

No. S-24013/1/2020-EA-RFD
Government of India
Ministry of Steel
(Economic Division)

Udyog Bhawan, New Delhi
Dated: 1st April, 2024

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of February, 2024.

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 February, 2024 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
7. All Secretaries to the Government of India
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No. S-24013/1/2020-EA-RFD

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

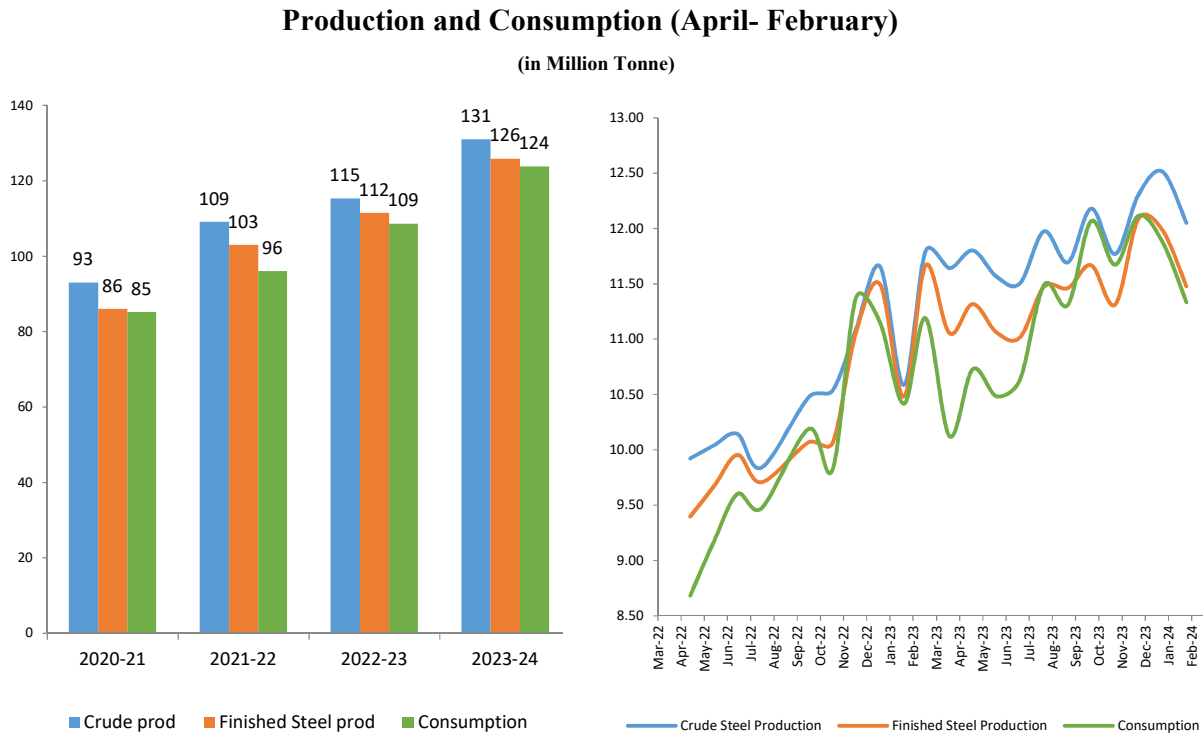
**फ़रवरी- 2024
February – 2024**

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

Ministry of Steel – Report for February 2024

1. During April – February, Financial Year 2023-24 (FY '24), the steel sector has demonstrated unprecedented performance, achieving its highest levels of production and consumption as compared to analogous periods in previous financial years. Cumulatively, the production of crude steel was 131 million tonnes (MT), while finished steel production reached 126 MT, and consumption of finished steel stood at 124 MT during April-February, FY '24. These figures indicate substantial year-on-year growth of 13.5%, 12.9%, and 13.9% respectively, as compared to the corresponding period in the preceding financial year, i.e. April-February FY '23.

2. There has been an overall upward trend in steel production and consumption since April '22, despite some month-to-month fluctuations.



3. In February '24, there was a decline in the production of crude steel, finished steel and the consumption of finished steel compared to the previous month. However, these declines need to be seen in the perspective of 6.5 % fewer number of days in February (29) as compared to January (31). In a sense, there is month to month growth as well.

- Crude steel production declined 3.7 % from 12.51 million tonnes in January '24 to 12.05 million tonnes in February '24.
- Finished steel production declined 4.3 % from 11.99 million tonnes in January '24 to 11.48 million tonnes in February '24.
- Consumption of steel declined 4.6 % from 11.88 million tonnes in January '24 to 11.33 million tonnes in February '24.

4. Among the steel CPSEs, the performance of SAIL, NMDC and MOIL has been encouraging during April-February, FY '24. During April-February, FY '24, SAIL achieved its best ever production of Hot Metal, Crude Steel and Saleable Steel in April-February of any year. NMDC also achieved its best ever production and sales performance in April-February, FY '24. Similarly, MOIL also recorded its best ever production and sales performance in April-February, FY '24. The detailed performance of the Steel CPSEs is as below:

- SAIL: During February '24, SAIL produced 17.14 lakh metric tonnes (LMT) of Hot Metal, 15.95 LMT of Crude Steel, 15.45 LMT of Saleable Steel and 29.20 LMT of Iron ore registering an increase of 8.1%, 7.9%, 8.3% and 0.9% respectively over February '23. However, as compared to the previous month, i.e. M-o-M over January '24, there was a decline of 5.6% in production of Hot Metal, 7.1% for Crude Steel, 2.1% for saleable steel and 8.4% for iron ore. The cumulative production of SAIL during April-February, FY '24 for Hot Metal stood at 186.82 LMT, Crude Steel at 175.35 LMT, Saleable Steel at 168.41 LMT and Iron ore at 315.09 LMT registering an increase of 6.5%, 6.0%, 8.1% and 2.5% respectively over CPLY. Similarly, sales of saleable steel by SAIL at 153.81 LMT during April-February, FY '24 was higher by 5.2% over CPLY.
- NMDC: Production of iron ore by NMDC at 39.16 LMT in February '24 registered a decline of 12.6% over February '23, and by 13.6% M-o-M. The cumulative production of iron ore by NMDC during April-February, FY '24 at 402.36 LMT witnessed an increase of 13.0% over CPLY. Sale of iron ore by NMDC at 39.89 LMT in February '24 was higher by 5.4% over February '23, and declined by 12.4% M-o-M. During April-February, FY '24, sale of iron ore by NMDC at 404.82 LMT was higher by 21.1% over CPLY.
- KIOCL: Kudremukh Iron Ore Company Limited (KIOCL) produced 2.20 LMT of Pellets during February '24, which was 6.0% lower over February '23 and 26.5% higher over previous month. KIOCL sold 0.54 LMT of Pellets, which was lower by 40.1% M-o-M and lower by 66.3% over February '23. During April-February, FY '24, production of Pellets by KIOCL at 19.06 LMT recorded an increase of 55.2% and its sales at 17.90 LMT recorded an increase of 64.5% over CPLY.
- MOIL: During February '24, production of Manganese ore by Manganese Ore (India) Limited (MOIL) at 1.51 LMT was lower by 5.6% M-o-M but 15.3% higher over February '23. Sales of Manganese ore by MOIL during February '24 at 1.56 LMT was higher by 16.4% M-o-M and 18.2% higher over February '23. During April-February, FY '24, production of Manganese ore at 15.84 LMT was higher by 36.9% and its Sales at 13.91 LMT was higher by 32.4% over CPLY.
- RINL: During February '24, RINL's production of Liquid Steel stood at 3.86 LMT, Hot Metal at 3.98 LMT, Crude Steel at 3.70 LMT and Saleable Steel at 3.50 LMT, which was lower by 7.0%, 5.2%, 7.0% and 17.1% respectively over February '23 and lower by 13.1%, 15.9%, 12.3% and 8.1% respectively over its production in January '24. During April-February, FY '24, the production of Liquid Steel stood at 41.85 LMT, Hot Metal at 42.76 LMT, Crude Steel at 40.09 LMT and Saleable Steel at 38.16 LMT, which was 7.2%, 7.4%, 7.2% and 7.3% higher than their respective productions during CPLY.

Table 1: Performance of Steel CPSE's (In LMT)									
CPSE	Item	Feb-23	Jan-24	Feb-24	Change over Feb '23 (%)	Change over Jan '24 (%)	April-February 2022-23	April-February 2023-24	Change over CPLY (%)
SAIL		In LMT			%		In LMT		%
SAIL	Hot Metal	15.85	18.15	17.14	8.1	-5.6	175.44	186.82	6.5
	Crude Steel	14.78	17.16	15.95	7.9	-7.1	165.39	175.35	6.0
	Saleable Steel	1427	15.78	15.45	8.3	-2.1	155.86	168.41	8.1
	Iron Ore	28.93	31.89	29.20	0.9	-8.4	307.37	315.09	2.5
	Sales of Saleable Steel	14.49	14.89	14.63	1.0	-1.7	146.27	153.81	5.2
NMDC	Iron Ore Production	44.82	45.35	39.16	-12.6	-13.6	356.18	402.36	13.0
	Iron Ore Sales	37.84	45.53	39.89	5.4	-12.4	334.16	404.82	21.1
KIOCL	Pellets Production	2.34	1.85	2.20	-6.0	26.5	12.28	19.06	55.2
	Pellets Sales	1.60	2.67	0.54	-66.3	-40.1	10.88	17.90	64.5
MOIL	Manganese Ore Production	1.31	1.60	1.51	15.3	-5.6	11.57	15.84	36.9
	Manganese Ore Sales	1.32	1.34	1.56	18.2	16.4	10.51	13.91	32.4
RINL	Liquid Steel	4.15	4.44	3.86	-7.0	-13.1	39.03	41.85	7.2
	Hot Metal	4.20	4.73	3.98	-5.2	-15.9	39.83	42.76	7.4
	Crude Steel	3.98	4.22	3.70	-7.0	-12.3	37.39	40.09	7.2
	Saleable Steel	4.22	3.81	3.50	-17.1	-8.1	35.56	38.16	7.3

5. Among the CPSEs of Ministry of Steel, the financial health of RINL is a matter of concern. RINL incurred an operating loss of Rs. 4,155 crore during April-February, 2023-24 as against a loss of Rs. 2,845 crore during CPLY. It incurred an operating loss of Rs. 2,859 crore during FY '23. Total borrowings (Capex plus Working Capital loan etc.) of RINL stood at Rs. 20,190 crore as on 29.02.2024 as against Rs. 20,459 crore as on 28.02.2023. There has been a considerable increase in interest rates on borrowing as well. Average interest rate on working capital loan has increased to 9.39% on 29.02.2024 from 8.30% a year before, and average interest rate on Capex loan increased to 10.02% on 29.02.2024 from 9.14% a year ago. The combined effect of increased borrowings and increase in rate of interest has pushed up the Finance cost by 25% over the previous year. Net worth of RINL stood at Rs. (-) 3,691 crore as on 29.02.2024. RINL also has a considerable cost disadvantage due to lack of captive mines. Ministry of Steel has taken steps to infuse liquidity in the company which include the monetization of non-core assets such as land and building, slump sale of Forged Wheel Plant at Lalganj, Raebareli to Ministry of Railways. These efforts are expected to infuse about Rs. 1,600 crore on completion of the transactions and are expected to provide short-term relief to the company. The Alternative Mechanism (AM) approved sale of non-core land amounting to 24 acres in Visakhapatnam during the month in two phases and directed it to be sold in 2 phases, with auction of 13.89 acres to be taken forthwith at a reserve price of Rs.480 Cr. Accordingly, the RFP was launched on 14th February, 2024 through National Land Monetization Corporation (NLMC). Incidentally, this is the first ever such transaction being taken up by NLMC.

6. During April-February, FY '24, KIOCL has reported a loss of Rs. 13.17 crores. KIOCL had incurred a loss of Rs. 97.67 crore in the last financial year i.e. 2022-23. The financial performance of the Company for the month of February and up to February 2024 is as under:

Financial health of KIOCL(Rs.in Crores)		
	For February 2024	Up to February, 2024
Total sales turnover	60.15	1842.04
Profit Before Tax	(4.49)	(13.17)
Profit After Tax	(4.49)	(13.17)

(Note: - Figures are provisional, Subject to Audit)

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 and fall in pellet price 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 February'24 at Rs. 1,036.22 crore was 2.6% higher over the previous month (M-o-M). The CAPEX by steel CPSEs during April-February, FY '24 stood at Rs. 8,345.26 crore and it was 80.56% of the RE 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 has implemented the Steel Quality Control Order (QCO) to prevent the use of sub-standard or defective steel products in both domestic and imported goods. This ensures that only quality steel, meeting the relevant BIS standards, is available to end-users. On 5th February, 2024, six additions Indian Standards have been notified under the QCO. These include IS 16732: Galvanized Structural Steel; IS 17111: Heat treated Steels, alloy steels & free cutting steels- Ball & rolled bearing steel; IS 12594: Hot-dip Zinc Coating on Structural Steel Bars for Concrete Reinforcement; IS 1170: Ferro-Chromium; IS 1171: Ferro-Manganese and IS 1470: Silico-Manganese. Six existing BIS Standards which were earlier notified under the QCO have been merged or withdrawn. Accordingly, as on date 145 Indian Standards stands notified under the Quality Control Order covering carbon steel, alloy steel and stainless steel. Out of these, QCO on 138 Indian Standards have been enforced.

9. Ministry of Steel got requests from the importers/ applicants seeking clarification on the applicability of the certain imported steel grades from the purview of the QCO, 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. Ministry of Steel also got requests from the importers/ applicants seeking exemption of certain steel grades from the purview of the QCO, on the ground that these are required in critical applications. To address this issue, an Empowered Committee was constituted to examine the applications for exemption from the purview of the QCO for the steel grades being imported. Exemptions are granted to critical application grades based on the prescribed guidelines formulated for according such exemptions. Two meetings of the Technical Committee were held on 1st February 2024 & 20th February 2024 wherein 2,603 applications for clarification on the applicability of QCO on the imported steel grades were examined. Further, two intermediate meetings of the Committee were held on 3rd February & 29th February 2024 for fast tracking of the 311 applications for the repeat cases. One meeting of the Empowered Committee was held on 16th February 2024 wherein 18 applications for exemption were examined.

10. Ministry of Steel is providing financial assistance for pursuing Research & Development to address the technological challenges faced by the Iron & Steel sector. In May '23, collaborative R&D project proposals were invited from academic institutions, research labs, and steel companies, focusing on areas like climate change, waste utilization, and resource efficiency. The R&D Scheme details, including financial support guidelines and a project list, were posted on the Ministry of Steel's website.

By the deadline of July 31st, 2023, 36 proposals were received and evaluated by the Evaluation Group in August. The Project Approval & Monitoring Committee approved four projects, deferring one for further discussion. Grants for approved projects are being released according to the revised fund flow procedure from the Ministry of Finance. Subsequent evaluations in November led to recommendations for five more R&D proposals, contingent on revised submissions addressing meeting discussions. These recommendations were communicated to project investigators, and the revised proposals are currently under consideration for funding in the FY '24.

11. India's steel sector accounts for 12% of India's greenhouse gas emissions with an emission intensity of 2.55 tonnes CO₂ per tonne of crude steel compared to global average of 1.9 tonnes CO₂ per tonne of crude steel. In Nov '21, Hon'ble Prime Minister announced Panchamrit Targets including 2070 Net-Zero Target for India during COP 26 in Glasgow. Ministry of Steel constituted 13 Task Forces in March '23, comprising 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 the facilitators. Extensive deliberations of these Task Forces with large number of consultative meetings were undertaken and the Task Forces concluded their work by December '23. After the presentations of these 13 Task Forces before HSM, he opined that these Task Forces may be brought under three Working Groups for synergy. Since Biochar has also been identified as an important lever for the reduction of carbon emissions in the Steel Industry, the 14th Task Force on "Use of Biochar and Other Relevant Products in Steel Making" was constituted on December 5th 2023. The Reports of 13 Task Forces are being compiled in a consolidated Report for outlining the roadmap towards decarbonisation in steel sector.

12. **Export-Import Scenario:** India's steel exports touched a 10-month high in February '24. During the month of February '24, exports of finished steel increased, whereas imports declined as compared to previous month. In February '24, India's steel exports surged to 10.3 lakh tonnes, compared to 8.5 lakh tonnes in January '24. Simultaneously, India's imports of finished steel declined from 7.7 lakh tonnes to 7.6 lakh tonnes during the same period. As a result of this shift, India has become a net exporter of steel for the last two consecutive months.

	Feb' 23	Jan'24	Feb' 24*	Change over Dec '23 (%)	Change over Jan' 23 (%)	April-Feb FY '23	April-Feb* FY'24	Change over CPLY (%)
Exports (LMT)	5.8	8.5	10.3	77.6	21.2	59.0	66.5	12.7
Imports (LMT)	5.9	7.7	7.6	28.8	-1.3	55.9	75.8	35.6
Net Export	-0.1	0.8	2.7			3.1	-9.3	

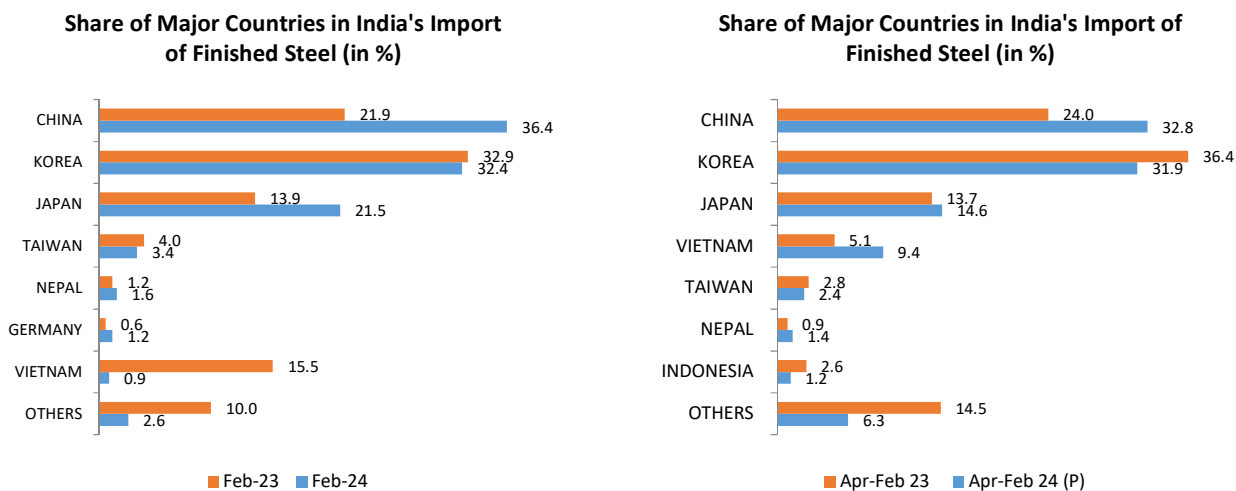
Source: JPC, *Provisional

13. The monthly trend of India's export and import are shown in following Graph.



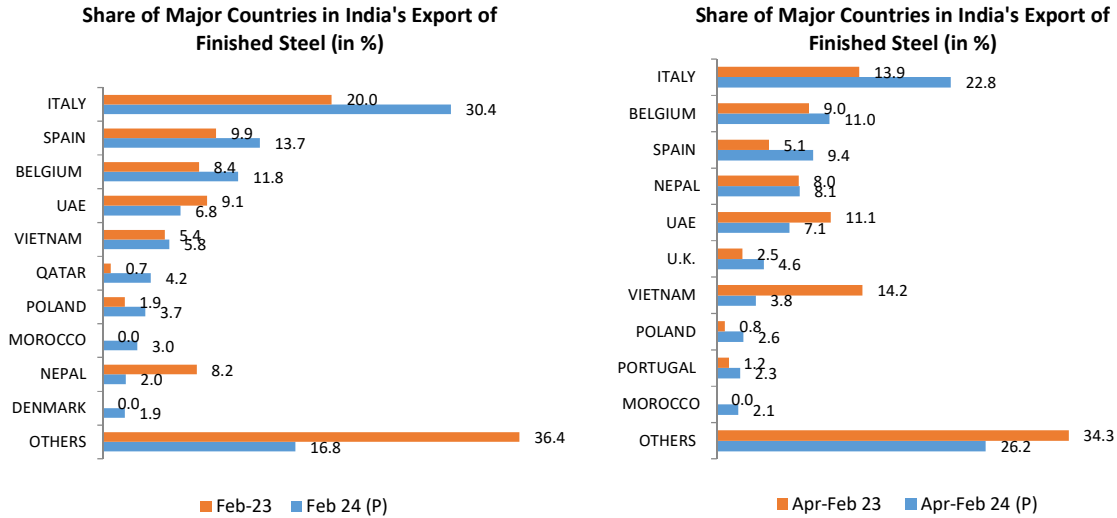
- i. Global Steel prices have shown an uptrend since October '23. India's steel exports are likely to remain supported as Indian mills have resumed offers to the Middle East and Vietnam markets after a pause. However, there is a concern of hike in freight rates post-the Red Sea crisis. It seems that Indian mills are able to raise their exports when overall price levels of steel in the global markets are elevated.
- ii. Share of China, Japan, Nepal and Germany increased in total steel import of India in February '24 as compared to January '23 while share of Korea, Taiwan and Vietnam declined over this period as may be seen from the following Graphs:

Share of Major Countries in India's Import of Finished Steel (in %)



- iii. Share of Italy, Spain, Belgium, Vietnam, Qatar, Poland, Morocco and Denmark increased in total steel export from India in February '24 as compared to February '23 while share of UAE and Nepal declined over this period as may be seen from the following Graphs:

Share of Major Countries in India's Export of Finished Steel (in %)



14. India's month-wise imports and export of finished steel during April – February, FY '24 is given below:

Table 3: Month-wise Imports and Exports of Finished Steel

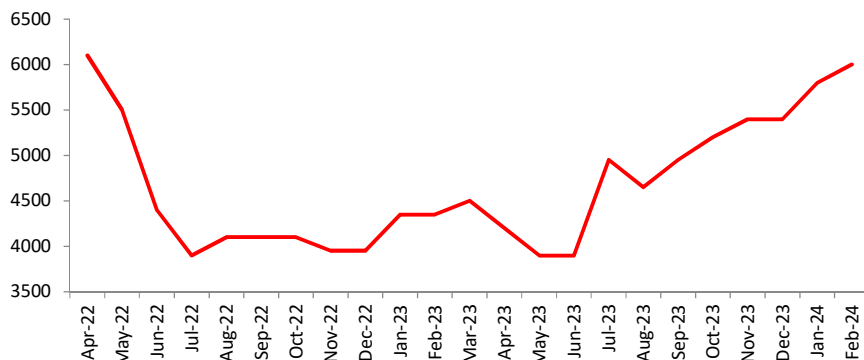
(LMT)

Item	April 23	May 23	June 23	July 23	Aug 23	Sept 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Apr-Feb 24
Export	8.6	6.9	5.0	5.1	5.1	4.3	2.9	2.3	6.4	8.5	10.3	66.5
Import	4.6	4.9	4.8	6.1	7.3	5.5	7.3	10.1	9.0	7.7	7.6	75.8
Net Exports	4.0	2.0	0.2	-1.0	-2.2	-1.2	-4.4	-7.7	-2.6	0.8	2.7	-9.3

Source: JPC

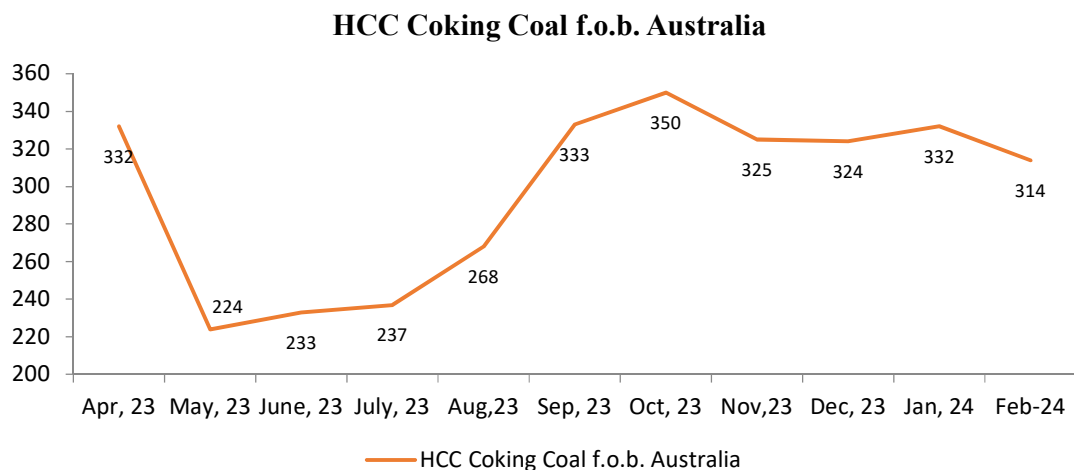
15. Input costs of steel industries increased during February '24 due to rise in prices of iron ore and coking coal. Movement of prices of Iron Ore since April '22 may be seen in the following Graph.

**Price : Iron Ore Lumps, NMDC, Chattisgarh, India :
6-40 mm, Fe 65.5% (Rs/t)**

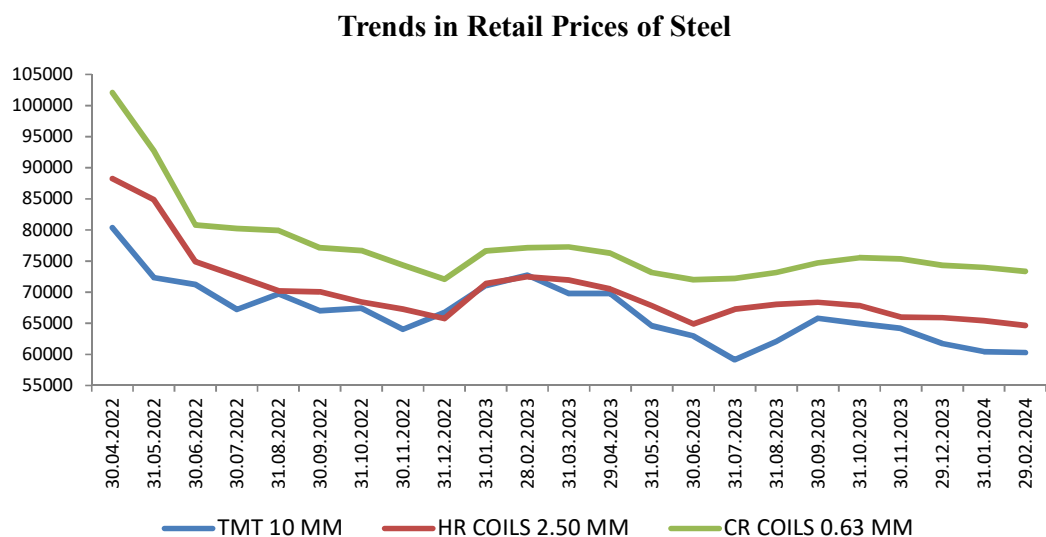


- i. During the month of February '24, prices of iron ore lump increased to Rs. 6,000/ tonne as against Rs. 5,800/ tonne in January '24.

- ii. International prices of coking coal have strengthened from US\$ 224/tonne in May '23, to US\$ 314/tonne by February '24. The prices of coking coal have been in the range of US\$ 314/tonne – US\$ 332/ tonne in last 4 months. The trend in price of HCC Coking Coal f.o.b. Australia is shown in following graph.



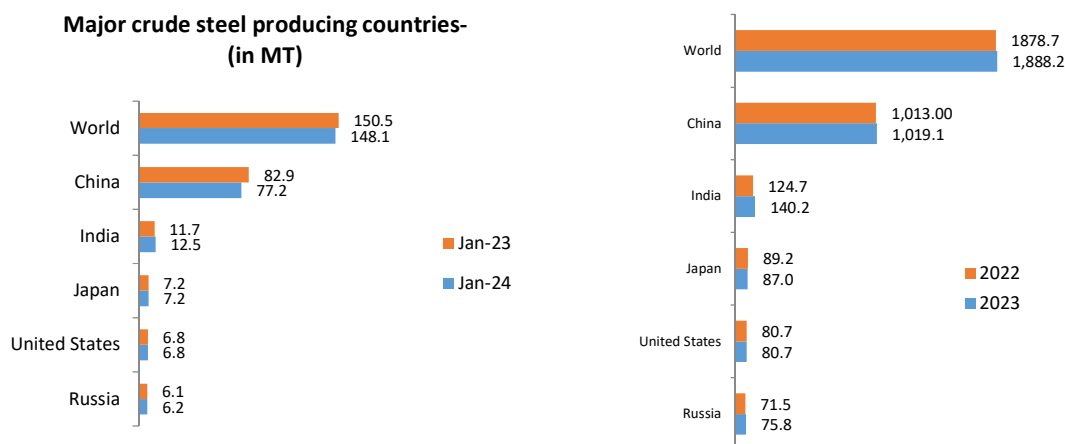
16. The prices of steel (TMT, HRC and CRC) peaked in March '22 on account of Russia-Ukraine war. After that steel prices moderated till December'22 due to both global and domestic factors. Thereafter, the prices saw an upswing for some months. However, prices of TMT, HRC and CRC have moderated in last three months as may be seen from the following graph.



17. The retail prices of TMT (10 mm), HRC (2.50 mm) and CRC (0.63 mm) in Mumbai market stood at Rs. 60,328/tonne, Rs. 64,670/tonne and Rs. 73,340/tonne respectively on 29th February'24, recording a decrease of 0.2%, 1.2% and 0.9% respectively over their prices on 31st January '24.

18. According to WSA (World Steel Association) estimates on overall global production, the global steel industry witnessed diverse trends across key producing countries in January'24. China, the largest producer, experienced a decline in production in January '24 compared to January '23. India, the second largest producer, also experienced a decline in production in January '24 compared to January '23.

Major crude steel producing countries- (in MT)



19. Despite fluctuations in monthly figures, the yearly aggregates for 2023 indicated a modest increase in global steel production as compared to 2022, underscoring the sector's resilience amidst evolving market dynamics. Following table shows the data on production of crude steel by top 6 countries in world.

	Jan-23	Dec-23	Jan-24	2022	2023	Change in Jan 24 over Jan 23	Change in Jan 24 over Dec 23	Change in 2023 over 2022	Share in 2023
	Production (in MT)					in %			
China	82.9	67.4	77.2	1013.0	1019.1	-6.9	14.5	0.6	54.0
India	11.7	12.1	12.5	124.7	140.2	6.8	3.3	12.4	7.4
Japan	7.2	7.0	7.3	89.2	87.0	1.4	4.3	-2.5	4.6
United States	6.9	6.8	6.8	80.7	80.7	-1.4	0.0	0.0	4.3
Russia	6.2	6.0	6.2	71.5	75.8	0.0	3.3	6.0	4.0
South Korea	5.6	5.4	5.7	65.9	66.7	1.8	5.6	1.2	3.5
World	150.6	135.7	148.1	1878.7	1888.2	-1.7	9.1	0.5	100.0

20. Presently, there are nine ongoing projects of CPSEs (SAIL-6, NMDC-3) uploaded on the OCMS portal of MoSPI. The total cost of these projects is Rs. 9,780.55 crore and an expenditure of Rs. 4,483.94 crore (45.84 %) has been incurred till February '24.

21. 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. 4,433.45 crore has been incurred on these projects till February '24.

22. 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. 638.25 crores was made by Steel CPSEs to MSMEs during February '24 which is 10.3% lower than payments made during February '23 and 1.5% higher than previous month. During April-February, FY '24, Steel CPSEs have made payment of Rs. 6,881.3 crore to MSMEs, which is 1.2% higher than Rs. 6,797.8 crore made during CPLY.