

BUDGET

2023-2024

Impact on **Indian Iron & Steel Industry**



Budget Highlights

Infrastructure

- Opportunities for private investment in infrastructure have been enhanced. The newly established Infrastructure Finance Secretariat will assist all stakeholders in making more private investment in infrastructure, including railways, roads, urban infrastructure and power, which are predominantly dependent on public resources.
- An Urban Infrastructure Development Fund (UIDF) will be established which will be managed by the National Housing Bank, and will be used by public agencies to create urban infrastructure in Tier 2 and Tier 3 cities. INR 10,000 crore/year will be provided for this purpose.

Construction & Housing

- The outlay for PM Awas Yojana has been raised by 66% to over INR 79,000 crore.

Railways

- The highest ever outlay of INR 2.4 lakh crore has been provided for the Railways which is 9 times the outlay made in FY13-14.

Transport

- 100 critical transport infrastructure projects for the last and first mile connectivity for ports, coal, steel, fertiliser, and food grains sectors have been identified. For this, an investment of INR 75,000 crore will be made, including INR 15,000 crore from private sources.
- 50 additional airports, helicopters, water aerodromes and advance landing grounds will be revived for improving regional air connectivity.

Green Growth Push

- The recently launched National Green Hydrogen Mission, with an outlay of INR 19,700 crore, will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports. The target is to reach an annual production of 5 million tonne by 2030.
- INR 35,000 crore will be provided for priority capital investments towards energy transition and net zero objectives, and energy security by the Ministry of Petroleum & Natural Gas.
- To steer the economy on the sustainable development path, battery energy storage systems with capacity of 4,000 megawatt-hour will be supported with 18 viability gap funding.
- An inter-state transmission system for evacuation and grid integration of 13 gigawatt of renewable energy from Ladakh will be constructed. For this, an investment of INR 20,700 crore will be made including central support of INR 8,300 crore.
- In furtherance of the vehicle scrapping policy, more funds have been allocated to scrap old vehicles.

Important Duty-related Announcements

- To facilitate availability of raw materials for the steel sector, exemption from basic customs duty on raw materials for manufacture of CRGO steel, ferrous scrap and nickel cathode is being continued.
- Similarly, the concessional basic customs duty of 2.5% on copper scrap is also being continued to ensure the availability of raw materials for secondary copper producers.
- No custom duty will be applicable on import of capital goods and machinery required for manufacturing of lithium-ion cells for batteries used in electric vehicles.

	Commodity	CH No	Customs Duty for FY23	Customs Duty for FY24	Remarks
INDIAN IRON ORE AND PELLET IMPORTS 	Iron Ore	26.01	2.50%	2.50%	Duty Unchanged
	Pellet	26.01	2.50%	2.50%	Duty Unchanged
INDIAN COAL IMPORT 	Coking coal	27.01	1%	1%	Duty unchanged. AIDC cess @1.5%
	Steam Coal	27.01	1%	1%	Duty Unchanged
	Met Coke	27.04	5%	5%	Duty Unchanged
INDIAN SCRAP IMPORT 	Melting scrap (iron, steel & stainless steel)	72.04	0%	0%	The customs duty exemption on imports of ferrous scrap has been extended for another year till 31 Mar'23
	Pig Iron	72.01	5%	5%	Duty Unchanged

	Commodity	CH No	Customs Duty for FY23	Customs Duty for FY24	Remarks
INDIAN STEEL IMPORT 	Flat Steel				
	HR Sheets/ Plates (Non Alloy)	72.11	7.5%	7.5%	
	HR Coils (Non Alloy)	72.08	7.5%	7.5%	Duties applicable only in case of non-FTA countries.
	CR Coils/Sheets (Non Alloy)	72.09	7.5%	7.5%	Duties applicable only in case of non-FTA countries.
	GP/GC, PPGI, Tinplates W/W	72.10, 72.12	7.5%	7.5%	Duties applicable only in case of non-FTA countries.

EXPORTS DUTY ON STEEL GOODS

	Commodity	CH No	Customs Duty for FY23	Customs Duty for FY24	Remarks
INDIA: IRON ORE & PELLET EXPORT 	Iron Ore	26.01	30% on high grade ore and nil export duty on low grade	30% on high grade ore and nil export duty on low grade	
	Pellet	26.01	Nil	Nil	
INDIA STEEL EXPORT 	Steel				
	HR Sheets/ Plates (Non Alloy)	72.11	0%	0%	Duty unchanged.
	HR Coils (Non Alloy)	72.08	0%	0%	Duty unchanged.
	CR Coils/ Sheets (Non Alloy)	72.09	0%	0%	Duty unchanged.
	GP/GC, PPGI, Tinplates W/W	72.10, 72.12	0%	0%	Duty unchanged.
INDIAN GRAPHITE ELECTRODE EXPORT 	Graphite	854511	Nil	Nil	

Note: FY'23 duty considered as per the latest announcement made by govt in Nov'22

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