GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO. 2389
FOR ANSWER ON 07.08.2026

INCENTIVE SCHEME TO ENHANCE GREEN STEEL PRODUCTION

2389. SMT. DARSHANA SINGH:

Will the Minister of STEEL be pleased to state:

(a) whether Government proposes a new incentive scheme for technology upgradation, green hydrogen and energy efficiency to enhance green steel production;

(b) State-wise details of the investment, production and employment generated from the projects approved under PLI Scheme 1.1 and PLI Scheme 1.2 for Specialty Steel;

(c) whether any action plan has been prepared to increase steel exports following the India–UK Comprehensive Economic and Trade Agreement (CETA); and

(d) the major steps taken by Government to enhance the competitiveness of the domestic steel industry and increase the production of specialty steel?

ANSWER

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

(a) The Government has undertaken the following initiatives for technology upgradation, green hydrogen and energy efficiency to enhance green steel production:-

(i) Ministry of Steel released the Taxonomy for Green Steel for defining and categorizing the low emission steel.

(ii) Ministry of Steel has been allocated Rs. 455 crores for implementation of pilot projects to use green hydrogen in steel sector till Financial Year 2029-30 under National Green Hydrogen Mission launched by Ministry of New & Renewable Energy. Four pilot projects have been awarded for use of hydrogen in steel sector under National Green Hydrogen Mission.

(iii) Ministry of Steel released a report titled "Greening the Steel Sector in India: Roadmap and Action Plan" on the basis of the recommendations of the 14 Task Forces constituted by this Ministry for this purpose which provides the roadmap for green steel and sustainability, towards net-zero target by 2070. The report is available on Ministry of Steel's website.

(iv) National Solar Mission launched by Ministry of New and Renewable Energy in January, 2010 promotes the use of solar energy and also helps to reduce the emission of steel industry.

(v) Ministry of Power has notified Carbon Credit Trading Scheme (CCTS) on 28.06.2023 for regulating Indian Carbon Market across various industrial sectors, which is also applicable to steel plants.

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(b)to(d): Steel is a deregulated sector, and the Government acts as a facilitator by creating a conducive policy environment for the development of steel sector in the country. The decisions regarding import, export, employment etc. are taken by the steel companies based on techno-commercial considerations and market dynamics.

The Government has launched the Production Linked Incentive (PLI) Scheme for Specialty Steel with a financial outlay of ₹ 6322 crore. The Scheme aims to enhance the competitiveness of the domestic steel industry by promoting investment and the domestic production of value-added specialty steel, reducing import dependence, and strengthening domestic manufacturing capabilities. Under the Scheme, 167 projects involving 100 companies across 15 States have been approved. As on 30 June, 2026, participating companies have invested about ₹26,320 crore, generated direct employment for 14,974 persons, and achieved cumulative incremental production and import substitution of about 3.7 million tonnes.

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