gave a brief presentation on the subject Steel Scrap Recycling Policy. He emphasized that the policy aims at five key objectives namely to promote circular economy, to promote production of high-quality ferrous scrap, environment sustainability, standardization of scrap, and to promote scrap-based steelmaking. The Ministry clarified that since the policy was made at the Ministerial level , it was very difficult to get different Ministries on board for the policy. Hence, the Ministry is in the process of proposing a policy and taking it to the Cabinet in consultation with the Ministries concerned.

3. The Ministry of Steel also informed the Committee that the country's domestic scrap is around 23 million tonnes and roughly 8 to 9 million tonnes of scrap are being imported. Out of this scrap about 50 per cent is coming from steel plant themselves while other sectors are contributing very small percentage to the ecosystem. This is because of the fact that most of the infrastructure is relatively new and it will be around 10 to 20 years, when we start getting scrap from that infrastructure which has been created in the last 20 or 30 years.

4. Thereafter, the Members raised queries regarding the lack of inter-Ministerial coordination between the Ministries. The Members pointed out to the lack of data base with respect to the quantity of scrap available and collected by the Ministry and also how the unorganized sector monopolizes over the scrap industry. The Members pointed out that the Ministry seem to be doing very little for the policy and passing the responsibility on each other.

4. The representatives of the Ministries responded to some of the queries raised by the Members. The Chairperson then directed the representatives of the Ministries to furnish written replies to the queries raised by the Members which remained unanswered during the Sitting of the Committee within fifteen days.

5 . Hon'ble Chairperson thanked the Members of the Committee and officials of the Ministries for their active participation in the sitting of the Committee and invited them for refreshments.

The Committee then adjourned.

ANNEXURE

MINUTES OF THE TWENTY FOURTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2024-2025) HELD ON WEDNESDAY, THE 23rd JULY, 2025 FROM 1000 HRS. TO 10.45 HRS. IN COMMITTEE ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

PRESENT

Shri Anurag Singh Thakur - Chairperson

Lok Sabha

1. Dr. Raj Kumar Chabbewal
2. Smt. Roopkumari Choudhary
3. Shri Vijay Kumar Hansdak
4. Smt. Kamlesh Jangde
5. Shri Bidyut Baran Mahto
6. Shri Harish Chandra Meena
7. Shri Ananta Nayak
8. Smt. Bharti Pardhi
9. Dr. Rajkumar Sangwan
10. Shri Kali Charan Sinha
11. Shri Shatrugan Prasad Sinha

Rajya Sabha

12. Smt. Mahua Maji
13. Shri Anil Kumar Mandadi
14. Shri Manas Ranjan Mangaraj
15. Shri Deepak Prakash
16. Dr. Fauzia Khan

SECRETARIAT

1. Shri Srinivasulu Gunda - Joint Secretary
2. Smt. Jagriti Tewatia - Director

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

3. The Committee thereafter took up the consideration of the Draft Report on the subject "Steel Scrap Recycling Policy" relating to the Ministry of Steel.

4. After due deliberations, the Committee adopted the Draft Report with slight modifications as shown in the Annexure.

5. While the subject selected by the Committee was Steel Scrap Policy, the nomenclature of the policy is Steel Scrap Recycling Policy. The Committee therefore

also decided to adopt the report with the same nomenclature i.e. Steel Scrap Recycling Policy.

6. The Committee then authorized the Chairperson to finalize the Report in the light of the factual verification received from the concerned Ministry and present/lay the same in both the Houses of Parliament.

The Committee, then, adjourned.

ANNEXURE

Modifications Made in the Draft Report on the subject" Steel Scrap Recycling Policy"

Sl.No.	Para Nos.	Recommendation portion of the Draft Report	Revised Recommendation Portion of the Draft Report After Changes Suggested by the Committee
1	Para no. 11	After recommendation para no. 11	Added: The Committee also want the Ministry to put in place a road map along with timelines, to formalise the sector. As a first step towards formalisation, 'Kabadiwallahs' and scrap dismantlers /dealers in informal sector may be considered for organising themselves into cooperatives due to advantage it offers in terms of formation, operations, economic and social benefits, etc.
2	Para no. 17	After the words 'White Goods'	Added: construction and building material, ferrous waste lying with households, offices, institutions, commercial and industrial establishments to dispose of the scrap items to the nearby scrap dismantling Centres. High decibel campaigns may be carried out to ensure maximum impact in terms of disposing of the ferrous scrap. Further such campaigns may be carried out in different media - print, electronic, social media in all the local languages to ensure maximum reach and to have impact to such an extent that it brings attitudinal change towards disposal of ferrous scrap in a safe and ecofriendly manner.
3	Para no 18	For the word recommended	Read as 'recommend'.
4	Para no.19	New paragraph no.19 was added	Skill Development and Certification for the Scrap Workforce The Govt of India has launched 'National Skill Development Mission' in 2015, a comprehensive framework to enhance skill development. The launch of the Mission is accompanied by the implementation of the National Policy on Skill Development and Entrepreneurship, 2015. National Skill Development Council (NSDC), a not-for-profit Company u/s 8 of the Companies Act, 2013, is responsible for creating training initiatives for future ready skilled workforce. The Courses offered under Skill India Mission does not include 'Scrap handling which involve collection, segregation, sorting, refining, processing, disposing in safe and ecofriendly manner etc, probably due to informal nature of the scrap markets in India.

			Many Ministries of the Govt of India such as Ministries of (i) Steel, (ii) Ports, (iii) Environment, Forests, & Climate Control, (iv) Road transport and Highways during the last six years have formulated Rules, Regulations, Guidelines for dealing with the scrap right from collection to utilisation in a safe and ecofriendly manner and also setting up of scrap dismantling Centres. The Committee believe that these initiatives will go a long way in enabling the transition of scrap sector to a formal sector in the near future contributing immensely the development of the economy and also conserve natural resources. Such transition to 'formal sector' and also to realise the objectives of the Committee's recommendation to accord 'Industry status' (sl no. 15 above), require huge number of skilled scrap manpower. The Committee accordingly recommend that NSDC should introduce certification courses on 'Scrap in general and steel scrap handling 'in particular covering the various aspects – collection, segregation, sorting, refining, processing, disposing in safe and ecofriendly manner. Such certification Courses will cater to the Human resources' requirements of formal scrap / steel scrap sector' in the near future both for the work force and also for the entrepreneurs who wants to set up scrap processing and dismantling plants.
5	Para no 21	New paragraph no.21 was added	Scrap Processing Centres -adoption of latest technology The scrap processing Centres may be incentivised by non-fiscal means to enable them to adopt modern technologies like AI powered optical sensors , block chain for scrap traceability to ensure quality and prevent theft and digital platforms to connect scrap aggregators directly with steel mills .
6	Para no. 22	New paragraph no.22 was added	Occupational safety and Health hazards. The steel scrap sector, which at present is predominantly an informal sector, employs unskilled and semi-skilled workers to process the scrap. The sector is being transitioned to a formal sector in the very near future, with large number of people engaged in collection, processing, sorting, refining, etc, of the steel scrap. The Committee, therefore, feel it is imperative to formulate policy, regulations and rules on the "Occupational Safety and Health hazards" of the people working in the Steel scrap sector and put them in place at the earliest.