

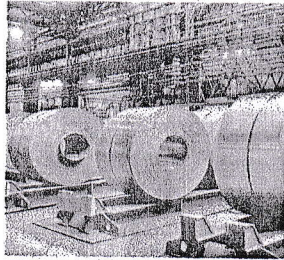
# India eases norms in steel PLI 1.1 scheme with focus on high-value products

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The Steel Ministry has relaxed norms for the flagship Performance Linked Incentive (PLI) scheme while increasing its ambit.

The second round of the PLI, PLI 1.1, will now make it easier for companies to apply and claim incentives in some of the select high-end, value-added speciality steel categories such as cold-rolled grain oriented steel and others used in automobiles, defence and energy transition sectors. These were previously imported.

The second round will cover five product categories in line with the existing PLI scheme: coated or plated steel products, high strength — wear resistant steel, specialty rails, alloy steel products and steel wires, and electrical steel.



These products have a wide range of application, from white goods to transformers to automobiles and other niche sectors.

"The scheme will operate within the funds originally allocated for the scheme, ₹6,322 crore," Union Minister HD Kumaraswamy said.

Officials told *buisnessline*, the schemes are expected to draw close to ₹10,000 crore of additional investment into the sector. For instance, some product categories like making of CRGO steel, a high-value metal, used in

production of power transformers for high tension power distribution, did not find any takers in the first round, because of stringent investment norms and turnover requirements.

By reducing the investment and capacity creation thresholds to ₹3,000 crore and 50,000 tonnes respectively, Ministry of Steel hopes that the industry would be enthused to participate in the category.

According to the Ministry official, the technology to make CRGO is not available with any of the Indian steel-makers. "Considering the strategic importance, regular meetings were held with stakeholders aimed at increasing production of CRGO within the country.

#### RELAXED NORMS

As per the revised norms, applying companies would need to install new mills, a

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demand that the industry has been calling for to protect investments and make the scheme more acceptable for niche products.

#### PLI 1.0 PERFORMANCE

At present, there are 44 projects by 26 companies that are active with a committed investment of about ₹27,106 crore and 24 million tonnes of downstream capacity creation. As of November, actual investment achieved was around ₹18,300 crore.

The Ministry official said, payout for the participants in first round will be about ₹2,000 crore spread over the next few years.