

PLI scheme for Specialty Steel (PLI 1.2)

Prelims: Current events of national and international importance | Schemes | Economy

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 <u>global hub for</u> <u>high-value</u>, <u>advanced steel manufacturing</u>.
- 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 <u>emerging & advanced steel</u> <u>products</u> 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

PIB | PLI scheme for Specialty Steel (PLI scheme 1.2)

