

Standing Committee Report Summary

Steel Scrap Recycling Policy

- The Standing Committee on Coal, Mines and Steel (Chair: Mr. Anurag Singh Thakur) presented its report on 'Steel Scrap Recycling Policy' on August 4, 2025. Key observations and recommendations of the Committee include:
 - **Granting industry status to steel scrap sector:** The Committee observed that granting industry status to steel scrap sector would enhance its transition into an organised sector. It noted that this would bring benefits such as attracting investment, employment generation, and skill development and training. The Committee noted that industry status would also enable entrepreneurs to avail bank loans to set up scrap collection and dismantling centres.
 - **Limited availability of scrap material:** The Committee noted that limited availability of scrap is a key obstacle to scaling up steel production through scrap-based methods. It recommended formalising informal scrap markets, and organising kabadiwallahs and scrap dealers into cooperatives to improve supply and provide economic and social gains. It also recommended that unused vehicles lying with law enforcement agencies, such as those involved in crimes, accidents, or thefts, be dismantled to increase scrap availability.
 - **Skilling:** It also suggested that the National Skill Development Mission introduce certification courses on scrap handling, covering collection, segregation, sorting, refining, processing, and disposal.
- **Need for decarbonisation:** The Committee noted that the steel industry contributes 12% of India's total emissions. The average emission intensity is 2.5 tonnes of CO₂ per tonne of crude steel, which is higher than that for Europe (1.1), USA (0.8), Russia (1.7), China (2), and Japan (1.6). The Committee stressed the need for a quicker transition to scrap-based production to lower the sector's emission intensity. It recommended: (i) temporary preference to scrap-based steel in public procurement by the Ministry and (ii) inclusion of the impact of greenhouse gas emissions in the overall cost of steel production.
- **Data on steel scrap sector:** The Committee observed that the steel scrap sector lacks a centralised database. It noted that the Steel Scrap Recycling Policy, 2019 is being implemented and monitored without such primary data. It recommended: (i) creating a web portal to track the generation and use of steel scrap across sectors and (ii) designating the Ministry of Steel as the nodal agency for capturing, compiling, and disseminating data on scrap generation, usage, imports, and exports.
- **Awareness campaigns:** The Committee observed that households typically dispose old or unused consumer durables through unorganised kabadiwallahs who manually dismantle and segregate scrap components. The Committee noted that these practices can be costly, unsafe, and environmentally unsound. It recommended awareness campaigns to promote public participation in organised scrap recycling.

DISCLAIMER: This document is being furnished to you for your information. You may choose to reproduce or redistribute this report for non-commercial purposes in part or in full to any other person with due acknowledgement of PRS Legislative Research ("PRS"). The opinions expressed herein are entirely those of the author(s). PRS makes every effort to use reliable and comprehensive information, but PRS does not represent that the contents of the report are accurate or complete. PRS is an independent, not-for-profit group. This document has been prepared without regard to the objectives or opinions of those who may receive it.