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STANDING COMMITTEE ON COAL, MINES AND STEEL (2025-2026)

EIGHTEENTH LOK SABHA

MINISTRY OF STEEL

DEMANDS FOR GRANTS (2026-27)

TWENTIETH REPORT

LOK SABHA SECRETARIAT
NEW DELHI

MARCH, 2026/PHALGUNA, 1947 (SAKA)

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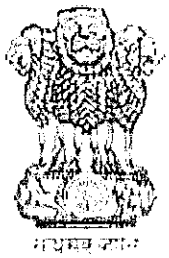
Presented to Lok Sabha on 13.03.2026

Laid in Rajya Sabha on 13.03.2026



LOK SABHA SECRETARIAT
NEW DELHI

MARCH, 2026/PHALGUNA, 1947 (SAKA)

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CONTENTS

Chapter I	Introductory	
A	Overview of Steel Sector	1
	Role and functions of Ministry of Steel	2
	Overview of the CPSEs under Ministry of Steel.	3
	Central Sector Schemes	6
	Other Central Sector Expenditure	7
Chapter II	Overview of Demands for Grants	
A	Demands for Grants for the year 2026-27	8
Chapter III	Detailed Analysis of Demands for Grants	
A	Establishment Expenditure	12
B	Central Sector Schemes	12
	Production Linked Incentive Scheme	13
	Scheme for Promotion of Research and Development in Iron and Steel Sector	18
	Flagging of Merchant Ships in India	23
C	Other Central Sector Expenditure	24
D	Steel CPSEs -Physical and Financial Achievements	28
Chapter IV	Steel Sector Initiatives	43
A	Production and Consumption	
B	Green Steel/Environmental Issues I	47
C	National Steel Policy 2025 and National Mission on Sustainable Steel	48
Part II	Recommendations/Observations	50

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*nominated w.e.f. 16.10.2025 *vide* Bulletin – Part-II, Para No. 3329 dated 17.10.2025

nominated w.e.f. 05.12.2025 *vide* Bulletin – Part-II, Para No. 3767 dated 08.12.2025

SECRETARIAT

1.	Shri Harish Chandra Bist	Joint Secretary
2.	Smt. Sunanda Chatterjee	Deputy Secretary
3.	Smt. Huma Iqbal	Under Secretary

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 Twentieth Report (Eighteenth Lok Sabha) on Demands for Grants (2026-27) relating to the Ministry of Steel.

2. The Demands for Grants of the Ministry of Steel were laid on the Table of the House on 11.02.2026. Under Rule 331E of the Rules of Procedure and Conduct of Business in Lok Sabha, the Standing Committee on Coal, Mines and Steel are required to consider the Demands for Grants of Ministries under their jurisdiction and make Report on the same to both the Houses of Parliament.

3. The Committee took evidence of the representatives of the Ministry of Steel on 19.02.2026.

4. The Report was considered and adopted by the Committee at their sitting held on 09.03.2026.

5. The Committee wish to express their gratitude to the Ministry of Steel for placing material information as well as tendering evidence and views before the Committee.

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

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

NEW DELHI;
09 March, 2026
18 Phalguna, 1947 (Saka)

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

REPORT

PART-I

CHAPTER-I

INTRODUCTORY

(A) Overview of Steel Sector

Steel is a de-regulated sector. The Government's role is that of a facilitator which lays down the policy guidelines and establishes the institutional mechanism/structure for creating conducive environment for improving efficiency and performance of the steel sector.

1.2 Steel plays a pivotal role in a nation's economy and has been proven to be a driver for prompt environmentally sustainable economic development due to its recyclable nature and faster associated completion times. Usage of more steel in construction and infrastructure development projects results in faster implementation of projects and better quality of structures due to high strength to weight ratio and durability of steel. Also, 100% recyclability of steel allow for improved environmental performance across the entire life cycle.

1.3 India's total steel demand is expected to reach ~230 MT by FY-31. This growth will be driven by the building and construction (rising urbanization rate, increasing steel intensity) and infrastructure segments (investment in roads, railways and airports, increasing steel usage).

1.4 The performance of the Steel Sector is as under:

a. Crude steel production increased steadily from 103.54 million tonnes in 2020–21 to 152.18 million tonnes in 2024–25, with production at 138.82 million tonnes during April–January 2025–26 (Provisional), reflecting sustained capacity expansion and strong output growth.

b. Finished steel production also rose consistently from 96.20 million tonnes in 2020–21 to 146.69 million tonnes in 2024–25, reaching 132.27 million tonnes during April–January 2025–26 (Provisional), indicating robust manufacturing activity in the sector.

c. Steel consumption grew from 94.89 million tonnes in 2020–21 to 152.13 million tonnes in 2024–25, while recording 133.74 million tonnes during April–January 2025–26 (Provisional), demonstrating strong and sustained domestic demand.

1.5 In international trade, India was a net exporter of total finished steel from 2020-21 to 2022-23, but the country became net importer of finished steel in 2023-24 and 2024-25. In April-January of 2025-26, India again became a net exporter of finished steel, according to provisional data from JPC.

1.6 In this regard, the Secretary, Ministry of Steel informed the Committee during the sitting as under:

> *"the steel sector in India is now in a growing phase, we are the only country in the world where steel consumption is growing substantially. Our consumption for the last three years grew at more than 10 per cent. This year, the growth has been about seven per cent till now. On the capacity side, we have reached 200 million tonnes by the end of last financial year. This year, we have already added about 18 million tonnes of capacity, and we expect that by the end of this financial year, we should be between 220 to 225 million tonnes of capacity. Our estimates are that by 2030, the steel capacity of the country will be around 300 million tons, and by 2035, it should be close to 400 million tonnes."*

Role and Functions of the Ministry of Steel

1.7 The Ministry of Steel is under charge of the Union Minister of Steel and is assisted by the Minister of State for Steel. The Ministry is responsible for planning and development of Iron and Steel industry, development of essential inputs such as iron-ore, limestone, dolomite, manganese ore, chromites, ferro-alloys, sponge iron, etc. and other related functions. The key functions of the Ministry of Steel are as

a. Promoting the development of infrastructure required for enhancing domestic steel production. To facilitate adequate availability of raw materials for steel industry from domestic and overseas sources.
b. Creating and updating a comprehensive data base for various segments of the steel industry.
c. To monitor the physical and financial performance of CPSEs and capital expenditure on projects.
d. Monitoring performance of commitments made in the MOUs and modernization and expansion programme of CPSEs.

e. Facilitate improvement in performance of Iron and Steel industry through R&D and technology intervention, Quality Control and improvements in techno-economic parameters.

f. Boosting domestic demand for steel through promotional efforts.

Overview of the CPSEs under Ministry of Steel.

1.8 The details of the CPSEs under the administrative control of the Ministry of Steel are as under: -

(i) Steel Authority of India Ltd.(SAIL): Steel Authority of India Limited (SAIL) is one of the largest steel making Company in India and one of the Maharatna of the Country's Central Public Sector Enterprises (CPSEs). It is a fully integrated iron and steel maker, producing both basic and special steels for domestic and export markets and offers a wide array of steel products. Over the decades, SAIL has played a pivotal role in nation-building by supplying steel for core infrastructure and strategic sectors such as defense, railways, oil and gas, power, construction and shipping. The company also manufactures critical products including rails, wheels and axles for Indian Railways, as well as specialized plates catering to niche and strategic requirements.

Steel Authority of India Limited (SAIL) operates a well-integrated and geographically diversified production network. At present, the Company has five integrated steel plants, three special steel plants, and one ferro-alloys plant, predominantly located in the eastern and central regions of the country. SAIL also owns and operates a comprehensive portfolio of iron ore, coal, limestone and dolomite mines spread across the states of Jharkhand, Odisha, Chhattisgarh, West Bengal, Madhya Pradesh and Karnataka, which provide critical raw-material security and support sustained steel production.

(ii) Rashtriya Ispat Nigam Ltd.(RINL): RINL-VSP was incorporated on 18.2.1982 under the Companies Act, 1956 and it is under the administrative control of Ministry of Steel with 100% shareholding by the Government of India. RINL is the country's first shore-based integrated steel plant with installed Liquid Steel capacity of 7.3 Mtpa. Main activities of RINL include production of steel products in the longs category from its operating unit at Visakhapatnam, Andhra Pradesh and operation of four mines viz. Madharam Mines (Dolomite),

Jaggayapeta Mines (Limestone), Garbham Mines (Manganese) and Kintada Mines (Quartz) in Andhra Pradesh.

RINL has one subsidiary, Eastern Investment Limited (EIL) with 51% shareholding, which in turn has 2 subsidiaries, M/s Orissa Mineral Development Company Ltd (OMDC) and M/s Bisra Stone lime Company Ltd (BSLC). These three companies became Public Sector Undertakings with effect from 19.03.2010 and headquarter of these companies are at Bhubaneswar (Odisha). RINL is also partner in Joint Venture with International Coal Ventures Private Limited.

(iii) NMDC Ltd.: NMDC was established in 1958 as a Public Sector Enterprise to explore, develop, and utilise India's mineral resources. A Navratna company under the Ministry of Steel, NMDC is India's largest iron ore producer and the seventh largest globally. Recognised as one of the Government of India's most trusted and dependable enterprises, NMDC achieved a historic milestone by producing around 45 million tonnes of iron ore in FY24 and FY25—a first for any Indian mining company.

With major operations in Chhattisgarh and Karnataka, NMDC forms the backbone of India's steel security. Its high-grade Baila ore, with over 66% Fe content, stands as a benchmark of quality in the global mining sector. Beyond iron ore, NMDC also operates South-east Asia's only mechanised diamond mine at Panna, Madhya Pradesh, reflecting its diversified mineral portfolio.

(iv) NMDC Steel Ltd (NSL): NSL having a capacity of 3 MTPA based on the BF-BOF-TSC-HSM technology. NSL demerged from NMDC with effective date of 13th October, 2022. Blast Furnace Blow-in started on 12th August, 2023 and Hot Metal production started on 15th August, 2023. Successful production from Hot Metal to Coil commenced on 24th August, 2023 and Date of commencement of commercial operation (DCCO) on 31st August, 2023

(v) MOIL Ltd.: MOIL is a Schedule-A Mini Ratna Category-I CPSE. MOIL is the largest producer of manganese ore in the country with share of around ~ 47% in domestic production. At present, MOIL operates ten mines, six located in the

Nagpur and Bhandara districts of Maharashtra and four in the Balaghat district of Madhya Pradesh. The mines of MOIL are about a century old. Seven mines are worked through underground method and rest three mines are worked through opencast method. The Balaghat Mine is the largest mine of the Company. MOIL has set up a plant based on indigenous technology to manufacture 1500 MTPA capacity of electrolytic manganese dioxide (EMD). This product is used mainly for the manufacture of dry battery cells. EMD produced by MOIL is of good quality and is well accepted by the market. A ferro manganese plant having present capacity of 12,000 MTPA is set-up by MOIL for value addition. In order to promote nonconventional energy resources, MOIL has installed 4.8 MW Wind Energy Farm at Nagda Hills and 15.2 MW Wind Farm at Ratedi Hills, Dist. Dewas in Madhya Pradesh. Also, set up 5.00 MW solar plant at Maharashtra and 5.5MW solar plant at Madhya Pradesh.

(vi) MECON Ltd.: MECON, established as Central Engineering & Design Bureau (CEDB) in 1959, is India's frontline Design, Engineering, Consultancy and Contracting organization, offering full range of services required for setting up of Greenfield as well as Brownfield Projects from Concept to Commissioning including EPC Execution. MECON having Pan India network of offices, is a multi-disciplinary organisation with experienced & dedicated Engineers, Scientists and Technologists. In its over six decades of operations, MECON has to its credit over 4,000 Consultancy and EPC assignments for variety of projects for various Clients in India and Abroad. MECON has played a pivotal role in the development and expansion of Indian Iron & Steel industry. MECON, an ISO9001:2015 certified company, has numerous technological tie-ups with leading organisations across the globe in various fields. MECON has several areas of activities such as Metal, Energy, Oil & Gas, Power, Infrastructure etc.

(vii) MSTC Ltd.: MSTC Ltd., a Category-I Mini Ratna Company under the administrative control of the Ministry of Steel, has its registered office in Kolkata and corporate office in Delhi. MSTC Ltd. is one of the leading CPSEs engaged in providing e-commerce related services across diversified industry segment offering e-auction/e-sale, e-procurement services and development of customized software/solutions. MSTC Ltd. acts as a standalone and neutral e-

commerce service provider for various Central / State Government Departments and other private entities to ensure transparent and fair sale and purchase transactions.

(viii) KIOCL Ltd.: KIOCL Limited (KIOCL), formerly known as Kudremukh Iron Ore Company Limited, is a Central Public Sector Enterprise under the administrative control of the Ministry of Steel, Government of India. The Company was incorporated on 2 April 1976 with the objective of mining and beneficiation of low-grade magnetite iron ore at the Kudremukh Iron Ore Mine, located in Chikkamagaluru District, Karnataka. (Briefing LOP reply no 2)

(B) The Demand includes provision for Secretariat/Establishment Expenditure; Central Sector Schemes; and Other Central Sector Expenditure as under:

Secretariat

1.9 The provision under Secretariat has been made to meet the expenditure on Salaries and Allowances of the employees of the Ministry, office related expenditure, travel expenses, various procurements relating to office, payment of lease charges for Satellite Resourcesat-3A to Department of Space, etc.

Central Sector Schemes

1.10 Ministry of Steel is implementing 03 Central Sector Schemes namely 'Scheme for Promotion of Research and Development in Iron and Steel Sector', 'Production Linked Incentive (PLI) Scheme for Specialty Steel in India' and one scheme of the Ministry of Ports, Shipping and Waterways (MoPSW), namely the scheme for 'Promotion of Flagging of Merchant Ships in India'.

1.11 The objective of the 'Scheme for Promotion of Research and Development in Iron and Steel Sector' is to provide financial assistance to the stakeholders for pursuing R&D projects for addressing the R&D needs of the Iron and Steel Sector in the country.

1.12 The objective of the PLI Scheme for specialty grade steel is to promote manufacturing of such steel grades within the country. PLI incentive will boost the domestic production of 'Specialty Steel' and attract significant investment for production of 'Specialty Steel' in the country. It will also help the Indian steel industry mature in terms of technology as well as move up the value chain.

1.13 Further, Ministry of Steel is also implementing a scheme of the Ministry of Ports, Shipping and Waterways (MoPSW) namely 'Promotion of Flagging of Merchant Ships in

India'. In order to promote the objective of Atmanirbhar Bharat, Government of India has decided to provide subsidy support to Indian shipping companies in global tenders floated by Ministries/Departments and CPSEs for import of Government cargo.

Other Central Sector Expenditure

1.14 The provision under Other Central Sector Expenditure is for Information, Education and Communication (IEC); Membership fees for OECD/GFSEC; Awards for Distinguished Metallurgist. Under IEC, the provision has been made for exhibitions and conferences, to showcase the various Flagship/ Programmes/initiatives of the Ministry and taking up actions for creation of awareness, capacity building and training and to meet the expenditure to be involved in hiring social media management service for publicity of programmes and policies of Ministry of Steel.

1.15 The detailed Demands for Grants (2026-27) of the Ministry of Steel were presented to Lok Sabha on 11.03.2026 and are given in Demand No. 97. While analysing the detailed Demands for Grants of the Ministry of Steel, the Committee in the present Report have examined various schemes/programmes of the Ministry and the CPSEs under its administrative control. The detailed analysis along with observations/ recommendations of the Committee on various issues have been given in the succeeding chapters of the Report.

CHAPTER II

OVERVIEW OF DEMANDS FOR GRANTS

(A). Demands for Grants for the year 2026-2027

2.1 The Budget Allocation for the schemes of the Ministry and Other Central Sector Expenditure is given in the table below :-

(. in crores)

Sl. No.	Description	BE 2026-27
	Schemes	
1.	Production Linked Incentive (PLI) Scheme for Specialty Steel in India	380.00
2.	Scheme for Promotion of Research and Development in Iron and Steel Sector	6.00
3.	Flagging of Merchant Ships in India	7.00
	Total- Scheme	**393.00**
	Other Central Expenditure- object head wise	
4.	Awards and Prizes (to Metallurgists)	0.20
5.	Advertising and Publicity	3.00
6.	Contributions	0.20
	Total- Other Central Expenditure	**3.40**

2.2 The total budget allocation in the Demand No. 97 of the Ministry of Steel in BE 2026-2027 are summarized as under :

Demand No. 97 Ministry of Steel	BE 2026-27			
	Schemes	Establishment Expenditure	Other Central Sector Expenditure	Total
Revenue Section	393.00	43.44	3.40	**439.84**
Capital Section	--	3.34	--	**3.34**
Total	**393.00**	**46.78**	**3.40**	**443.18**
	BE 2025-26			
Revenue Section	318.00	43.86	2.36	**364.22**
Capital Section	--	2.78	2995.00	**2997.78**
Total	**318.00**	**46.64**	**2997.36**	**3362.00**

2.3 The total Demand is of Rs. 443.18 crores, of which Rs 439.84 crores is under the Revenue Section and Rs. 3.34 crores is under Capital Section of the Ministry. The demand includes Rs. 46.78 crores (Revenue Section- Rs. 43.44 crores and Capital Section- Rs. 3.34 crores) for Secretariat/Establishment Expenditure; Rs. 393.00 crores for Central Sector Schemes; and Rs. 3.40 crores for Other Central Sector Expenditure.

Allocation of the Ministry of Steel vis a vis GOI budget

2.4 In reply to a query regarding the allocation of the Ministry of Steel vis a vis the Government of India (GOI) budget for the last ten financial years, the Ministry has replied that the GOI Budget in regards to Ministry of Steel for the last ten financial years is given in the table below : (Rs. in crores)

Financial Year	Budget Estimates	Revised Estimates	Actual Expenditure
2015-16	88.13	38.48	31.90
2016-17	85.62	438.11	437.80
2017-18	44.14	44.14	43.20
2018-19	47.90	154.89	154.65
2019-20	241.29	196.08	194.32
2020-21	100.00	79.44	74.31
2021-22	39.25	43.01	40.15
2022-23	47.00	57.72	46.04
2023-24	70.15	54.55	51.87
2024-25	325.66	8561.00	8539.07

2.5 The Ministry of Steel during their Power point presentation at the Sitting of the Committee informed that the Budgetary Allocation and Expenditure of the Ministry of Steel for last 4 years is as under:

Year	Budget Estimate (BE)	Revised Estimate (RE)	Actual Expenditure	% achievement w.r.t. RE
2022-23	47.00	57.72	46.04	79.8
2023-24	70.15	54.55	51.87	95.1
2024-25	325.66	8561.00	8539.07	99.7
2025-26	3362.00	3272.44	2462.56 (till 11.02.26)	75.25

B. The Demand includes provision for Secretariat/Establishment Expenditure; Central Sector Schemes; and Other Central Sector Expenditure as under: (pg 2 of BN). A brief summary of increase/decrease in various heads of Demands for Grants over the last three years has been shown below:

Heads of Expenditure	BE 2023-24	RE 2023-24	Actual 2023-24	BE 2024-25	RE 2024-25	Actual 2024-25	BE 2025-26	RE 2025-26	Actual 2025-26 (till 31.01.26)	BE 2026-27	%age increase/ decrease in BE 2026-27 over BE 2025-26
Secretariat - Economic Services/ other General Economic Services	43.64	39.79	39.50	64.78	67.12	48.25	46.64	46.15	38.74	46.78	0.3%
Production Linked Incentive (PLI) Scheme for Specialty Steel in India		2.36	2.35	245.82	55.00	52.20	305.00	192.50	188.49	380.00	24.6%
Promotion of Research and Development in Iron and Steel Sector	10.00	5.00	2.94	7.00	5.00	5.00	6.00	7.00**	7.00	6.00	0
Flagging of Merchant Ships in India	14.00	5.45	5.14	6.00	8.90	8.86	7.00	6.00**	5.90	7.00	0
Advertising and Publicity (IEC), Contributions, Awards, Token provisions for book adjustments in Finance Accounts of MoS	2.51	1.95	1.94	2.06	1.98	1.76	2.36	3.78	0.61	3.40	44.1%
Budgetary Support to RINL	--	--	--	--	8423.00	8423.00	2995	3017.01	2221.00	--	-100%
Grand Total	**70.15**	**54.55**	**51.87**	**325.66**	**8561.00**	**8539.07**	**3362.00**	**3272.44**	**2461.74**	**443.18**	**-86.8%^**

**Provision under R&D scheme and flagging of ships scheme are final estimates after reappropriation of Funds.

^A significant decrease in BE 2026-27 in comparison to BE 2025-26 as no provision is kept for RINL in BE 2026-27

2.6 During the sitting held with the Ministry , the Members pointed out as under:-

"If we consider your three central sector schemes, one is ₹380 crore for PLI, you've allocated only ₹6 crore for R&D, and ₹7 crore for flagship ships... What research will be done with ₹6 crore in such a large steel sector?"

Financial Performance of Central Sector Schemes

The Budget Allocation in BE and RE, actual expenditure till 31.01.2026, and likely expenditure by the end of FY 2025-26 is given below:

(Rs. in crores)

Sl. No.	Description	BE 2025-26	RE 2025-26	Expenditure till 31.01.2026
1.	Production Linked Incentive (PLI) Scheme for Specialty Steel in India	305.00	192.50	188.49
2.	Scheme for Promotion of Research	6.00	7.00*	7.00

	and Development in Iron and Steel Sector			
3.	Flagging of Merchant Ships in India	7.00	6.00*	5.90

* Provisions under R&D scheme and Flagging of Ships scheme are final estimates after re-appropriation of funds.

In the current FY 2025-26, Ministry of Steel is expected to utilize the revised provisions under the schemes.

CHAPTER III

DETAILED ANALYSIS OF DEMANDS FOR GRANTS

The Demands for Grants includes Secretariat/Establishment Expenditure; Central Sector Schemes; and Other Central Sector Expenditure.

A. Establishment Expenditure

Heads of Expenditure	2023-24			2024-25			2025-26			%age increase/ decrease in BE 2025-26 over BE 2024-25
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (till 31.1.26)	
Secretariat										
Secretariat - Economic Services/ other General Economic Services	43.64	39.79	39.50	64.78	67.12	48.25	46.64	46.15	38.74	-28%

3.1 The provision under Secretariat has been made to meet the expenditure on Salaries and Allowances of the employees of the Ministry, office related expenditure, travel expenses, various procurements relating to office, payment of lease charges for Satellite Resourcesat-3A to Department of Space, etc.

B. Central Sector Schemes

3.2 Ministry of Steel is implementing 03 Central Sector Schemes namely 'Scheme for Promotion of Research and Development in Iron and Steel Sector', 'Production Linked Incentive (PLI) Scheme for Specialty Steel in India' and one scheme of the Ministry of Ports, Shipping and Waterways (MoPSW), namely the scheme for 'Promotion of Flagging of Merchant Ships in India'.

(i)Production Linked Incentive(PLI) Scheme: There are no physical targets under the Production Linked Incentive (PLI) Scheme for Specialty Steel, as incentives are

disbursed based on the production / sales commitments made by the applicants in the MoUs signed with the Ministry of Steel.

(ii) Flagging of Merchant Ships in India Scheme: Under the Flagging of Merchant Ships in India Scheme, subsidy is released on the basis of invoices submitted by the Steel CPSEs to the Ministry of Steel.

(iii) Research & Development (R&D) Scheme: Number of R&D projects targeted in the financial year (2026-27) is 10. Financial requirement BE for FY 2026-27 is Rs.6 Crore. The following aspects will be duly reviewed to assess any additional fund requirement in FY 2026–27 - Progress achieved and funding requirements for the smooth functioning of on-going projects, Final settlement of projects nearing completion, Funding requirements for the smooth functioning of new projects. Accordingly, the requirement may undergo changes and the same will be indicated at the RE stage.

Production Linked Incentive (PLI) Scheme for Specialty Steel in India

3.3 Production-Linked Incentive (PLI) Scheme for Specialty Steel was approved by the Union Cabinet with a financial outlay of ₹6,322 crore in July 2021. The scheme was approved to promote the manufacturing of "Specialty Steel" within the country by attracting capital investment, generate employment and promote technology up-gradation in the steel sector. The scheme was notified on 29th July 2021, and the implementation guidelines were published on 20th October 2021.The scheme covers five broad product categories, Coated/Plated Steel Products, High Strength/Wear Resistant Steel, Specialty Rails, Alloy Steel Products & Steel Wires and Electrical Steel. The scheme offers incentives within a tenure of five years on fulfilling investment and production commitments evaluated at the time of submission of incentive claims by the company.

3.4 During their presentation before the Committee, the Ministry of Steel informed regarding the present status as under:

Production Incentive Scheme for Specialty Steel

- **1st round:** 44 projects from 19 companies
- **2nd round:** 42 projects from 25 companies
- **3rd round:** 85 projects from 55 companies

Committed Investment: **Rs. 27,106 Cr.** Employment: **14,760** Production: **7.94 MnT**	Committed Investment: **Rs. 17,000 Cr.** Employment: **16,000** Production: **6.4 MnT**	Committed Investment: **Rs. 11,887 Cr.** Production: **8.29 MnT**

3.5 During the sitting of the Committee held with the Ministry , the representative of the Ministry informed the Committee that :-

"As regards the Production Linked Incentive Scheme, we have three rounds of PLI and two of them were done in the current year -- one in April and another one in November. We invited applications and the status is that 44 projects are in the first round; 42 projects are in the second round; and in the third round, we have taken 85 projects for the PLI. We have five different types of Speciality Steel. I would say it a broader group. They are included in this so that we could reduce the import level and have these speciality steel manufacturing in the country. As far as the first round is concerned, out of Rs. 27,000 crore of investment, which was targeted, an investment of Rs. 22,000 crore has already been made. That is having a vision of employing 14,700 and out of the same, 13,000 odd jobs have already been generated. The production which was targeted for 7.94 million tonnes, so far, we have done 2.47 million tonnes of production through that. PLI 1.1 and 1.2, which were launched this year only, will have the progress subsequently."

3.6 On being asked to furnish percentage BE/RE and AE over the last three years, the information furnished by the Ministry of Steel with regard to PLI Scheme is as under:

Heads of Expenditure	2023-24			2024-25			2025-26			%age increase/ decrease
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (till 31.1.26)	in BE 2025-26 over BE 2024-25

Central Sector Schemes										
Production Linked Incentive (PLI) Scheme for Specialty Steel in India	--	2.36	2.35	245.82	55.00	52.20	305.00	192.50	188.49	+24.1%

3.7 Regarding the committed investment that has actually materialized to date under the PLI Scheme, the Ministry has replied that the committed and achieved investment details for PLI 1.0 and PLI 1.1. are as given below

Rounds of PLI	Commitment (INR Cr.)	Achieved till Dec'25 (INR Cr.)
PLI 1.0	27,106	22,655
PLI 1.1	17,000 (approx)	968

3.8 On being asked regarding the year-wise allocation, release and utilization of the ₹6,322 crore outlay since 2021 under the scheme, the Ministry has replied that the year wise allocation of funds for PLI 1.0 started from FY25 and PLI 1.1 will start from FY27. Below is the summary of incentives disbursed under PLI 1.0 for FY 25 and FY26 :

Production Linked Incentive Scheme Outlay (in Crores)									
Financial Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	Total
Production Linked Incentive Scheme (Budget Outlay)	-	775	1088	1394	1377	1293	222	173	6322
Budget Estimate	-	245.82	305.00	-	-	-	-	-	550.82
Revised Estimate	2.36	55.00	192.50	-	-	-	-	-	249.86
Expenditure Occurred	2.35	52.20	188.48*	-	-	-	-	-	243.03*

*till January, 2026

Physical Targets achieved under the Scheme (Briefing LOP reply no 21)

3.9 The actual production so far vis a vis the committed production in MTs under the scheme is as under:-

Round of PLI	Committed Production (in MT)	Achieved till Dec'25 (in MT)
PLI 1.0	7,940,000	2,472,000
PLI 1.1	6,400,000	15,000

MT: Metric tonnes

3.10 On being asked regarding the reasons for significant mismatch between actuals and commitments, the Ministry replied that the reasons for the mismatch can be attributed by various parameters as highlighted below:

1. "Market issues: Demand for certain product categories have not increased as anticipated by the companies, as a result due to commercial non viability, production did not happen. Additionally, due to dumping and import restrictions by other countries have led to oversupply of certain product categories

2. Visa approval issues: Commissioning of plants in certain product categories necessitated the engagement of foreign technical personnel. The prolonged visa approval process for such personnel resulted in delays in plant commissioning, thereby affecting the anticipated production timelines.

3. Project related specific issues: Project across certain product categories got delayed due to site commissioning problems, delay in vendor deliveries, delay in receipt of environmental clearances amongst others."

3.11 Further, in reply to a query whether generic steel products are not included in PLI scheme the Ministry replied that for specialty steel, domestic capacity for most of the specialty steel products is not present within the country and India mostly depends on imports, especially from China. This puts India at high supply risks as supply for these specialty steel remains concentrated to few countries. PLI scheme intends to promote installation of the domestic capacities for specialty steel where the end-use sectors are strategic in nature like defence, aerospace, power sector, etc

3.12 On being asked regarding the effect of global price fluctuations and Chinese dumping affecting domestic production under PLI the Ministry replied as under:

> " There has been an impact of Chinese dumping on domestic production under PLI scheme. Some of the product categories covered under PLI scheme like 1) Tyre bead wire 2) High tensile sheets, coil, plates, YS>=450 3) HR coil, sheets and plates API GR 52<=x<=70 and 4) bearing steel face heavy competition from imports (especially from China). Additionally, due to disruption in the export markets and domestic demand being catered by cheaper imports, domestic production under PLI becomes commercially unviable. This further leads to stalling of any upcoming investments across these product categories and less production in already established facilities."

3.13 Regarding Output-Outcome Monitoring framework(OOMF) for 2026-27 the Ministry have replied that Ministry of steel conducts periodic review of projects under PLI scheme on quarterly basis. The initial BE 2025-26 allocation of Rs. 305 Crores fell short due to some delays at manufacturers end due to multiple reasons. Some of the prominent reasons were project specific constraints, market issues, visa issues, etc. Looking at the progress the companies are making and the production in previous years to add during this year (2025-26), the BE 2026-27 of Rs 380 Crores was estimated. This is also subjected to revision based on actual productions during 2025-26

Quality Control

3.14 The Ministry of Steel, after consultations with the Bureau of Indian Standards (BIS) and has issued the Steel and Steel Products (Quality Control) Amendment Order, 2025. Ministry of Steel has adopted a calibrated approach and suspended QCO enforcement for 55 standards — 42 standards for three years and 13 standards relating to Specialty Steel under PLI 1.2 for one year. The remaining standards have been retained on grounds of unfair trade practices, national security, adequate domestic capacity, and the need to protect small steel producers.(AR 25-26 under heading major policy interventions PLI 1.2)

3.15 Ministry of Steel is also taking steps for formulation of Indian standards, for the steel consumed in the country, for which presently no Indian standards exists or revision of equivalent standards to incorporate the said steel grades, with the aim of expanding

the ambit of the QCO. In this regard, a Standardisation Cell has been constituted by the Ministry in consultation with BIS

Scheme for Promotion of Research and Development in Iron and Steel Sector

3.16 Ministry of Steel is providing financial assistance for Research & Development (R&D) by supporting collaborative projects with academic institutions, research laboratories, and steel companies to address technological challenges in the iron and steel sector. An annual budget of ₹5–10 crore has been earmarked under the R&D Scheme to promote innovation in the steel sector. The thrust areas for providing financial assistance under the R&D Scheme, are development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (low emission steel production, H2 based iron & steel production, Carbon Capture, Utilization, and Storage(CCUS) etc.), waste utilization, energy & resource efficiency etc(Briefing LOP reply no 10). The key features of the scheme may be summarized as under :

- Proposals invited from stakeholders in joint collaborative mode from reputed Academic Institutions, Research Laboratories & Steel Companies for pursuing R&D projects on thrust area.
- The thrust areas include development of new alternate processes & technologies to address the burning issues faced by Iron & Steel Sector such as - climate change (green steel production, H2 based steel production, CCUS etc.), waste utilization, resource efficiency, etc.
- In FY'26, entire allocated budget of ₹6 Cr. in R&D scheme was utilized. Additionally, budgetary re-appropriation of additional amount of ₹1 Cr. was made to meet project requirements.
- Steel Research & Technology Mission of India (SRTMI) – a national collaborative platform, established by the Ministry of Steel and leading industry players to drive R&D and innovation, initiated funding projects through four structured funding schemes

3.17 As on 28.01.2026, total of 75 projects have been approved under the Scheme for promotion of Research and Development in Iron and Steel sector. Out of these, 35 R&D

projects have been completed (46.67% project completed). At Present 11 projects (out of 40 projects) are nearly in completion stage

3.18 On being asked to furnish the details of activities which were undertaken under this Scheme during last 3 years enumerating any achievement especially during 2025-2026 the Ministry replied as under :

" Under the Scheme for promotion of Research and Development in Iron and Steel sector, the workflow begins with receipt of project proposals through the portal/email. Proposals are scrutinized by an Evaluation Group comprising representatives from the Principal Scientific Adviser to the Government of India, DRDO, DSIR, DST, premier academic institutions, and industry.Proposals recommended by the Evaluation Group are then placed before the Project Approval and Monitoring Committee (PAMC), which recommends approval or rejection.Final approval is accorded by the designated authority in accordance with the cost limits and guidelines issued by the Department of Expenditure. Thereafter, the Project Review Committee (PRC) monitors the progress of ongoing projects on regular basis.

(i)Details of activities which were undertaken during the last 3 years under this Scheme are as given below: -

Project Approvals:

- FY 2023-24: Approved 9 projects targeting Waste Utilisation, Reduction in Greenhouse Gas(GHG) Emission, Beneficiation/ Agglomerisation of Raw Material.
- FY 2024-25: Approved 12 projects focusing on Reduction in GHG emission (Use of H2/ Alternate Reductants), Effluent Treatment & Waste Utilisation, Reduction in GHG emission in DRI Process (Use of H2), Development of Ferro Alloys, CO2 Capture & Utilisation & Increase Steel Consumption.
- FY 2025-26: Approved 5 projects targeting Waste Utilisation, Beneficiation of raw materials like iron ore, coal etc. and agglomeration, steel intensive design of building/ bridges/ structures with an aim to increase usage/ consumption of steel."

Progress Monitoring:

3.19 Regular review of project progress through PRC meetings, technical guidance provided by domain experts during these meetings, and financial monitoring were undertaken to ensure timely completion and alignment with the objectives of the Scheme.

(ii) Achievements:

- Innovation and Patents: Patent filed in 2025-26 :3 (Development of Steel Slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth (IARI))
- Commercialization: One project Development of Steel Slag based cost effective eco-friendly fertilizers for sustainable agriculture and inclusive growth (IARI), has the potential for commercialization - can be used as soil conditioner after release of Policy document, which is under final stages. Can be used as fertilizer after inclusion in FCO.
- Inclusion of New institute in R&D :-
- In FY 2025-26 projects from two (2) new Institutes were approved i.e IIT Ropar, Satyabhama Institute of Science and Technology.
- Proposals were received from three (3) new institutes, namely:
  - NIT Durgapur
  - CHRIST University, Bengaluru
  - COEP Technological University, Pune."

3.20 On being asked to furnish percentage BE/RE and AE over the last three years, the information furnished by the Ministry of Steel with regard to R&D scheme is as under:

Heads of Expenditure	2023-24			2024-25			2025-26			%age increase/ decrease in BE 2025-26 over BE 2024-25
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (till 31.1.26)	
Promotion of Research and Development in Iron and Steel Sector	10.00	5.00	2.94	7.00	5.00	5.00	6.00	7.00*	7.00	-14.3%
*Provisions under R&D scheme and Flagging of Ships scheme are final estimates after re-appropriation of funds.										

3.21 On being pointed out by the Committee that considering the relatively small budgetary allocation of the R&D scheme (e.g., ₹2–7 crore annually) compared with the scale and complexity of technological challenges in the iron and steel sector, whether this funding level is adequate to drive meaningful innovation and what mechanisms can ensure that the budget is scaled up commensurate with sector needs, the Ministry replied as under

"The R&D Scheme is designed to act as a catalytic funding mechanism rather than as a standalone source of financing for large-scale technological development in the iron and steel sector. While the annual budgetary allocation under the Scheme is relatively modest (₹2–7 crore), it is intended to support focused, high-impact research, pilot-scale innovations, and collaborative projects with academic and research institutions, which can subsequently be scaled up through industry participation.

The adequacy of funding is assessed periodically based on the quality of proposals received, priority areas (as per Thrust area). To ensure adequate and appropriate funding aligned with the identified thrust areas, the Ministry has adopted multiple mechanisms, including periodic review of the Scheme guidelines, which includes review thrust areas & larger goals of the R&D scheme, co-funding from industry and aligning R&D priorities with national initiatives such as green steel etc.

Further, based on demonstrated outcomes and utilization levels, the Ministry may consider proposing enhanced budgetary allocations in future years, in accordance with the guidelines of the Ministry of Finance."

3.22 The Ministry was requested to furnish the structural or procedural bottlenecks responsible for under-utilisation of budgeted funds and slow progress of several projects under the scheme, the Ministry replied as under:-

" Bottlenecks:-

- Utilization of funds under on-going R&D projects gets slower due to time taking process of procurement of specialized equipment, which requires customization and repeated revisions of technical specifications by Project Investigators(PIs).

- A lower number of proposals were received as project investigators (PI) were unable to secure industry partners for the R&D projects.
- As the Ministry of Finance introduced a revised procedure for the flow of funds under Central Sector Schemes, which was also implemented for the R&D Scheme in consultation with and guidance from the Ministry of Finance, there were initial instances where the Project Investigators (PIs) were not fully acquainted with the procedure, resulting in delays in utilization of funds."

3.23 During the Sitting of the Committee, the representative of the Ministry of Steel gave the following information:-

> *"In the area of research and development, the Ministry had a scheme with an allocation of Rs.6 crore. We have fully utilised that allocation. In addition, through appropriation, we received Rs.1 crore more, which has also been spent. We are working diligently with industry, academic institutions, and research laboratories to undertake research in the areas of climate change, Carbon Capture Utilisation and Storage (CCUS/CCUX), waste utilisation, and resource efficiency. We also have another institution called SRTMI, which is a collaborative platform with industry where larger research projects are undertaken. It has been galvanised and is functioning accordingly."*

3.24 Ministry of Steel has taken following steps to ensure utilization of the allocated budget under the R&D Scheme:-

"To attract and encourage submission of more R&D proposals from the stakeholders, the same have been made open ended i.e. there is no last date for submission of the proposals.

- Ministry of Steel is continuously engaging with the project implementing agencies for adhering to the timelines of the projects and utilization of the funds. Ministry of Steel had constituted a Project Review Committee comprising of members from the Office of the Principal Scientific Adviser to the Government of India, DRDO, the industry and academia, for monitoring & review of the projects regularly.
- Ministry of Steel is planning to organize workshops to familiarise stakeholders with the revised fund flow mechanism.
- In December 2025, the R&D scheme has been revised to enhance effectiveness and ensure alignment with strategic objectives. The revised framework incorporates measures to broaden participation from MSMEs and start-ups. Ministry is also planning to create a categorized pool of industrial partners,

including MSMEs, aligned with thrust areas, and may facilitate industry collaboration where the Project investigator (PI) is unable to secure an industry partner."

3.25 The Ministry also informed the Committee that in the larger interest of the steel sector Ministry is taking following measures to involve stakeholders in sharing their processes/technologies developed through R&D.

- The Ministry uploads the details of on-going projects, along with their grants by Ministry, on the Ministry of Steel website.
- The Ministry of Steel intends to make the final reports available on the R&D portal as well as the Ministry's website, ensuring they are accessible to all stakeholders.
- In December 2025, the R&D scheme was revised to enhance effectiveness and ensure alignment with strategic objectives. The revised framework incorporates measures to broaden participation from MSMEs and start-ups, and has been extended until FY 2030–31 & also focus on the following points:-
- The Ministry of Steel shall regularly organize stakeholder events, including MSMEs, to identify and review thrust areas &larger goals of the R&D scheme.
- The Ministry facilitates organization of review meetings where project investigators and industry partners present R&D(outcomes), which enables cross-learning and adoption by other stakeholders.
- Reputed academic institutions, national laboratories, and Indian steel companies are being actively encouraged to undertake collaborative R&D projects, ensuring that developed technologies are industry-relevant and scalable."

Flagging of Merchant Ships in India

3.26 The Flagging of Merchant Ships in India Scheme aims to encourage ships to be registered under the Indian flag. The scheme supports Indian shipping by reducing the cost of operating Indian-flagged vessels. Financial assistance is provided by the Government based on eligible invoices submitted by concerned CPSEs/ship operators,

helping ensure availability of Indian ships for transporting cargo and strengthening national shipping capacity. (Briefing LOP reply no 28)

3.27 The Ministry of Ports, Shipping and Waterways (MoPSW) is the nodal Ministry for the Scheme for Promotion of Flagging of Merchant Ships in India. The scheme provides subsidy support to Indian shipping companies participating in global tenders floated by various Ministries, Departments, and Central Public Sector Enterprises (CPSEs) for chartering of ships for import of Government cargo. The Ministry of Steel (MoS) is only a beneficiary Ministry under the scheme, as it deals with the disbursal of subsidy in respect of import of Government cargo by CPSEs under its administrative control as per the scheme. (Briefing LOP reply no 32)

The allocations made and utilized under the scheme and subsidy paid are as follows:-

Scheme Outlay (in Crores)						
	2021-22	2022-23	2023-24	2024-25	2025-26	Total
Flagging of Merchant Ships in India (Coal)	10.37	20.75	31.12	41.50	51.87	155.61
Subsidy Paid	1.32	3.25	5.14	8.86	5.90*	24.47

- *till January, 2026

3.28 On being asked to furnish percentage BE/RE and AE over the last three years, the information furnished by the Ministry of Steel with regard to Flagging of Merchant Ships in India Scheme is as under:

Heads of Expenditure	2023-24			2024-25			2025-26			%age increase/ decrease in BE 2025-26 over BE 2024-25
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (till 31.1.26)	
Flagging of Merchant Ships in India	14.00	5.45	5.14	6.00	8.90	8.86	7.00	6.00*	5.90	+16.7%
*Provisions under R&D scheme and Flagging of Ships scheme are final estimates after re-appropriation of funds.										

C. Other Central Sector Expenditure

3.29 The provision under Other Central Sector Expenditure is for Information, Education and Communication (IEC); Membership fees for OECD/GFSEC; Awards for Distinguished Metallurgist. Under IEC, the provision has been made for exhibitions and

conferences, to showcase the various Flagship/ Programmes/initiatives of the Ministry and taking up actions for creation of awareness, capacity building and training and to meet the expenditure to be involved in hiring social media management service for publicity of programmes and policies of Ministry of Steel.

3.30 The information in respect of Other Central Sector Expenditure is given in the format below

(Rs. in crores)

Heads of Expenditure	2023-24			2024-25			2025-26			%age increase/ decrease in BE 2025-26 over BE 2024-25
	BE	RE	Actual	BE	RE	Actual	BE	RE	Actual (till 31.1.26)	
Budgetary Support to Rashtriya Ispat Nigam Ltd.	--	--	--	--	8423.00	8423.00	2995	3017.01	2221.00	-64.4% w.r.t RE 24-25
Hindustan Steelworks Construction Ltd.	--	--	--	--	0.01	--	--	0.004*	--	--
Others										
Other Programmes Advertising and Publicity (IEC), Contributions, Awards and Prizes	2.51	1.95	1.94	2.06	1.98	1.76	2.36	3.77	0.61	+14.6%
Token provisions for book adjustments in Finance Accounts of MoS (NMDC and NSL)	--	--	--	--	--	--	--	0.006*	--	--

* Approval of the Parliament (through Token Supplementary (Rs. 0.01 crore)) was sought in the First Supplementary Demands for Grants for book adjustments in Finance Accounts of Ministry of Steel in respect of HSCL, NMDC and NSL. There is no expenditure/cash out-go involved in these book adjustment cases.

3.31 A brief overview of the Other Central Sector Expenditure and the objectives of the same is as below.

i. **Budgetary Support by GoI to RINL:** GoI is providing budgetary support to RINL in the form of equity infusion in RINL as per the approval of the Cabinet

Committee on Economic Affairs (CCEA) dated 16.1.2025 to keep RINL as a going concern. In FY 2025-26, there is a provision of Rs. 3017 crores for equity infusion in RINL. Also, based on the same Cabinet Decision, a token amount of Rs. 0.01 crore for RINL is for seeking approval of the Parliament for Conversion of Working Capital Loan of Rs. 1140 crores provided to RINL in FY 2024-25 into 7% Non-cumulative Preference Share Capital redeemable after 10 years, in the Finance Accounts of the Ministry of Steel.

ii. **Other Programmes:** It includes provisioning under the head 'Advertising and Publicity' for Bharat Steel Event 2026 and other publicity events, hiring of social media management service for publicity of programmes and policies of Ministry of Steel, 'Contributions' head for Membership fees for OECD/GFSEC and 'Awards and Prizes' head for Awards to Metallurgists.

In FY 2025-26, Rs. 3.46 crores is for 'Advertising and Publicity', Rs. 0.15 crore for Contribution and Rs. 0.15 crore for Awards and Prizes.

iii. **Token provision for various book adjustments in Finance Accounts of Ministry of Steel:** In FY 2025-26, approval of the Parliament (through Token Supplementary (Rs. 0.01 crore)) was sought in the First Supplementary Demands for Grants for book adjustments in Finance Accounts of Ministry of Steel (MoS) for the following cases:

a. **NMDC Ltd.:** Accounting of bonus shares of amount Rs. 356.33 crores issued by NMDC to GoI in FY 2025-26 in the Finance Accounts of MoS.
b. **NMDC Steel Ltd. (NSL):** Accounting of shares issued in favour of GoI by NSL after demerger from NMDC amounting to Rs. 1781.63 crores in the Finance Accounts of MoS.
c. **Hindustan Steelworks Construction Ltd. (HSCL):** In respect of HSCL, it is submitted that the based on the Cabinet Decision dated 25.05.2016 on financial restructuring of HSCL, a CPSE previously under the Ministry of Steel, was transferred to M/s. NBCC (India) Ltd. under M/o Housing and Urban Affairs (MoHUA). HSCL is presently under the administrative control of MoHUA. However, the accounts of HSCL are still shown in the Finance Accounts of the Ministry of Steel. Therefore, approval of the

Parliament has been sought for book adjustment of accounts of HSCL in the Finance Accounts as per the Cabinet Decision.

The above cases of NMDC, NSL and HSCL are only book adjustments in the Finance Accounts. There is no expenditure/cash out-go involved on account of GoI.

3.32 On being asked regarding the specific financial stress factors, legacy liabilities, or policy obligations that necessitate such non-scheme assistance to RINL and HSCLthe Ministry replied as under:-

"(i) **Rashtirya Ispat Nigam Ltd.:** In the year 2024, the financial position of RINL became alarming. As on 30.09.2024, the net worth of RINL was ₹(-) 6,841.07 crore. The borrowings from banks as on 30.09.2024 were ₹17,416.00 crore. The total liabilities other than bank loans as on 30.09.2024 were ₹17,349.00 crore. The Company defaulted on the Capex Loan repayments and Interest payments in June 2024. The rating of the Company was downgraded to 'Default' and the banks started to increase the interest rates. RINL was on the verge of shutdown/closure due to its grave financial position. In case of company being shut down/ taken to NCLT, the economic and human cost of shutdown would have been more than the funds required for infusion in RINL for its revival. Therefore, it was felt that the revival and operational status of RINL would be in public interest.

3.33 Accordingly, the Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 16.01.2025 approved the infusion of ₹10,300.00 crore as equity capital in RINL (including ₹500.00 crore already provided as emergency funds in September 2024) and conversion of ₹1140.00 crore working capital loan as 7% Non-cumulative Preference Share Capital redeemable after 10 years, to keep RINL as a going concern.

(ii) **HSCL:** In respect of HSCL, it is submitted that the based on the Cabinet Decision dated 25.05.2016 on financial restructuring of HSCL, a CPSE previously under the Ministry of Steel, was transferred to M/s. NBCC (India) Ltd. under M/o Housing and Urban Affairs (MoHUA). HSCL is presently under the administrative control of MoHUA. Ministry of Steel is not involved in any policy decision relating to HSCL."

D. Central Public Sector Undertakings(CPSEs)

3.34 The total plan outlay of each CPSE under the Ministry of Steel during the last 3 years and actual utilization is as given below:-

(Rs. in crores)

S. No.	CPSEs	FY 2023-24			FY 2024-25			FY 2025-26			
		Target (BE)	Target (RE)	Actual	Target (BE)	Target (RE)	Actuals	Target (BE)	Target (RE)	Actuals till 31.01.26	Likely exp. by 31.03.26
1	SAIL	6800.00	6000.00	5646.00	6300.00	5700.00	5879.00	7500.00	10000.00	6335.00	10000.00
2	NMDC	1630.00	1769.00	2066.00	2200.00	4083.00	3741.00	3517.00	6000.00	1896.00	6000.00
3	NSL	570.00	1300.00	1226.00	615.00	337.00	281.17	150.00	150.00	83.19	150.00
4	RINL	683.00	683.00	636.46	620.00	199.00	234.46	300.00	545.00	348.65	400.00
5	KIOCL	286.88	146.78	97.42	237.00	40.00	27.34	137.00	131.00	22.41	29.00
6	MOIL	290.25	294.88	316.09	309.30	309.30	321.94	275.50	600.00	199.83	325.00
7.	MECON	15.72	15.72	15.25	16.00	16.00	14.49	15.00	15.00	6.07	15.00
8	MSTC	5.00	110.00	107.88	10.00	35.00	24.60	10.00	32.00	20.02	32.00
9	FSNL#	20.00	20.00	24.12	18.00	18.00	7.26	18.00	0.00	--	--
10	OMDC	0.00	0.00	0.02	0.00	0.00	121.67	0.00	6.86	5.20	5.25
11	SRCL	0.00	19.43	4.37	0.00	9.11	0.38	--	--	--	--
	Total (% of RE)	**10300.85**	**10358.81**	**10139.61 (97.9%)**	**10325.30**	**10746.41**	**10653.31 (99.1%)**	**11922.50**	**17479.86**	**8916.37**	**16956.25**

FSNL has been disinvested fully on 21.01.2025, therefore, RE 25-26 target has been reduced to zero.

IEBR and CAPEX of Steel CPSEs

3.35 The importance of capital expenditure in building steel infrastructure to spur high and sustainable growth in India cannot be over-emphasized. The Steel CPSEs are using their own Internal and Extra Budgetary Resources (IEBR) to meet their CAPEX requirements. CAPEX has been utilized to enhance production capacity, modernize old plant equipment, and for upgrading to environmentally friendly technologies. This CAPEX by Steel CPSEs has a multiplier effect and has provided a fillip to the Indian economy. (Annual Report 24-25 M/o Steel para 4.6.4)

Internal and Extra Budgetary Resources (IEBR) of Steel CPSEs

3.36 The information in respect of IEBR of the CPSEs for FY 2025-26 is as given in the table below:

Rs. in crores)

No.	Name of PSU	FY 2025-26				
		Target		Actual Utilization till January, 2026	% utilization w.r.t. RE 25-26	Likely utilization by 31.03.2026
		BE	RE			
1.	SAIL	7500.00	10000.00	6335.00	63.35	10000.00
2.	NMDC	3517.00	6000.00	1896.00	31.60	6000.00
3.	NSL	150.00	150.00	83.19	55.46	150.00
4.	RINL	300.00	545.00	348.65	63.97	400.00
5.	KIOCL	137.00	131.00	22.41	17.11	29.00
6.	MOIL	275.50	600.00	199.83	33.31	325.00
7.	MECON	15.00	15.00	6.07	40.47	15.00
8.	MSTC	10.00	32.00	20.02	62.56	32.00
9.	OMDC	0.00	6.86	5.20	75.80	5.25
10.	FSNL*	18.00	0.00	--	--	--
Grand Total		**11922.50**	**17479.86**	**8916.37**	**51.01**	**16956.25**

*FSNL has been disinvested fully on 21.01.2025, therefore, RE 25-26 target has been reduced to zero.

CAPEX of Steel CPSEs

(Rs. in Crore)

CPSEs	FY 2023-24			FY 2024-25			FY 2025-26			FY 2026-27
	Target (RE)	Actual	As %	Target (RE)	Actual	As %	Target (RE)	Actual till 31.01.2026	As %	Target (BE)
SAIL	6000.00	5646.00	94.1	5700.00	5879.00	103.1	10000.00	6335.00	63.4	15000.00
NMDC	1769.00	2066.00	116.8	4083.00	3741.00	91.6	6000.00	1896.00	31.6	9000.00
NSL	1300.00	1226.00	94.3	337.00	281.17	83.4	150.00	83.19	55.5	100.00
RINL	683.00	636.46	93.2	199.00	234.46	117.8	545.00	348.65	64.0	100.00
KIOCL	146.78	97.42	66.4	40.00	27.34	68.4	131.00	22.41	17.1	100.00
MOIL	294.88	316.09	107.2	309.30	321.94	104.1	600.00	199.83	33.3	800.00
MECON	15.72	15.25	97.0	16.00	14.49	90.6	15.00	6.07	40.5	15.00
MSTC	110.00	107.88	98.1	35.00	24.60	70.3	32.00	20.02	62.6	10.00
FSNL#	20.00	24.12	120.7	18.00	7.26	40.3	--	--	--	--
OMDC	0.00	0.02	-	0.00	121.67	--	6.86	5.20	75.8	--
SRCL	19.43	4.37	22.5	9.11	0.38	4.2	--	--	--	--
Total	10358.81	10139.61	97.9	10746.41	10653.31	99.1	17479.86	8916.37	51.0	25125.00

FSNL, which was a subsidiary of MTSC Limited, has been disinvested fully on 21.01.2025.

3.37 During the sitting of the Committee held with Ministry of Steel, the Members pointed out the following:-

"If you look at the IBR of the NMDC, the BE was Rs. 3517 crore and the RE was Rs. 6000 crore. So far, you have utilised only Rs. 1896 crore whereas in the chart, you have shown that you are going to utilise about Rs. 6000 crore. So, how are you going to utilise the 60 per cent only in two months? "

Dividend paid during the last 5 financial years by Steel CPSEs

(Rs. in Crore)

Year	SAIL	NMDC	KIOCL	MOIL	MSTC	MECON	Total
2020-21	268.5	1553.0	43.1	70.3	15.0	21.7	1971.6
2021-22	2228.3	2626.1	157.7	95.2	58.8	0.0	5166.1
2022-23	872.5	668.1	47.6	65.1	73.8	4.1	1731.3
2023-24	402.7	1532.2	0.0	45.5	62.5	9.3	2052.1
2024-25	268.5	1496.6	0.0	71.3	186.9	7.4	2030.6
Total	4040.5	7876.0	248.4	347.4	397.0	42.4	12951.7

Physical Targets and Achievements of Steel CPSEs

3.38 On being asked regarding the Physical Targets and Achievements of Steel CPSEs, the Ministry replied as under:-

No	Name of PSU	Physical Parameter-Production	2023-24		2024-25		2025-26	
			Target	Actual	Target	Actual	Target	Actual till 31.12.25
1.	SAIL	Production of Iron and Steel (*parameter till FY 24-25*)	20.140	18.863	21.110	18.353	-	-
		Production of Finished Steel (*parameter from FY 25-26*	-	-	-	-	18.000	12.193

		onwards)						
2	RINL*	Saleable Steel	-	4.21	-	3.46	-	3.30
3.	NMDC	Iron Ore	55.40	45.02	55.60	44.07	58.0	36.89
4.	NSL	HR Coil	1.12	0.49	2.25	1.44	2.51	1.68
		Crude Steel	1.15	0.50	2.29	1.47	2.56	1.73
		Liquid Steel	1.18	0.52	2.33	1.51	2.61	1.76
		Hot Metal	1.41	0.97	2.56	2.00	3.08	2.26
5.	KIOCL LTD.	Production of Iron Ore Pellets	2.800	1.906	2.200	0.926	3.000	1.850
6	MOIL LTD.	Manganese Ore	1.756	1.756	2.107	1.803	1.728	1.421
7	MSTC LTD.	No physical targets	-	-	-	-	-	-
8	MECON LTD.	No physical targets	-	-	-	-	-	-

*RINL was exempted for signing of MoU with Ministry of Steel

Steel Authority of India Limited

3.39 Incorporated in 1973, SAIL is currently the 3rd largest domestic steel producer and 19th largest global steel producer with an operating capacity of 20.32 MTPA of Crude Steel. SAIL Operates 5 integrated steel plants, 3 Special steel plants, a Ferro Alloy Plant, a Refractory Unit as well as 22 mines of Iron ore, flux and coal for aiding raw material security. SAIL operates with 100% captive iron ore and is the third largest iron ore miner in the country. SAIL also has stake in ownership and operation of coking coal mines in Mozambique through its Overseas Joint Venture International Coal Ventures Ltd (ICVL).

3.40 During the sitting of the Committee held with the Ministry of Steel, the Members inquired that plant-wise, what should SAIL do to improve each of its plants, based on their independent profit-loss balance sheets, and observed that capacity needs to be increased in some places and also inquired what new efforts are SAIL making in sales and marketing, because stagnation is visible.

Expansion Plans

3.41 SAIL has formulated an expansion plan to increase its crude steel capacity in phases. In first phase, it is proposed to increase the Crude Steel capacity to ~35 Mtpa from the current capacity of ~20 Mtpa through augmentation of its existing facilities as well as through Brownfield/ Greenfield expansion. The details of the Schemes firmed up so far are as below :

S. No.	Name of the Project/ Scheme	Total Project Cost (in ₹ Cr.)
1	Expansion of IISCO Steel Plant, Burnpur, West Bengal	35965
2	Brownfield Expansion of Durgapur Steel Plant, West Bengal	5667
3	Brownfield Expansion of Bokaro Steel Plant, Jharkhand	14931

The Ministry also informed regarding the Plant-wise Crude Steel capacity vis-à-vis actual utilization during the last 3 years are as follows:

Plant	Year	Crude Steel	
		Operating capacity (1000 Tonnes)	% Capacity utilisation
BSP	2022-23	6000	86
	2023-24	6000	95
	2024-25	6800	83
DSP	2022-23	2200	104
	2023-24	2200	105
	2024-25	2200	103
RSP	2022-23	3800	106
	2023-24	3800	110
	2024-25	3800	106
BSL	2022-23	4600	90
	2023-24	4600	94
	2024-25	4610	98
ISP	2022-23	2500	97
	2023-24	2500	101
	2024-25	2500	97
ASP	2022-23	234	41
	2023-24	234	46
	2024-25	234	48
SSP	2022-23	180	78
	2023-24	180	85
	2024-25	180	81
Total	2022-23	19514	94
	2023-24	19514	99
	2024-25	20324	94

3.42 On being asked regarding the current status of debts of SAIL, The Ministry replied thaty the debt of SAIL is expected to be below Rs 25,000 Cr as on 31.12.2025.

Rashtriya Ispat Nigam Limited(RINL)

3.43 Rashtriya Ispat Nigam Limited, a Navratna PSE, is the corporate entity of Visakhapatnam Steel Plant – the country's first shore-based integrated steel plant at Visakhapatnam, Andhra Pradesh registered under the Companies Act, 1956 and has its registered office at Visakhapatnam.(AR chapter)

- Corporate entity of Vishakhapatnam Steel Plant
- Exclusive producer of Long products & major producer of bars and rods with a market share of 4.4% (FY'25).
- Operated above rated capacity for 13 years (from FY'02 to FY'14). Continuously made profits for 13 years (from FY'03 to FY'15) aggregating to Rs.12,958 Cr.
- Expansion to 6.3 Mtpa undertaken during the period FY'06 to FY'15. Modernization and upgradation to 7.3 Mtpa undertaken during the period FY'14 to FY'18.
- On 16/01/25, Cabinet Committee on Economic Affairs approved a Revival Package of Rs.11,440 Cr. Post approval of Revival Plan, RINL gradually improved Hot Metal capacity utilization from 67% in Q4FY25 to 84% in Q3FY26.

3.44 On being asked to furnish the current Financial Status of RINL after the Government introduced a recovery package for RINL last year, the Ministry replied as under

" The net worth of RINL improved from ₹(-)6,841.07 crore as on 30.09.2024 to ₹2418.61 crore in September 2025. The bank borrowings of RINL also came down from ₹17,416 crore in September 2024 to ₹12,321 crore in September 2025."

3.45 Regarding the Revival plan of RINL the Ministry gave the following information :

" The Cabinet Committee on Economic Affairs (CCEA) in its meeting held on 16.01.2025 approved the infusion of ₹10,300.00 crore as equity capital in RINL (including ₹500.00 crore already provided as emergency funds in September 2024) and the conversion of a₹1140.00 crore working capital loan to 7% non-cumulative preference share capital redeemable after 10 years, to keep RINL as a going concern. The infusion was approved to be released in four quarterly tranches on achievement of targets by RINL. As per the decision of CCEA, 3

tranches totaling to ₹ 9,004.00 crore have been released, in consultation with the Ministry of Finance. The 4th tranche of ₹796.00 crore is yet to be released.With the support received from GoI, RINL restarted its 2nd and 3rd blast furnaces and increased the overall Capacity Utilization (CU) level to 94% in December 2025. The increased production volumes with 3 BF operations are expected to increase the profitability by reducing the cost and help the company to achieve sustainable recovery. The Ministry of Steel is continuously monitoring the progress. Reviews are being conducted on regular basis.

The net worth of RINL, which was negative, improved from ₹(-) 6,841.07 crore in September 2024 to ₹2418.61 crore in September 2025. The bank borrowings of RINL also came down from ₹ from ₹17,416 crore in September 2024 to ₹12,321 crore in September 2025.

RINL is in the process of monetization of the non-core surplus freehold land to generate additional revenue to augment the working capital requirement. In this regard, a tripartite MOU has been signed on 16.07.2025 among NLMC, RINL, and the Ministry of Steel.

Regular monitoring for availability of raw material, enhancing the turnover and also resolving the issues in coordination with various Government Ministries, Departments and agencies is being done by the Ministry. This Ministry is also working to obtain the approval of the CCEA for seeking funds for ther second phase of the revival plan. "

3.46 During the sitting of the Committee with the Ministry the Committee was briefed as under:-

"Now, RINL is working at about 94 per cent capacity utilisation because of the lower steel prices in the second half of the year, that is July to December of 2025. Their profits were not as expected but now they are coming back from month-to-month basis from January when the prices have improved In RINL, we have proposed to the Ministry of Finance for the second phase of assistance. The Government gave them the first phase of assistance in January, 2025. We have proposed the second phase of assistance as recommended by SBI Caps."

NMDC Ltd

3.47 NMDC Limited is a Government of India Enterprise under the administrative control of the Ministry of Steel. The Company was established in November, 1958 and was accorded the 'Navratna' status in January, 2008. The Company has iron ore mines in the States of Chhattisgarh and Karnataka.

NMDC Limited also has a Diamond Mine at Panna in Madhya Pradesh and a Sponge Iron Plant at Paloncha in Telangana, Pellet Plant at Donimalai in Karnataka. Since its inception, NMDC has been involved in exploring iron ore & other minerals in some of the country's most remote corners. NMDC has its Corporate Office in Hyderabad.

- A Navratna Public Sector Company.
- Largest iron ore mining company in India in Non-Coal sector. Also operates Panna Diamond Mines in M.P.
- 3 MTPA greenfield integrated steel plant at Nagarnar, District Bastar in Chhattisgarh has been commissioned in Aug 2023. It was demerged as NMDC Steel Limited w.e.f. October 2022.
- 1.2 MTPA pellet plant and 0.36 MTPA beneficiation plant at Donimalai (Karnataka).
- NMDC Coal mine at Tokisud, Hazaribagh, Jharkhand has commenced operation from 23 Jan'26.
- 2 MTPA pellet plant at Nagarnar, Slurry Pipeline to transport 15 MTPA of iron ore slimes from Bailadila to Jagdalpur along with other expansion projects are in progress.

NMDC Limited - Physical & Financial Highlights

	2023-24	2024-25	2025-26 (Upto Dec'25)
Production (MT)	45.02	44.07	36.89
Turnover (Gross) (Rs. in Cr)	21294	23669	20381
Profit (+)/ Loss(-) After Tax	5632	6693	5401

3.48 The installed capacity and capacity utilization of NMDC for the last three years are given below:-

Year	Capacity (iron ore)	Capacity Utilization (%)
2022-23	460 LT	88.96
2023-24	500 LT	90.04
2024-25	514.92 LT	85.59

3.49 As informed by the Ministry, NMDC has planned Capacity Expansion projects at its mines. The mine wise plan is as below:-

S.No.	Name of the Project/ Scheme	Total Project Cost (in ₹ Cr.)
1	Capacity Expansion of Dep-5, Bacheli from 10 to 20 MTPA	8898
2	Capacity Expansion of Dep-10/11A, Bacheli from 8.8 to 15 MTPA	7130
3	Construction of Downhill Conveyor System of Dep-4 (project will be implemented through NPP mode)	406
4	Construction of Downhill Conveyor System of Dep-13 (project will be implemented through NPP mode)	468

3.50 During the sitting of the Committee held with the Ministry, The representative of NMDC informed the Committee as under:-

" We are in the non-coal sector. We are the largest miner in the country. Last year, we have produced 44.07 million tons. This year, as Secretary Sir has told, we are expecting to produce about 53 million tons with the growth of about 20 per cent year upon year. Our company is into exploration and mining of mineral resources mainly iron ore mining. The shares held by the Government of India is 60.79 per cent. We are a streamlined company in terms of number of employees - 4700 which is even by the time getting reduced. Last year, iron ore production was 44.07 million tons. Sir, we are a Navratna Public Sector Company and we also have a diamond mine in Panna at Madhya Pradesh, apart from the iron ore mines that we have. This year, in the month of January, the first coal mines from NMDC has started operational at Tokisud in Hazaribagh district of Jharkhand. Sir, we also have a 3 MTPA green field integrated steel plant at Nagarnar in the Bastar district of Chattisgarh which was commissioned in August, 2023. However, it was demerged from NMDC steel as NMDC steel Ltd. in October, 2022. We have another 1.2 million ton pellet plant and 0.36 MTPA beneficiation plant at Dhonimalai besides our Dhonimalai mines which is operating. We have built a two million ton pellet plant at Nagarnar and slurry pipeline to transport 15

MTPA from Bachali to Nagarnar and a beneficiation plant of two million ton at Bacheli. This is going to get into operation by the end of this year. It is under the final stages of commissioning. Sir, NMDC's production as I have said Sir from 2024-25, it was 44.07 million tonnes till December, we have already done 36.89 milllion tonnes. As we stand today, we have crossed 45 million ton and we are expected to reach 53 million ton. Turnover for the first nine months had been 20,381 crore, PAT 5401 crore. We are expecting to reach at about 7000 crore plus at the end of the financial year. "

NMDC Steel Limited:

3.51 Pursuant to the Scheme of Demerger between NMDC Limited and NMDC Steel Limited, the Nagarnar Iron & Steel Plant (NISP) of NMDC Limited got demerged from NMDC Limited and formed part of NMDC STEEL Limited (NSL) with the effective date of demerger being 13-10- 2022.

NMDC Steel Limited – Physical & Financial Highlights

	2024-25	2025-26 upto Q3
HR Coil Production ('000t)	1439	1683
HR Sheet Production ('000t)	29	31
Turnover (Gross) (Rs. in Cr)	8574.56	9822.67
Profit (+)/ Loss(-) After Tax	(2373.78)	(333.19)

The installed capacity and capacity utilization of NMDC Steel Ltd is

Year	Liquid Steel Installed Capacity (Mt)	Capacity Utilization (%)
2023-24	3.0	30
2024-25	3.0	50

3.52 List of major projects at NSL targeted and implemented (through IEBR) during the last 3 years are as below:-

S. No.	Project	Time Overrun (months)	Cost Overrun, Crore	Reasons for delay in implementation
1	Construction of 3 MTPA capacity Integrated Steel	111	₹ 8315 cr.	◦ Initial delays for statutory clearances.

	Plant at Nagarnar			• Slow progress of wo... in all major packages by the contractors.

3.53 During the sitting of the Committee held with the Ministry, the representative of NSL informed the Committee as under:-

> *"NMDC steel Ltd, the main product is HR Coil which last year after it was started production, it was 1.4 million ton. However, in the first nine months of this year, we have already produced 1.6 million ton and we are growing, now we are producing at the rate of about 90 per cent of the capacity. The main product being the HR Coil, other than that, we are also producing a lot of HR Sheet and pig iron, apart from that.*
>
> *Turnover has increased in the first nine months to Rs. 9822 crore vis-a-vis Rs. 8574 crore of 2024-25, losses at NSL has come down from Rs. 2373 to Rs. 333, the losses are mainly been because of the initial depreciation and interest that are being charged apart from subdued prices of steel that we realized. Production and dispatch in the steel plant hot rolled coil, we have produced up till 1.6 million, dispatched about the same amount, HR Sheet about 31000, these are the lesser product and pig iron."*

MOIL Ltd.:

3.54 MOIL Ltd., a Schedule-A Mini Ratna Category-I CPSE, is the largest producer of manganese ore in the country with share of around ~ 47% in domestic production.(Annual Report Chapter V). The operation overview of MOIL are as under:

- Manganese ore production reached 1.583 million tonnes (up to Jan 2026), marking 6.13% year-on-year growth; FY'25 recorded highest-ever production (1.803 MT), sales (1.588 MT), and revenue (₹1,584.94 crore), with steady y-o-y growth across all three metrics.
- Production capacity expansion approved at Ukwa mine (69.581 ha), increasing from 120,000 TPA to 216,000 TPA. Award of Work for sinking of 3 production shafts at Dongri Buzurg, Chikla & Kandri Mine and 2 ventilation shafts at Dongri Buzurg Mine
- Commenced export operations as a State Trading Enterprise (STE), with 91,476 MT of manganese ore exported in FY'26 (up to Jan 2026). (PPT slide no 26 on MOIL)

3.55 MOIL ltd. has planned Capacity Expansion projects at its mines. The mine wise plan is as below [illegible]

S. No.	Name of the Project/ Scheme	Total Project Cost (in ₹ Cr.)
1	Sinking of Production Shaft at Dongri Buzurg Mine	217.45
2	Sinking of 2nd Vertical Shaft at Kandri Mine	196.90
3	Sinking of 3rd Vertical Shaft at Chikla Mine	195.21
4	Sinking of East & West Ventilation Shaft at Dongri Buzurg Mine	54.56

3.56 During the sitting held with the Ministry, the Committee observed that the operating profit of MOIL also saw a nearly 30 percent dip in Quarter 3, driven by declining sales. The Ministry informed that the reasons for not achieving targets by MOIL are as under:

> "Budgetary provision at RE stage has been made as a proactive measure for asset acquisition opportunities in India as well as abroad, however, actual deployment of funds would depend upon the timely identification and viability of suitable acquisition opportunities. As on date, no specific site for acquisition has been identified. It is pertinent to mention that identification, evaluation, due diligence, and finalization of prospective assets is a time-consuming process, involving regulatory clearances, commercial negotiations, and strategic approvals."

3.57 During the sitting of the Committee held with the Ministry, the representative of MOIL informed the Committee as under:-

> *" as far as MOIL is concerned, our primary product being manganese ores, we have a shareholding of the Government of India around 53.35 per cent and last year we have produced around 1.8 million tonne which was the highest ever production and this year, we are expecting to produce more than two million tons of production. We are lined up our capex in such a way that our production capacity would be reaching around 3.5 million tons by 2030. So, for that, certain production capacity expansion projects have already been taken up and the three production shafts which are critical for any underground mine are coming up at Dongribuzurg, Chikla and Khandri mine and also, two ventilation shafts at Dongribuzurg so that our production capacity enhancement of 3.5 million tons takes place.*
>
> *With regard to the physical and the financial highlights, last year we had ended up with a profit of around Rs. 381 crore and also a turnover of around 1584 crore. This year, we are on line with regard to the turnover, we would be*

around 1500 to 1600 crore we will be doing and profits are also on line with the production."

MECON Ltd.

3.58 MECON Limited, a Miniratna CPSE under Ministry of Steel, is one of the leading multi-disciplinary Design, Engineering, Consultancy and Contracting organization in the field of Metals and Mining, Energy (Power, Oil & Gas), Infrastructure, Environmental Engineering and other related/diversified areas with extensive overseas experience. MECON provides entire gamut of services required for setting up of Greenfield and Brownfield projects from Concept to Commissioning including Turnkey execution . (AR)

- Offers services for setting up of Greenfield as well as Brownfield Projects from Concept to Commissioning, including Turnkey Execution.
- Multi-disciplinary experienced and capable pool of engineers / technologists in various specialized technical disciplines
- Strong past experience & presence in strategic sector including Defence, Aerospace, Nuclear sector etc
- Prominent presence in gas pipelines project of GAIL (Long Distance Pipe Line & City Gas Distribution etc.)

3.59 During the sitting of the Committee held with the Ministry , the representative of MECON informed the Committee as under:-

"We are engineering consultancy in contracting project managements service providers. Hundred percent holding is by the Government. We have around 1003 employees as on date and we have order of around Rs. 6000 crore as on hand. Sir, our primary service is for setting up of greenfield and brownfield expansion projects in steel plants. We have multi-disciplined experience in capable pool of engineers, technologists in various specialized technical disciplines. We have good presence in Defence and Aerospace, nuclear sector as well.
We have made a prominent position in gas pipeline especially in Urja Ganga project is being, we are the PMC there. Sir, our turnover since 2021-22 has almost doubled, this year, we will have 10 per cent over last year. Last year, for the first time, we were 1000 plus, we expect to be ending at least 10 per cent than this. We are consistently profit making company for last 6-7 years. We have a very good rating for the last two years and we are almost serving secondary steel sector also in a very big way, around 8 million tons steels has been added by us on totally indigenous technology. "

KIOCL Ltd.

3.60 KIOCL Limited (KIOCL), formerly known as Kudremukh Iron Ore Company Limited, is a Central Public Sector Enterprise under the administrative control of the Ministry of Steel, Government of India. The Company was incorporated on 2 April 1976 with the objective of mining and beneficiation of low-grade magnetite iron ore at the Kudremukh Iron Ore Mine, located in Chikkamagaluru District, Karnataka. Presently, KIOCL is engaged in the manufacture and sale of iron ore pellets through its 3.5 MTPA pelletisation plant located at Mangaluru.

Physical Performance

(In Millon Tonnes)

Particulars	2022-23	2023-24	2024-25	2025-26 (upto December, 2025)
Production of Iron Ore Pellets	1.510	1.905	0.926	1.850
Sales of Iron Ore Pellets	1.460	1.790	0.977	1.912

Financial Performance

(Rs. In Crores)

	2022-23	2023-24	2024-25	2025-26 (upto December, 2025)
Revenue from Operations	1543.42	1854.34	590.52	393.12
Profit Before Tax	(-) 122.76	(-) 63.70	(-) 205.07	(-) 47.97
Profit After Tax	(-) 97.67	(-) 83.31	(-) 204.58	(-) 47.97

3.61 During the sitting held with the Ministry, the Committee were informed as under:-

"KIOCL is another CPSE within the Ministry. After running into losses for a long time, they have gone into profits recently from December. They have a pellet plant in Mangaluru. Now, that is running almost at full capacity. They have got an arrangement with NMDC and RINL. At the back end, NMDC is supplying the iron ore and on the front end, RINL is buying the pellets. So, with that arrangement, their pellet plants, which were closed for some time and then running partially, are now running at a full capacity."

3.62 Regarding overview of the performance of KIOCL, the Ministry also informed the Committee that presently, KIOCL is engaged in the manufacture and sale of iron ore pellets through its 3.5 MTPA pelletisation plant located at Mangaluru. The operations of the 2.16 LTPA Blast Furnace Unit at Mangaluru, engaged in the manufacture of Foundry Grade Pig Iron, have been suspended due to unviable market conditions. The Company is currently exploring joint venture partnership as well as other various opportunities for operationalization of the unit with value added products. The Company is in the process of obtaining working permission to commence mining activities of Devadari Iron Ore Mine. The Company operates a 5.00 MWac solar power plant at Kathrikehal Village, Chikkanayakanahalli, Tumkur District, Karnataka, with an estimated annual power generation of approximately 10,000 MWh. In addition, the Company operates a 1.3 MWp solar power plant at its Blast Furnace Unit premises at Mangaluru.

3.63 The Ministry of Mines, Government of India, has notified KIOCL as an Exploration Entity under the Mines and Minerals (Development and Regulation) Act, 1957. Pursuant to this notification, the Company has ventured into the business of mineral exploration, undertaking exploration activities funded by the National Mineral Exploration Trust (NMET), Government of India, as well as various State Governments. Further, KIOCL has been accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) since 13 April 2022 and is equipped with facilities for the analysis of base and critical minerals.

Chapter IV

STEEL SECTOR INITIATIVES

A. Production and Consumption

4.1 The crude steel capacity, finished steel consumption, imports and exports over the last 5 years can be summarized as under:

Table 2: Production and consumption in Million Tonnes						
Category	2020-21	2021-22	2022-23	2023-24	2024-25	Apr-January* 2025-26
Crude production	103.54	120.29	127.20	144.30	152.18	138.82
Finished Steel production	96.20	113.60	123.20	139.15	146.69	132.27
Consumption	94.89	105.75	119.89	136.29	152.13	133.74
Source: Joint Plant Committee; *Provisional						

4.2 Details of Export and Import of last five years and current year are as under: -

Table 3: Exports and Imports (Th. Tonnes)						
Item	2020-21	2021-22	2022-23	2023-24	2024-25	Apr-Jan 2025-26*
Export	10784	13494	6716	7487	4858	5479
Imports	4752	4669	6021	8320	9551	4901
Net Exports/Imports	-6031	-8824	-695	833	4693	-578
Source: JPC, *provisional						

4.3 During the sitting of the Committee held with the Ministry the representative of the Ministry observed that-

> *"Export and import status has been given. This year, till January, we are a net exporter with 5.5 million tonnes of exports, whereas we have done imports of 4.9 million tonnes. In the past, we were the importer. In the previous year also, we exported 4.86, whereas, we imported 9.5."*

4.4 When asked how the Ministry facilitates adequate availability of raw material security for steel plants, the Ministry replied as under :-

> "Availability of key raw materials such as iron ore, coking coal, manganese ore, limestone and dolomite is essential for ensuring uninterrupted steel production. India is largely self-sufficient in iron ore, with domestic production of approx. 289 MT in FY 2024-25 against estimated consumption of ~265 MT. However, dependence remains on import of coking coal, manganese ore and certain high-grade fluxes due to quality and grade constraints in domestic production.
>
> As per National Steel Policy (NSP) 2017 projections, the steel sector will require approximately 437 MT iron ore, 161 MT coking coal and 11 MT manganese ore by 2030-31. To facilitate long-term raw material security, the Government is taking multiple measures including: (i) augmentation of domestic mining capacities through operationalisation of non-working mines, auctioning of mineral blocks and fast-tracking statutory clearances, (ii) beneficiation and technology upgradation to improve usability of lower-grade ores, (iii) diversification of import sources to reduce supply risk, (iv) promotion of coal washing and use of PCI/stamp charge technologies to reduce coking coal intensity, and (v) coordination with Central PSUs for capacity enhancement in iron ore and manganese ore mining.
>
> For iron ore, steady growth in domestic production and increased beneficiation capacity are contributing to assured availability. SAIL and NMDC are expanding mining capacities to support future demand. Further, beneficiation of sub-58% Fe ore is one of the methods to enhance domestic availability of ore and reduce export of low-grade ores.
>
> For coking coal, domestic reserves are predominantly of high-ash grades unsuitable for direct steel making, necessitating imports. Government is working with Ministry of Coal for enhancing washed coking coal availability, modernisation of washeries, and identification of additional coking coal blocks. Import diversification efforts are underway with increased sourcing from Russia, U.S.A. and exploration of options in Mongolia.
>
> For manganese ore and fluxes, efforts are focused on increasing domestic production through MOIL and other mine operators, as well as encouraging overseas collaboration and long-term arrangements for high-grade imports from major producing countries to bridge quality gaps.

The overarching approach remains to, expand domestic production, reduce import dependence, facilitate technology adoption, and develop diversified sourcing frameworks to ensure raw material security for meeting the steel sector's projected growth.".

4.5 During the sitting of the Committee held with the Ministry, the Members observed that " iron ore is ours, yet we're unable to reduce the cost of production and export it. China, however, imports iron ore from us and exports it".

4.6 During their presentation before the Committee, the Ministry of Steel summarised the issues of raw material issues for steel companies as under:-

Securing Raw Materials for Steel Supply Chain

Iron ore production in Apr-Nov FY26

million tonnes
(Y-o-Y increase)

Net exports of iron ore Apr-Nov FY26

million tonnes
(Y-o-Y increase)

India remains self-sufficient for its iron ore requirements. The imports of 6.5 MT pertains mainly to meet requirements for specific grades

Slimes utilization

After significant accumulation of slimes at NMDC mines and with the relaxation measures taken by Ministry of Mines on slimes valuation in 2025, NMDC & SAIL will sell slimes to steel producers and beneficiation plants.

Coking coal imports in Apr-Nov FY26

million tonnes
(Y-o-Y increase)

Initiatives to reduce import bill

Diversify import sources and pursue foreign asset acquisition

Promote setting up coal washeries for steel sector by Ministry of Coal.

Optimise coal blend through use of AI/ML by Steel industries.

Adoption technological solution for increasing the use of domestic coking coal.

4.7 While briefing the Committee during the sitting of the Committee, the representative of the Ministry acknowledged the following:-

"In the current year, we have produced 185.5 million tonnes of iron ore, which is 1.6 per cent more. Last year, during the same period, we had produced 182 million tonnes. Of course, we have a low-grade iron ore getting exported from the country and some iron ore, because of the business consideration, is also imported. The net import is 7.1. Actually, in the current year, import is 8.10 million tonnes and export is 15.2 million tonnes.

Sir, coking coal is one of the major constituents of steel making as far as the blast furnace route is concerned and because of the ash content of our domestic coking coal, we are fairly dependent on international sourcing.

Presently, in the current year, we have imported 44.41 million tonnes, which is 14 per cent higher than last year, we did 38 million tonnes in the same period. What we have planned is that we are going for diversification of sourcing it. Presently, we were doing it from one geography and now, we are spreading it across. At the same time, we are

also working for having a technological intervention for using our domestic coking coal as well as the optimization of coal blend."

4.8 During the sitting of the Committee held with the Ministry, the Members observed that:-

"Wherever there's iron ore, you're washing it, causing the slurry and suspended solids to flow away. ..." Where slurry is discharged, where there are suspended solids, and where there are washeries, water should not be discharged without treatment. Neither should farmland be ruined, nor should drinking water or groundwater be contaminated.

4.9 On being asked regarding the impact of steep rise in steel prices globally would on the Indian Steel Industry, the Ministry replied as under:

" Global prices for all three products—TMT 10 mm, Hot Rolled (HR) Coils, and Cold Rolled (CR) Coils in the EU market—were at their peak in April 2022. Prices then declined sharply by April 2023 and softened further by April 2024, indicating correction and normalization in global steel markets. While there is a moderate uptick by December 2025 across all items, the increase is gradual rather than steep and prices remain significantly below April 2022 levels. Overall, the trend in global steel prices suggest partial recovery from a low base, not a sharp or abrupt surge in global steel prices.

Further, it may be noted that Steel is a deregulated sector, and steel prices are determined by demand–supply dynamics and prevailing market forces. Global market conditions, trends in raw material prices, logistics costs, and power and fuel costs play a significant role in price movements. The Government acts as a facilitator, by creating a conducive policy environment for the development of steel sector including small and medium producers in the country."

4.10 During the sitting of the Committee held with the Ministry of Steel, the representative of Ministry of Steel informed regarding steel prices as under:-

"We have submitted that the steel prices in the year were depressed till December. We have two major indicators like Hot Rolled Coil and TMT. So, in the month of April, the price of TMT was Rs. 51,700. That got depressed in the

month of November and it was Rs. 43,650. Similarly, the price of Hot Rolled Coil, which was Rs. 48,000, has now again come down to Rs. 43,000. But after December, the market has recovered a little and in the month of December and January, it has shown an upward trend."

C. Green Steel/Environmental Issues

4.11 Ministry of Steel released a comprehensive Report titled "Greening the Steel Sector in India: Roadmap and Action Plan" on September 10, 2024, which is based on the recommendations of 14 Task Forces comprising of stakeholders from Ministries/Departments, Industries, TechnologyProviders, Experts, Academia, Think Tanks and Innovators etc. This report provides a comprehensive overview of steel sector, discuss the various pathways for the decarbonisation of the steel sector and chalks out the strategy, action plan and roadmap on various key levers forGreen Transition such as Energy Efficiency, Renewable Energy, Green Hydrogen, Material Efficiency, Process Transition from coal based DRI to Natural Gas based DRI, Carbon Capture, Utilisation and Storage (CCUS) and the use of Biochar in steel industry.(AR chapter XI)

4.12 Green Steel Taxonomy: Ministry of Steel has notified a Green Steel Taxonomy in India on December 23rd, 2024, defining green steel based on CO2 emission intensity. Green Steel Taxonomy provides a framework for production of green steel, creation of market for green steel and seeking financial support. 'Green Steel' has been defined in terms of percentage greenness of the steel, which is produced from the steel plant with CO2 equivalent emission intensity less than 2.2 tonnes of CO2e per tonnes of finished steel (tfs). As on 15.01.2026, 60 steel units have been awarded green steel certification under the notified taxonomy, accounting for a total green steel production of 9.17 million tonnes.

4.13 National Green Hydrogen Mission (NGHM): Four pilot projects have been awarded for use of hydrogen in steel sector under National Green Hydrogen Mission (NGHM) released by Ministry of Renewable Energy (MNRE). These projects focus on two key areas such as partial substitution of natural gas with hydrogen in vertical shaft-based DRI production, and injection of hydrogen into existing blast furnaces to reduce coal and coke consumption.

Green Steel Initiatives

Pilot project for use of green hydrogen:

- Financial outlay to MoS under National Green Hydrogen Mission: Rs. 455 Crore till FY 2029-30
- Awarded two pilot projects for injection of Hydrogen in vertical shaft based DRI making units and two pilot projects to use hydrogen in existing Blast Furnace to reduce coal/coke consumption
- Fresh EoI for inviting new proposals has been floated by MECON in January 2026.

Award of green steel certificates

- Ministry of Steel awarded 71 green steel certificates (47 nos – 5 star, 17 nos – 4 star and 7 nos – 3 star).
- All these 71 units have produced 10.4 million tonnes of certified green steel.

5 - star green rated steel: Lower than 1.6 tCO_2e/tfs

4 - star green rated steel: 1.6 – 2.0 tCO_2e/tfs

3 - star green rated steel: 2.0 – 2.2 tCO_2e/tfs

C: National Steel Policy 2025 and National Mission on Sustainable Steel

4.14 During the sitting of the Committee held with the Ministry , the representatives of the Ministry of Steel informed the Committee regarding National Steel Policy 2025 and National Mission on Sustainable Steel as under:-

> *" We are in the process of formulating a new Steel Policy. The previous policy was launched in 2017. Given the changes in the overall scenario, with increased emphasis on sustainability, digital intervention, international cooperation, and skill building, we are working on incorporating these areas into the new policy. Once finalised, it will be presented.*
>
> *The National Mission on Sustainable Steel is another area of focus. As submitted earlier, 47 per cent of our steel makers are small players. We are working on providing incentives and schemes to bring them into the fold of sustainable steel making."*

4.15 The Ministry informed the Committee regarding the proposed New Steel Policy as under:-

- Ministry of Steel has formulated the National Steel Policy 2025 to guide the sector's growth through FY 2035–36.

- NSP 2025 projects domestic crude steel demand of 339 million tonnes and a capacity requirement of 400 million tonnes by FY 2035–36.
- NSP 2025 focuses on some of the new focus areas including enhanced focus on sustainability, improving efficiency through digital interventions, international cooperations and capability building and skill development to make steel sector competitive on a global scale.

National Mission on Sustainable Steel

- Ministry of Steel has formulated NMSS which aims to facilitate performance enhancement mainly for secondary steel industries (SSIs) through focused support in areas such as energy efficiency, production efficiency, quality improvement and technological upgradation.
- NMSS includes following 3 schemes:
  - Scheme for Sustainable Secondary Steel Industries (Budget outlay of INR 5000 Crores) for reducing CO_2 emissions
  - Renewable Energy Integration scheme for supporting use of RE in steel production
  - Research & Development initiative

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PART II

OBSERVATIONS/RECOMMENDATIONS

BUDGET ALLOCATION FOR FY 2026-27

1. The Committee note that a sum of Rs 443.18 crores have been allocated under Demand No. 97 of the Ministry of Steel for the year 2026-27. Out of this, Rs 439.84 crores is under the Revenue Section and Rs. 3.34 crores is under Capital Section of the Ministry. The Demand includes Rs. 393.00 crores for Central Sector Schemes, Rs. 46.78 crores (Revenue Section- Rs. 43.44 crores and Capital Section- Rs. 3.34 crores) for Secretariat/Establishment Expenditure and Rs. 3.40 crores for Other Central Sector Expenditure. The Committee appreciate that the outlay for Central Sector Schemes has increased during 2026-27 to Rs. 393.00 crores from Rs. 318.00 crores during 2025-26 while the BE for Establishment expenditure during the current FY is in line with previous projections. The Committee also note that the primary focus in the Budget Allocation for FY 2026-27 for the Steel Sector is the Central Sector Schemes, particularly the PLI Scheme for Specialty Steel in India. Rashtriya Ispat Nigam Limited (RINL) in BE 2026-27 has a nil allocation, while in 2025-26, a larger amount of Rs. 3017 crore was kept on account of equity infusion by the Government into RINL. As the Steel Sector is the backbone of the economy, serving as an important infrastructure input under primary driver of industrialisation, the Committee call upon the Ministry to make efforts for getting more funds allocated to the sector.

ACTUAL EXPENDITURE TRENDS *VIS-A-VIS* BUDGET ESTIMATES (BE) AND REVISED ESTIMATES (RE)

2. The Committee observe that the Ministry of Steel's BE, RE and Actual Expenditure trends over the last five years show that Actual Expenditure frequently fell below Budget Estimates (BE) and Revised Estimates (RE). During 2022-23, against RE of Rs 57.72 crores, the actual expenditure was Rs. 46.04 crores which indicated 79.8 % achievement with respect to RE. Also, during 2023-24, against BE of Rs 70.15 crores which was subsequently

reduced to Rs 54.55 crores at RE stage, the actual expenditure was Rs. 51.87 crores (achievement of 95.1%). For the year 2024-25 ,the percentage achievement with regard to RE was 99.7%. In the current scenario during 2025-26, the actual expenditure till 11.02.2026 shows 75.25 % achievement with respect to RE. The Committee appreciate the progressive improvement in expenditure management demonstrated by the Ministry over the last three years. The Committee suggest that the Ministry further strengthen its planning and monitoring mechanisms to maintain this positive trajectory and ensure optimum utilisation of funds within the fiscal year, thereby avoiding any surrender of funds at the RE stage.

PRODUCTION LINKED INCENTIVE (PLI) SCHEME FOR SPECIALTY STEEL IN INDIA

3. The Committee note that the PLI Scheme for Specialty Steel is a flagship initiative of the Ministry aimed at promoting manufacturing of high-value specialty steel grades within the country, which represents the future of India's steel sector. The Committee observe from details of PLI 1.0 that the committed investments are Rs. 27,106 crore and achieved investment are Rs. 22,655 crores while the figures for PLI 1.1 are Rs. 17000 crores and Rs. 968 crores respectively. Similarly, committed production so far *vis a vis* the actual production in Metric Tonnes(MTs) till December, 2025 under the scheme for PLI 1 are 7,940,000MT and 2,472,000MT whereas the same for PLI 1.1 are 6,400,000MT and 15,000MT respectively. The Committee note that there are various parameters like market dynamics, product-specific technical challenges, supply chain constraints, and global economic conditions which have impacted the achievement of committed targets. PLI scheme is a very important Central Sector scheme of the Ministry for speciality steel which is the future of Steel in the country. The Committee appreciate the visible efforts and proactive approach of the Ministry in making the scheme a success, including the progressive refinements introduced in PLI 1.1 and PLI 1.2 to address bottlenecks such as reduced thresholds for brownfield investments, flexibility in production commitments, and updated price indices. The Committee hope that the Ministry continue its consultative approach with industry stakeholders to identify and address implementation challenges in a

time-bound manner, and work towards full utilization of the total financial outlay of Rs. 6,322 crores by the year 2030-31. The Committee desire to be apprised of the year-wise progress and outcomes achieved under the scheme, including investment realized, production achieved, employment generated, and import substitution attained.

PROMOTION OF RESEARCH AND DEVELOPMENT IN IRON AND STEEL SECTOR

4. The Committee note that the thrust areas for providing financial assistance under the R&D Scheme, are development of new alternate processes & technologies to address the issues faced by the Iron & Steel Sector. In FY'2025-26, entire allocated budget of ₹6 Cr. in R&D scheme was fully utlized, and additionally, budgetary re-appropriation of Rs. 1 crore was made to meet emerging project requirements, demonstrating the Ministry's commitment to the scheme. The Committee understand that while the annual budgetary allocation under the Scheme is relatively modest (₹2–7 crore), it is strategically intended to support focused, high-impact research, pilot-scale innovations, and collaborative projects with academic and research institutions, which can subsequently be scaled up through industry participation and co-funding arrangements. The Committee appreciate the revision of the R&D scheme in December 2025 to enhance its effectiveness, broaden participation from MSMEs and start-ups, and ensure better alignment with strategic objectives. The Committee urge that the Ministry give more thrust to the R&D scheme commensurating with the size and scale of the Steel sector and allot more funds under the scheme by taking into account industry requirements, emerging technological priorities, the imperative of decarbonization and other parameters. The Committee would also like to be apprised of the tangible outcomes of R&D investments since the inception of the Scheme in terms of process improvements, product innovations, patents filed and granted, technology adoption by industry, and measurable impact on energy efficiency and emission reduction.

FLAGGING OF MERCHANT SHIPS IN INDIA

5. The Committee note that the Flagging of Merchant Ships in India Scheme, implemented under the aegis of the Ministry of Ports, Shipping and Waterways, aims to encourage ships to be registered under the Indian flag by reducing the cost of operating Indian-flagged vessels, thereby promoting the objective of Atmanirbhar Bharat and reducing foreign exchange outgo on shipping services. The Committee are also informed that the Ministry of Steel (MoS) is only a beneficiary Ministry under the scheme, as it deals with the disbursal of subsidy in respect of import of Government cargo by CPSEs under its administrative control as per the scheme and the Ministry of Ports, Shipping and Waterways (MoPSW) remains the nodal Ministry for overall implementation of the Scheme. The Committee appreciate that the scheme supports Indian shipping companies and contributes to building indigenous maritime logistics capacity, which is strategically important for the steel sector's raw material security and export competitiveness. The Committee therefore urge the Ministry to coordinate with concerned Ministry for timely disbursement of funds under the scheme, facilitate greater participation of Indian-flagged vessels, and encourage Steel CPSEs to actively consider Indian shipping options in their procurement processes, thereby contributing to the growth of India's merchant shipping fleet and reducing dependence on foreign shipping services.

OTHER CENTRAL SECTOR EXPENDITURE

6. The Committee note that Cabinet Committee on Economic Affairs (CCEA) has approved the infusion of ₹10,300.00 crore as equity capital in RINL (including ₹500.00 crore already provided as emergency funds in September 2024) and the conversion of ₹1140.00 crore working capital loan to 7% non-cumulative preference share capital redeemable after 10 years, to keep the RINL running. The Government has released 3 tranches totaling ₹ 9,004.00 crore to RINL and the 4th tranche of ₹796.00 crore is yet to be released. The Committee are happy to note that the net worth of RINL, which was negative, improved from ₹(-) 6,841.07 crore in September 2024 to ₹2418.61 crore in

September 2025. The bank borrowings of RINL also came down from ₹ 17,416 crore in September 2024 to ₹12,321 crore in September 2025. Also, RINL restarted its 2nd and 3rd blast furnaces and increased the overall Capacity Utilization (CU) level to 94% in December 2025. The Committee appreciate the proactive efforts of the Ministry of Steel in facilitating the revival of RINL and the positive turnaround trajectory demonstrated by the company. The Committee hope that the Ministry continue to closely monitor the progress of RINL through periodic reviews of operational targets, financial parameters, and strategic milestones, and expedite the formulation of the second phase of the revival plan to ensure sustained viability and long-term sustainability of this important public sector enterprise. The Committee would like to be apprised of the further progress achieved by RINL in achieving operational excellence, financial stability, raw material security, and market competitiveness.

IEBR and CAPEX for Steel CPSEs

7. The Committee observe that Internal and Extra Budgetary Resources (IEBR) of Steel Central Public Sector Enterprises (CPSEs) are significantly growing as per the projections for FY 2026-27. SAIL (Steel Authority of India Limited) leads the investment, with an expected expenditure of ₹15,000 crore in FY26-27, rising from ₹10,000 crore in FY 2025-26. NMDC (National Mineral Development Corporation) projects a rise in capex to ₹9,000 crore in FY2026-27 from ₹6,000 crore in the previous year, along with rise in projections of MOIL from ₹600 crores in FY 2025-26 to ₹800 crores in FY 2026-27. The Committee appreciate that the IEBR for CPSEs under the Ministry of Steel are crucial for funding capital expenditure to expand capacity and upgrade technology, enhance productivity, and build green steel facilities, all of which are important contributing factors for enhancing national steel production capacity and achieving the targets envisaged under the National Steel Policy. The Committee, while acknowledging these ambitious targets, would like to be apprised of the actual utilisation achieved till March 2026 and the year-wise physical progress of major capital projects. The Committee hope that the Ministry of Steel play a proactive facilitative role in enabling Steel CPSEs to achieve faster implementation and timely completion of their CAPEX projects

by assisting in inter-ministerial coordination for timely clearances, raw material linkages, infrastructure support, and resolution of regulatory bottlenecks.

UTILIZATION OF IEBR BY CENTRAL PUBLIC SECTOR UNDERTAKINGS(CPSES)

8. The Committee note that the percentage utilization of IEBR of the following CPSEs for FY 2025-26 till January, 2026 is as follows:- SAIL(63.35%), NMDC(31.60%), KIOCL (17.11%), MOIL(33.31%), MECON (40.47%), and MSTC (62.56%), and actual utilisation falls short of the targets set at RE stage. The average percentage utilisation till January 2026 for the CPSEs with regard to RE 2025-26 is 51%. The Committee understand that lower utilization in some cases is attributable to specific reasons such as liquidity constraints, pending forest and environmental clearances, delays in contractor mobilization, and the time-intensive process of evaluating acquisition opportunities. The Committee appreciate that the Ministry is actively engaged in facilitating resolution of these issues. The Committee suggest that the Steel CPSEs, with active support and coordination from the Ministry, endeavour to achieve maximum possible utilization of IEBR during the remaining period of this financial year and strengthen their project planning, monitoring, and execution frameworks to ensure timely implementation of capital projects. The Committee would like to be apprised of the specific measures taken to address CPSE-specific constraints and the outcomes achieved.

STEEL AUTHORITY OF INDIA LIMITED(SAIL)

9. The Committee note that SAIL has formulated an expansion plan to increase its crude steel capacity in a phased manner. The three phases include Expansion of IISCO Steel Plant, Burnpur, at a cost of Rs. 35965 crore, Brownfield Expansion of Durgapur Steel Plant at a cost of Rs. 5667 crore and Brownfield Expansion of Bokaro Steel Plant at a cost of Rs.14931 crores. The Committee are of the view that this is a positive step towards modernization and expansion of Steel Plants especially since most of the Steel plants of SAIL

were established several decades ago and have relatively lower unit capacity as compared to modern day greenfield steel plants being set up globally and in India. The Committee recognize that these expansion and modernization projects are strategically important for maintaining SAIL's competitive position, enhancing productivity and efficiency, adopting cleaner and more sustainable technologies, and contributing to national capacity targets. The Committee hope that SAIL, with the Ministry's support, will look for timely and efficient utilization of allocated funds, adhere to project timelines with periodic monitoring of milestones, and complete the upgrade of these steel plants in a time-bound manner with focus on quality and cost-effectiveness. The Committee also hope that SAIL formulate similar comprehensive modernization and expansion plans for its remaining steel plants in the coming years, keeping in view emerging technological advancements, market demand patterns, and sustainability imperatives. The Committee would like to be apprised of the progress achieved on these expansion projects, including physical and financial progress, milestones achieved, and projected timelines for completion and commissioning.

NMDC Ltd

10. The Committee note that the installed capacity and capacity utilization of NMDC for the year 2024-25 is 85.59%. The Committee appreciate the PAT figures of NMDC which stand at Rs. 5401 crores till December, 2025. The Committee hope that NMDC will continue to improve its financial status in the coming years with planned capacity expansion projects at its mines, adoption of advanced mining technologies, and improved productivity. The Committee also appreciate that along with iron ore mining, NMDC ltd. is gradually venturing into coal mining also, with the opening of its first coal mine in Jharkhand, which represents a welcome diversification strategy and will contribute to the raw material security of the steel sector. The Committee emphasise that NMDC focus on timely completion of its expansion plans, strive for optimum capacity utilization through operational excellence and market responsiveness, and continue to explore opportunities for backward and forward integration in the steel value chain. The Committee would like to

be apprised of the steps taken and contemplated by NMDC in this regard, including progress on mine expansion projects, capacity addition targets, production performance, and diversification initiatives.

NMDC STEEL LIMITED (NSL)

11. The Committee note that the installed capacity and capacity utilization of NMDC Steel Ltd has improved from 30 to 50 percent from FY2023-24 to FY2024-25. The turnover has increased in FY2025-26 in the first nine months to Rs. 9822 crore *vis-a-vis* Rs. 8574 crore of FY2024-25, losses at NSL Steel Ltd. has come down from Rs. 2373 to Rs. 333 crores. The Committee appreciate that NSL is bringing down its losses over a period of time and urge the Ministry to take up the issue with the PSU for improving on its production and financial targets with a view to achieving operational break-even and profitability at the earliest. The Committee would like to be apprised of the strategic measures being taken by NSL to enhance production efficiency, reduce costs, improve product mix, and strengthen its market position.

KIOCL LTD.

12. The Committee note that operations of the 2.16 LTPA Blast Furnace Unit of KIOCL at Mangaluru, engaged in the manufacture of Foundry Grade Pig Iron, have been suspended due to unviable market conditions. The company has incurred a loss of around 47.97crores till December, 2025. The Company is currently exploring joint venture partnership as well as other various opportunities for operationalization of the unit with value added products. The Committee suggest that KIOCL ltd., with the support of the Ministry, identify corrective measures to restart its Blast Furnace unit at Mangaluru. The Committee are informed that the Ministry of Mines, Government of India, has notified KIOCL as an Exploration Entity under the Mines and Minerals (Development and Regulation) Act, 1957. Pursuant to this notification, the Company has ventured into the business of mineral exploration, undertaking exploration activities funded by the National Mineral Exploration Trust (NMET), Government of India, as well as various State Governments. Subsequently, the Company is in the process of obtaining working permission to commence

mining activities of Devadari Iron Ore Mine. The Committee appreciate these new strategic initiatives which have the potential to diversify KIOCL's revenue streams and improve its financial health. The Committee are hopeful that the new initiatives will improve the financial status of the company and desire to be apprised of the progress made in obtaining necessary clearances, commencement of mining operations, and the modalities for operationalization of the Blast Furnace unit.

RAW MATERIAL ISSUES

13. The Committee are informed that the domestic coking coal reserves are predominantly of high-ash grades unsuitable for blast furnaces for making of steel thereby necessitating imports. The Government is working with the Ministry of Coal for enhancing washed coking coal availability, modernisation of washeries, and identification and allocation of additional coking coal blocks. Import diversification efforts are underway with increased sourcing from Russia, U.S.A. and exploration of options in Mongolia to reduce dependence on a limited number of supplier countries. The Committee also appreciate that in the current financial year till January 2026, the country is a net exporter with 5.5 million tonnes of exports against imports of 4.9 million tonnes, which demonstrates the growing global competitiveness of the Indian steel industry. The Committee urge the Ministry to explore the possibility of sustained technological interventions and facilitate investments in optimizing the use of domestic coking coal through setting up of modern coal washeries, beneficiation plants, and advanced blending technologies on a larger scale. This would help reduce the cost burden of imports, enhance strategic autonomy, and contribute to the economic viability of the steel sector. The Committee would like to be apprised of the progress made in this regard, including the number of washeries being set up or modernized, coking coal blocks identified and allocated, and technology partnerships being explored.

ENVIRONMENTAL ISSUES

14. The Committee note that while coal washeries and iron ore beneficiation plants contribute to resource optimization and value addition, there is an emerging concern regarding environmental degradation caused by slurry and suspended solids in the water discharged from these plants. Untreated effluent water can pollute soil, groundwater, agricultural land, and water bodies, adversely impacting local communities and ecosystems. The Committee are of the view that environmental sustainability must be an integral part of industrial growth and that washeries and beneficiation plants, whether existing or upcoming, may explore the possibility of setting up effluent treatment plants for comprehensive waste water management, recycling and reuse of water, and safe disposal of solid waste, in order to protect the environment and ensure compliance with environmental norms. The Committee would like to be apprised of the environmental safeguards and monitoring mechanisms being put in place by the Ministry and Steel CPSEs in this regard.

NATIONAL STEEL POLICY 2025 AND NATIONAL MISSION ON SUSTAINABLE STEEL

15. The Committee have been informed that Ministry of Steel has formulated the National Steel Policy 2025 to guide the sector's growth through FY 2035–36. Also, the Ministry has formulated NMSS which aims to facilitate performance enhancement mainly for secondary steel industries (SSIs) through focused support in areas such as energy efficiency, production efficiency, quality improvement and technological upgradation. The Committee feel that these are right steps in the light of the fact that Steel industry is growing at a fast pace with increasing domestic consumption, rising infrastructure investments, and expanding export opportunities, while simulatneously facing challenges like technological upgradation requirements, development of specialty steel products, decarbonization imperatives, circular economy principles, and demand-supply fluctuations. The Committee believe that well-designed policies are essential for guiding the sector toward sustainable and inclusive growth. The Committee desire to be apprised in detail of the salient

features, specific initiatives, implementation framework, time-bound targets, and the current status of formulation and implementation of the National Steel Policy 2025 and the National Mission on Sustainable Steel. The Committee would also like to understand the institutional mechanisms established for monitoring and reviewing the progress under these policy frameworks.

GREEN STEEL AND DECARBONISATION INITIATIVES

16. The Committee appreciate the pioneering steps taken by the Ministry of Steel in promoting green steel and decarbonization in the steel sector. The Committee note with satisfaction that India is the first nation globally to release the Taxonomy for Green Steel, which provides clear standards for defining and categorizing low-emission steel. As of 31.01.2026, 78 steel units have been awarded Green Steel certification with star ratings, accounting for 11.18 MT of certified green steel production, which is a commendable achievement. The Committee further note that the Ministry has released a comprehensive report titled "Greening the Steel Sector in India: Roadmap and Action Plan", which has been developed based on the recommendations of 14 Task Forces constituted for this purpose and provides a detailed roadmap towards achieving the net-zero target by 2070. The Committee are also pleased to note that the Ministry has awarded four pilot projects for the use of hydrogen in the steel sector under the National Green Hydrogen Mission launched by the Ministry of New and Renewable Energy. The Committee believe that these initiatives position India as a global leader in sustainable steel production. The Committee emphasize that the Ministry continue to accord high priority to these endeavours, facilitate technology development and adoption, provide appropriate policy incentives for green steel production, promote participation in international green steel markets, and work towards making India a global hub for green steel manufacturing and carbon emissions reduction. The Committee would like to be apprised of the progress on pilot projects, outcomes of the green steel certification scheme, industry response to the green steel taxonomy, and the roadmap for scaling up hydrogen-based steel production.

QUALITY STANDARDS AND QUALITY CONTROL ORDERS

17. The Committee appreciate that the Ministry of Steel is taking proactive steps for formulation of Indian Standards for steel products consumed in the country for which presently no Indian standards exist, as well as revision of equivalent standards to incorporate emerging steel grades, with the aim of expanding the ambit of Quality Control Orders (QCO). In this regard, a Standardization Cell has been constituted by the Ministry in consultation with the Bureau of Indian Standards (BIS). The Committee appreciate this initiative as it will contribute to ensuring availability of quality steel in the domestic market, preventing circulation of sub-standard steel products, and protecting consumers, infrastructure projects, and public safety. The Committee urge the Ministry to expedite this exercise to progressively formulate standards for all categories of steel consumed in the country, strengthen the enforcement mechanism for Quality Control Orders, and ensure rigorous quality checking of imported steel to prevent entry of sub-standard products. The Committee may be apprised of the progress made in formulation of new standards, issuance of additional QCOs, and the enforcement and compliance status.

TECHNOLOGY UPGRADATION AND DIGITALIZATION

18. The Committee note that the global steel industry is witnessing rapid technological advancements including automation, artificial intelligence-driven process optimization, advanced analytics. The Committee believe that adoption of digital technologies and advanced process control systems can significantly enhance productivity, energy efficiency, quality consistency, and cost competitiveness of Indian steel plants. The Committee opine that the Ministry, in consultation with Steel CPSEs and private sector steel companies, may formulate a comprehensive strategy for technology upgradation and digitalization in the steel sector. For promoting collaborative research and development, facilitating technology partnerships with global leaders, supporting pilot projects for emerging technologies, and creating a favourable ecosystem for technology adoption, especially for small and medium steel

enterprises. The Committee would like to be apprised of the initiatives being taken in this regard and the outcomes achieved.

SKILL DEVELOPMENT AND EMPLOYMENT GENERATION

19. The Committee recognize that the steel sector, including upstream and downstream industries, is a significant source of employment and livelihood for millions of people across the country. With ongoing capacity expansion, technological upgradation, and diversification into specialty steel products, there is a growing need for skilled workforce equipped with contemporary technical skills, safety consciousness, and digital literacy. The Committee urge that the Ministry may strengthen efforts towards skill development, vocational training, and capacity building programs tailored to the needs of the steel industry. Special attention may be given to training programs in emerging areas such as green steel technologies, automation, advanced process control, quality management, and safety practices. The Committee are also of the view that Steel CPSEs actively participate in skill development initiatives, provide apprenticeship opportunities, and collaborate with Industrial Training Institutes (ITIs) and Polytechnics to develop industry-ready skilled workforce. The Committee would like to be apprised of the initiatives taken in this regard.

MONITORING AND EVALUATION FRAMEWORK

20. The Committee note that robust monitoring and evaluation mechanisms are essential for ensuring effective implementation of schemes, timely achievement of targets, and optimal utilization of public resources. The Committee appreciate that the Ministry has adopted the Output-Outcome Monitoring Framework (OOMF) for tracking performance of schemes based on clearly defined output and outcome indicators. The Committee recommend that the Ministry further strengthen its monitoring mechanisms by establishing real-time digital dashboards for tracking scheme performance, conducting periodic evaluations to assess impact and effectiveness, organizing regular review

meetings with CPSEs and other stakeholders, and publishing periodic progress reports to enhance accountability. The Committee would like to be apprised of the progress achieved under various schemes and CPSE performance against set targets.

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NEW DELHI;
March, 2026
Phalguna, 1947 (Saka)

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

MINUTES OF THE SIXTEENTH SITTING OF THE COMMITTEE ON COAL, MINES AND STEEL (2025-26) HELD ON 19th FEBRUARY, 2026.

The Committee sat on 19 February, 2026 from 1015hrs to 1230 hrs in Committee Room No. 1 , Parliament Annexe Extension Building, New Delhi.

PRESENT

Shri Anurag Singh Thakur-Chairperson

Lok Sabha

2. Smt. Roopkumari Choudhary
3. Shri Vijay Kumar Hansdak
4. Smt. Kamlesh Jangde
5. Shri Harish Chandra Meena
6. Shri Ananta Nayak
7. Smt. Bharti Pardhi
8. Shri Manna Lal Rawat
9. Dr. Rajkumar Sangwan
10. Smt. Pratibha Suresh Dhanorkar

Rajya Sabha

11. Dr. Sarfaraz Ahmad
12. Shri Deepak Prakash
13. Shri Sajjad Ahmad Kichloo

Secretariat

1. Shri Harish Chandra Bist - Joint Secretary
2. Smt. Reena Gopalakrishnan - Director
3. Smt. Sunanda Chatterjee - Deputy Secretary

WITNESSES

Ministry of Steel

1. Shri Sandeep Poundrik -Secretary
2. Shri Ashish Chatterjee - Additional Secretary and FA
3. Shri Abhijit Narendra - Joint Secretary
4. Shri Amarendu Prakash - CMD, SAIL
5. Shri Jaydeep Dasgupta - Director(NMDC)
6. Shri Manish Raj Gupta - CMD, RINL
7. Shri V Suresh -CMD. MOIL
8. Shri Sanjay Kumar Verma -CMD, MECON
9. Shri Manobendra Ghoshal -CMD, MSTC
10. Shri GV Kiran -CMD, KIOCL

2. At the outset, the Chairperson welcomed the Secretary and other representatives of the Ministry of Steel and its Public Sector Undertakings (PSUs) to the sitting of the Committee convened for Oral evidence of the representatives of Ministry of Steel regarding Demands for Grants (2026-27).

3. The sitting commenced with a Power Point presentation by the representatives of the Ministry of Steel on Demands for Grants for the year 2026-27.The presentation gave an overview of the Budget Estimates for 2026-27 along with budgetary allocation and expenditure for the last four years by the Ministry, Crude steel capacity, production and finished steel consumption, imports and exports over the last five years, formulation of National Steel Policy 2025. The presentation also gave details regarding the CAPEX of Steel CPSEs, physical and financial highlights of each of the CPSEs and recent initiatives undertaken by them.

4. The Committee had elaborate discussion on the Central Sector Schemes like Production Incentive scheme for Speciality Steel, Research & Development initiatives, the measures being adopted to reduce the import of Steel from other countries and make the country self-reliant, growth targets achieved by the Ministry and also the challenges being faced by the Steel Sector.

5. Thereafter, the Members of the Committee raised queries on various issues viz less allocation and utlisation of budget for R&D, problem of suspended slurry and its disposal by the steel plants, iron ore beneficiation, green steel, less efficiency and profitability of Steel CPSEs vis a vis Private Sector, high per unit manpower cost of PSUs, Secondary Steel Sector efficiency and carbon emission etc. 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 to furnish written replies to the queries raised by the Members which remained unanswered during the Sitting of the Committee within seven days.

6. . 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.

The Witness then withdrew

ANNEXURE-I

MINUTES OF THE EIGHTEENTH SITTING OF THE STANDING COMMITTEE ON COAL, MINES AND STEEL (2025-26) HELD ON 09 MARCH, 2026 FROM 1700 HRS TO 1715 HRS IN COMMITTEE ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI

PRESENT

Shri Anurag Singh Thakur - Chairperson

Lok Sabha

2. Smt. Roopkumari Choudhary
3. Shri Vijay Kumar Hansdak
4. Smt. Kamlesh Jangde
5. Shri Ananta Nayak
6. Smt. Bharti Pardhi
7. Dr. Manna Lal Rawat
8. Dr. Rajkumar Sangwan
9. Shri Kali Charan Singh
10. Smt. Pratibha Suresh Dhanorkar

Rajya Sabha

11. Dr. Sarfraz Ahmad
12. Smt. Mahua Maji
13. Shri Anil Kumar Yadav Mandadi
14. Shri Deepak Prakash
15. Shri Aditya Prasad
16. Shri Devendra Pratap Singh
17. Shri Pradip Kumar Varma
18. Shri Milind Murli Deora

SECRETARIAT

1. Shri Harish Chandra Bist - Joint Secretary
2. Smt. Reena Gopalakrishnan - Director
3. Smt. Sunanda Chatterjee - Deputy Secretary

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

(i) **** **** **** **** ****;
(ii) **** **** **** **** ****;

(iii) Draft Report on Demands for Grants (2026-27) pertaining to the Ministry of Steel

3. The Committee then authorized the Chairperson to finalise the Reports and present/lay the same in both the Houses of Parliament.

The Committee, then, adjourned.

***Not related to the Report.**