

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> November, 2023

**OFFICE MEMORANDUM**

**Subject: Monthly Summary for the Cabinet for the month of October, 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 October, 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
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**No. S-24013/1/2020-EA-RFD**

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

**अक्टूबर - 2023**

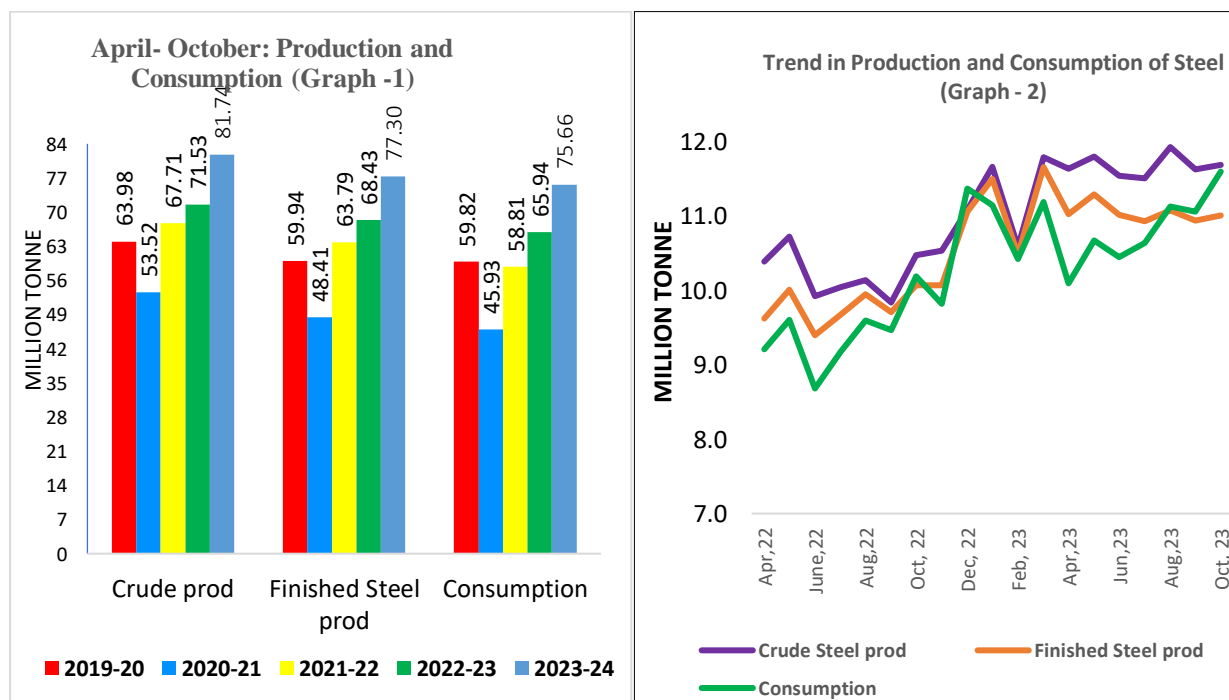
**October - 2023**

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

## Ministry of Steel – Report for October 2023

1. Hon'ble Prime Minister dedicated the Nagarnar Steel Plant of NMDC Steel Limited (NSL) at Bastar to the Nation on 3rd October, 2023. The greenfield 3 MTPA steel plant built with the most modern technology at a cost of around Rs. 23,840 crore, started its Hot Metal production from one of the Country's largest Blast Furnace on 15.08.2023 and subsequently the production of HR Coil from its Thin Slab Caster and Hot Strip Mill (the technology being first in PSU sector) was achieved in just 9 days i.e. on 24.08.2023. The steel plant will produce high quality Hot Rolled Coils utilizing the iron ore mined from NMDC's mines in Bailadila, Dantewada and will pave way for fulfilling the long term aspiration and development of Bastar and the surrounding region. This steel plant will provide a major impetus to the vision of Atmanirbhar Bharat.

2. Performance of Steel sector during April-October, FY '24 has been best ever in April-October of any fiscal year. During April-October, FY '24, the cumulative production of crude steel at 81.75 MT, finished steel at 77.30 MT and consumption of finished steel at 75.66 MT is 14.3%, 13.0% and 14.7% higher than their respective levels in April-October, FY '23. Production and consumption of steel have shown a strong recovery after Covid-19 affected 2020-21, as may be seen from the following graph on cumulative production and consumption for five years (Graph-1). The month-wise production and consumption (Graph-2) indicates month-on-month fluctuations. However, the production of crude Steel, finished steel and consumption increased in October '23 over their respective levels in September '23.



- i. Production of crude steel in October '23 at 11.69 MT increased by 11.6% over October '22 and by 0.5% over the previous month.
- ii. Production of finished steel in October '23 at 11.01 MT increased by 9.4% over October '22 and by 0.6% over the previous month.
- iii. Consumption of finished steel in October '23 at 11.60 MT increased by 13.9% over October '22 and by 4.9% over the previous month.
- iv. Inventories of the finished steel with the steel producing companies at 12.18 MT at the end of October '23 increased by 26.0% over October '22 but decreased by 2.4% M-o-M.

3. *Among the steel CPSEs, the performance of SAIL, NMDC and MOIL has been encouraging during April-October, FY '24. SAIL achieved its best ever production during April-October, FY '24. NMDC also achieved its best ever production and sales performance in April-October, FY '24. Similarly, MOIL also recorded its best ever production and sales performance in April-October, FY '24.* During the month of October '23, Steel Authority of India (SAIL) registered an increase in production of Hot Metal, Crude Steel and Iron Ore over October '22, and also over September '23. During the month of October '23, Steel Authority of India (SAIL) registered an increase in production of Saleable steel over October '22, but decreased over September '23. Rashtriya Ispat Nigam Limited (RINL) registered an increase in production of liquid steel, hot metal, crude steel and saleable steel over October '22. Production of iron ore by National Mineral Development Corporation (NMDC) also registered an increase over October '22 and over previous month. The production of ore by MOIL also increased over October '22 but decreased over previous month. The detailed performance of the Steel CPSEs is as below:

- i. During October '23, SAIL produced 16.95 lakh metric tonne (LMT) of Hot Metal, 15.95 LMT of Crude Steel, 15.62 LMT of Saleable Steel and 28.38 LMT of Iron ore registering an increase of 4.8%, 4.0%, 7.5% and 4.7% respectively over October '22 and increased by 4.1% for Hot Metal, 4.0% for Crude Steel and 6.4% for iron ore but declined by 0.5% for saleable steel over previous month (M-o-M). The cumulative production of SAIL during April-October, FY '24 for Hot Metal stood at 118.30 LMT, Crude Steel at 110.65 LMT, Saleable Steel at 107.30 LMT and Iron ore at 193.31 LMT registering an increase of 9.1%, 8.9%, 11.6% and 2.7% respectively over CPLY. During April-October, FY '24, sales of saleable steel by SAIL at 100.71 LMT was higher by 14.0% over CPLY.
- ii. Production of iron ore by NMDC at 39.23 LMT in October '23 registered an increase of 11.2% over October '22, and by 30.8% M-o-M. The cumulative production of iron ore by NMDC during April-October, FY '24 at 234.83 LMT witnessed an increase of 19.2% over CPLY. Sale of iron ore by NMDC at 34.39 LMT in October '23 was higher by 11.4% over October '22, and by 10.6% M-o-M. During April-October, FY '24, sale of iron ore by NMDC at 239.89 LMT was higher by 23.4% over CPLY.

- iii. Kudremukh Iron Ore Company Limited (KIOCL) produced 1.12 LMT of Pellets during October '23, which was 49.6% lower over previous month. KIOCL sold 0.78 LMT of Pellets which was lower by 61.6% M-o-M and lower by 3.7% over October '22. During April-October, FY '24, production of Pellets by KIOCL at 10.41 LMT recorded an increase of 96.8% and its sales at 10.39 LMT recorded an increase of 101.8% over CPLY.
- iv. During October '23, production of Manganese ore by Manganese Ore (India) Limited (MOIL) at 1.11 LMT was lower by 17.8% M-o-M but 48.0% higher over October '22. Sales of Manganese ore by MOIL during October '23 at 0.88 LMT was lower by 43.6% M-o-M but 87.2% higher over October '22. During April-October, FY '24, production of Manganese ore at 9.26 LMT was higher by 45.1% and its Sales at 8.44 LMT was higher by 57.2% over CPLY.
- v. During October '23, RINL's production of Liquid Steel stood at 3.68 LMT, Hot Metal at 3.69 LMT, Crude Steel at 3.51 LMT and Saleable Steel at 3.26 LMT, which was higher by 17.2%, 17.9, 16.6% and 12.4% respectively over October '22, but lower by 4.2%, 5.4%, 4.4% and 15.5% respectively over its production in September '23. During April-October, FY '24, the production of Liquid Steel stood at 26.05 LMT, Hot Metal at 26.51 LMT, Crude Steel at 24.98 LMT and Saleable Steel at 23.89 LMT, which was 29.7%, 16.7%, 18.1% and 20.3% higher than their respective productions during CPLY.

4. A major landslide occurred on the Railway track between Malligura- Jarti Station (Near Koraput station) in the Kothavalasa - Kirandul Line (KK Line) on 24.09.2023. Total rake movement (except to Jagdalpur/ Bodeyarpur/ NSL siding) was stopped from 24.09.2023 and dispatches by rake to all the customers were affected badly. The landslide was cleared and rake movement was resumed partially on 10.10.2023 with restricted speed of 10 KMPH. The rake movement got normalised from 14.10.2023. During the landslide period, the dispatches to all the customers (except for NSL and partially to Chhattisgarh based customers) was badly affected, including dispatches to RINL & KIOCL. NMDC was able to dispatch 01 to 03 rakes per day on daily basis during this period against the normal dispatch of 17-18 rakes per day.

5. Among the CPSEs of Ministry of Steel, the financial health of RINL and KIOCL is a matter of concern. RINL incurred an operating loss of Rs. 2,529 crore during April-October, 2023-24 as against a loss of Rs. 2,286 crore during CPLY. It incurred an operating loss of Rs. 3,358 crore during FY '23. Total borrowings (Capex plus Working Capital loan etc.) of RINL stood at Rs. 24,012 crore as on 31.10.2023 as against Rs. 23,171 crore as on 31.10.2022. There has been a considerable increase in interest rates on borrowing as well – average interest rate on working capital loan has increased to 9.01% on 31.10.2023 from 7.87% a year before, and average interest rate on Capex loan increased to 9.95% on 31.10.2023 from 9.02% a year ago. The combined effect of increased borrowings and increase in rate of interest has pushed up the Finance cost by 31% over the previous year. Net worth of RINL stood at Rs. (-)1,668.35 crore as on 31.10.2023. RINL also has a considerable cost disadvantage due to lack of captive mines. To address the issue

of weak financial condition, RINL is looking at monetization of its non-core assets located at Visakhapatnam, AP and Forged Wheel Plant located at Rae Bareilly, Uttar Pradesh.

6. During April-October, 2023-24 KIOCL has reported a loss of Rs. 79.24 crore. KIOCL had incurred a loss of Rs. 97.67 crore in the last financial year i.e. 2022-23. Post closure of mining operations, KIOCL is solely dependent on external sources for its requirement of iron ore fines for its pellet plant. Irregularity of availability and variability in prices of quality iron ore has adversely affected the operations of the company. Necessary action is being taken for commencement of mining operations from Devadari iron ore mining lease (the newly allotted mining lease to KIOCL) which is expected to help KIOCL sustain its operations and improve its financial position.

7. The CAPEX by Steel CPSEs in October '23 at Rs. 497.33 crore was 57.7% lower over the previous month (M-o-M) and was 30.4% lower than CAPEX in October '22. The CAPEX by steel CPSEs during April-October, FY '24 at Rs. 4812.39 crore was 7.7% higher than CAPEX during CPLY and it was 46.7% 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.

8. Ministry of Steel constituted 13 Task Forces in March 2023, comprising of experts and industry stakeholders, to drive the transformation of the Indian steel industry towards sustainability and decarbonisation. The Task Forces covered the key levers for decarbonisation of steel sector, including those affecting the demand pull, the supply push for green steel and finally the facilitators. HSM reviewed the progress of five of these task forces on 17<sup>th</sup> October, 2023. Developing taxonomy for green steel is the key enabler for the green transition of the industry. Currently, there is no universally acknowledged definition for green or low-carbon emission steel. HSM emphasized the need of collating the findings of these Task Forces while working in a cohesive manner to produce a comprehensive Indian steel industry green transition roadmap.

9. Ministry of Steel, along with its PSUs across India, enthusiastically took part in the Special Campaign for Disposal of Pending Matters (SCDPM) 3.0. The Special Campaign was organized in two phases - Preparatory Phase from 14<sup>th</sup> September, 2023 to 30<sup>th</sup> September, 2023 and the Implementation Phase from 2<sup>nd</sup> October, 2023 to 31<sup>st</sup> October, 2023. During the Implementation Phase, efforts were made to dispose-off all identified references and to improve the overall cleanliness. The efforts of the Ministry of Steel in the Special Campaign 3.0 were widely disseminated through media, including social media. Progress of the campaign was monitored on a daily basis. The Special Campaign 3.0 has seen remarkable achievement on the parameters of the targets set by the Ministry of Steel. Ministry of Steel conducted cleanliness campaigns across India with 261 Outdoor cleanliness campaigns conducted as part of this. Secretary, Ministry of Steel also inspected the office premises. Under this campaign, office scrap was

disposed off and files were weeded out, which generated revenue of Rs.8.73 crore and freed up space of around 2,34,915 sq. ft. Record management in offices was also attended to on priority, and 19,432 physical files were weeded out and 12,207 e-files were closed. The Ministry has achieved 100% in disposal of pending MPs reference, IMC, PMO and 55 public grievances. Further, all the pending 66 public grievances appeals were also resolved.

10. Secretary (Steel) chaired a meeting with Board level officers of MOIL to review the performance of MOIL on 20<sup>th</sup> October, 2023 on the performance in production of manganese ore, electrolytic manganese dioxide (EMD) and ferro manganese. He also visited the underground Gumgaon Mine of the MOIL. He instructed the MOIL officials to develop in-house capacity for installation of high-speed shafts and utilize that expertise in mining of deep-seated minerals such as copper, zinc lead etc.

11. Secretary (Steel) visited Chandrapur Ferro Alloy Plant (CFAP) of SAIL on 22<sup>nd</sup> October, 2023. The plant has been running in losses for last five years except in 2021-22. Its production is majorly affected by cost of manganese, coke and power, where the prices of its output is decided by SBP, SAIL on parity basis with the silico-alloys manganese available in Raipur market. Since the plant itself is old and inefficient despite their best efforts, the plant is unable to turn in profit. CFAP team was requested to ensure the plant run at an appropriate level of utilization.

12. 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 and stakeholder's consultation meeting held on 13.09.2023, the draft QCO was revised and sent to BIS for concurrence.

13. 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. Meeting of the Technical Committee was held on 4<sup>th</sup> October and 18<sup>th</sup> October 2023, wherein 1,694 applications for clarification on the applicability of QCO on

the imported steel grades were examined. One meeting of the Empowered Committee was held on 6<sup>th</sup> October 2023 wherein 20 applications for exemption were examined.

14. 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. The five R&D project proposals recommended by the Evaluation Group were considered in the meeting of the Project Approval & Monitoring Committee held on 20<sup>th</sup> September, for approval. The Project Approval & Monitoring Committee had approved four R&D projects and deferred one project for further discussion.

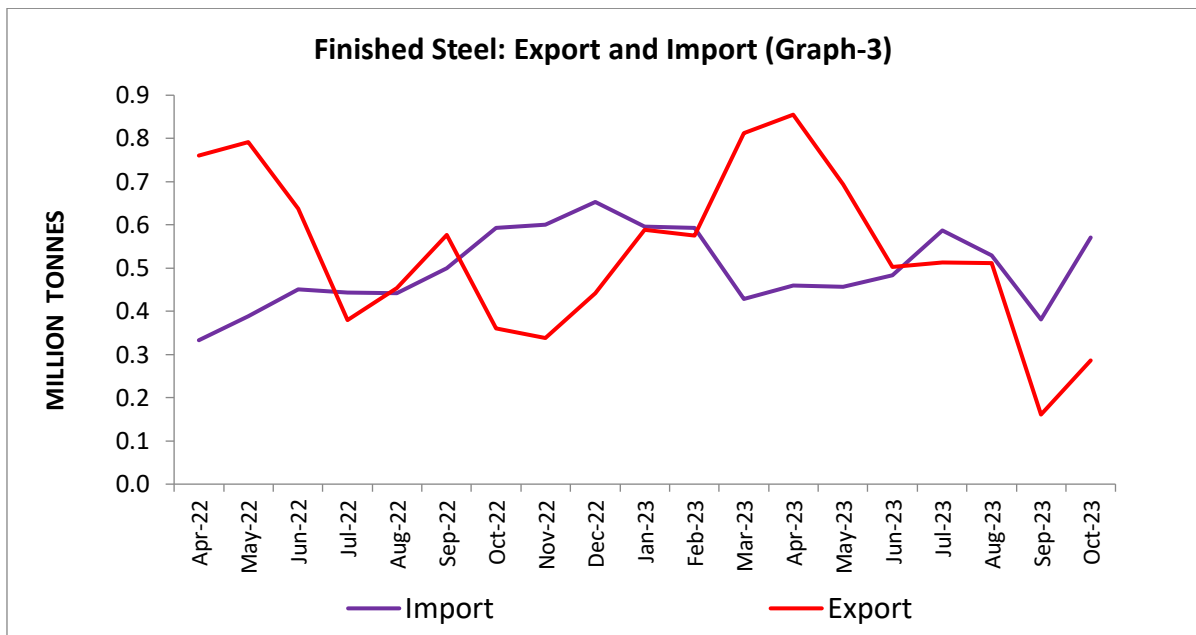
15. Presently, there are seven ongoing projects of steel CPSEs (SAIL-5, NMDC-2), which are uploaded on the OCMS portal of MoSPI. The total cost of these projects is Rs. 8,260.21 crores and an expenditure of Rs. 3,976.06 crore (48.13%) has been incurred till October '23.

16. 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. 4,291.37 crore has been incurred on these projects till October '23.

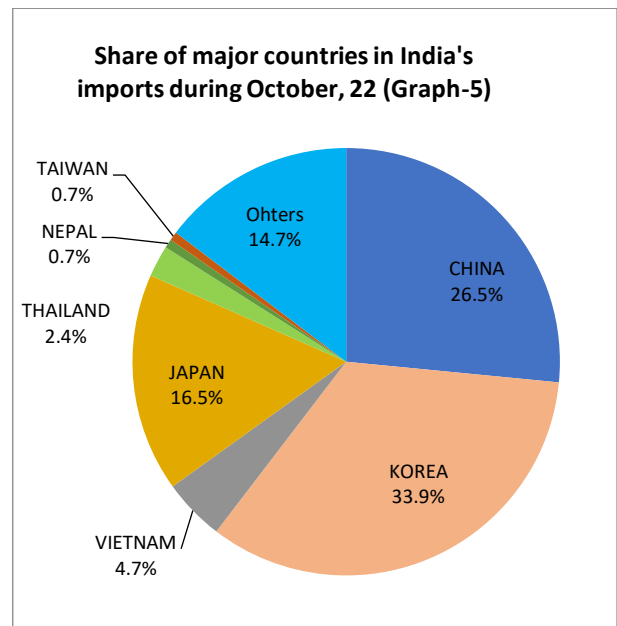
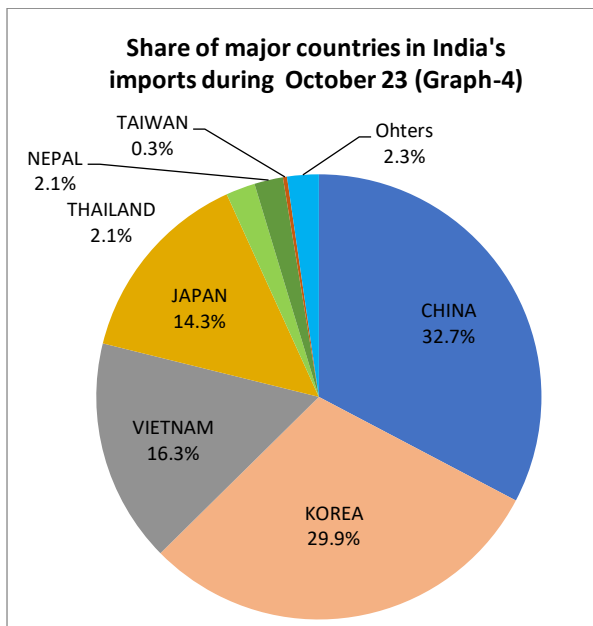
17. The status of pending payments to MSMEs by CPSEs of the Ministry is being monitored on weekly basis to ensure payments to them within the 45 days' time limit for such payments. Payment of Rs. 632.46 crores was made by Steel CPSEs to MSMEs during October '23 which is 17.7% higher than payments made during October '22 and 11.6% higher than M-o-M. During April-October, FY '24, Steel CPSEs have made payment of Rs. 4,419.21 crore to MSMEs, which is 6.3% higher than Rs. 4,158.2 crore made during CPLY.



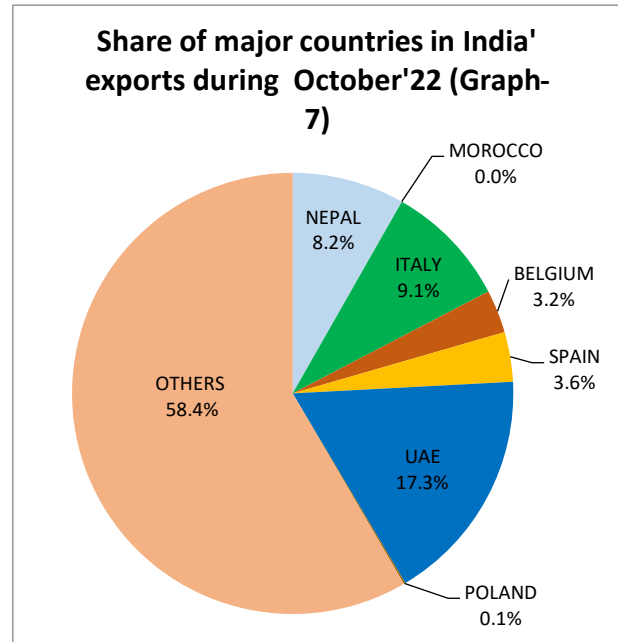
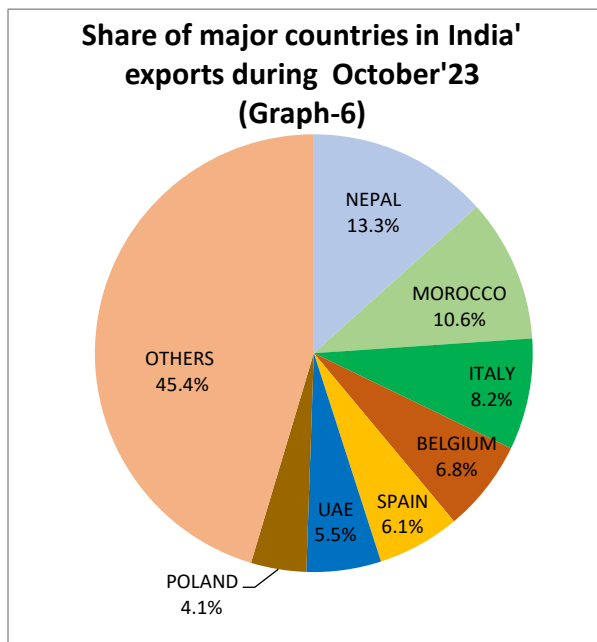
18. **Export-Import Scenario:** During the month of October '23, imports and exports of finished steel Increased as compared to previous month as shown in graph-3.



- i. In October '23, India was a net importer of finished steel. Export of finished steel was 2.86 Lakh Metric Tonne (LMT) in October '23, which increased by 77.6% M-o-M but decreased by 20.6% over October '22. Imports of finished steel was 5.71 LMT in October '23, showing an increase of 49.9% M-o-M but decreased by 3.7% over October '22. During April-October, FY '24, exports at 35.22 LMT declined by 11.1% while imports at 34.70 LMT increased by 10.1% over CPLY.
- ii. Share of China, Vietnam and Nepal increased in total steel import of India in October '23 as compared to October '22 while share of Korea, Japan, Thailand, Taiwan, Indonesia, Belgium and Russia declined over this period as may be seen from the following graphs 4 & 5:



iii. Share of Nepal, Morocco, Belgium, Spain, Poland, UK, Portugal and Denmark increased in total steel export from India in October '23 as compared to October '22 while share of Italy and UAE declined over this period as may be seen from the following graphs 6 & 7:



19. During the month of October '23, India was net importer of finished steel. Exports of finished steel was 2.86 lakh tonnes, whereas its imports was 5.71 lakh tonnes. India witnessed a surplus in international trade of steel in Q1: 2023-24. However, from July, 2023 onwards, India has been a net importer every month as is seen in the Table below:

**Table: Month-wise Imports and Exports of Finished Steel**  
(’000 tonnes)

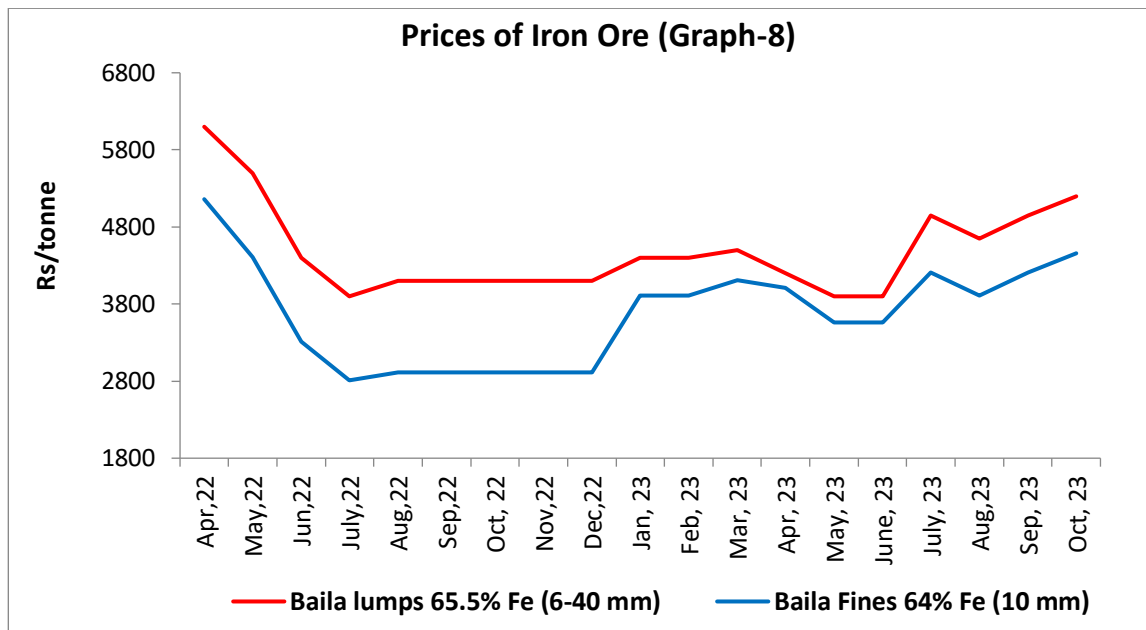
<b>Item</b>	<b>April 23</b>	<b>May 23</b>	<b>June 23</b>	<b>July 23</b>	<b>Aug 23</b>	<b>Sept 23</b>	<b>Oct 23</b>	<b>Apr-Oct 23</b>
<b>Imports</b>	460	457	484	587	530	381	571	<b>3522</b>
<b>Exports</b>	855	693	502	513	512	161	286	<b>3470</b>
<b>Net Exports</b>	395	236	18	-74	-18	-220	-285	<b>52</b>

Reasons for worsening steel trade balance in recent months include:

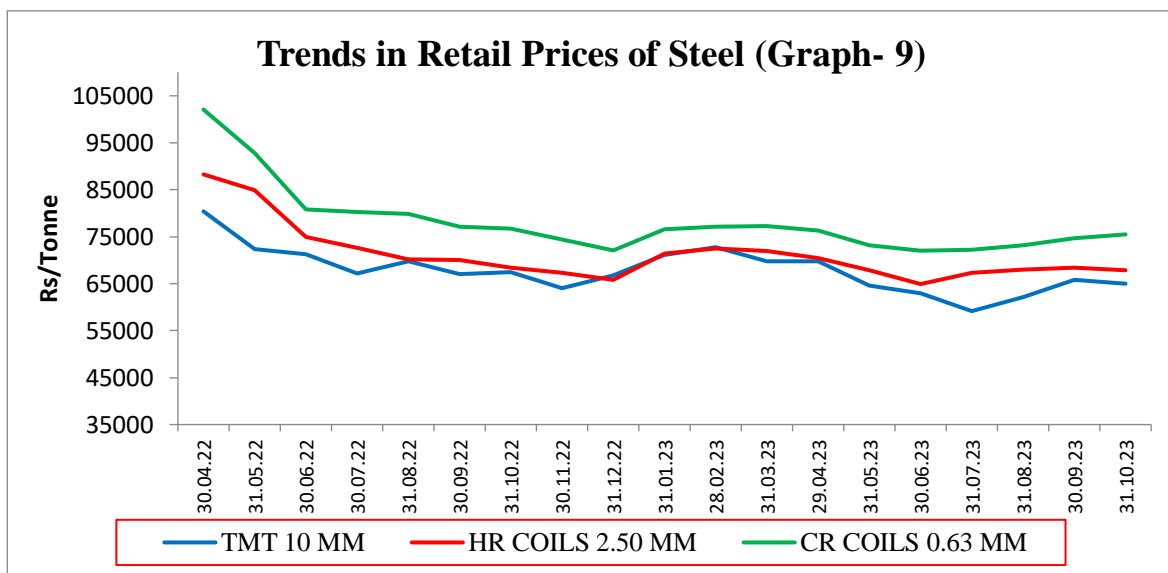
- i. Weak global demand due largely to tightening of monetary policies and geo-political shocks.
- ii. Slowdown in Chinese economy, particularly real estate sector. World Steel Association estimates suggest that Chinese Steel demand will grow by just 2% in 2023, which is much lower than historical growth rates. As a result of weak home demand and surplus capacities, China is aggressively exporting to other countries including India.
- iii. Low-priced imports from steel surplus countries like China, Korea, and Vietnam.
- iv. India’s domestic market has shown a robust growth which is supporting elevated domestic prices and reduced exports. The growth in steel production at 13% during April – October, FY ’23, lagged behind growth in domestic demand at 14.7%. This gap between demand and supply is being met through rising imports and fall in exports.

Indian steel industry has raised the concern of growing imports, particularly from China, and requested the Government to take remedial measures. They claim that many Chinese steel mills were operating below their cost of production to evacuate excess production. The industry has sought imposition of anti-dumping duties & other measures on imports from the said countries. The Ministry is examining these representations and would take the reasonable requests with the concerned authorities.

20. The prices of iron ore have increased after December ’22. In recent months, since April, 2023, prices of iron ore have witnessed fluctuations. The prices of iron ore increased in October ’23 as may be seen from the graph-8.



- i. During the month of October '23, prices of iron ore lump and fines was Rs. 5,200/tonne and Rs. 4,460/tonne, which increased by 5.1% and 5.9% respectively over their respective prices in September '23.
- ii. The prices of HCC Coking coal f.o.b. Australia have increased from USD 333/tonne on 29.09.2023 to USD 350/tonne on 31.10.2023.
- 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 October '23 over October '22 as may be seen from the graph-9.



- iv. The retail prices of TMT (10mm) and HRC (2.50mm) in Mumbai market stood at Rs. 64,945/tonne and Rs. 67,850/tonne respectively on 31<sup>st</sup> October '23, recording a decrease of 1.3% and 0.8% respectively over prices on 30<sup>th</sup> September. However, the retail prices of CRC (0.63mm) in Mumbai market

stood at Rs. 75,520/tonne recording an increase of 1.1% as on 31<sup>st</sup> October '23 over 30<sup>th</sup> September '23.

21. The global production of crude steel decreased by 1.5% to 1,493.16 MT in September '23 against 1,515.42 MT in September' 22 mainly due to decrease in production in China, Japan, Brazil and Iran. Among the major steel producing countries (with production of over 1 million tonnes for the month), India, USA, Russia, South Korea, Germany and Turkey recorded an increase in production in September '23 over September '22. As for the share of major steel producing countries in the global production of crude steel, it is seen that share of India, USA, Russia, South Korea, Germany and Turkey increased during September '23 while that of China, Brazil and Iran declined and share of Japan remained constant during the same period as may be seen from the following graphs 10 & 11.

