



ICC seeks package for Mining and Metals industry

The Indian Mining Industry comprising of the entire coal and non-coal minerals and mining segments are going through challenging times in the midst of this global outbreak of COVID 19. Apprehending the drastic fallout of steel industries & subsidiary industries, and its cascading effect on Indian economy, India's steel ministry has allowed mills to continue to produce, supply and distribute steel and steel manufacturing raw materials during the lockdown period as allowed under the Essential Services Maintenance Act of 1981 that designates any businesses "dealing with the production, supply or distribution of coal, power, steel or fertilizers" as "Essential Services".

However ICC state highlighted that the consumer sectors such as automakers, re-rollers, steel fabricators, steel component manufacturers and construction sites have already stopped operations. The consequential effect leads to closure of 60 percent of India's sponge iron units over the past few days. Mills are shutting down because of a slump in demand, labour shortages and transportation issues etc.

Considering the above issues, ICC suggests

- Deferring payment of mining levies up to 30th June 2020 over the next 3 months in view of the lockdown for containment of spread of COVID 19 - We are indeed thankful to the Government of India for allowing delayed payment of Direct and Indirect Taxes upto a period of 3 months as announced by the Hon'ble Finance Minister on 24th March 2020. In line with this facilitation, ICC would also like to request you to kindly allow deferring of payments of mining levies, namely Royalty and the contributions towards District Mineral Foundation (DMF) and National Mineral Exploration Trust (NMET) for the period upto 30th June 2020 over the next 3 months in order to enable the miners to tide of the situation and also ensure seamless operation as required by the end use industries.
- Many mines have their mining plans expiring on 31st March 2020 and as a routine process, plans are submitted and approved on time. However due to lockdown and closure of regional offices of Indian Bureau of Mines, the mining



plans have not been approved in many cases. ICC requests on behalf of the industry to provide extension of the validity of current approved plans by 3 months.

- Waiving off the GST Compensation cess on coal: Coal is also a key raw material for steel making and combined with iron ore accounts for nearly 64% in the cost of production of steel. In India the Steel and Sponge Iron industry is totally dependent on imported Thermal Coal from South Africa. The Indian Sponge Iron producers and steelmakers have no other option to import at the high prices. In this situation, we request that the GST compensation is waived off to give some relief to the producers and also request the government to grant some financial help.
- There should be a 50% reduction in tariffs of facilities such as water, electricity etc.
- A reasonable interest subsidy on the working capital should also be allowed, because unless the industry gets some support on the borrowings, it would not be feasible.
- In such a situation, the Central Government should consider devising a Special comprehensive financial package for revival of the Steel industry in the post COVID 19 scenario in terms of tax concessions for the Companies as well as the individuals specially HNI, moratorium on payment of loan installments, lowering of interest of Bank loan, easy flow of fund for industries etc. at least for the next 3 years. This is more crucial for the steel industries in the small and medium sector located in West Bengal because the State Government of West Bengal has no policy to incentivise the industries.