

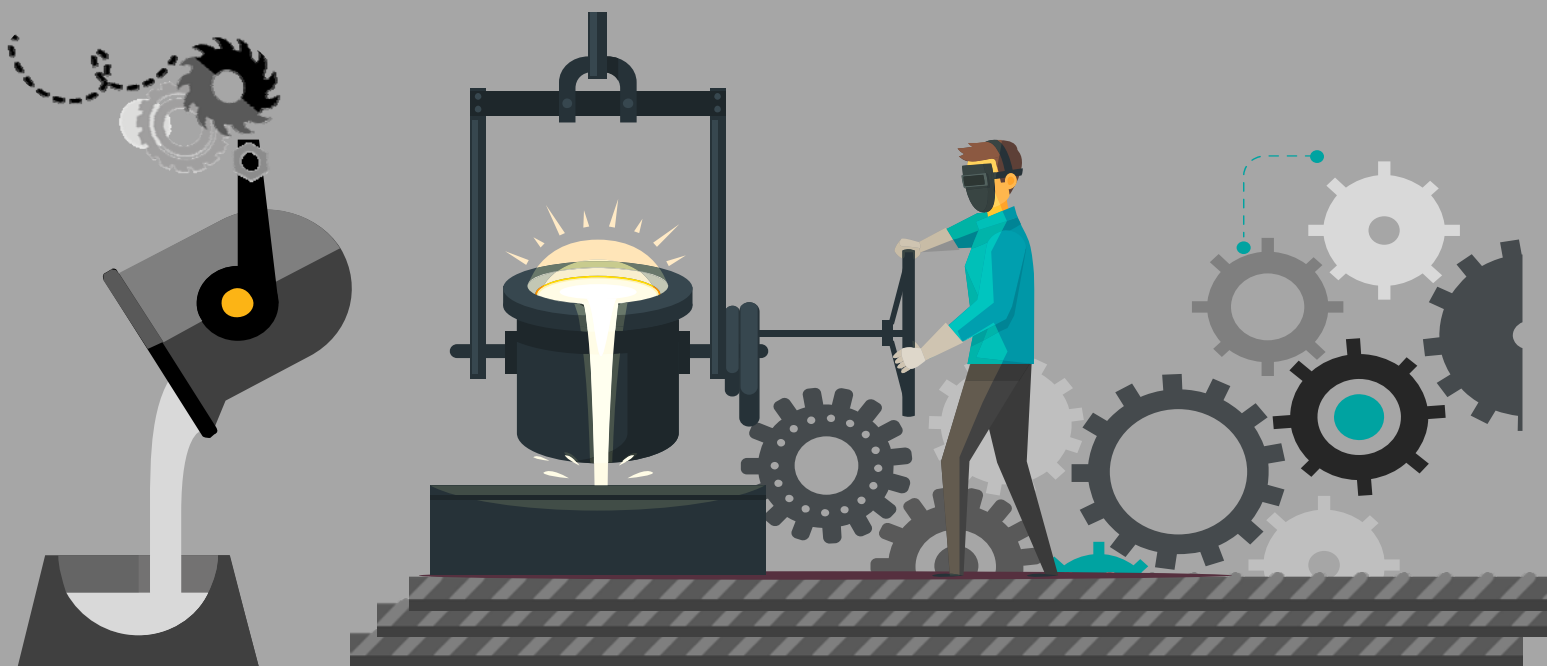
Department of Industrial Policy and
Promotion

Ministry of Steel

Steel Sector

Achievements Report

February 13, 2017



MAKE IN INDIA

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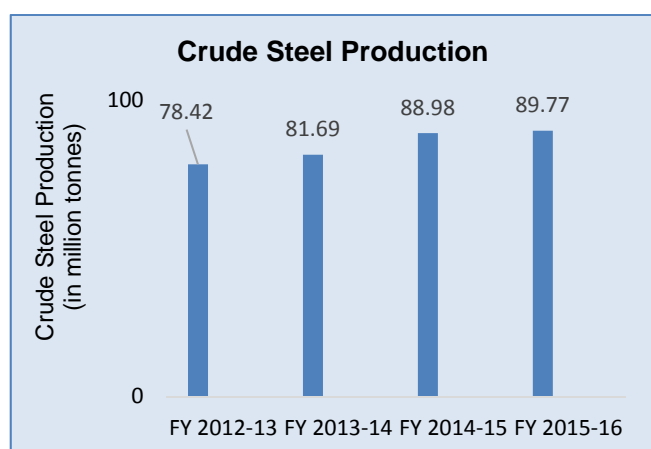
Steel Sector

India is the **largest producer of Direct Reduced Iron (DRI)** and is the **third largest producer of crude steel in the world**. India is also the **third largest consumer of finished steel globally** behind China and the US. The steel sector contributes nearly 2% to country's GDP and employs over 6 lakh people.

With a plan to increase steel production in the country to 300 Million Tonnes Per Annum (MTPA) by 2025, the Government has been focusing on infrastructure enablement in the sector.

Production and Consumption of Steel

During April 2014 - March 2016, **Domestic crude steel production grew by 11.6%** as compared to April 2012 to March 2014.



Policy Initiatives & Investments

FDI Policy

100% Foreign Direct Investment is permitted through the automatic route.

The Metallurgical Industries sector witnessed USD 2.1 billion FDI during April 2014-December 2016.

Fiscal Incentives

Budget 2017-18 provides for reduction in basic Custom Duty for the following:

- Hot rolled coils for use in manufacture of welded tubes and pipes from 12.5% to 10%.
- Magnesium Oxide (MgO) coated cold rolled steel coils from 10% to 5 %.

During previous budgets the following incentives were provided:

- **Safe guard duty of 20%** imposed on hot-rolled flat products of non-alloy and other alloy steel, in coils of width of 600 mm or more. (March, 2016)
- The peak rate of basic customs duty on both flat and non-flat steel has been raised to 15% from 10%. (Budget 2015-16)
- To support domestic industry, **import duty** hiked on flat steel from 10% to 12.5%, long steel from 7.5% to 10% and semi-finished steel from 7.5% to 10%. (Aug 2015)
- For reducing the stress in the steel sector, RBI has extended Flexible Structuring of Long Term Project Loans to Infrastructure and Core Industries. (July 15, 2014)



Anti-Dumping Duty imposed for five years on imports of certain variety of hot-rolled flat products of stainless steel from China (USD 309 per tonne), Korea (USD 180 per tonne) and Malaysia (USD 316 per tonne). (Nov 2014)

Major Investments & FDI Inflows

Total FDI equity inflow in the Metallurgical Industries sector during April 2014-March 2016 was USD 815.64 million. FDI equity inflow increased by **27%** to **USD 456.3 million in FY 2015-16 compared to USD 359.34 million in FY 2014-15.**

Foreign Company	Country	Indian Company	FDI (USD million)
Posco	South Korea	Posco Maharashtra Steels Pvt Ltd	262.62
Essar Steel Asia Holding Ltd	Mauritius	Essar Steel India Ltd.	96.3
Ud Industrial Holding Pte Ltd	Cyprus, Singapore	Uttam Galva Metallics Ltd(46.17),Ushdev International Ltd(2.25),Uttam Value Steels Ltd(32.8)	81.76
Standard Chartered Bank	Mauritius, Singapore	Castex Technologies Limited	62.31
China Steel Corporation	China, Taiwan	China Steel Corporation India Pvt Ltd	59.92
Gerau Holdings Europa Sa Y Cia Src	Spain	Kalyani Geradu Steels Limited	47.08
Nippon Steel & Sumitomo Metal Corporatio	Japan	Jamshedpur Continuous Annealing & Proces	38.61
Liberty Steel Holdings	Singapore	Uttam Galva Metallics Ltd, Viraj Profiles Ltd	33.61

Capacity Expansion

- **Steel Authority of India Ltd.** has undertaken **modernisation & expansion** of its integrated steel plants at Bhilai, Bokaro, Rourkela, Durgapur & Burnpur and special steel plant at Salem. In the current phase, the crude steel capacity is being enhanced at a cost of INR 61,870 crore **to 21.4 MTPA** from 12.8 MTPA..
 - The modernization and expansion of IISCO Steel Plant (ISP), Burnpur of SAIL, was completed on May 10, 2015 at a cost of INR16, 000 crore. This has resulted in three fold increase in the hot metal production capacity from 0.85 MTPA to 2.9 MTPA.
- India's **largest blast furnace Kalyani** was **commissioned** in November 2014 in SAIL's Burnpur Steel Plant.
- The **Rourkela steel plant** of SAIL after modernization and capacity enhancement to 4.5 MTPA from 2 MTPA with an investment of INR 12,000 crore was **dedicated to the nation on April 1, 2015.**
- Expansion of **Salem Steel Plant, Durgapur Steel Plant and Bokaro Steel Plant** has also been completed. At Bhilai Steel Plant, facilities like Ore Handling Plant Par-A, second Sinter Machine in Sinter Plant-3 and Coke Oven Battery -11 are in operation and other facilities are at advanced stages of execution .



- At **Rashtriya Ispat Nigam Limited (RINL)**, a project to generate power through **green technology** in collaboration with NEDO, Japan has been commissioned in July 2014. This is the **first of its kind in the country**.
- Expansion of RINL from 3 MTPA to 6.3 MTPA capacity has been completed .
- National Mineral Development Corporation (NMDC) has completed the construction activities of 1.2 MTPA pellet plant in Donimalai, Karnataka.
- NMDC is setting up a **3 MTPA Greenfield integrated steel plant at Nagarnar**, District-Bastar in Chhattisgarh. All major technological packages and auxiliary packages have been awarded and construction work is in progress
- For enhancement in steel production, a Special Purpose Vehicle (SPV) has been set up in the States of Chhattisgarh, Odisha, Jharkhand and Karnataka.
 - Jharkhand Kolhan Steel Ltd. has been incorporated by NMDC to develop SPV. Chatra district has been identified as a potential location for the steel plant.
 - NMDC has incorporated a wholly owned subsidiary Karnataka Vijayanagar Steel Limited (KVSL) on December 29, 2014 to develop the Steel SPV in the State. Land has been purchased.
 - Chhattisgarh Mega Steel Ltd. has been incorporated to develop SPV. A JV has been signed between SAIL & NMDC for the development of the steel plant.
 - In Odisha, RINL is leading the SPV.
- A notification has been issued by Central Government for development of the 140km rail line between Rowghat and Jagdalpur with an investment of INR 2000 crore. An MoU between Govt of Chhattisgarh, NMDC, IRCON and SAIL had been signed in the presence of Hon'ble Prime Minister, Hon'ble Minister for Steel & Mines and the Hon'ble Chief Minister, Chhattisgarh on May 9, 2015.
- Following agreements were also signed to aid infrastructure development:
 - MoU between Ministry of Steel, Govt of Chhattisgarh, SAIL and NMDC for setting up a greenfield 3 MTPA Steel Plant with an investment of approximately INR 18,000 crore.
 - MoU between Govt of Chhattisgarh and NMDC for Slurry Pipeline and 2MTPA Pellet Plant at Nagarnar in Bastar District with an investment of INR 4000 crore.
 - MoU between Govt of Chhattisgarh and SAIL for setting up 1MTPA Pellet Plant at Balod District with an investment of INR 826 crore

Other Initiatives – Quality Control

The Steel and Steel Products (Quality Control) Order, 2015 issued on December 18, 2015 covers 15 steel (flat and long) products under the mandatory certification marks scheme of BIS.

8 products were covered under the order w.e.f March 17, 2016 and remaining 7 products order was amended and became effective w.e.f December 18, 2016.



Ease of doing business initiatives

An **Investment Facilitation Cell** has been set up to provide information and handhold investors.

Skill Development

- Ministry of Steel is setting up a Steel Research & Technology Mission of India (SRTMI), to **facilitate joint collaborative research** projects in the iron & steel sector in India. Initial corpus for setting up of SRTMI is INR 200 crore of which 50% is being provided by Ministry of Steel and the balance by the participating steel companies. A Memorandum of Agreement (MoA) was signed on April 6, 2015.



Number of candidates enrolled and trained, under PMKVY (Pradhan Mantri Kaushal Vikas Yojana) Scheme as on 15th July, 2016 from Iron and Steel Sector Skill Council is 28325.

Sector Skill Council	No. of candidates trained	No. of candidates passed	No. of candidates certified	No. of candidates placed
Iron And Steel Sector Skill Council	28325	23682	21255	2377

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