

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO.3294
FOR ANSWER ON 23/03/2022

STEEL CLUSTERS

3294. SHRI P.C. MOHAN:
SHRI LAVU SRI KRISHNA DEVARAYALU:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government has drafted a framework policy for Steel Clusters in an effort to resolve challenges of the ancillary, downstream and value-added steel units and unlock their growth potential; if so, the details thereof;
- (b) whether the Government has allocated any funds for such policy and if so, the details thereof;
- (c) the manner in which the Government is considering to resolve the issue of scarcity of steel grade coal in India; and
- (d) if so, the details thereof;
- (e) the details of amount of money spent by Steel Authority of India Limited (SAIL) for procurement of steel grade coal from foreign contractors since the year 2014 to 2022, year-wise;
- (f) whether the State of Andhra Pradesh has been sanctioned any new Steel Cluster and if so, the details thereof; and
- (g) whether the State of Andhra Pradesh comes under ancillary and downstream cluster or value added cluster and if so, the details thereof?

ANSWER

THE MINISTER OF STEEL

(SHRI RAM CHANDRA PRASAD SINGH)

(a)&(b): Yes, Sir. A framework policy for Steel Clusters has been drafted. A token amount of Rs.1 Lakh has been allocated in FY 2020-21 and 2021-22 for this purpose.

(c)&(d): The entire demand of coking coal is not met from domestic production as the supply of high-quality coal/ coking coal (low-ash-coal) in the country is limited. Accordingly, the Indian steel Industry has been largely dependent on imported coking coal. Most of the coking coal produced domestically in the country has high ash content making it redundant in manufacture of steel which resulted in import of 51.83 MT in 2019-20 and 51.20 MT in 2020-21 of coking coal. Following steps have been taken towards enhancing availability of steel grade coal in the country:-

- (1) Coking coal mission has been launched to increase in the coking coal production from present 45 MT to 140 MT by 2029-30.
- (2) A Memorandum of Understanding (MoU) has been signed on 14.10.2021 by the Minister of Steel, Government of India and the Minister of Energy, Russian Federation on cooperation regarding coking coal, which is used in steel making. The MoU will benefit the Indian steel sector by diversifying the sources of coking coal which may lead to reduction in input cost for the steel players due to long term commitment of supply of high-quality coking coal to India.

(e) The amount of money spent by Steel Authority of India Limited (SAIL) for procurement of steel grade coal (including PCI) from foreign contractors since the year 2014 to 2022, year-wise are given below:-

Financial Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (till Feb.'22)
Expenditure (Rs. Crore)	12745	10448	13871	20543	23704	21551	16059	27476

(f)&(g): No, Sir. No new Steel Cluster has been approved for the State of Andhra Pradesh.
