

# CII bats for battered steel industry

Wants interest payment deferred, fixed charges on energy waived

## OUR BUREAU

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Instalment payment on term loans/non-convertible debentures (NCD) should be deferred for 180 days to support the steel industry reeling under the impact of Covid-19 lockdowns, the Confederation of Indian Industry (CII) has said.

“With a slowdown of all economic activities due to the nationwide lockdown amidst steep drop in margins, the steel industry is likely to face huge drop in sales along with stress on margins. The entities are burdened [by the need] to service debts and will not be able to execute business plans nor any expansions,” the CII said.

The CII said that banks should extend interest-free additional



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working capital credit lines to meet the shortfall in cash flows due to the national lockdown to all steel units operating as on the date of announcement of the lockdown. Fixed charges pertaining to electricity and piped natural gas that accrue during the lockdown should be waived, the CII said.

### ‘Expedite auto scrapping’

To support demand growth, the CII said that implementation of the Auto Scrapping Policy should be expedited. “Imports from competing countries need

to be stopped as the current trade remedial actions are not adequate. Export-ready goods should be allowed to be transported. A package for automotive and infrastructure sector is to be considered as these are the major consuming sectors of steel,” the confederation said.

To address the supply chain disruption due to logistics challenges, the CII said that authorities should relax port charges till the situation normalises. Further, there should be no restriction on inland movement of imported goods to avoid congestion at ports.

The CII also sought round-the-clock customs clearance at ports.

“The railways should announce special discounts (lean and long-distance discounts) for movement of raw materials and finished steel to help the sector. The railways should also extend the 90 days credit payment window,” the CII recommended.