



**S**anjay Mehta is President of Metal Recycling Association of India (MRAI), the apex body having direct/indirect around 10,000 members comprising of manufacturers, traders, machine manufacturers and indentors. Mehta heads MTC Group, a 42 years old business group, the

# Govt. Ensures Ease of Doing Business in India

## - SANJAY MEHTA

largest Ferrous Scrap procurement & recycling company in India doing a volume of 1.2 million Tons of Ferrous Scrap and 6000 Tons of Non-Ferrous Scrap annually with 18 yards across 9 cities in India. MTC Group is also into manufacturing of Billets, TMT Bars, Structural Steel, exports/imports & trading in Ferro Alloys, Prime steel and owns Toyota Car dealerships in Mumbai.

**Indian Steel Ministry has assured MRAI removal of import duty of 5 percent on metal scrap. Is there any further progress in this regard ?**

- No, so far Indian Steel Ministry has not promised MRAI for removal of import duty. They are in agreement with our logic that there should not be any duty on import of all kinds of metal scrap as metal scrap is a vital raw material for secondary sector in India, as also there is not enough generation of scrap domestically in India to cater to the requirements of this sector.

Sanjay Mehta holds a Bachelor Degree in Commerce and brings along a vast experience of more than 28 years in Metal Scrap Recycling trade in India & International trade. Having his offices in USA as MGK International Inc, UK as Multi Trade Links Ltd. and Dubai as Multi Metal Links FZC, Mehta has travelled a lot all over the world and he has been handling the international business of MTC Group. Sanjay Mehta is a Gold member of BIR, ISRI and several International & National Trade Associations in Metal Scrap Recycling and actively attending all National & International conferences in Metal Scrap Recycling Trade.

As I mentioned, Govt. of India is in agreement with our concern as there is no duty across the world in developed countries for import/export of metal scrap. Whereas in India, there is duty on both imports & exports also.

*"The Govt. has taken several positive steps to ensure ease of doing business in India, although complete ease of doing business is not there, but with the Govt's various initiatives and positive steps, we are sure, in next 4-5 years there will be transformation in a better way for doing business easily within India." In an exclusive interview with 'Metalworld', Sanjay Mehta has discussed about the problems faced by the industry and also has mentioned about the steps taken by MRAI to resolve barriers. Excerpts*

But, Govt. of India is not having alternative resource for generation of funds which they are getting out of imposing duty on metal scrap imports, so they are taking time to remove the duty on import of metal scrap. We will



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continuously pursue this matter with various Ministries of Govt. of India.

### **Do you think that ease of doing business exists for recycling industry in the country ?**

- Yes, there is difference now; you can see little improvement in ease of doing business compared to 2 years back with the new elected BJP Govt. at Centre. The Govt. has taken several positive steps to ensure ease of doing business in India, although complete ease of doing business is not there, but with the Govt's various initiatives and positive steps, we are sure, in next 4-5 years there will be transformation in a better way for doing business easily within India.

### **What problems do importers of metal scrap face in India and what remedies need to be taken ?**

- Today, metal scrap importers and metal recycling industry is facing lot of issues such as:

- Import duty on Metal scrap ranging from 2.5 to 5%. Needs to be abolished.
- SAD (Special Additional Duty) - 2% SAD is levied on metal scrap imports. Needs to be abolished.
- FTA (Free trade agreements) with ASEAN countries, which affects Indian metal recyclers.

- PSIC issues which adds up landed cost of scrap imports, affects the trade.

- Inconsistent / wrong method of valuation of scrap by Customs.

- Clearance of scrap at all Ports: Certain grades of scrap are not allowed to clear on all Ports. All kinds of metal scrap should be allowed to be cleared at all ports.

- Shipping Lines issues exorbitant various charges levied by shipping lines on scrap importers. To deal with this issue, proper Shipping Practice Bill to be introduced by the Ministry of shipping.

- Absence of proper regulatory body for controlling shipping line operations

- Industry status still not granted for metal recycling activities. Metal recycling trade (Secondary metal sector) shall be granted industry status by the Govt.

MRAI has been actively taking up these issues at all concerned Ministry level and hope to resolve these issues progressively.

### **What are the current imports of metal scraps in India and what is the estimated growth in the coming years ?**

- India is importing over 6.5 million tons of Ferrous scrap, 2 millions of stainless steel scrap and over 1.6 million tons of non-ferrous scrap, all together India is importing 10 million

tons of metal scrap annually and it is going to increase by two folds in next 5 years of time.

### **What was India's annual metals scrap consumption for financial year 2015 ?**

- India's scrap consumption in 2015 was around 37 million metric tons.

### **Does India recycling industry getting right price for its products ?**

- No, recycling industry is not getting right price for its products and this is a burning issue for us.

Currently, secondary steel producers are not allowed to participate in the Central Govt. tenders and auctions, while the products manufactured by us strictly conform to BIS/ISI quality standards like other prime metal producers.

MRAI has been actively taking up with the Govt. for removal of this barrier and allow products of secondary sector also gets due consideration in its requirements.

### **What is the current strength of MRAI members ?**

- MRAI's current strength is 650 members, with all regional metal recycling associations as its members, thus a collective strength of 10,000 micro and MSME members across the country.