

No. S-24013/1/2020-EA-RFD  
Government of India  
Ministry of Steel  
(Economic Division)  
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Udyog Bhawan, New Delhi  
Dated: 20<sup>th</sup> September, 2023

**OFFICE MEMORANDUM**

**Subject: Monthly Summary for the Cabinet for the month of August, 2023.**

The Undersigned is directed to circulate herewith a copy of the unclassified portion of the Monthly Summary pertaining to the Ministry of Steel for the month of August, 2023 for information.

**Encl:** As above.

  
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To,

1. Members of the Council of Ministers
2. Vice Chairman, NITI Aayog, NITI Bhawan, New Delhi
3. All Members of NITI Aayog, NITI Bhawan, New Delhi
4. Cabinet Secretary, Rashtrapati Bhawan, New Delhi
5. Secretary to the Vice President of India, New Delhi
6. PS to Prime Minister of India, South Block, New Delhi
7. All Secretaries to the Government of India
8. Information Officer, PIB, Shastri Bhawan, New Delhi [steel\\_pib@nic.gov.in](mailto:steel_pib@nic.gov.in)

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**मासिक सारांश  
MONTHLY SUMMARY  
ON  
लौह एवं इस्पात  
IRON & STEEL**

**अगस्त - 2023**

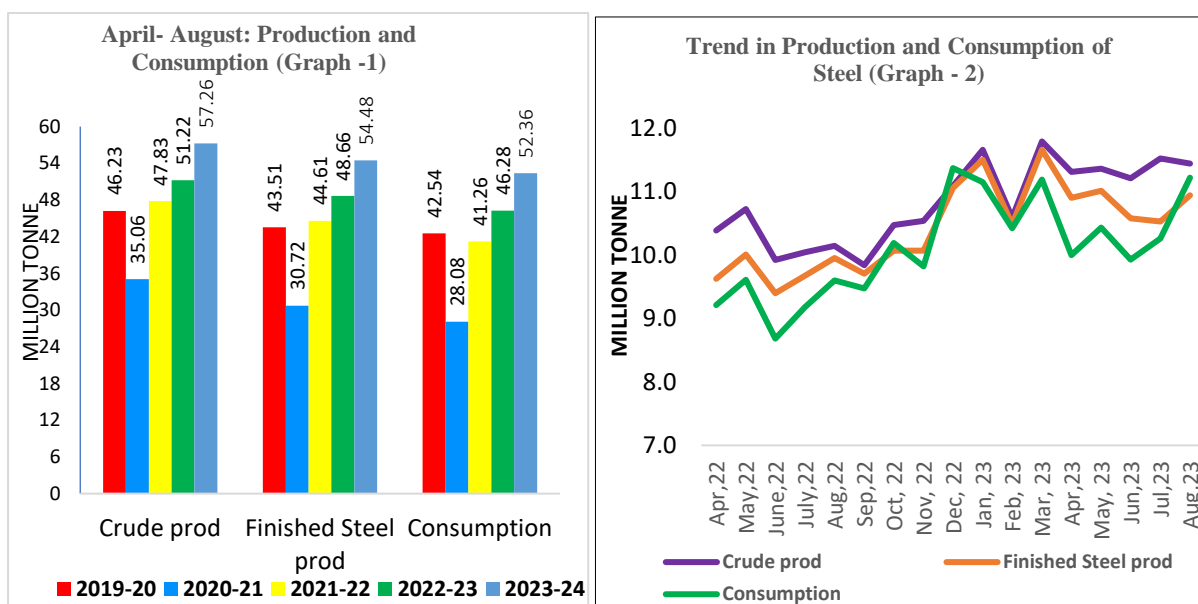
**August - 2023**

**भारत सरकार / GOVERNMENT OF INDIA  
इस्पात मंत्रालय / MINISTRY OF STEEL**

## Ministry of Steel – Report for August 2023

1. NMDC Steel Limited started production of steel at Nagarnar Steel Plant in August, 2023. Nagarnar Steel Plant has the unique distinction of internationally being the only steel plant to be set up by a mining company (NMDC). With the roll out of the first Hot Rolled coil on 24th August, 2023, 9 days after hot metal production began on 15th August, 2023 Nagarnar steel plant has managed to set another precedent. The 3 million tonne per annum capacity steel plant has been built at a cost of approximately ₹24,000 crores. The product mix of Nagarnar Steel Plant consists of low carbon steel, HSLA & Dual Phase Steel and API quality steel that can be rolled into a thickness range from 1mm to 16mm. With its capability to roll 1650 mm wide HR, the Thin Slab caster at Nagarnar Steel Plant is the widest Mill in the public sector. HR Coils, Sheets and Plates coming off from India's latest and most modern mill are expected to meet the growing demand for quality HR required in the manufacturing of LPG cylinders, bridges, steel structures, ships, large diameter pipes, storage tanks, boilers, railway wagons and pressure vessels and in construction of tanks, railway cars, bicycle frames, engineering and military equipment, automobile & truck wheels, frames and body parts. The plant will also be producing a special type of steel to be used in manufacture of generators, motors, transformers and automobiles at a later stage.

2. Performance of Steel sector has been impressive during the first five months of the current fiscal year, i.e., April-August, FY '24. It is evident in the all-time high levels of production of crude steel at 57.26 million tonnes (MT) and finished steel at 54.48 MT, and consumption of finished steel at 52.36 MT during April-August, FY '24 (Graph-1). The month-wise production and consumption (Graph-2) indicates month-on-month fluctuations –the production of Crude Steel decreased marginally in August '23, whereas production of finished steel increased reasonably in August '23 over their respective levels in July '23. The consumption of steel increased in August '23 over previous month, i.e., July '23.



- i. Production of crude steel in August '23 at 11.44 MT increased by 12.8% over CPLY and 0.7% lower over the previous month.
- ii. Production of finished steel in August '23 at 10.94 MT increased by 9.9% over CPLY and 3.9% over the previous month.
- iii. Consumption of finished steel in August '23 at 11.22 MT increased by 16.9% over CPLY and 9.4% over the previous month.
- iv. Inventories of the finished steel with the steel producing companies at 12.19 MT at the end of August '23 decreased by 1.8% M-o-M but increased by 29.7% over CPLY.

3. *Among the steel CPSEs, the performance of SAIL, NMDC and MOIL has been encouraging during April-August, FY '24. During August '23, SAIL achieved its best ever August production of Hot Metal, Crude Steel and Saleable Steel in any year. SAIL also achieved its best ever production in the first five months of a fiscal year during April-August, FY '24. NMDC also achieved its best ever production and sales performance in the first five months of a fiscal year during April-August, FY '24. Similarly, MOIL also recorded its best ever production and sales performance in the first five months of a fiscal year during April-August, FY '24. During the month of August '23, Steel Authority of India (SAIL) registered an increase in production of Hot Metal, Crude Steel, Saleable steel and Iron Ore over CPLY. Rashtriya Ispat Nigam Limited (RINL) registered an increase in production of liquid steel, hot metal and crude Steel over the previous month (M-o-M) and over CPLY. Production of iron ore by National Mineral Development Corporation (NMDC) also registered an increase over previous month and over CPLY. The production of ore by MOIL also increased over previous month and over CPLY. The detailed performance of the Steel CPSEs is as below:*

- i. During August '23, SAIL produced 17.00 lakh metric tonne (LMT) of Hot Metal and 15.93 LMT of Crude Steel registering a decline of 3.9% and 4.9% respectively over previous month (M-o-M) and an increase of 12.1% and 10.9% respectively over CPLY. In August '23, SAIL produced 16.47 LMT of Saleable Steel and 27.50 LMT of Iron ore recording an increase of 6.5% and 9.7% respectively over previous month (M-o-M) and an increase of 19.2% and 13.7% respectively over CPLY. The cumulative production of SAIL during April-August, FY '24 for Hot Metal stood at 85.07 LMT, Crude Steel at 79.37 LMT, Saleable Steel at 75.98 LMT and Iron ore at 137.17 LMT registering an increase of 10.7%, 10.8%, 11.6% and 0.6% respectively over CPLY. During April-August, FY '24, sales of saleable steel by SAIL at 70.55 LMT was higher by 18.8% over CPLY.
- ii. Production of iron ore by NMDC at 34.11 LMT in August '23 registered an increase of 39.6% M-o-M and 37.5% over CPLY. The cumulative production of iron ore by NMDC during April-August, FY '24 at 165.59 LMT witnessed an increase of 23.1% over CPLY. Sale of iron ore by NMDC at 35.40 LMT in August '23 was higher by 16.8% M-o-M and 25.2% higher over CPLY. During April-August, FY '24, sale of iron ore by NMDC at 174.31 LMT was higher by 29.7% over CPLY.

- iii. Kudremukh Iron Ore Company Limited (KIOCL) produced 0.39 LMT of Pellets during August '23, which was 78.3% lower over previous month and 61.0% lower over CPLY. KIOCL sold 0.91 LMT of Pellets which was lower by 35.5% M-o-M but higher by 15.2% over CPLY. During April-August, FY '24, production of Pellets by KIOCL at 7.70 LMT recorded an increase of 45.6% and its sales at 7.58 LMT recorded an increase of 85.3% over CPLY.
  - iv. During August '23, production of Manganese ore by Manganese Ore (India) Limited (MOIL) at 1.23 LMT was higher by 2.5% M-o-M and 53.8% higher over CPLY. Sale of Manganese ore by MOIL during August '23 at 1.10 LMT was higher by 17.0% M-o-M and 107.5% higher over CPLY. During April-August, FY '24, production of Manganese ore at 6.79 LMT was higher by 43.9% and its Sale at 6.0 LMT was higher by 53.1% over CPLY.
  - v. During August '23, RINL's production of Liquid Steel stood at 4.13 LMT, Hot Metal at 4.16 LMT and Crude Steel at 3.97 LMT, which was 2.2%, 2.5% and 2.3% higher than its production in July '23 respectively and higher by 40.5%, 41.5 and 40.3% respectively over CPLY. In August '23, production of Saleable Steel at 3.53 LMT, which was lower by 0.3% over previous month and 5.4% higher over CPLY. During April-August, FY '24, the production of Liquid Steel stood at 18.53 LMT, Hot Metal at 18.91 LMT, Crude Steel at 17.79 LMT and Saleable Steel at 16.77 LMT, which was 15.1%, 12.7%, 15.3% and 19.9% higher than their respective productions during CPLY.
4. The CAPEX by Steel CPSEs in August '23 at Rs. 628.96 crore was 5.8% lower over the previous month (M-o-M) and was 27.9% higher than CAPEX in CPLY. The CAPEX by steel CPSEs during April-August, FY '24 at Rs. 3138.71 crore was 5.5% higher than CAPEX during CPLY and it was 30.5% of the BE for the FY '24. The CAPEX by steel CPSEs is regularly monitored by the Ministry and steel CPSEs are being encouraged and directed to ensure achievement of CAPEX and expedite spending.
5. Steel Authority of India Limited (SAIL) has once again demonstrated its strong focus on enhancing India's defence capabilities by supplying the entire quantity of special steel plates required for the construction of the seventh frigate ship under the indigenous P17 A Project for the Indian Navy. SAIL has emerged as a crucial partner in this new project, providing about 28,000 tonnes of special steel plates for all the vessels. The special steel plates supplied by SAIL have high strength, toughness and corrosion resistance, making them ideal for naval applications. The company also provided an equal quantity of special steel for construction of the sixth frigate, named "Vindhyagiri". The P17 A Project aims to build a total of seven state-of-the-art frigates for the Indian Navy, with four ships being constructed by M/s Mazagon Dock Ltd and three ships by M/s GRSE. SAIL has a rich history of supporting India's defence sector with its high-end products and services. The company has not only supplied steel for the P17 A Project but has also played an integral role in providing steel for various other

defence projects, including the aircraft carrier INS Vikrant, warships such as INS Udaygiri and INS Surat and for the artillery gun Dhanush among others.

6. Ministry of Steel has introduced Steel Quality Control Order (QCO) thereby banning sub-standard/ defective steel products both from domestic producers & imports to ensure the availability of quality steel to the industry, users and public at large. As per the Order, it is ensured that only quality steel conforming to the relevant BIS standards are made available to the end users. As on date 145 Indian Standards have been notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel. Out of these, QCO on 144 Indian Standards have been enforced. The draft QCO for inclusion of six additional Indian Standards pertaining to the iron & steel sector has been uploaded in Ministry of Steel's Website on 02.06.2023 and on WTO website vide regular TBT notification no. G/TBT/N/IND/278 dated 14.06.2023 for comments of the stakeholders. As per WTO-TBT mandate, the final date for comments on the said notification is 60 days from the date of notification in WTO website i.e. 13.08.2023. based on the feedback received, stakeholder's consultation meeting is going to be convened shortly.

7. Ministry of Steel got several requests from the importers/ applicants seeking clarification on the applicability of the certain imported steel grades from the purview of the Quality Control Order, on the ground that these are complying with foreign standards and no equivalent Indian Standards exist. To address this issue, a Technical Committee, comprising members from the BIS, steel producers & end users, was constituted to examine the applications and clarify whether the imported steel grades are falling under the purview of the QCO or otherwise. Meetings of the Technical Committee were held on 1<sup>st</sup> & 16<sup>th</sup> August 2023, wherein 2,130 applications for clarification on the applicability of QCO on the imported steel grades were examined. Meetings of the Empowered Committee were held on 31<sup>st</sup> August 2023, wherein 19 applications for exemption from the purview of the Quality Control Order were examined.

8. Ministry of Steel is providing financial assistance for pursuing Research & Development to address the technological challenges faced by the Iron & Steel sector. In this regard, in May 2023, Ministry of Steel has sought R&D Project proposals in joint collaborative mode from reputed Academic Institutions, Research Laboratories and Steel Companies for pursuing R&D projects on the identified thrust areas, for providing financial assistance under the R&D Scheme for the Financial Year 2023-24. The thrust areas for providing financial assistance under the R&D Scheme include development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (green steel production, H<sub>2</sub> based steel production, CCUS etc.), waste utilization, resource efficiency, etc. The details of the R&D Scheme including guidelines for financial support and an indicative list of R&D projects that can be taken up to address common issues of the Iron & Steel Sector, have been uploaded on Ministry of Steel's website in May 2023. The last date of receipt of the R&D project proposals was 31<sup>st</sup> July 2023 wherein

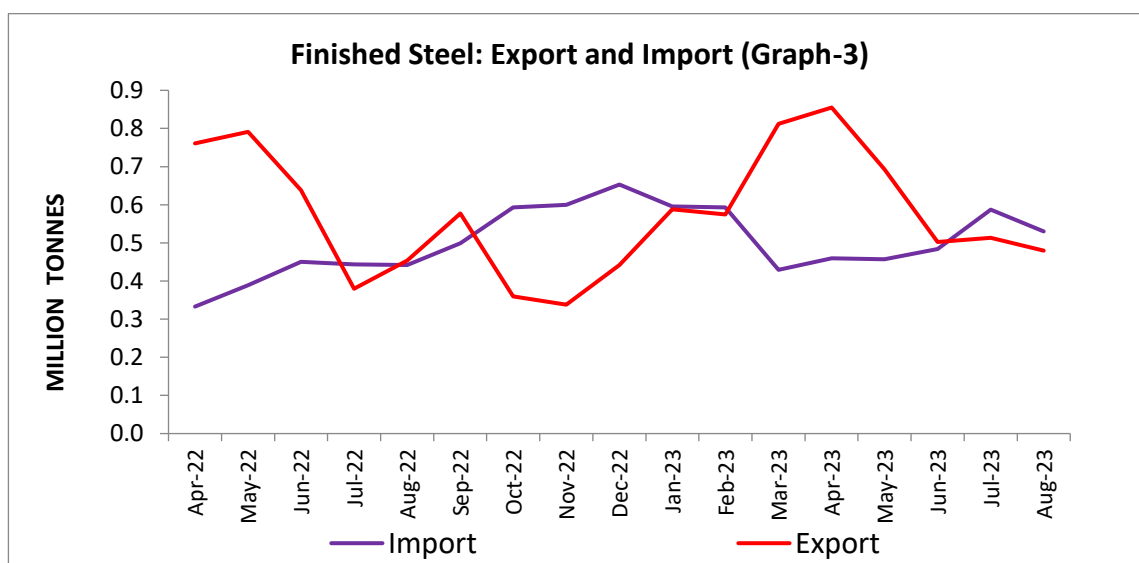
36 R&D proposals have been received, which were preliminarily examined with respect to the guidelines for support under the R&D scheme. Subsequently, meeting of the Evaluation Group constituted by Ministry of Steel, was held on 24<sup>th</sup> August 2023 for detailed evaluation of the proposals which were as per the guidelines for support under the R&D scheme.

9. Presently, there are eight ongoing projects of steel CPSEs (SAIL-5, NMDC-3), which are uploaded on the OCMS portal of MoSPI. The total cost of these projects is Rs. 30,201 crores and an expenditure of Rs. 26,955.18 crore (89.2%) has been incurred till August '23.

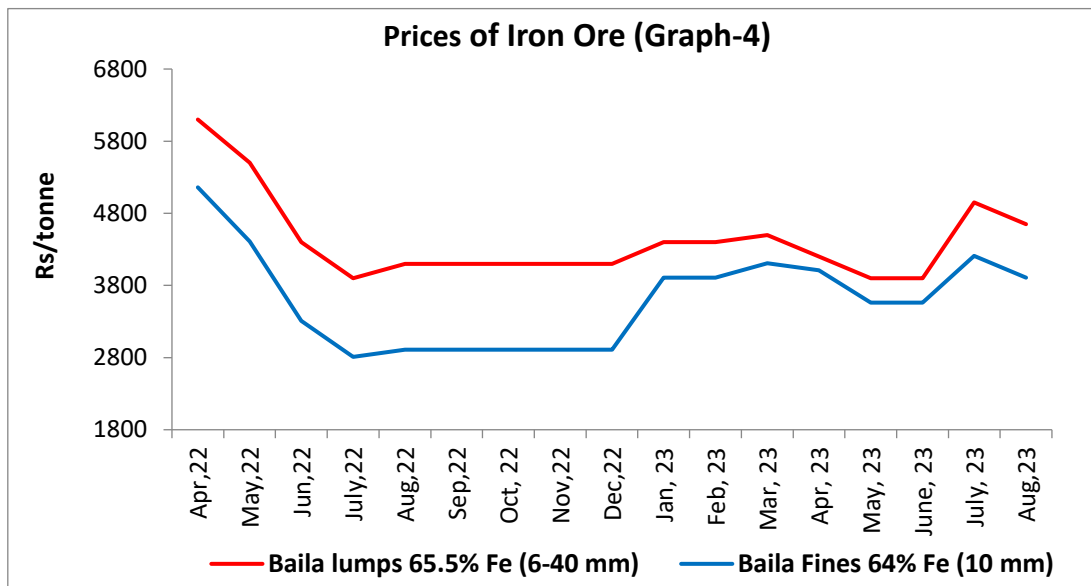
10. There are Nine National Infrastructure Pipeline (NIP) Projects related to slurry pipelines of various steel companies having a total cost of Rs. 26,628 crore uploaded on IIG/NIP Portal and an expenditure of Rs. 4,200 crore has been incurred on these projects till August '23.

11. The status of pending payments to MSMEs by CPSEs of the Ministry is being monitored on weekly basis to ensure payments to them within the 45 days' time limit for such payments. Payment of Rs. 598.33 crores was made by Steel CPSEs to MSMEs during August '23 which is 7.3% lower than payments made during CPLY and 8.3% lower than M-o-M. During April-August, FY '24, Steel CPSEs have made payment of Rs. 3,220.12 crore to MSMEs, which is 10.3% higher than Rs. 2,920.45 crore made during CPLY.

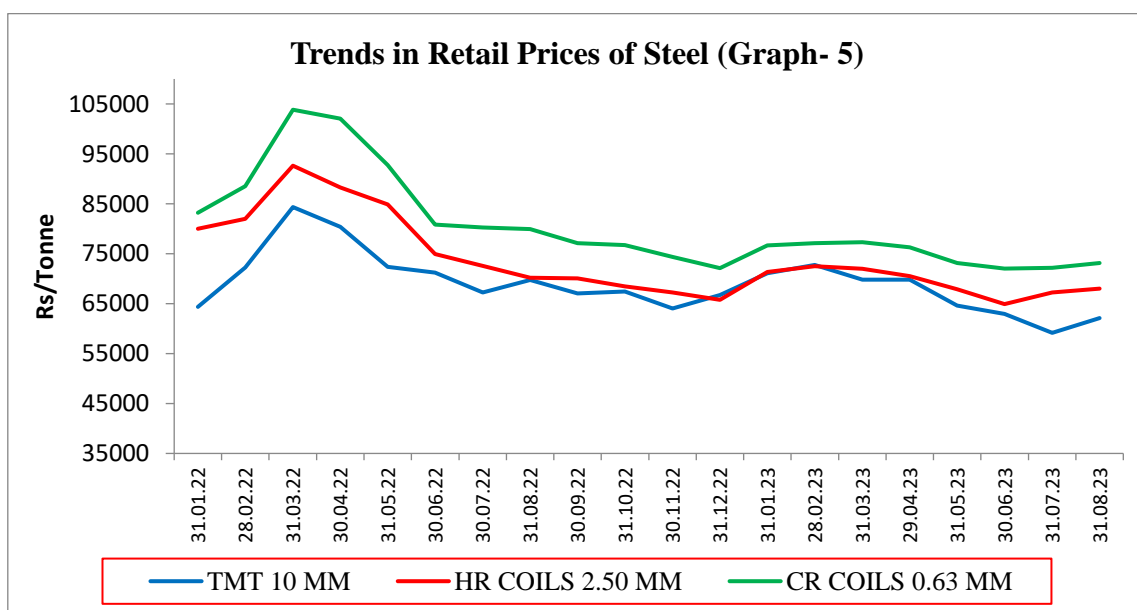
12. **Export-Import Scenario:** During the month of August '23, imports and exports of finished steel decreased as compared to previous month as shown in graph-3. In August '23, India was a net importer of finished steel. Export of finished steel was 4.80 Lakh Metric Tonne (LMT) in August '23, which decreased by 6.4% M-o-M and increased by 5.7% over August '22. Imports of finished steel was 5.30 LMT in August '23, showing a decrease of 9.7% M-o-M and 19.9% over August '22. During April-August, FY '24, exports at 30.43 LMT and imports at 25.18 LMT increased by 0.6% and 22.3% respectively over CPLY.



13. The prices of iron ore have increased after December' 22. In recent months, since April, 2023, prices of iron ore have witnessed fluctuations. After increasing in July' 23, the prices of iron ore decreased in August '23 as may be seen from the graph-4.



- i. During the month of August '23, prices of iron ore lump and fines was Rs. 4,650/tonne and Rs. 3,910/tonne, which decreased by 6.1% and 7.1% respectively over their respective prices in July '23.
- ii. The prices of HCC Coking coal f.o.b. Australia have increased from USD 237/tonne on 31.07.2023 to USD 268/tonne on 31.08.2023.
- iii. The prices of steel (TMT, HRC and CRC) peaked in March '22 on account of Russia-Ukraine war. After that steel prices moderated till December '22 due to both global and domestic factors. The prices of TMT, HRC and CRC have declined in August '23 over August '22 as may be seen from the graph-5.





- iv. The retail prices of TMT (10mm), HRC (2.50mm) and CRC (0.63mm) in Mumbai market stood at Rs.62,110/tonne, Rs. 68,030/tonne and Rs. 73,160/tonne respectively on 31<sup>st</sup> August '23, recording an increase of 5.0%, 1.2% and 1.3% respectively over prices on 31<sup>st</sup> July '23.

14. The global production of crude steel increased by 6.6% in July '23 over CPLY mainly due to increase in production in China, India, Japan, USA, Russia and Turkey. Among the major steel producing countries (with production of over 1 million tonnes for the month), China, India, Japan, USA, Russia and Turkey recorded an increase in production in July '23 over July '22. As for the share of major steel producing countries in the global production of crude steel, it is seen that share of China and India increased during July '23 while that of Japan, USA, South Korea and Germany declined and share of Russia and Turkey remained constant during this period as may be seen from the following graphs 6 & 7.

