PLI scheme for Specialty Steel (PLI 1.2)

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Why in news?

Union Minister of Steel and Heavy Industries launches the 3rd round of PLI scheme for Specialty Steel (PLI scheme 1.2).

- **Aim -** It is a flagship initiative to transform India into a ***global hub for high-value, advanced steel manufacturing.***
- **Launched in -** July 2021.

  Specialty steel – *It is a value-added steel, enhanced with elements like chromium or nickel, offering greater strength, corrosion resistance, and durability than regular steel.*

PLI 1.2 –

- **Aim –** To attract new investments in ***emerging & advanced steel products*** like super alloys, electrical steel (CRGO), stainless steel long & flat products, titanium alloys, and coated steels.
- **Objective –**
  - Promote domestic manufacturing of high-grade, value-added specialty steel
  - Reduce reliance on imports, especially for sectors like defence, aerospace, power, and infrastructure
- **Highlights of the Third Round (PLI 1.2)**
  - **Application Window** – Open for 30 days via online portal from launch date.
  - **Eligibility** – ***Indian-registered companies*** involved in end-to-end manufacturing of notified steel products.
  - **Product Coverage –** Includes ***22 sub-categories*** across 5 segments - Strategic steel grades, Commercial grades (Categories 1 and 2), and

  - Coated/wire products.
  - **Incentive Structure –** 4% to 15% of incremental sales, depending upon product type and production year.
  - **Incentive Period –** Valid for **5 years** starting FY 2025–26, with incentive disbursal begins in FY 2026–27.
  - **Update –** Base year revised from ***2019-20 to 2024-25*** to align with current pricing trends.

Reference

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