

Recent Updates on the Steel and Steel Products (Quality Control) Order, 2024

Background	<p>On August 29, 2024, the Ministry of Steel (“Ministry”) issued Steel and Steel Products (Quality Control) Order, 2024, (“Steel QCO”)* superseding all the previous QCOs issued for Steel and Steel products.</p> <p>The Steel QCO, mandates obtaining a Bureau of Indian Standards (“BIS”) license or certification for the manufacture, import, sell, distribute, lease, store, or exhibit for sale of goods or articles corresponding to 151 Indian Standards, classified under the Harmonized System Codes listed in Schedule 1 and 2 of the Steel QCO.</p>
Recent Updates	<p>On June 13, 2025 (“Order”), the Ministry extended the scope of the Steel QCO to include such base or input materials within its ambit wherever they are covered by applicable Indian Standards in the Steel QCO. The Order remained effective for the imports of steel and steel products with Bill of Lading dated on or before June 16, 2025, unless an extension was granted by the Ministry.</p> <p>Subsequently, <i>vide</i> Order dated 11 July 2025, the Ministry communicated that the Integrated Steel Plants (“ISPs”) which make intermediate and final products themselves do not need to obtain a license for the intermediate products as BIS certification checks the entire manufacturing chain including the input material. In the meantime, ISPs are required to send the communication on tech-steel@nic.in to the Ministry declaring the BIS licences currently held by them. Appropriate provisions for ISPs will be made on SIMS.</p> <p>Further, through the same order, the Ministry granted an exemption to importers of input steel for imports of steel products with a Bill of lading dated on or before July 15, 2025.</p>
Key Issues	<ul style="list-style-type: none"> The Order issued by the Ministry does not specify the extent or the stage at which raw materials used in steel production must be traced throughout the manufacturing process to ensure compliance.
Impact on Industry	<ul style="list-style-type: none"> Dual compliance issues pertaining to input/raw materials used in the manufacturing chain, along with the final product. Extended coverage in terms of the Indian Standards as the Order encompasses a wide range of Steel products and their corresponding input materials, capturing the entire production value chain.
Who will be required to comply with the Order?	<ul style="list-style-type: none"> The concerned Indian and Foreign manufacturers will be required to obtain a license in terms of Scheme-I,** Schedule-II of the BIS (Conformity Assessment) Regulations, 2018.

* <https://steel.gov.in/sites/default/files/2025-04/QCO%202024.pdf>

**Factory audit will be mandatory for obtaining the licence under this scheme.

ELP Comments:

The extension of the Steel QCO to cover input materials has created significant challenges for MSMEs, particularly by introducing complex traceability requirements. Even though the deferment of the Steel QCO and exclusion of ISPs provides a breathing room for the steel importers, it is also important to note that the increased compliance burden may heighten risks of production disruption, shipment delays, and potential plant shutdowns. Therefore, it is recommended to review existing and planned import operations to ensure full compliance with these updated regulations.

For a more in-depth and nuanced perspective on any of the topics discussed in this edition, please don't hesitate to contact the authors of this update:

Stella Joseph
E: StellaJoseph@elp-in.com

Prakhil Mishra
E: prakhilmishra@elp.in.com

Sonalika Khatri
E: SonalikaKhatri@elp-in.com