

GOVERNMENT OF INDIA
MINISTRY OF STEEL
RAJYA SABHA
UNSTARRED QUESTION NO. 629
FOR ANSWER ON 07.02.2025

ENHANCEMENT OF PRODUCTION OF STEEL UNDER PLI SCHEME

629. SHRI SANJAY SETH:

Will the Minister of STEEL be pleased to state:

- (a) the initiatives being undertaken to enhance domestic steel production under the Production Linked Incentive (PLI) Scheme, particularly in the construction, automotive, and defence sectors;
- (b) the manner in which PLI Scheme is expected to attract investments amounting to Rs.27,106 crores and create significant downstream capacity;
- (c) the role of Government in facilitating a conducive policy environment for the steel sector's growth;
- (d) the measures in place to monitor and evaluate the impact of these initiatives on steel consumption; and
- (e) the manner in which these efforts align with India's broader economic development goals?

ANSWER

THE MINISTER OF STATE IN THE (SHRI BHUPATHIRAJU SRINIVASA VARMA)
MINISTRY OF STEEL

(a)&(b): Production Linked Incentive(PLI) Scheme for specialty steel was launched with the objective of attracting investment to boost the production of value-added steel in the country. PLI Scheme for specialty steel covers five broad product categories, namely Coated/Plated Steel Products, High Strength/Wear resistant Steel, Specialty Rails, Alloy Steel Products & Steel wires and Electrical Steel.

(c)to(e): Steel is a de-regulated sector and the government acts as a facilitator by creating a conducive policy environment for the development of steel sector. Government has taken the following measures to create a conducive policy environment for boosting the steel sector in the country:-

- i. Promotion of 'Made in India' steel and expanding investments:-
 - a. Implementation of Domestically Manufactured Iron & Steel Products (DMI&SP) Policy for promoting 'Made in India' steel for Government procurement.
 - b. Launch of the Production Linked Incentive (PLI) Scheme for Specialty Steel to promote the manufacturing of 'Specialty Steel' within the country and reduce imports by attracting capital investments.

- ii. Improve raw material availability and reduce raw material cost:-
 - a. Reduction in the Basic Customs Duty on Ferro Nickel, a raw material from 2.5 percent to zero, making it duty free.
 - b. Extension of duty exemption on ferrous scrap upto 31st March 2026, in the Budget 2024.

- iii. Import monitoring and quality control:-
 - a. Revamping of Steel Import Monitoring System (SIMS) for effective monitoring of imports to provide granular details on imports to the domestic steel industry.
 - b. Introduction of steel Quality Control Orders thereby banning sub-standard/ defective steel products in domestic market as well as imports to ensure the availability of quality steel to the industry, users and public at large.
