

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

Udyog Bhawan, New Delhi
Dated: 13th April, 2023

OFFICE MEMORANDUM

Subject: Monthly Summary for the Cabinet for the month of March, 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 March, 2023 for information.

Encl: As above.



(Raj Kumar)

Deputy Director

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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. All Secretaries to the Government of India
6. Chief Economic Adviser, Ministry of Finance, North Block, New Delhi
7. Addl. Chief Economic Adviser, Ministry of Railways, Railway Board, R. No. 301, 3rd Floor, Pragati Maidan Metro Station Building Complex, New Delhi.
8. Information Officer, PIB, Shastri Bhawan, New Delhi steel_pib@nic.gov.in
9. PS to SM
10. PS to MoS
11. Sr. PPS to Secretary (Steel),
12. Sr. PPS to AS&FA
13. PPS to AS
14. PS to JS(R), PS to JS(K), PPS to JS(S), PS to DDG.
15. NIC (Steel)-(with a request to upload on the website of the Ministry of Steel)

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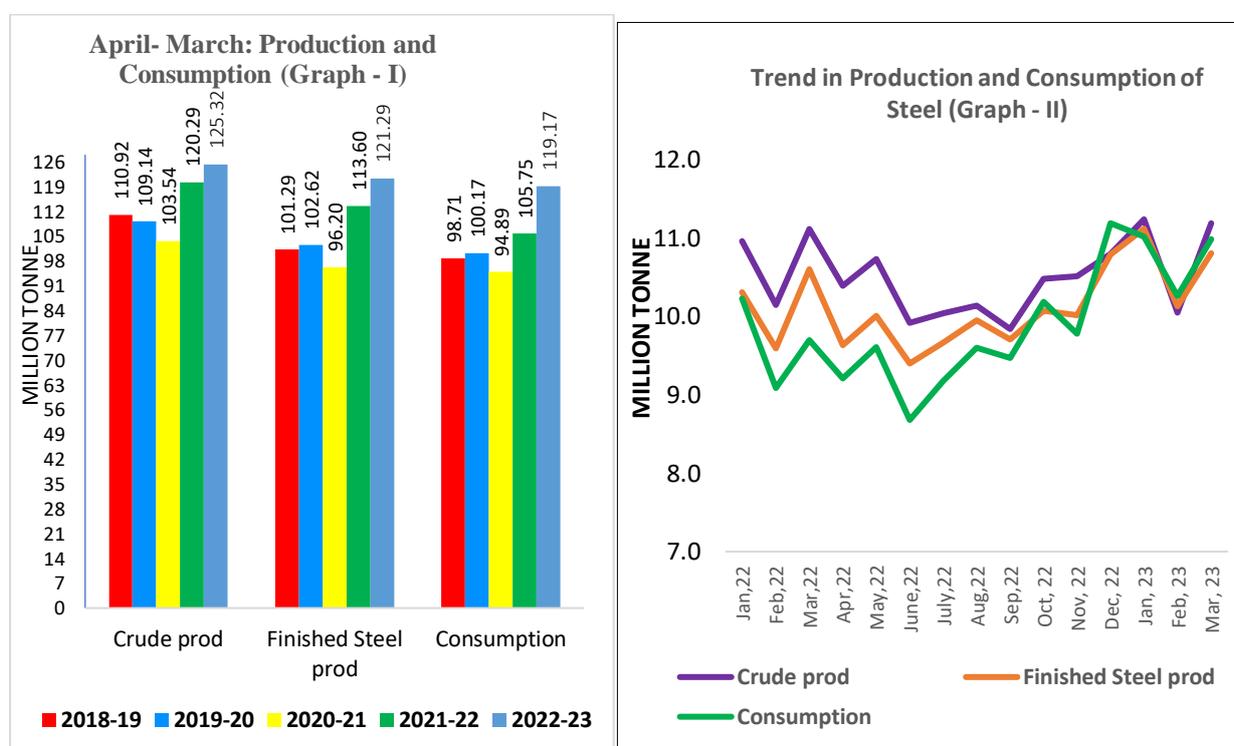
**मासिक सारांश
MONTHLY SUMMARY
ON
लौह एवं इस्पात
IRON & STEEL**

**मार्च- 2023
March - 2023**

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

Ministry of Steel – Report for March 2023

1. Performance of Steel sector during fiscal year 2022-23 (FY23), the production of crude steel at 125.32 million tonnes (MT), finished steel at 121.29 MT and consumption of finished steel at 119.17 MT has exceeded their respective levels achieved over the corresponding period of not only COVID affected last two years but also pre COVID years as well, as may be seen from the following graph on production and consumption for five years (Graph-I). The production and consumption of steel has rebounded in March'23 over its level in February'23 (Graph – II).



- i. Production of crude steel in March'23 at 11.34 MT increased by 0.6% over CPLY and 11.34% by M-o-M.
- ii. Production of finished steel in March'23 at 10.81 MT increased by 2.0% over CPLY and 6.7% by M-o-M.
- iii. Consumption of finished steel in March'23 at 10.99 MT increased by 13.3% over CPLY and 7.1% by M-o-M.
- iv. Inventories of the finished steel with the steel producing companies at 9.41 MT at the end of March'23 decreased by 5.6% M-o-M but increased by 17.9% over CPLY.

2. Among the steel producing CPSEs, SAIL registered an all-time high level of production of steel (hot metal, crude steel and saleable steel) in FY'23. SAIL also recorded their highest ever monthly production of steel during March, 2023. RINL registered a decrease in production of liquid steel, hot metal, crude steel and

saleable steel in FY'23 over FY'22. Production of iron ore by NMDC during FY'23 was lower than FY'22. The ore production by SAIL during FY'23 was also lower over FY'22. On the positive side, the production of iron ore by MOIL during FY'23 was higher than FY'22. The detailed performance of the Steel CPSEs is as below:

- i. The production by SAIL during the FY'23 for Hot Metal at 194.09 LMT, Crude Steel at 182.91 LMT and Saleable Steel at 172.46 LMT registered an improvement of 3.6%, 5.3% and 2.1% respectively, over FY'22. The production of iron ore by SAIL during FY'23 at 337.76 LMT was 1.1% lower than FY'22.
- ii. The production of iron ore by NMDC during FY'23 stood at 412.22 LMT showing a decrease of 2.3% over FY'22. During FY'23, sale of iron ore by NMDC at 382.47 LMT was lower by 5.7% over FY'22.
- iii. During FY'23, production and sales of Pellets by KIOCL at 15.10 LMT and 14.60 LMT recorded a decline of 25.6% and 29.5% respectively over FY'22. During the month of March'23, KIOCL produced 2.82 LMT of Pellets which was higher by 6.4% over March'22. KIOCL sold 3.72 LMT of Pellets in March'23, which was lower by 1.9% over March'22.
- iv. During FY'23, production of Manganese ore by MOIL at 13.02 LMT was higher by 5.8% and its Sale at 11.77 LMT was lower by 2.9% over FY'22.
- v. During FY'23, RINL's production of Liquid Steel at 43.20 LMT, Hot Metal at 44.07 LMT, Crude Steel at 41.37 LMT and Saleable Steel at 39.60 LMT registered a decline of 21.7%, 23.7%, 21.5% and 22.9% respectively over FY'22.

3. The CAPEX by Steel CPSEs in March'23 at Rs.1,980.53 crore was 77.5% higher over the previous month (M-o-M) and 10.8% higher than CAPEX in CPLY. Total CAPEX by steel CPSEs for the FY'23 was Rs.10,343.99 crore. It was 89.3% of the RE target for the FY'23 and 1.9% higher than CAPEX during FY'22. The CAPEX by steel CPSEs is regularly monitored by the Ministry and steel CPSEs are being encouraged and directed to ensure achievement of CAPEX targets and expedite spending.

4. Production Linked Incentive (PLI) Scheme for Specialty Steel was approved by the Union Cabinet on 22.07.2021, with total financial outlay of Rs.6,322 crore 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 in the official Gazette on 29.7.2021 and detailed Scheme guidelines were published on 20.10.2021. Post closure of application submission date on 15.09.2022 under the Scheme, total of 79 applications were received from 35 companies with total Investment Commitment of Rs.46,030 crore, total Capacity commitment of 27,980 thousand tonnes. The applications were scrutinized by a selection committee consisting of members from NITI Aayog, DPIIT and Ministry of Steel. A total of 67 applications from 30 companies were recommended by the selection committee with total investment commitment of Rs.42,493 crore and capacity commitment of 26,750 thousand tonne. On 17.03.2023, Ministry of Steel signed Memorandum of Understanding (MoU) with the 27 selected companies having 57 applications. This Scheme will

attract total investment commitment of Rs.29,530 crore with capacity addition of 24,780 thousand tonnes.

5. Ministry of Steel and all PSUs under its administrative control viz. SAIL, NMDC, RINL, KIOCL, MOIL, MECON, MSTC & FSNL observed the 'Swachhata Pakhwada' from 16-31 March, 2023. This was as per the Calendar of Swachhata Pakhwada for the year 2023 released by the Department of Drinking water and Sanitation. Officers/officials of Ministry and employees in various plants/Units of PSUs spread across the country participated in various activities organized during the Pakhwada. Taking into account COVID and H3N2, face masks and sanitizers were distributed to the employees and housekeeping workers engaged in cleaning & sanitization of rooms of the Ministry. Apart from the above, Steel Safety Day was observed on 28th March, 2023.

6. 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 Quality Control Order (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 Quality Control Order or Otherwise. Meetings of the Technical Committee were held on 2nd, 16th & 29th March 2023 wherein 2,381 applications for clarification on the applicability of QCO on the imported steel grades were examined.

7. Ministry of Steel also got requests from the importers/ applicants seeking exemption of certain steel grades from the purview of the Quality Control Order, on the ground that these are required in some critical applications. To address this issue, an Empowered Committee was constituted to examine the applications for exemption from the purview of the Quality Control Order for the steel grades being imported. Exemptions are granted to critical application grades based on the prescribed guidelines formulated for according such exemptions. A meeting of the Empowered Committee was held on 29th March 2023 wherein 21 applications for exemption from the purview of the Quality Control Order, was 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 2022, 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 for development of new alternate processes & technologies to address the burning issues faced by the Iron & Steel Sector such as climate change (green steel production, H₂ based steel production, CCUS etc.), waste utilization, resource efficiency, etc. for providing financial assistance under the R&D Scheme for the Financial Year 2022-23. A total of 37 R&D project proposals have been received from the stakeholders from the CSIR Labs, Academic Institutions (such as IITs) etc. The meeting of the Project Approval & Monitoring Committee (PAMC) for approval of the projects was held on 31st Jan 2023 in which four R&D project proposals were approved in-principle, subject to revision of duration of the projects and costs thereof. Subsequently, based on the revised proposals submitted by the R&D implementing agencies as per the direction of the PAMC,

the competent authority has approved the aforementioned four R&D projects on 24th February 2023. The required funds for the R&D projects for FY2023-24 has been released and till the end of the financial year (31st March 2023) the entire allocated budget of Rs.4.49 crore has been utilized under the R&D scheme.

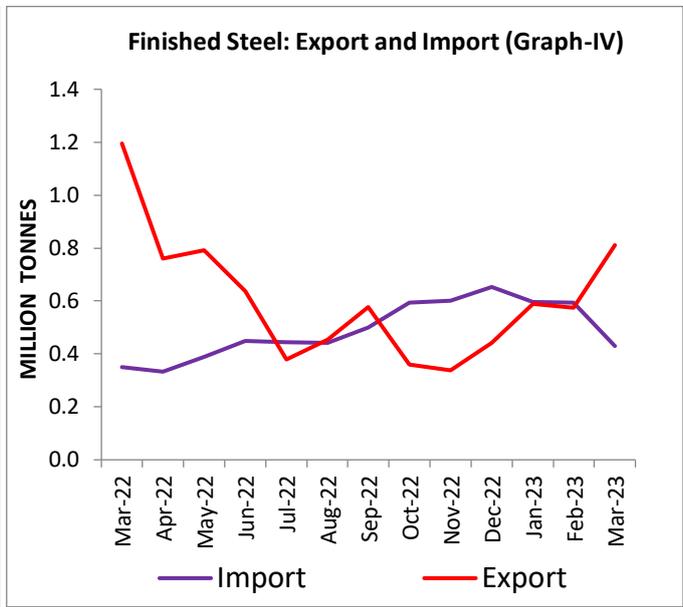
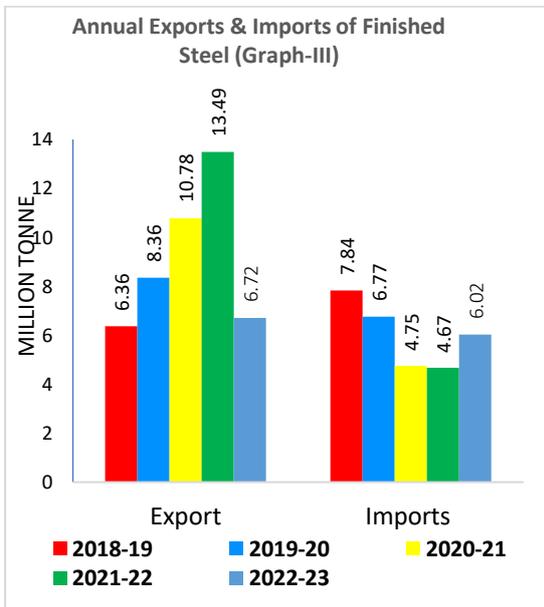
9. Presently, eight ongoing projects of steel CPSEs (SAIL-5, NMDC-3) with total project cost of Rs.30,201 crore are uploaded on the OCMS portal of MoSPI. An expenditure of Rs.25,761 crore (85.3%) has been incurred till March'23 in those 8 projects.

10. Eight National Infrastructure Pipeline (NIP) Projects related to slurry pipelines of various steel companies having a total cost of Rs.25,680 crore are uploaded on IIG/NIP Portal. An expenditure of Rs.3,315 cr. has been incurred on these projects till March'23.

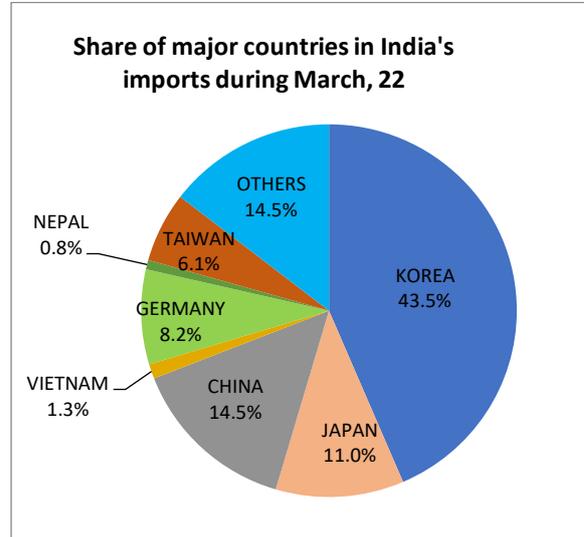
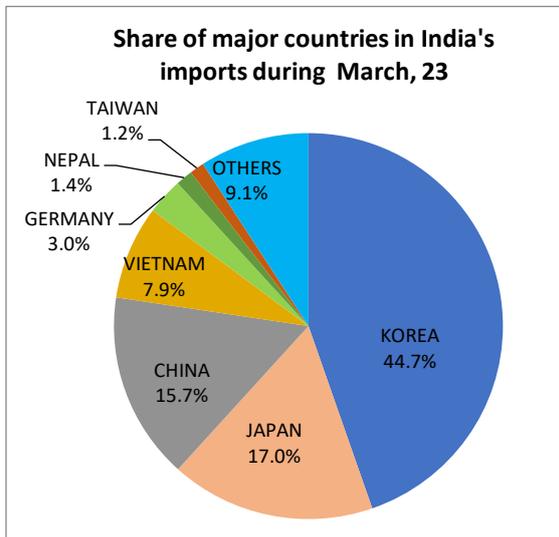
11. MSTC has successfully auctioned 11 Coal Mines in March, 2023. Besides, MSTC has launched 7th tranche of auction on 29 March, 2023 in which 106 mines were put for auction. 19 Major Mineral Blocks of Maharashtra were put up for e-auction. MSTC has successfully conducted the auction of 3 Nos. of ATR aircrafts on behalf of AAI. In e-Auction portal the user interface of MSTC's users have been upgraded with user friendly features. Similarly, the user interface for the sellers & the buyers are also under process for upgradation. MSTC has developed the e-auction platform for auction of End of Life Vehicles (ELVs) and successfully sold 2,084 Central/State Government ELVs. At present 5,879 ELVs of Central & various State Govt. Departments/PSUs are under different stages of auction. Recently, provisions in the ELV auction portal have also been created for the individuals to post their ELVs for sale through the portal.

12. 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. 876.10 crore was made by Steel CPSEs to MSMEs during March'23 which is 38.1% higher than payments made during CPLY and 23.1% higher than previous month. During FY'23, Steel CPSEs have made payment of Rs.7,673.95 crore to MSME, which is 39.3% higher than Rs.5,511.07 crore payment made during FY'22.

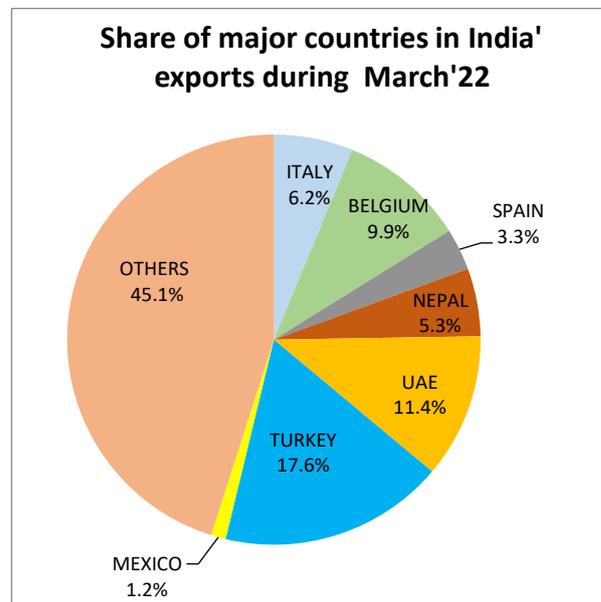
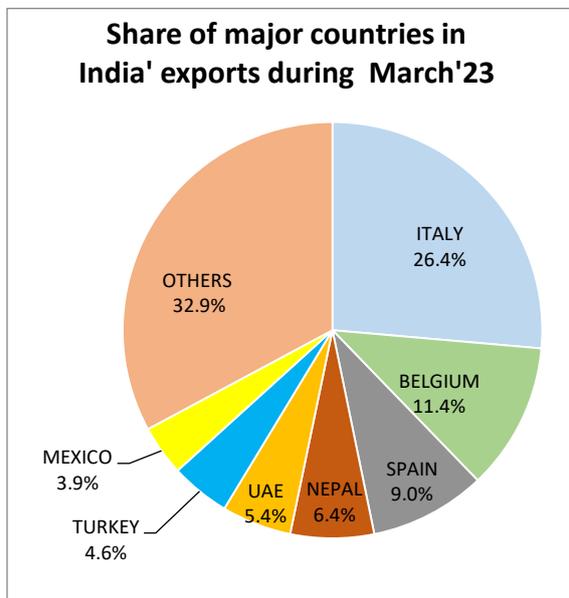
13. **Export-Import Scenario:** During the fiscal year 2022-23, exports of finished steel from India at 6.7 MT was lower by 50.2% as compared to exports during FY'22, whereas imports at 6.02 MT during FY'23 was higher by 29.0% over FY'22. The yearly trend in export and import of finished steel may be seen from the (graph-III). The month-wise export and import of finished steel shows a mixed trend as shown in Graph - IV. During the month of March'23, the exports of finished steel increased and imports of finished steel decreased as compared to previous month.



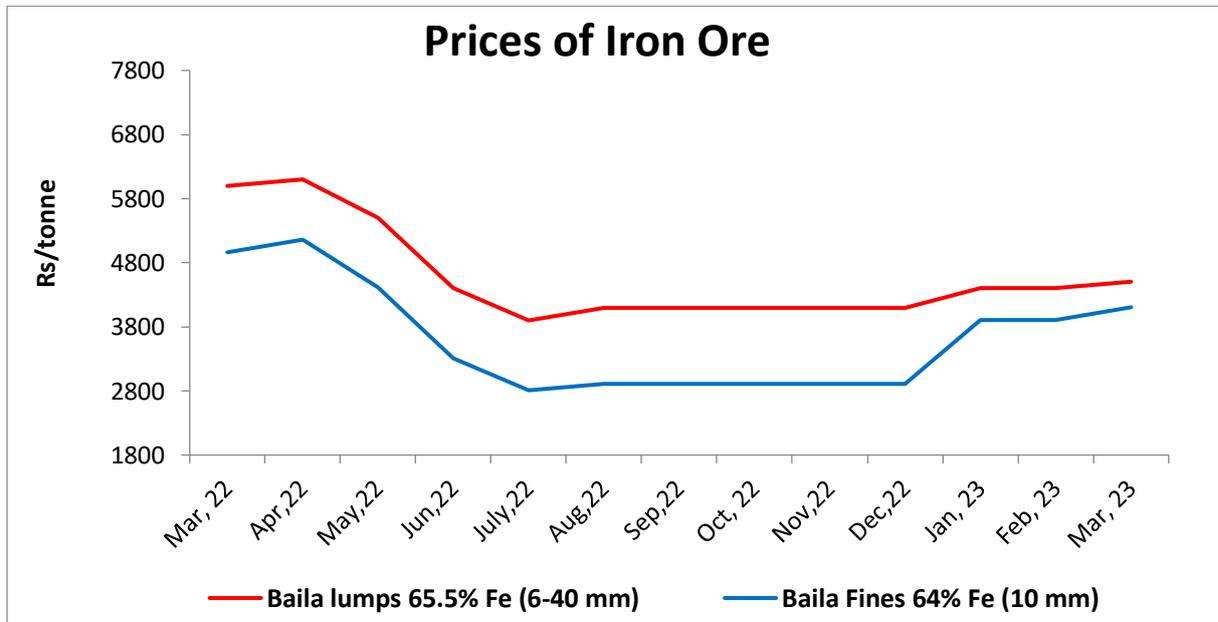
- i. In March'23, India was a net exporter of finished steel. Export of finished steel was 8.12 LMT in March'23, which increased by 41.2% M-o-M but was lower by 32.1% over March'22. Imports of finished steel was 4.29 LMT in March'23, showing a decrease of 27.7% M-o-M, but an increase of 22.2% over March'22.
- ii. Share of Korea, Japan, China, Vietnam, Nepal and France increased in total steel import of India in March'23 as compared to March'22 while share of Germany, Taiwan, Indonesia and Russia declined over this period as may be seen from the following graph:



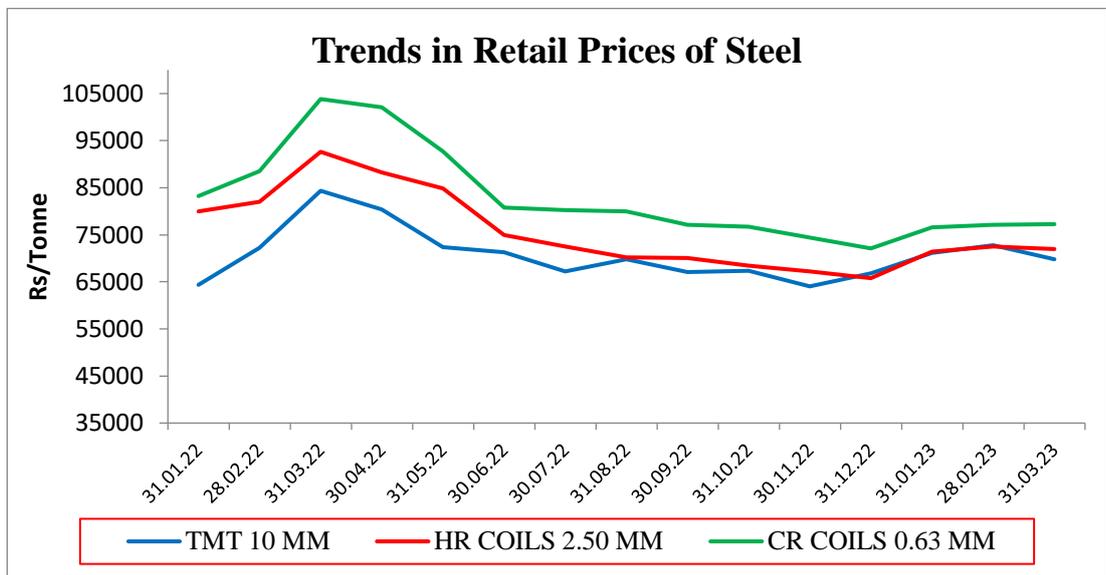
- iii. Share of Italy, Belgium, Spain, Nepal, Mexico, UK and Portugal was higher in total steel export from India in March'23 as compared to March'22 while share of UAE, Turkey and Vietnam declined over this period as may be seen from the following graph:



14. The prices of iron ore which was declining since April'22 have stabilized during recent months up to December'22. The Prices of iron ore have shown some recovery since December, 2022 as may be seen from the graph below:



- i. During the month of March'23, prices of iron ore lump and fines was Rs. 4,500/tonne and Rs. 4,110/tonne, which increased by 2.3% and 5.1% respectively over their respective prices in February'23.
- ii. The prices of HCC Coking coal f.o.b. Australia have decreased from USD 347/tonne on 28.02.23 to USD 310/tonne on 30.03.2023.
- iii. The prices of steel (TMT, HRC and CRC) peaked in March'22 on account of Russia-Ukraine war. After that steel prices have moderated till December'22 due to both global and domestic factors. The prices of TMT and HRC have declined in March'23 over February'22. However, the prices of CRC have slightly increased during the month as may be seen from the graph below:



iv. The retail prices of TMT (10mm) and HRC (2.50mm) in Mumbai market stood at Rs. 69,800/tonne and Rs. 71,980/tonne on 31st March'23, recording a decrease of 4.1% and 0.7% respectively over prices on 28th February'23. However, the retail prices for CRC (0.63mm) at Rs. 77,290/tonne on 31st March'23 was 0.2% higher over 28th February'23.

15. The global production of crude steel decreased by 1.0% in February'23 over CPLY mainly due to decrease in production in India, Japan, USA, Russia, Germany, Brazil and Turkey. China, South Korea and Iran among the major producing countries (with production of over 1 million tonnes for the month) recorded an increase in production in February'23 over February'22. As for the share of major steel producing countries in the global production of crude steel, it is seen that share of China, South Korea and Iran increased during February'23 while that of Japan, USA, Russia, Germany, Brazil and Turkey declined and share of India remained constant during this period as may be seen from the following graph:

