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Suggestions for the upcoming Union Budget 2020-21

Mining and metals Industry

- There is significant scope for new mining capacities in iron ore, bauxite and coal and considerable opportunities for future discoveries of sub- surface deposits.
- Infrastructure projects must be given boost to provide lucrative business opportunities for steel, zinc and aluminium producers. Aluminium production is forecasted to grow to 3.33 million metric tonnes by FY20.
- Reduce basic customs duty on critical raw materials for Aluminum industry
- The basic customs duty on raw materials like aluminium fluoride, caustic soda lye and green anode/pre-baked carbon anode can be reduced to 2.5 percent from current 7.5 percent
- To increase import duty on 'aluminium scrap (HS Code 7602)' at par with primary aluminium metal to 10 percent from the present 2.5 percent in a bid to encourage recycling of domestic scrap and restrict increasing scrap imports
- The budgetary allocations in infrastructure sectors like roads, railways, airports, irrigation, among others. Ports, urban and rural infrastructure, construction of residential and office complexes, water supply and sanitation, power projects, among others, are to be enhanced significantly to arrest the declining FAI in GDP in India. This alone would

generate significant rise in demand for commodities (steel, cement and others) in the coming months and would result in other associated benefits originated from the multiplier impact to generate more income and employment.

- Iron and steel make up a core component of the real estate sector. Demand for these metals is set to continue given strong growth expectations for the residential and commercial building industry. Therefore with imports challenges and excess global capacity, steel needs an increase in import duties on finished steel products to 15 per cent.

- The import duty reduction of basic inputs would go a long way in supporting the causes of steel industry under such a scenario. The imports of scrap (limited domestic availability) and coking coal (high ash content of domestic coking coal) would continue for a few more years which would necessitate regular imports of these two raw materials. The removal of basic customs duty of 2.5% on imports of Ferro Nickel (an essential input for SS grade), all types of scrap (carbon, alloy and SS), iron ore and metallurgical coal would enable the domestic steel players to bring down the cost of production and stay afloat. The anticipated loss of revenue can be more than compensated by more GST returns by higher production of steel and reflecting in more demand for domestic raw materials. A higher steel production implies more transportation of finished steel and raw materials and more freight earning for logistic suppliers.

Roads and Highways

Government must permit investments made by FIIs/FPIs in debt securities issued by Infrastructure Debt Fund – Non-Bank Finance Companies (IDF-NBFCs) to be transferred/sold to any domestic investor within the specified lock-in period.

Introduce e-Toll, electronic toll collection service, makes highway travel more convenient! e-Toll eliminates the need for travelers to carry change or wait in long cash payment lines at toll plazas, and allows Budget renters to zip through designated electronic toll payment lanes

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Toll Tax Exemption

Electric vehicles must be exempted from Toll tax across the country