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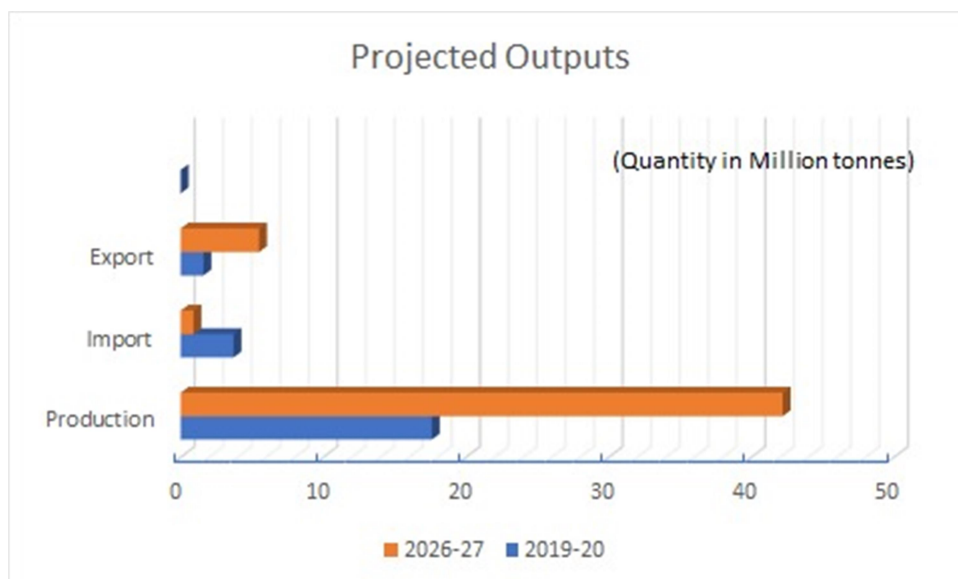
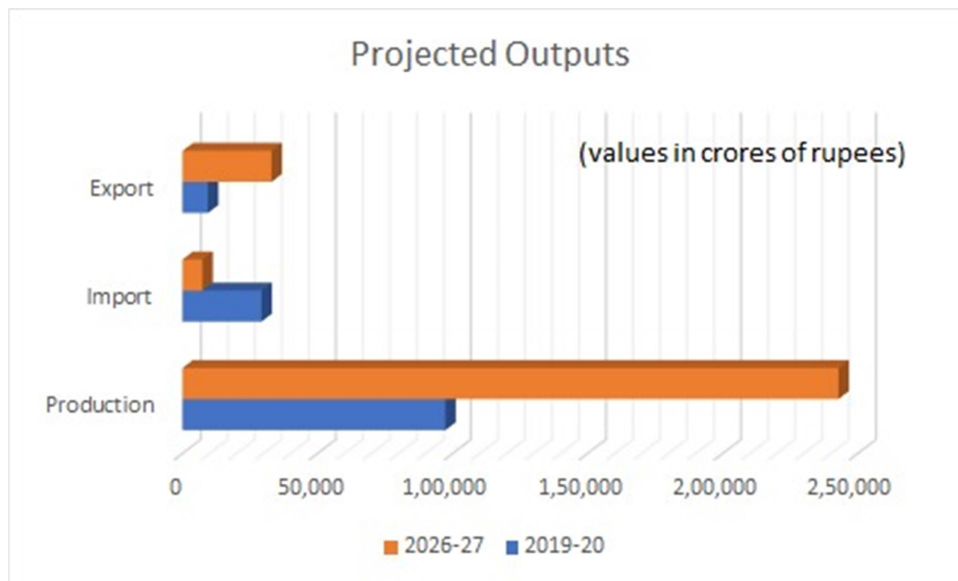
## **Decisions taken by the Union Cabinet**

- **Union Cabinet approves Production-linked Incentive (PLI) Scheme for Specialty Steel**

The Cabinet, chaired by Hon'ble Prime Minister Shri Narendra Modi has approved the Production Linked Incentive (PLI) Scheme for specialty steel. The duration of the scheme will be five years, from 2023-24 to 2027-28. With a budgetary outlay of ₹6322 crores, the scheme is expected to bring in investment of approximately ₹40,000 crores and capacity addition of 25 MT for specialty steel. The scheme will give employment to about 5,25,000 people of which 68,000 will be direct employment.

Speciality steel has been chosen as the target segment because out of the production of 102 million tonnes steel in India in 2020-21, only 18 million tonnes value added steel/speciality steel was produced in the country. Apart from this out of 6.7 million tonnes of imports in the same year, approx. 4 million tonnes import was of specialty steel alone resulting in FOREX outgo of Approx. Rs. 30,000 crores. By becoming Aatmanirbhar in producing specialty steel, India will move up the steel value chain and come at par with advanced steel making countries like Korea and Japan.

It is expected that the specialty steel production will become 42 million tonnes by the end of 2026-27. This will ensure that approximately 2.5 lakh crores worth of specialty steel will be produced and consumed in the country which would otherwise have been imported. Similarly, the export of specialty steel will become around 5.5 million tonnes as against the current 1.7 million tonnes of specialty steel getting FOREX of Rs 33,000 crore.



The benefit of this scheme will accrue to both big players i.e. integrated steel plants and to the smaller players (secondary steel players)

Specialty steel is value added steel wherein normal finished steel is worked upon by way of coating, plating, heat treatment, etc to convert it into high value added steel which can be used in various strategic applications like Defence, Space, Power, apart from automobile sector, specialized capital goods etc.

The five categories of specialty steel which have been chosen in the PLI Scheme are:

- A. Coated/Plated Steel Products
- B. High Strength/Wear resistant Steel
- C. Specialty Rails
- D. Alloy Steel Products and Steel wires

## E. Electrical Steel

Out of these product categories, it is expected that after completion of the Scheme India will start manufacturing products like API grade pipes, Head Hardened Rails, electrical steel (needed in transformers and electrical appliances) which are currently manufactured in very limited quantity or not manufactured at all.

There are 3 slabs of PLI incentives, the lowest being 4 % and highest being 12% which has been provided for electrical steel (CRGO). The PLI Scheme for specialty Scheme will ensure that the basic steel used is 'melted and poured' within the country which means that raw material (finished steel) used for making specialty steel will be made in India only, thereby ensuring that Scheme promotes end to end manufacturing within the country.

- **Cabinet approves establishment of an Integrated Multi-purpose Corporation for the Union Territory of Ladakh**

The Union Cabinet, chaired by the Hon'ble Prime Minister, Shri Narendra Modi has approved the establishment of an Integrated Multi-purpose infrastructure Development Corporation for the Union Territory of Ladakh.

The Cabinet also approved the creation of one post of Managing Director, for the corporation in the pay scale of Rs.1,44,200- Rs.2,18,200 level.

The authorized share capital of the Corporation will be Rs.25 crore and recurring expenditure will be around Rs. 2.42 crore per year. It is a new establishment. Presently, there is no such similar organization within the newly formed UT of Ladakh. The approval has an inherent potential for employment generation as the corporation will be undertaking various kinds of developmental activities. Corporation will work for industry, tourism, transport and marketing of local products and handicraft. Corporation will also work as main construction agency for infrastructure development in Ladakh.

The establishment of corporation will result in inclusive and integrated development of the Union Territory of Ladakh. This will, in turn, ensure socio-economic development of the entire region and population of the Union Territory.

The impact of development will be multi-dimensional. It will help in further development of human resources and better utilization thereof. It increases domestic production of goods and services and will facilitate their smooth supply. Thus, the approval will help in realizing the goal of Atmanirbhar Bharat.

### **Background:**

- i. Consequent upon re-organisation of the erstwhile State of Jammu and Kashmir as per the Jammu and Kashmir Reorganisation Act, 2019, the Union Territory of Ladakh (without Legislature) came into existence on 31.10.2019.
- ii. An Advisory Committee was constituted under section 85 of the Jammu and Kashmir Reorganization Act, 2019 for making recommendations regarding the apportionment of the assets and liabilities of the erstwhile State of Jammu and Kashmir between the Union Territory of Jammu and Kashmir, and the Union Territory of Ladakh. The said Committee inter-alia recommended for the establishment of an Integrated

Infrastructure Development Corporation Limited on the lines of the Andaman & Nicobar Islands Integrated Development Corporation Limited (ANIIDCO), with an appropriate mandate to take up various developmental activities as per the specific needs of Ladakh.

iii. Accordingly, the Union Territory of Ladakh sent a proposal to this Ministry for the establishment of the corporation in the Union Territory of Ladakh, which was recommended by the Committee on Establishment Expenditure (CEE), Ministry of Finance in April, 2021.

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Warm Regards,

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