

GOVERNMENT OF INDIA  
MINISTRY OF STEEL

**LOK SABHA**  
**UNSTARRED QUESTION NO.1006**  
FOR ANSWER ON 08/02/2021

**PROCUREMENT OF STEEL**

1006. SHRI RAJESH VERMA:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has formulated any scheme to promote the procurement of Made in India steel;
- (b) if so, the details thereof;
- (c) whether the Government plans to disinvest in steel sector and if so, the details thereof; and
- (d) if not, the reasons therefor?

**ANSWER**

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

- (a) Yes, Sir.
- (b) Government has formulated the Policy for providing Preference to Domestically Manufactured Iron and Steel Products (DMI&SP) Policy in Government procurement to promote the Made in India steel on 8<sup>th</sup> May, 2017 and subsequently revised on 29<sup>th</sup> May, 2019 and 31<sup>st</sup> December, 2020. Salient features of the policy are attached as **Annexure**.
- (c)&(d): Yes, Sir. Government has approved the disinvestment of Nagarnar Steel Plant of NMDC Ltd., three units of Steel Authority of India Limited, Rashtriya Ispat Nigam Limited and Ferro Scrap Nigam Limited.

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**Policy for providing preference to Domestically Manufactured Iron & Steel Products (DMI&SP) Policy**

The Government had introduced DMI&SP Policy on 8th May, 2017 to provide preference to domestically produced iron & steel material in Government tenders. Further, the Policy was revised on 29<sup>th</sup> May, 2019 and on 31<sup>st</sup> December, 2020. The salient features of the Policy are as under:-

- This policy provides preference to Domestically Manufactured Iron and Steel Products (DMI&SP) in Government procurement.
- The policy covers a list of 49 manufactured products of iron and steel. The minimum domestic value addition of 20-50 percent is specified on these 49 products of iron & steel. The policy also covers capital goods for manufacturing iron & steel products for which minimum domestic value addition of 50 percent is specified.
- Each Ministry or Department of Government and all agencies/entities under their administrative control is under the purview of the DMI&SP Policy as notified by the Ministry of Steel. All Central Sector Schemes (CS)/Centrally Sponsored Schemes (CSS) for which procurement is made by States and Local Bodies, would come within the purview of this Policy, if that project / scheme is fully / partly funded by Government of India.
- The policy shall be applicable to projects where the procurement value of iron and steel products is greater than Rs. 5 lakhs. The policy shall also be applicable for other procurements (non-project), where annual procurement value of iron and steel products for that Government organization is greater than Rs. 5 lakhs. However, it shall be ensured by procuring entities that procurement is not split for the purpose of avoiding the provisions of this policy.
- The policy is applicable to purchase of iron & steel products by private agencies for fulfilling an EPC contract and/or any other requirement of Ministry or Department of Government or their PSUs and also to capital goods for manufacturing iron & steel products in compliance to prescribed quality standards, as applicable.
- No Global Tender Enquiry (GTE) shall be invited for tenders related to procurement of iron and steel products. No Global Tender Enquiry (GTE) shall be invited for tenders related to procurement of Capital Goods for manufacturing iron & steel products having estimated value upto Rs. 200 Crore except with the approval of competent authority as designated by Department of Expenditure.
- The policy has provisions for waivers to all such procurement, where specific grades of steel are not manufactured in the country, or the quantities as per the demand of the project cannot be met through domestic sources.

The policy is envisaged to promote growth and development of domestic steel Industry in Government funded projects.