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D.O. No. 1919

Dated: 18 October 2026

Subject: Draft National Steel Policy: Vision 2047 — comments, with proposals specific to Punjab (Mandi Gobindgarh and Ludhiana)

Respected Kumaraswamy ji,

I write as a private citizen and a retired civil servant of the Punjab cadre who holds no assignment, and has no interest, in any steel enterprise, public or private. The Ministry of Steel placed the draft *National Steel Policy: Vision 2047* in the public domain on 11 October 2026 and invited comments by 30 October 2026. This letter, and its Annexure, are offered in that consultative spirit.

2. Let me begin with appreciation, which is due. The draft is the most comprehensive document the Ministry has produced on the sector. It takes India from 170 million tonnes (MT) of crude steel and 220 million tonnes per annum (MTPA) of capacity today to a planned 604 MTPA by 2047, with per capita consumption rising from 116 kg to 302 kg. Its four-phase decarbonisation ladder is carefully sequenced, from energy efficiency and renewables, through coal gasification, to green-hydrogen DRI and carbon capture. The Steel Industry Safety Council and Directorate, the Steel Digital Centre of Innovation, the national scrap mission and the five-yearly review are sound institutional ideas.

3. A long-horizon policy, however, is only as strong as the inputs it secures and the places it reaches. I would request that four gaps at the national level be considered before the policy is finalised.

(a) A material balance sheet for 2047. The draft projects demand for each raw material with precision: iron ore at 772 MT, coking coal at 236 MT, non-coking coal for DRI at 167 MT, and scrap at 123 MT. It does not say how much of each India will mine, import or export.

- Coking coal is about 92% imported, yet no 2047 import share or domestic production target is set.
- Imported metallurgical coke finds no mention.
- On iron ore, the draft declares India “self-sufficient”. It also records that the high-grade share of reserves fell from 70% to 46%, and it proposes overseas acquisition of high-grade deposits. Neither the future import of high-grade ore nor the export of fines and pellets is quantified.

A balance sheet, input by input, would show the country, and the investor, the import bill that Vision 2047 implies.

(b) Product-wise trade. Steel trade is treated as a single aggregate. Hot-rolled coil, wire rod and the intermediates on which the secondary sector lives (pig iron, sponge iron, briquetted iron and iron nuggets) deserve product-wise treatment, both in import surveillance and in the export target.

(c) The export arithmetic. At the draft’s own assumed 95% yield, 531 MT of crude steel yields about 505 MT of finished steel. That equals the projected domestic consumption. The policy should state plainly whether the 45 MT export target lies within the 505 MT or over and above it.

(d) Implementation certainty. A thirty-year plant is planned against a policy that will revise itself every five years. Some measure of assurance would strengthen investor confidence. By this I mean stable programmes, institutions and logistics commitments, matched to the review cycle.

4. My principal concern, however, is regional. The draft names no State and no cluster. The word “Punjab” does not appear in it. Neither do Mandi Gobindgarh, once the *Loha Mandi* of the nation, nor Ludhiana. Three points follow.

(i) The induction-furnace route is to contract, but the policy text does not say so. The main text says only that the induction-furnace share, about 38% today, “is expected to decrease”. The assumptions beneath the Annexure’s raw-material table set it at 15% by 2047. For the Mandi Gobindgarh–Khanna–Ludhiana belt, built on induction furnaces and re-rolling mills, that is the most consequential assumption in the document. It appears without a transition path, a modernisation window or a cluster programme. A contraction of that order should be planned in the open.

(ii) The draft overlooks a plant that already meets its goals. On 20 March 2026, Tata Steel commissioned its scrap-based electric arc furnace of 0.75 MTPA at Hi-Tech Valley, Ludhiana. It is designed for under 0.3 tonnes of CO₂ per tonne of steel, against the draft’s national target of 1.54 for 2047. What the draft’s Phase I describes as an aspiration is already in production in Punjab. The plant also competes for the same northern scrap and the same rebar market as the older clusters. That is a coexistence the policy should plan for.

(iii) The Ministry’s own institution at Gobindgarh is left unused. The National Institute of Secondary Steel Technology (NISST), cited repeatedly in the draft as a skilling vehicle, is located at Mandi Gobindgarh. It is the natural anchor for a northern Centre of Excellence, and the draft does not say so.

5. Punjab is a land-locked border State with no iron ore, no coal and no steel plant in the public sector. Its steel industry was built by private enterprise, on scrap brought from distant ports and on the skill of its workforce. It asks for no tax concession in this letter. It asks for a place in the plan. The specific proposals, all within the competence of the Government of India and its agencies, are set out in **Annexure A**. In brief they cover:

- a pilot transition cluster with a common facility centre at Mandi Gobindgarh
- NISST as the northern Centre of Excellence
- a northern scrap balance and scrap lots sized for small units
- earmarked pellet and DRI supplies for clusters distant from the mines
- a steel terminal on the Eastern Dedicated Freight Corridor at Ludhiana
- cluster-level green-steel certification
- help with the European Carbon Border Adjustment Mechanism (CBAM) for Ludhiana’s steel-using exporters
- a presence for the Ministry’s public sector undertakings (CPSEs) in the State

6. May I also request that the Ministry hold one stakeholder consultation at Chandigarh or Mandi Gobindgarh before the draft is finalised. The secondary steel units of the north, most of them MSMEs, rarely find their way to consultations in New Delhi. A day in their midst would add a sense of place that the draft at present lacks.

7. I would be grateful if these suggestions are taken on record as part of the public consultation.

With warm regards and respect,

Yours sincerely,

(KBS Sidhu)

Shri H.D. Kumaraswamy

Hon'ble Union Minister of Steel and Heavy Industries

Government of India

Udyog Bhawan, New Delhi – 110011

Copy to:

- 1** Shri Sandeep Poundrik, Secretary, Ministry of Steel, Government of India, Udyog Bhawan, New Delhi — with a request that this letter and its Annexure be placed on record as comments on the draft policy.
- 2** The Hon'ble Governor of Punjab, Lok Bhawan, Chandigarh — for information.
- 3** The Hon'ble Chief Minister, Punjab, Chandigarh — for information. Industrial power tariffs and open access, which decide the fate of induction furnaces, rest with the State.
- 4** The Chief Secretary, Government of Punjab, Chandigarh — for information and such follow-up with the Ministry of Steel as the State may consider appropriate.

(KBS Sidhu)

Annexure A

Punjab-specific proposals for the National Steel Policy: Vision 2047

All within the competence of the Government of India and its agencies; no tax concession is sought.

A. Cluster transition

1. **Pilot Secondary Steel Transition Cluster.** Name the Mandi Gobindgarh–Khanna–Ludhiana belt in para 3.6 of the policy as a pilot cluster for the planned move from induction furnaces towards refined and low-carbon routes, with a published, graded timeline rather than an assumption in an Annexure.
2. **Common Facility Centre at Mandi Gobindgarh.** Set up shared ladle-refining, a BIS-accredited testing laboratory and product-certification support. Fund it under the Ministry's schemes in convergence with the MSME Ministry's Cluster Development Programme and Technology Centres, as para 11.5.3 already contemplates.
3. **Technology upgradation window.** Offer capital support or interest subvention for induction-furnace units that add ladle refining or convert to compact electric arc furnaces, sized for MSMEs and front-loaded in Phase I (2026–30).
4. **NISST as the northern Centre of Excellence.** Upgrade the National Institute of Secondary Steel Technology, Mandi Gobindgarh, into the Centre of Excellence for secondary steel and green-steel skilling in the north. Give it a northern node of the proposed Steel Digital Centre of Innovation and academic tie-ups with IIT Ropar, Thapar Institute, Patiala and PEC, Chandigarh.

B. Raw materials and scrap

5. **Northern scrap balance.** Prepare a scrap generation and consumption balance for Punjab, Haryana, Himachal Pradesh, Jammu and Kashmir and Chandigarh, so that Ludhiana's arc furnace and Gobindgarh's induction furnaces are planned for together, not left to bid against each other.
6. **Scrap supply within reach of small units.** Encourage registered vehicle-scraping facilities in Punjab, drawing on the region's large fleet of ageing tractors and goods vehicles. Have Northern Railway, defence establishments and CPSEs offer scrap through MSTC e-auctions in lot sizes that MSMEs can bid for.
7. **Earmarked pellet and DRI supply.** Reserve a share of CPSE iron ore, pellet and DRI sales, through long-term supply windows from NMDC and others, for secondary clusters located far from the mines, with transparent mine-head pricing.

C. Logistics

8. **A steel terminal on the Eastern Dedicated Freight Corridor at Ludhiana.** Build a rail-connected steel and scrap terminal, with a multimodal logistics park under PM GatiShakti, at the corridor's northern end.
9. **Rakes for the north.** Provide mini-rakes and two-point rakes for scrap, DRI, pig iron and billets into Mandi Gobindgarh. The Ministry of Railways should also review freight classification for inbound raw materials to land-locked northern clusters, to narrow the cost disadvantage of distance from mines and ports.

D. Green steel and markets

10. **Cluster-level green-steel certification.** Under the Green Steel taxonomy and the Carbon Credit Trading Scheme, allow group or cluster-level measurement, reporting and verification for MSMEs, with the cost of accredited verification supported, so that low-intensity scrap-based units in Punjab can earn the recognition they qualify for.
11. **Ludhiana as a demonstration site.** Request Tata Steel to associate its Ludhiana electric arc furnace with NISST as a learning and demonstration site for the region's smaller units.
12. **Renewable power access.** Request the Ministry of Power to facilitate green energy open access, and continued inter-State transmission charge relief, for steel MSMEs in States with limited renewable generation of their own.
13. **CBAM help for steel users.** Set up a CBAM facilitation cell at Ludhiana for exporters of fasteners, hand tools, bicycles, auto components and tractor parts. Before any trade remedy on coil or wire rod, carry out a downstream-user impact assessment, giving effect to the draft's own word "proportionate" (para 4.3.3).
14. **Public procurement.** Ensure that BIS-compliant products of secondary units are eligible in government procurement, and that the life-cycle-cost preference of para 2.1.5(iii) does not exclude them by design.

E. Institutional presence

15. **CPSE footprint in a border State.** Consider a SAIL steel service centre and an MSTC-led scrap processing facility in Punjab.
16. **Representation.** Give representatives of the northern secondary-steel clusters a seat on the proposed Steel Industry Safety Council and the Steel Skill Development Working Group.
17. **Consultation at Chandigarh or Mandi Gobindgarh** before the policy is finalised.

(KBS Sidhu)