H.D. Kumaraswamy launches PLI 1.2: Major Push to India's Specialty Steel Ecosystem

PLI 1.2 Aligns with PM Modi's Vision of Global Manufacturing Leadership

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The Government of India launched Production Linked Incentive (PLI) Scheme 1.2 for Specialty Steel, marking a significant milestone in the country's efforts to strengthen high-value manufacturing and reduce import dependence in critical steel grades. The launch, held at Vigyan Bhawan in New Delhi, also witnessed the signing of Memoranda of Understanding (MoUs) with participating industry players, reflecting robust industry confidence in India's long-term growth prospects.

Addressing the gathering after the MoU signing ceremony, Union Minister for Steel and Heavy Industries H. D. Kumaraswamy underscored that PLI 1.2 is a decisive step towards building a resilient and globally competitive specialty steel ecosystem, fully aligned with the vision of Hon'ble Prime Minister Shri Narendra Modi. The Union Minister noted that the scheme advances the twin national priorities of Make in India and Aatmanirbhar Bharat by encouraging domestic capacity creation in advanced and strategic steel products.

Under PLI Scheme 1.2, 85 MoUs have been signed with 55 companies, committing investments of ₹11,887 crore. These projects are expected to add 8.7 million tonnes of specialty steel capacity by FY 2031, significantly expanding India's capabilities in high-end steel segments such as electrical steel, alloy and stainless steels, coated products, and grades required for strategic sectors.

The third round of the PLI Scheme has been launched in response to strong industry demand and the need for sustained capacity expansion in specialty steel, which is essential for sectors including automobiles, railways, defence, electrical equipment, and aerospace. With incentive rates ranging from 4% to 15% over a five-year period, the scheme is designed to promote investment, technology upgradation, and value addition while integrating Indian manufacturers into global value chains.

Speaking on the broader impact of the scheme, the Minister highlighted that “PLI 1.2 seeks to address structural gap by incentivising domestic production, conserving foreign exchange, and positioning India as a reliable global supplier of advanced steel”.

Union Minister added in that "the achievements under earlier rounds of the PLI Scheme further reinforce the policy's effectiveness. Across PLI 1.0 and 1.1, committed investments of ₹43,874 crore have already translated into substantial on-ground progress, including significant capacity creation and employment generation. PLI 1.2 builds on this momentum, deepening the domestic steel ecosystem and strengthening the entire value chain".

Concluding his address, Union Minister H.D. Kumaraswamy called upon participating companies to implement their projects in a time-bound manner and maximise the use of indigenous technologies and inputs. He reiterated the Government's commitment to facilitation and timely resolution of operational issues, emphasising that the success of PLI 1.2 will play a pivotal role in India's journey towards becoming a global hub for specialty steel manufacturing.

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