

GOVERNMENT OF INDIA
MINISTRY OF STEEL

LOK SABHA
UNSTARRED QUESTION NO. 1636
FOR ANSWER ON 13/12/2023

PLI SCHEME FOR STEEL SECTOR

1636. DR. SUKANTA MAJUMDAR:

Will the Minister of STEEL be pleased to state:

- (a) whether the Government is currently evaluating the performance of the Production Linked Incentive (PLI) 1.0 scheme dedicated to the steel sector and if so, the details thereof;
- (b) whether only a third of the proposed investments, around \$1.3 billion out of the planned \$4 billion, have been actualized so far and if so, the details thereof;
- (c) whether the Government is actively engaging with companies that were selected for the scheme but did not sign the PLI 1.0 contracts and if so, the details thereof;
- (d) whether some companies have backed out due to various challenges, such as high capital expenditure requirements, lack of market viability for certain products or gaps in technical expertise; and
- (e) if so, the details thereof along with the corrective steps being taken by the Government in this regard so far?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF STEEL

(SHRI FAGGAN SINGH KULASTE)

(a)&(b): The performance of the Production Linked Incentive (PLI) Scheme for Specialty Steel is monitored by the Government regularly. The actual investment upto Q2 of FY 2023-24 is ₹ 10,730 Cr [~1.34 billion @ ₹ 80 per \$] against total committed investment of ₹ 29,531 Crore [~\$3.6 billion @ ₹ 80 for 1 \$] spreading over FY 21-22 to FY 25-26. The performance of the PLI Scheme for Specialty Steel as of Q2, i.e., September 2023 for FY 2023-24 is given below:

Total Committed Investment under the 'Scheme' (₹ Crore)	Actual Investment till Q2 2023-24 (₹ Crore)	Committed Production for FY 2023-24 (000 tonne)	Actual Production till Q2 2023-24 (000 tonne)	Budgeted Incentive Outlay (₹ Crore)	Actual Incentive Disbursed (₹ Crore)
29531	10730	935	Nil	6332	Nil*

*(Incentive to be disbursed from FY 2024-25 onwards)

(c)to(e): The steps taken by the government to address the challenges faced by the PLI applicants are given below:-

- (i) Ministry of Steel (MoS) along with Project Management Agency (PMA) viz. MECON Limited has reached out to applicants for one-on-one discussion to understand the concerns and mitigate the issue.
- (ii) Grievance Redressal Mechanism has been constituted to oversee complaints / grievances as well as challenges and concerns arising out of the PLI Scheme implementation at any stage of the scheme.
- (iii) The Project Monitoring Group (PMG) was constituted with the mandate of monitoring large scale infrastructure projects, have been extended to upload issues, such as land acquisition, environmental clearances, forest clearances etc., being faced by PLI approved companies during the scheme period. Standard Operating Procedure (SoP) to facilitate VISAs for experts has been issued by Ministry of Home Affairs (MHA) and Ministry of External Affairs (MEA).