

PLI 2.0 for steel in the works, outlay of ₹4,000 cr proposed

Abhishek Law

New Delhi

The Steel Ministry is finalising guidelines for the second phase of the production linked incentive (PLI 2.0) targeting speciality steel making across premium and high value categories. The total outlay is expected to be around ₹4,000 crore, nearly double of PLI 1.0, those aware of the discussions told *businessline*.

Segments to be covered include coated and plated steel, high strength and wear resistant offerings, speciality rails, alloys including wires and tubes, electrical steel, among others. The scope of PLI 2.0 is also being expanded to include strategic sectors like defence, nuclear space and infrastructure.

According to officials, consultations have been carried out "with other stakeholder Ministries" and also industry participants. Based



on some suggestions, modifications towards the PLI 2.0 guidelines are being looked into. Those in the know say other stakeholder Ministries include Roads, Department of Atomic Research, Commerce, Defence, and others.

The PLI 2.0 scheme will look to promote high-end steel or speciality steel manufacturing in India, thereby looking to reduce the country's import dependence in these segments.

DRAFT GUIDELINES

An initial draft of the PLI 2.0 scheme, reviewed by *businessline*, show that coated

plated steel usage is across tin mill products where investments are expected to be a minimum of ₹500 crore towards capacity addition. Eligible products are used mostly in automobiles.

Speciality rails find use in head hardened rails and the segment is likely to draw investments of ₹200 crore; alloy steel (in wires and tubes) could see investments to the tune of ₹100 crore in segments like tool and die, valve steel and automotive power tool, ₹80 crore investments in each of the tyre beads and metallic coated wires. Products like zinc/aluminium/copper coated wires, carbon steel and high strength rebars, CRGOs would be eligible for PLI.

Higher investments of ₹1,000 crore likely in seamless pipe and tube mills; nearly ₹3,000 crore in electrical steels; and around ₹1,400 crore could come in capacity addition across strategic sectors like super alloys, titanium alloys and forged wheel for Railways.