

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO.2202**  
FOR ANSWER ON 02/08/2021

**MODERNIZATION AND EXPANSION OF STEEL INDUSTRY**

2202. SHRIMATI POONAM MAHAJAN:

Will the Minister of STEEL be pleased to state:

- (a) whether it is a fact that the steel industry in the country is grappling with certain challenges to become a USD 5 trillion economy in five years as per the last National Steel Policy and if so, the details thereof?
- (b) whether it is also a fact that fiscal slowdown of the country has showed negative steel consumption thereof?
- (c) if so, the details thereof;
- (d) whether it is also a fact that the mining lease of some 38 working iron ore mines is going to lapse soon and SAIL has been awarded 25 per cent of commercial mining which may boost the steel scenario of the country; and
- (e) the policy of the Government to disinvest steel sector along with the modernization and expansion programme of SAIL subsidiaries ?

**ANSWER**

THE MINISTER OF STEEL

(SHRI RAM CHANDRA PRASAD SINGH)

(a) National Steel Policy, 2017 notified on 8<sup>th</sup> May, 2017 envisages domestic steel capacity to reach 300 MTPA by 2030-31. The total steel production capacity of the country at present is 143.91 Million Tonnes and is expected to reach 172.5 MT by 2024-25 towards achieving USD 5 trillion economy.

(b)&(c): The details of consumption of total finished steel during FY 2019-20, FY 2020-21 and FY 2021-22 are as following:-

<b>Total Finished Steel Consumption</b>			
	<b>2019-20</b>	<b>2020-21</b>	<b>April-June 2021*</b>
Qty. (mt)	100.17	94.89	24.85
Source: JPC; *provisional; mt=million tonnes			

(d) The mining lease of 4 iron ore mines will expire by March, 2022.

Ministry of Mines vide order dated 16.09.2019 has issued directions under Section 20A of the MMDR Act to the concerned State Governments to allow Steel Authority of India Limited (SAIL) to sell in a year upto a quantity equivalent to maximum 25% of total mineral production in the previous year from its captive mines in open market for a period of 2 years, and also allow the sale of sub-grade minerals lying at the mine pit heads of captive mines of SAIL.

Contd.....2/-

Ministry of Mines has amended the MMDR Act, 1957 through MMDR Amendment Act, 2021, which was notified on 28.03.2021, Section 8A(7A) of the amended Act provides that any lessee, where mineral is used for captive purpose, sell mineral up to fifty per cent of the total mineral produced in a year after meeting the requirement of the end use plant linked with the mine in a manner prescribed by the Central Government subject to the payment specified under Sixth Schedule of the Act.

(e) The policy of the Central Government to disinvest including in the steel sector, at present, is governed by New Public Sector Enterprise (PSE) Policy for Armanirbhar Bharat notified by the Government on 4<sup>th</sup> February, 2021. There is no plan for modernisation and expansion of the only operating subsidiary of SAIL i.e. SAIL Refractory Company Limited (SRCL), located in Salem, Tamil Nadu.

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