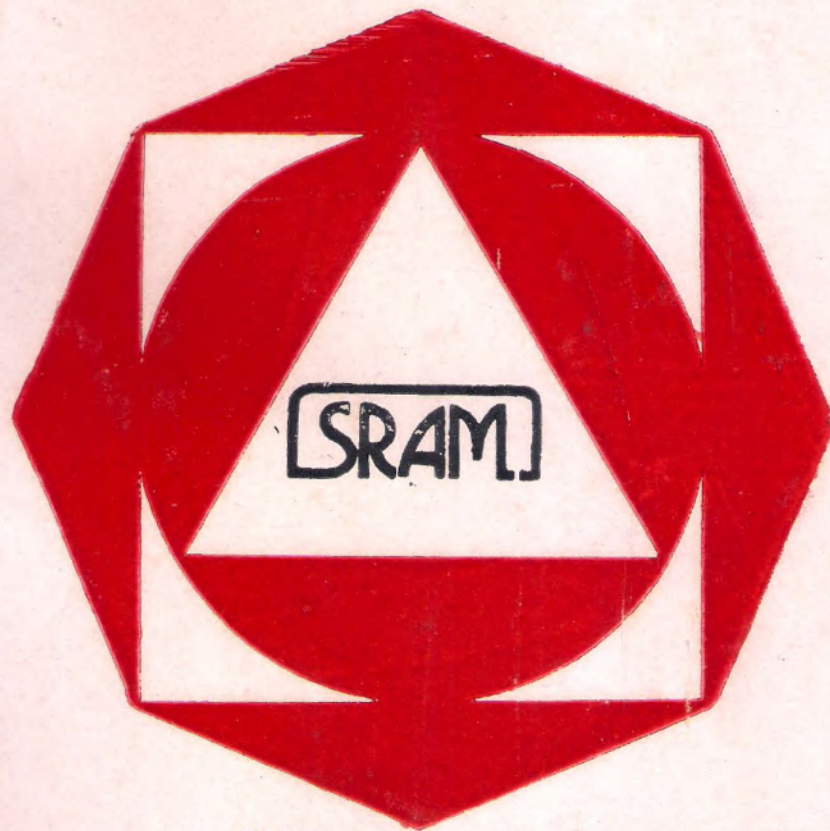


**21st**  
**ANNUAL**  
**REPORT**  
**1992-93**



Affiliated to AISRA

**STEEL RE-ROLLERS ASSOCIATION OF MAHARASHTRA**

POTIA INDUSTRIAL ESTATE, DARUKHANA, BOMBAY-400 010.

TELEPHONE : 3 7 2 3 9 6 2

(1)

## STEEL RE-ROLLERS ASSOCIATION OF MAHARASHTRA

5th Floor, Potia Industrial Estate,  
Darukhana, BOMBAY - 400 010.

### BOARD OF DIRECTORS FOR 1992-93

1.	Shri. Aroon Kumar Jain	President
2.	Shri. Jai Prakash Jindal	Vice-President
3.	Shri. Ravinder Aggarwal	Hon. Gen. Secretary
4.	Shri. B. R. Chandak	Treasurer
5.	Shri. S. K. Mall	Director
6.	Shri. R. P. Malhotra	Director
7.	Shri. B. R. Jindal	Director
8.	Shri. Jagjit Singh Bhasin	Director
9.	Shri. Ram Prasad Vaish	Director
10.	Shri. Suresh Agarwal	Director

★★★★★★

Shri. P. M. Gopalan

Secretary

#### AUDITORS

M/s. G.O. Jain & Co.,  
Chartered Accountants,  
37/41, Picket Road,  
Shahviri Bldg., 1st Floor,  
BOMBAY - 400 002.

#### BANKERS

UNION BANK OF INDIA.  
Darukhana, Reay Road,  
BOMBAY - 400 010.

## REPORT OF THE BOARD OF DIRECTORS

Dear Members,

Your Board of Directors is pleased to present to you the 21st Annual Report of the Association. The Report covers the period from 9th December 1992 to 30th November 1993.

The Steel Re-rolling Industry is passing through yet another year of recession. There is lack of demand and further, the re-rollers in Maharashtra are facing unhealthy competition from re-rollers of neighbouring States. They also face similar competition from the Main Producers. At the same time, the availability of quality raw materials is not satisfactory.

The Re-rollers of Maharashtra should unite and work in close co- operation and harmony with each other. Cut throat competition shall prove detrimental to the industry. Healthy competition and quality consciousness is a must for proper growth of the industry.

The country in general and the State of Maharashtra in particular, has been passing through unprecedented calamities in the form of communal riots, blasts and earthquakes, which have affected every segment of the society. However, the people have bravely withstood the ordeals and have sprung into energetic action. It is to be appreciated that the people rose to the occasion and lent their helping hands to the riot and earthquake affected victims spontaneously.

The steel trading and manufacturing community, as is their general nature, have been in the forefront and have made generous contribution to the noble cause of rehabilitation of the victims.

### FINANCIAL MANAGEMENT:

The Government of India have done well in managing the financial affairs of the country. They have more or less followed the requirements of the World Bank and the International Monetary Fund. Liberalisation is The word of the Government and it is going about getting rid of unnecessary fetters in practically every field of activity. Foreign assistances are coming liberally. Foreign investments in India have been picking up great momentum. Our balance of payment position has been very encouraging; presently we have a comfortable foreign exchange reserve of over eight billion US Dollars. These have been due to remittances of expatriate Indians officially and foreigners' investments in foreign exchange in the form equities and export earnings.

Inflation rate has been brought down to one digit level and is restricted to about 8 per cent.

However, as much as about 30 per cent of our external borrowings goes for servicing our loans which has been estimated at about U.S. \$ 81 billion.

CENTRAL EXCISE AND STEEL RE-ROLLERS

Central Excise matter has been a source of constant irritation to the Steel Re-rolling Industry for the past several years. During presentation of Budget in Parliament every year and the subsequent issue of various Central Excise notifications by the Government of India, Ministry of Finance, Department of Revenue, New Delhi, one or tow new Central Excise problems come up, causing unnecessary hardships to the steel re-rolling mills. Inspite of your Association's as well as All India Steel Re- rollers Association's best efforts, several issues still remain unsolved. The following are the important problems, which have been awaiting solutions in the hands of the Central Board of Excise & Customs and the Government of India, Ministry of Finance:

1) EXCISE DUTY LIABILITY OF CTD BARS  
CLEARED DURING 20.5.88 TO 15.8.89:

The Excise authorities started raising demands for payment of Excise Duty on CTD Bars (Torsteel) cleared during 20.5.1988 to 15.8.1989 simply because the words "including those twisted after rolling" were dropped vide Notification No.202/88-CE dated 20th May 1988. These words were later on restored vide Notification No.170/89-CE dated 16.8.1989. Your Association has been pressing the Government of India to issue Notification under clause IIC so that the matter is solved. The Government of India have turned down the request twice, but the matter is still being pursued. This problem has been posing considerable tension in the minds of several re-rollers who have been served with Notices To Show Cause as to why Excise Duty amounting to several lakhs of rupees in each case should not be recovered.

2) EXCISE DUTY ON FINAL PRODUCTS ROLLED OUT OF  
INGOTS ETC., DURING 1.3.92 TO 9.3.92

As usual , this problem also, has been brought about by the omission of certain words, while the Ministry of Finance, Department of Revenue, issued Notification No. 33/92-CE dated 1.3.1992. The omission was brought to the notice of Central Board of Excise & Customs immediately by us and AISRA and representatives of the Re-rolling industry met the officials of the Central Board of Excise. The mistake was rectified by issue of Notification No. 53/92-CE dated 10.3.1992. However, waiving of Excise Duty on final products cleared during the short period of 9 days i.e., 1st to 9th March 1992 still remains unsolved. The Government has been requested to issue necessary Notification under clause 11C in this connection.

3) CLARIFICATION ON EXCISE DUTY LIABILITY  
ON FINAL PRODUCTS MADE FROM SHIP BROKEN  
MATERIALS USED AS INPUTS FROM 1.3.1993.

Although this matter has been brought to the notice of the local Collectorate of Central Excise and the Chairman of the Central Board of Excise & Customs, it is very much regretted that no clarification has been issued to the effect that ship broken materials being re-rollable materials stand included in the 'inputs' column of Notification on 202-88/CE dated 20-5-1988 as amended, and the 'final products' stand automatically exempted from payment of Central Excise Duty. When the matter was referred to the Principal Collector of Central Excise, Bombay, by the Collector of Central Excise, Bombay III, the Principal Collector, instead of taking a decision himself, has referred the matter to the Central Board of Excise & Customs, New Delhi for a decision. The Association has requested the Chairman of the Board for urgent action in the matter.

It may be noted that your Association has issued several circulars to the Members cautioning them about the Excise liability on the 'final products' made using ship broken materials as 'inputs'. We have no doubt that Members using ship broken materials in their Mills have done so in their own interest.

NEW MEMBERS DIRECTORY:

A new Members Directory & Steel Reference Book was published recently. This Directory incorporates several additional features. It is hoped that the Directory would be found more useful not only to the Members, but whosoever is connected with the industry and steel trade. The cost of printing 1000 copies has been covered by the advertisement charges collected from advertisers. Our thanks are due to them.

REPAYMENT OF CONTRIBUTIONS FOR KALAMBOLI OFFICE ROOMS:

The Members, at the last Annual General Meeting, agreed to the request of the Board of Directors to keep the amounts received by the Association on surrendering the 2 office rooms purchased from Steel Chamber of India in their proposed Steel Chamber Complex at Kalamboli, to enable the Association to tide over its financial crunch. As assured then, the Board of Directors is pleased to report that the contributions collected from a large number of re-rollers, would be refunded to those concerned during January, 1994, subject to the decision by Members in the ensuing AGM.

**BOARD OF DIRECTORS:**

During election at the time of 20th Annual General Meeting, only 10 Directors were elected. We give below their attendance in the Board Meetings.

**ATTENDANCE OF DIRECTORS AT BOARD MEETINGS**

**MEETINGS HELD : 8**

Sl.No.	Names of Directors	Present	Leave of absence granted	Absent
1.	Shri Aroon Kumar Jain	8	-	-
2.	Shri Jai Prakash Jindal	5	2	1
3.	Shri Ravinder Aggarwal	3	5	-
4.	Shri B.R. Chandak	7	-	1
5.	Shri S.K. Mall	6	1	1
6.	Shri R.P. Malhotra	4	2	2
★★7.	Shri B.R. Jindal	-	1	2
8.	Shri Jagjit Singh Bhasin	2	-	6
9.	Shri Rama Prasad Vaish	4	-	4
★★★10.	Shri Suresh Agarwal	-	-	8

**NOTE:**

★★ Shri B.R. Jindal submitted his resignation vide his letter dated 2nd April, 1993.

★★★ Shri Suresh Agarwal did not attend any Board Meeting.

**REPRESENTATIONS****PRICES OF BILLETS, SEMIS & THEIR SALE**

December 10, 1992

A letter was written to Shri V. Rama Reddy, General Manager (WR) of Steel Authority of India Ltd. Bombay. It was mentioned that after decontrol, prices of Iron & Steel products were revised upwards in keeping with the then prevailing market rates. At the same time it was mentioned that the prices would be reviewed from time to time, say once in a quarter, according to the market conditions.

The prices of Concast Billets, Ingots and other re-rollable materials had come down by as much as Rs. 1,000 per tonne, but SAIL had not revised its prices. Further, SAIL Stockyards were selling these materials to the Traders on package deals instead of selling same to the consumers - Re-rolling Mills - at reduced prices. He was requested to instruct the Stockyards to offer Billets and Semis and other re-rollable materials to the re-rollers directly on Price Tender basis.

OCTROI ON IRON & STEEL MATERIALS

December 22, 1992

A letter was addressed to the Octroi Officer, Thane Municipal Corporation, enclosing a copy of the Written Opinion of Shri G.S. Jetly, Sr. Advocate, Supreme Court and Special Counsel to the Govt. of Maharashtra. The Officer was requested to advise the persons concerned to collect Octroi at 1.25% on Iron and Steel raw materials brought into the T.M.C. limits by our Members for processing on 'conversion basis'.

SALE OF BILLETS & SEMIS

December 22, 1992

A letter was addressed to Shri. V. Rama Reddy, G.M.(WR) of SAIL informing him that SAIL's Kalamboli Stockyard had disposed of 1000 tonnes of Billets and Blooms in co-ordinated deals against purchase of HR Coils and Sheets. Further, no intimation was given to the Association about this sale. He was requested to ensure availability of Billets & Semis to the Re-rollers directly.

OCTROI ON IRON & STEEL MATERIALS :

January 2, 1993

A letter was written to the Commissioner, Thane Municipal Corporation drawing his attention to our earlier letters and the discussions our delegations had with the Dy. Commissioner and Octroi Officers. He was requested to look into the genuine problems of our Members who brought Iron and Steel materials for processing on conversion basis.

SALE OF BILLETS & SEMIS

January 9, 1993

A letter was addressed to the General Manager (WR) of SAIL appreciating the immediate attention paid by him to the subject matter. He was conveyed the difficulties of the Re-rollers in participating in Trade Tenders to purchase the premium items like Sheets, Plates, Structural etc., alongwith Billets, Semis. Various suggestions were made like giving materials on 60 days interest free credits; waiving of stockyard margin; WTCC/MICRO quality materials to be sold at Ordinary, OG/COMML quality prices. A proposal was also made to attend a Get-together to be hosted by the Association.

ASPHALTING OF LEVEL CROSSING

January 21, 1993

A letter was sent to the Station Master, Sewri Railway Station requesting him to get the level crossing between Cotton Green and Sewri stations asphalted which was being used by a large number of our Members.

ROLLING MILLS AND STEEL ARC FURNACES

January 23, 1993

The Regional Development Commissioner for Iron & Steel, Bombay was requested to furnish us with a list of re-rolling mills and steel arc furnaces existing in Maharashtra.

OCTROI ON IRON & STEEL MATERIALS :

January 28, 1993

The Commissioner of Thane Municipal Corporation was requested to immediately issue instructions to the Octroi Naka personnel to charge Octroi at 1.25% on all iron and steel materials irrespective of whether the materials are brought for processing on own account or on conversion basis.

Further, he was requested to instruct his staff concerned not to insist on the drivers bringing materials to produce invoices, as they usually bring only challans; the invoices being issued from the offices subsequent to the deliveries by the godowns/factories.

SUPPLY OF SEMIS AND RE-ROLLABLE MATERIALS

February 4, 1993

A letter was written to Shri. V Rama Reddy, G.M. (WR) of SAIL thanking him and his successor Shri. P. Ganesan for the courtesy extended during the meeting on February 1, 1993 when Shri. S.L. Kaul Zonal Manager (WZ), as also Shri. V. Dave, the Branch Manager, Kalamboli Branch Sales Office were also present. We conveyed that we had received complaints from Members that SAIL was not honouring its commitments in respect of the materials sold in Tender. It was told that the Association could not appreciate the recent price increase in the prices of semis w.e.f. 3.2.93 when already they were being sold either at par or at some loss. He was reminded about giving credit facilities to the re-rollers who were taking supplies from SAIL on regular basis.

SHRI. P. GANESAN, GM (WZ) OF SAIL

February 11, 1993

SRAM congratulated Shri. P. Ganesan on his assuming office of General Manager (WR) of SAIL. The Association offered him co- operation on behalf of the Members of SRAM.



QUANTITY REBATE SCHEME

February 13, 1993

A letter was addressed to the General Manager (WR), SAIL about offer of quantity rebate of Rs. 100 to Rs. 400 per tonne depending upon the quantity lifted in one time in other regions. Since no such quantity rebate scheme had so far been announced for the Western Region, he was requested to inform the Associations as soon as similar scheme was put up by SAIL to enable the Association to circulate the news to its Members.

CLARIFICATION

March 1, 1993

The Association wrote a letter to the Collector of Central Excise, BOM. III to confirm whether our Members using as inputs ship-broken materials purchased from the open market as well as ship-breakers, would get automatic exemption of Excise Duty on their final products.

IMPORT OF RE-ROLLABLE SCRAP

March 6, 1993

A letter was written to Dr. Manmohan Singh, Hon'ble Finance Minister, Govt. of India, expressing our happiness on his encouraging the growth of ship-breaking industry by prescribing a lower merged Duty of Customs at 5% ad-valorem and Excise Duty at Rs. 1,000/- per LDT.

He was requested to allow the import of re-rollable scrap at the same concessional rates of Duty as applicable to the ship- breaking industry.

CLARIFICATION

March 6, 1993

A letter was addressed to the Chairman, Central Board of Excise & Customs to clarify if ship broken materials stood included in the inputs column of Notification No. 202/88-CE dated 20th May 1988 so that the final products made out of this specific raw material get automatic exemption from payment of excise duty. This reference was being made as non-inclusion of the words 'ingots, bars rods and other rollable and re-rollable materials" in the inputs column last year resulted in raising of demands for payment of Excise Duty during the period from 1.3.92 to 9.3.92. We did not want our Members being harassed later on by the Excise officials.

IMPORT DUTY

March 12, 1993

A letter was written to the Public Relations Officer of New Customs House, Bombay to let us know the current import duties on several items like Billets, Used Rails, Re-rollable materials, Heavy Melting Scrap etc.

EXPORT OF ROLLED PRODUCTS

March 13, 1993

The Regional Development Commissioner for Iron & Steel was requested for guidance and help in exploring the possibilities of exports of our Member's rolled products profitably.

SUPPLY OF BILLETS

March 13, 1993

The General Manager (WP), SAIL was informed that Sales offices have refused to supply billets from Stockyards to Re-rollers. As Billets were the Principal raw materials for the re-rolling mills, we would like to know as to why this was being done. We wanted him to confirm that there has not been a ban on the sale of billets to the re-rollers.

IMPORT DUTY ON STEEL MELTING SCRAP

March 13, 1993

The Association addressed a letter to Dr. Manmohan Singh, Hon'ble Finance Minister, Govt. of India mentioning the great help rendered to the industries by reducing Customs Duty and Excise Duty. However, his proposal to increase the import duty on steel melting scrap from 10% to 15% was quite contradictory to what he had stated in his Budget speech. This increase affected the steel re-rolling industry as the ingots produced by the mini steel plants were bound to be costly. He was, therefore, requested to impose a reduced Customs duty of 5% on the steel melting scrap. He was also requested to reduce the duty on Billets, Blooms and Slabs.

AMENDMENT TO SEC.35F

March 13, 1993

A letter was written to the Hon'ble Finance Minister, Govt. of India on the Amendment to Section 35F of Central Excise & Salt Act, 1944, introduced while presenting the Budget for the year 1993-94. The proposed amendment was detrimental to the interests of the Assesses, which will make it obligatory for them to pay the Excise Duty demanded, but which will not be legally due to the Government. Further the proposed amendment might lead to corruption. The Finance Minister was requested to immediately withdraw the amendment.

LEVY OF OCTROI ON RAW MATERIALS

March 23, 1993

The Association wrote a letter to Shri. Sharad Pawar, Hon'ble Chief Minister, Govt. of Maharashtra on the concessional rate of Octroi being charged on raw material brought for processing by the industrial undertakings with the Municipal Limits of Thane. This concessional rate was being denied to our Members who brought them for conversion on 'job work' basis. As there was no difference in the processes in case of materials brought on own account and on job work basis, the concession should be granted to all. The Chief Minister was requested to issue necessary orders in this case.

COMPULSORY CERTIFICATION

March 30, 1993

A letter was addressed to Shri. Balram Suraj, former President of AISRA who had sent a draft notification on compulsory certification of steel and steel products. Certain suggestions were made by our President. He stated that compulsory certification scheme was good for Primary Producers and the Secondary Producers like Furnaces who had their own steel making facilities. The Re-rolling industry had little choice in the selection of the raw materials as Main Producers and Mini Steel Plants normally sold only their left-overs, untested, offgrade and rejected materials. The Main Producers had virtually banned the sale of tested billets to the rolling mills. Till the availability in abundance of specified standard raw materials for use in the rolling mills, there was no logic to implement compulsory certification scheme on the re-rollers. However, for those re-rollers opting for compulsory certification scheme, guaranteed availability of tested billets should be given. Initially the scheme should be kept only as optional to the re-rollers and the same can be made compulsory later on after the scheme's successful implementation on the Main Producers and Mini Steel Plants. It was very important that quality consciousness should be cultivated in the minds of manufacturers.

CLARIFICATION

March 6, 1993

A letter was addressed to the Collector of Central Excise, Bom. III. He was informed that effective from 28.2.1993, import duty on ships, boats and other floating structures imported for breaking stood reduced from Rs. 615 LTD to 5% ad valorem, while, at the same time, the Excise Duty under sub-heading 8908.00 had been enhanced to Rs. 1000 per LDT. The Finance Minister had exempted the ferrous materials obtained from breaking up of such ships etc., from payment of excise duty. He was requested to confirm that

- a) the rolling mills who are out of licensing control in view of their producing only fully exempted categories of iron and steel products, are exempted from payment of Excise duty on their finished goods
- b) the rolling mills operating under MODVAT scheme will avail of deemed credit of Rs. 1000 per tonne on ship broken materials used as input.

CLARIFICATION

April 8, 1993

Letter was addressed to Shri. D.S. Sra, Additional Collector, Office of the Collector of Central Excise, BOM.III referring to our earlier 2 letters dated March 1, 1993 and March 6, 1993 and to

the meeting a delegation from the Association had with him on 31st March, 1993. The points discussed at the meeting were mentioned and, as our Members were anxious, his immediate favorable reply would clear the matter once and for all.

CLARIFICATION

April 23, 1993

A letter was addressed to Shri Surjit Singh, Collector of Central Excise, Bom.III referring to the meeting a delegation had with him on 22nd April 1993. As desired by him copies of Gate Passes of the ship breakers alongwith their sale bills for ship broken materials were submitted for his studying the issue. Likewise another letter was written to the Collector of Central Excise, Bom.III enclosing one more Gate Pass. The Collector was informed that the re-rollers using ship plates as inputs were hesitant to purchase this material till a decision about the duty liability was clarified by the Excise authorities.

CLARIFICATION

May 4, 1993

A letter was addressed to the Chairman, Central Board of Excise & Customs, drawing his attention to our letter of March 6, 1993. While regretting that we had not heard anything from him so far, his immediate favorable reply was solicited. On the same subject a letter was written to Shri Surjit Singh, Collector of Central Excise, BOM.III He was reminded about the Association's letter dated March 1, 1993 and several other letters ending with letter dated April 27, 1993 and a reference was also made about the meeting a delegation of SRAM had with him on April 22, 1993.

Since the matter was pending with him for over two months, the Association stated that his immediate clarification would be very highly appreciated.

RATIONALISATION OF GENERAL, SSI SCHEME

May 12, 1993

A letter was sent to the Principal Collector, Bombay 1, in respect of Notification No.1/93-CE dated 28th February, 1993. We sought his confirmation that our Members, majority of whom were manufacturing fully exempted categories of Iron & Steel Products that they were eligible for facilities allowed under the Notification No. 1/93-CE dated 28.2.93.

IMPORTS OF BILLETS

May 15, 1993

A letter was addressed to Dr. Manmohan Singh, Hon'ble Finance Minister, Govt. of India, informing the Billets, the principal raw material were not being supplied by TATAs and SAIL. As such he was requested to allow the import of billets by the rolling mills at Concessional rate of duty of five per cent, which would help the re-rolling mills who were suffering for want of good quality

raw materials. Copy of the letter was endorsed to the Hon'ble Minister for Steel, Govt. of India for information and necessary action.

CLARIFICATION

May 15, 1993

A letter was addressed to Shri. B.R. Tripathi, Addl. Collector (Tech), office of the Collector of Central Excise, Bom III, acknowledging receipt of his letter dated 7th May 1993. Copies of letters of Gujarat Re-rolling Mills Association and the reply it received from the office of the Collector of Central Excise, Ahmedabad were enclosed. The Additional Collector was conveyed our hope that he would concur with the view of the Ahmedabad Collectorate and give his favourable opinion on the matter which was pending for a long time.

SHIP BROKEN MATERIAL CLARIFICATION

May 21, 1993

The Association wrote to the Chairman, Central Board of Excise & Customs, New Delhi. His attention was drawn to letter dated March 6, 1993 and 4th May 1993 to which there was no reply from him so far. He was requested to include the words "including those obtained by breaking up of ships" in SI.No.02A of Notification No. 202/88/CE dated 20th May, 1988. He was also requested to give instructions simultaneously to all the Collectorates that the amendment will be retrospective from 28.2.1993.

AVAILABILITY OF BILLETS ETC.

June 21, 1993

A letter was sent to the Chairman, Steel Authority of India Ltd., New Delhi. The Association congratulated him on SAIL's export performance. It was conveyed that while SAIL was getting a realisation of Rs. 8,300 a tonne for the billets exported, if the same were sold in domestic markets, the same could be sold at Rs. 9,400/- per tonne. Thus SAIL was loosing substantially on export of billets. SAIL was requested to lift the ban on sale of semis to re-rollers and treat the re-rolling industry as an Associate and not as a Competitor.

CLARIFICATION OF SHIP BROKEN MATERIALS

June 21, 1993

The Association wrote to the Principal Collector of Central Excise, Bombay-I, giving him the position about our having taken up the matter with the Collectorate No. III and the meetings delegations from the Association had with the Additional Collector and the Collector at Dadar.

As the matter had been referred to him by the Collectorate III for his opinion, the Principal Collector was requested to give his favourable opinion on the matter in writing without any further delay.

BENEFIT OF NOTFN.NO. 202/88-CE dated 20.5.1988

July 6, 1993

A letter was addressed to the Principal Collector of Central Excise, Bombay I. Referring to SRAM's letter dated June 21, 1993, copies of Ahmedabad Collectorate's letter to the Gujarat Re- Rolling Mills Association was enclosed for his information. He was requested to clarify the matter immediately.

IMC's Meeting

August 3, 1993

A letter was written to the Indian Merchants Chamber on the proposed meeting it was arranging with the Principal Collector of Central Excise. As desired, we gave detailed information on the various Central Excise matters affecting the steel re-rolling industry. The IMC was requested to take up the matter with the Excise authorities and see justice was done to the affected re- rollers.

REGULARISATION OF MAXIMUM DEMAND

August 10, 1993

A letter was addressed to the Chairman, Maharashtra State Electricity Board conveying him the problems faced by the Member units who exceed their sanctioned M.Ds. It was pointed out that the MDs were fixed at the time of installation of their rolling mills. However, due to modernisation and change of working pattern, higher M.Ds were recorded and this happened on a regular manner. The MSEB was collecting penal charges - double the rate of M.D.charges. When some of the units approached the M.S.E.B., for regularisation of their excess M.Ds they were being asked to provide several unnecessary and irrelevant NOCs, plans etc., as if the units were approaching for power sanction for the first time. The Board was requested not to ask for unnecessary NOCs and other documents and regularise the Maximum Demands in keeping with the present Government policy of rapid industrialisation with least governmental interference.

CENTRAL EXCISE PROBLEMS

September 6, 1993

A letter was written to Shri. V.K. Gupta, Principal Collector of Central Excise. A reference was made for the patient hearing giving by him when our President put before him the problems faced by the re-rolling industry at the meeting organized by the Indian Merchants Chamber on 3rd September, 1993. The letter mentioned the problems in respect of 4 subjects and the Principal Collector's reaction.

MAXIMUM DEMAND REGULARISATION

September 17, 1993

Association wrote a letter to Shri N.A. Joshi, Technical Director, (Commercial & Stores) of M.S.E.B. The Director was apprised of the meeting a delegation of the Association had with Shri. L.P. Mitra Gotri, the Executive Engineer, in the office of the Chairman of M.S.E.B. He was

requested to look into the problems of our Members who apply for regularisation of Maximum Demand, without insisting on production of unnecessary and irrelevant NOCs etc.

TRANSPORTERS STRIKE

September 24, 1993

Two letters were addressed - one to Shri Sharad Pawar, Hon'ble Chief Minister, Government of Maharashtra and the other to Shri Jagdish Tytler, Hon'ble Minister for Surface Transport, Govt. of India. The urgent telegrams sent to them were confirmed. Both were requested to intervene immediately and to see that the strike of transporters were called off without any further delay as it was affecting the re-rolling industry. The strike had resulted in non-delivery of raw materials, furnace oil as also finished goods; closure of factories and the labourers without employment.

DEFINITION OF RE-ROLLABLE MATERIALS/SCRAP

September 30, 1993

All India Steel Re-rollers Association, as per the wishes of S.R.A.M., had been trying to get the definition of re-rollable materials properly incorporated in the import policy and with the customs authorities. In this connection the Bureau of Indian Standards was involved and the BIS had issued a draft of its proposal. The same was sent by the President of AISRA to Bombay - Shri S.K. Mall and the Association. SRAM addressed a letter to AISRA giving their definition of Re-rollable material/scrap to be communicated to Director (Met. Engg.) of Bureau of Indian Standards for further necessary action.

SHIPBROKEN MATERIALS - CLARIFICATION

October 11, 1993

A letter was written to the Collector of Central Excise, Bom. III again drawing his attention to Association's letter of March 1, 1993 subsequent letters, the meetings. As the matter was pending for a very long time and as our Members using ship plates as inputs were very much concerned, he was requested to take very prompt action and clarify the matter. On the same subject, a letter was written to the Chairman, Central Board of Excise & Customs, New Delhi. His attention was drawn to Association's letters dated March 6, 1993, 4th May and 21st May, 1993. He was informed of the fact that the Principal Collector of Central Excise, Bombay, had also referred the matter to him (Chairman) for a decision. The Chairman was requested to confirm that the ship broken materials were included in the 'inputs' column of Notification No. 202-88/CE dated 20.5.1988 and as amended from time to time.

REGULARISATION OF MAXIMUM DEMAND

October 11, 1993

A letter was sent to the Secretary, Energy Department, Govt. of Maharashtra for regularisation of Maximum Demands registered by our Member units, which were higher than their sanctioned

M.Ds. It was conveyed that due to modernisation and use of thick and heavy materials like ingots, slabs, blooms etc., in place of thin scrap materials, the M.Ds recorded by member units had gone up. Some such units had already approached the MSEB for regularisation. The Board was asking for production of various documents. MSEB was asking these documents because of Government's instructions and in fact the Board had already approached the Govt. to relax the demands for submission of various NOCs. The Secretary was requested to inform the MSEB to regularise the Maximum Demands speedily without insisting on production of NOCs which were required from new comers.

### MEMBERSHIP OF THE ASSOCIATION

There has been a substantial reduction in the Membership of the Association during the period under review. While few Members had discontinued their activities and closed their rolling mills, your Association, much against its wishes, had to remove good number of its Members as they were not paying their membership subscription for 3 years or more. We give below the details of the names of members who closed their mills and also those whose names have been removed for non payment of Membership subscription. It may be noted that outstanding membership subscription amounting to Rs. 32,500/- has been written off this year.

#### **Members who have closed their mills :**

- |    |  |        |
|----|--|--------|
| 1) | Agarwal Ispat Pvt. Ltd.                  | Bombay |
| 2) | B.D. Steel Industries Ltd.               | Boisar |
| 3) | Devidayal Rolling & Refineries Pvt. Ltd. | Thane  |
| 4) | Ravi Steel Industries                    | Thane  |

#### **Members whose name have been removed for non-payment of subscription**

- |    |  |            |
|----|--|------------|
| 1) | B.D.A. Investments & Consultants Pvt. Ltd. | Aurangabad |
| 2) | Diamond Rolling Mills                      | Nasik      |
| 3) | Godavari Steels Pvt. Ltd.                  | Kopargaon  |
| 4) | Haryana Metal & Re-rolling Mills Pvt.Ltd.  | Nagpur     |
| 5) | Harjeet Steel Industries                   | Jalna      |
| 6) | Jhunjhunwala Rolling Mills & Engg. Works   | Khamgaon   |
| 7) | Kaydee Rolling Mills                       | Palghar    |
| 8) | Mahendra Re-rolls Industries               | Jalna      |



9)	Prabhu Steel Industries Ltd.	Nagpur
10)	R.G. Industries	Jalna
11)	Rajesh Steel Industries Ltd.	Nagpur
12)	Ramkishan Ispat Ltd.	Taloja
13)	Shree Venkateshwara Re-rolling Mills	Jalna
14)	Tapovan Steel Industries	Jalna
15)	Universal Trading Co. (Steel Department)	Thane
16)	Veenars Engg. Pvt. Ltd.	Nagpur

At the same time, we are pleased to inform that the following re- rollers have become our new Members :-

1)	A.R. Re-Rolls Industries	Jalna
2)	Anil Scrap Industries Pvt. Ltd.	Nagpur
3)	Chaudhry Steels & Alloys Ltd.	Khopoli
4)	Fortran Steel Pvt. Ltd.	Taloja
5)	Pratap Re-rollers Pvt. Ltd.	Taloja
6)	Manik Steels	Ichalkaranji
7)	Rama Steel Industries	Nagpur
8)	Umargam Metal Rolling Mills Pvt. Ltd.	Umbergaon (Guj.)

We are glad to mention that few more Re-rollers are likely to be enrolled in the near future. Thus, on date of the Report, the Association has on its roll 73 members as per details given below.

Life Members	28
Ordinary Members	42
Associate Members	3
<b>Total</b>	<b>73</b>

### ARREARS OF SUBSCRIPTION

As you are all aware, Membership subscriptions are accounted on the basis of actual receipts from the year 1990-91. The amount of Rs. 32,500/- written off represents the subscriptions due from 16 members upto 31st March, 1990. For the subsequent years, upto the time of removal of their

names, the subscriptions due from them are not accounted and hence not shown as outstanding subscriptions in our Books of Accounts, keeping in mind the policy of accounting on actual receipts basis only.

It is very much regretted that the re-rollers whose yearly turnovers run into several crores of rupees should find the payment of their membership subscription of a mere Rs. 1,500/- as a burden. They, perhaps, overlook the fact that the Association is able to carry on with its activities only on the monetary support it receives from its Members in the form of yearly membership subscription.

Under the circumstances, Members are requested to assist the Association in

- a) regularly paying their membership subscriptions
- b) getting enrolled more non-member re-rollers of Maharashtra as SRAM's members and
- c) seeing that the members who have ceased to be on the List of Association's Members, due to non-payment, reviving their membership by paying arrears and further payments.

Members' help in this direction will strengthen the hands of the Association in the smooth functioning of its activities and in effectively taking up the causes/problems of the steel re-rolling industry in Maharashtra with the authorities concerned either with the State Government and/or Central Government as also with the Central Board of Excise & Customs and such other Government Undertakings.

#### **AMENDMENTS TO ARTICLES OF ASSOCIATION**

At the Extra Ordinary General Meeting of the Association held on 29th March, 1993 changes/amendments were effected to certain Articles of Association of SRAM. The changes provide for

- i) co-option of Directors in case the requisite number of 11 Directors are not elected at the time of elections
- ii) elections during only at the Biennial General Meetings.
- iii) direct election of President, in addition to election of 10 Directors

- iv) adjournment of Meetings by half-an-hour in case there is no quorum at the appointed time and to carry on with the meeting irrespective of quorum being present or not at the time of the adjourned meetings.

To meet the demands of several members, a new class of Members known as LIFE MEMBERS has been created. Their qualification is same as that of an Ordinary member. The only difference is that they, owing to payment of an enhanced amount as Life Membership Fee at the time of their becoming a Life Member, are not required to pay any Membership subscription from the subsequent years. It is gratifying to note that as many as 28 Re-rollers have become the Association's Life Members upto the time of the Report. A total sum of Rs. 2,11,000 has been received as Life Membership Fees. At the time of amendment to the Articles of Association when the new class of members known as Life Members was created, the fee was fixed at Rs. 7,500/- for the existing ordinary members opting to become a Life Member and Rs. 8,500/- for a re-roller of Maharashtra who becomes a Member of SRAM for the first time and wants to become a Life Member.

The Life Membership Fee has since been revised as Rs. 10,000/- for existing ordinary members and Rs. 11,000/- for re-roller of Maharashtra who is not SRAM's Member, but applies for the first time and simultaneously desires to become a Life Member. It is hoped, in view of long term advantage, some more Ordinary Members would convert themselves as Life Members by paying the appropriate fee in the following years.

## MEETINGS

### MEETING WITH SAIL OFFICIALS:

February 1, 1993

Shri Aroon Kumar Jain, President and Shri P.M. Gopalan, Secretary had a meeting with officials of Steel Authority of India Ltd. when the question of supply of semis and re-rollables was discussed. Officials present from SAIL's side were Shri V. Rama Reddy, General Manager (WR), Shri P.Ganesan, his successor, Shri S.L. Kaul, Zonal Manager (WZ) and Shri V. Dave, Branch Manager, Kalamboli Branch Sales Office.

The discussions were held in a cordial atmosphere and they were free and frank. The SAIL officials were informed that we had received complaints from Members stating that SAIL was not honouring its commitments in respect of materials sold on Tender. Further, the Association suggested that credit facilities should be extended to the re-rollers who were taking supplies regularly from SAIL.

MEETING WITH THE ADDITIONAL  
COLLECTOR OF C.EXCISE:

March 31, 1993

A delegation of the Association comprising S/Shri Aroon Kumar Jain, Ravinder Aggarwal, P. M. Gopalan, Jagdish Kher and Rajesh Malhotra called on Shri. D. S. Sra, Additional Collector, in the Office of the Collector of Central Excise, Bombay - III. The delegation discussed with him the issue raised by the Association in its letters to the Collector dated March 1 and March 6, 1993. The letters sought clarification on Duty liability in respect of final products made out of ship broken materials. He was informed that our Members did not want to be caught later on and asked to pay huge amount of Duty at Rs. 1,000/- per tonne. The Additional Collector's view was that the re-rollers working under Notification No. 202/88-CE Dated 20.5.1988 would get automatic exemption as ship broken materials were re-rollables. He was requested to give his reply without any further delay.

MEETING WITH SHRI. SURJIT SINGH  
COLLECTOR OF C.EXCISE, BOM. III

April 22, 1993

SRAM's delegation comprising S/Shri Aroon Kumar Jain, Jaiprakash Jindal, B.R. Chandak, P.M. Gopalan, Shashi Gupta, Mahesh Garg, V.P. Mall, Jagdish Kher, Manjul K. Dhawan and Trivedi met the Collector of Central Excise, Bombay III. The Collector gave a very patient hearing to the delegation which expressed the urgency for an official clarification on the Excise duty liability on final products cleared by the re-rollers using ship broken materials as inputs. The Collector wanted the Association to furnish him with some bills and gate passes issued by the ship breakers while purchasing raw materials from them. It was conveyed to the Collector that the re-rollers were hesitating to purchase the raw materials - ship broken materials - till a decision on the duty liability was not clarified.

MEETING WITH MSEB OFFICIAL:

September 16, 1993.

S/Shri Aroon Kumar Jain, B.R. Chandak, S.P. Jindal and P.M. Gopalan called on Shri L.P. Mitra Gotri, in the office of the Chairman, M.S.E.B. and discussed with him the difficulties faced by Members who want to get their excess M.D. registration regularised. It was pointed out that MSEB was asking for production of several No Objection Certificates from the existing consumers as if they were applying for power sanction for the first time. It was suggested that the Board should not ask for submission of unnecessary and irrelevant NOCs. The delegation was informed that the Board had already written to the Government of Maharashtra to allow the Board not to insist on some NOCs. However, the officer observed that until such an instruction was received, the Board was helpless in the matter. The Association was advised to approach the Government of Maharashtra, Department of Energy in this matter.

MEETING WITH JT. SECRETARY

Secretary, Shri P.M. Gopalan called on Shri Ratna Parke, Jt. Secretary, Energy Department, Government of Maharashtra and discussed with him regarding regularisation of Maximum Demand. At that time, Shri G.M.Patil of the department was also present. We were informed that the Department would ask for opinions from the Electricity Board as also from the Directorate of Industries. A decision would be taken later on, we were informed.

GENERAL

As in the past, your Association has been trying its best to serve the Steel Re-rolling Mills in Maharashtra, by issuing circulars from time to time on matters of interest to it Members. Besides, News Letters and Market Rates are issued. As and when necessary, specific cases of Individual Members are taken up with the concerned authorities.

THANKS

The Board of Directors conveys its profound thanks to all the Members for their active help, suggestions and co-operation extended to it for the efficient and smooth functioning of Association. The Directors have no doubt that the same would be forthcoming in abundance in future also.

The Board appreciates the services rendered by the Executive Secretary, Shri P.M. Gopalan and the staff during the year.

RETIREMENT AND ELECTION:

As per Article No.46 of the Articles of Association of SRAM, the entire Board of Directors including the President and the Office- bearers retire. They are eligible for re-election.

In terms of the amended Article, this being the First BIENNIAL GENERAL MEETING, you are invited to send nominations for the election of the President and 10 Directors in place of those retiring, for a two-year term i.e., 1993-94 and 1994-95.

BY ORDER OF THE BOARD,

BOMBAY

Dated, the 2nd December 1993.

**Ravinder Aggarwal**  
Hon.Genl. Secretary