

**23rd  
ANNUAL  
REPORT  
1994-95**



**Affiliated to AISRA**

**STEEL RE-ROLLERS ASSOCIATION OF MAHARASHTRA**

POTIA INDUSTRIAL ESTATE, DARUKHANA, BOMBAY-400 010.

TELEPHONE : 3 7 2 3 9 6 2



## STEEL RE-ROLLERS ASSOCIATION OF MAHARASHTRA

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

### BOARD OF DIRECTORS FOR 1993-94 & 1994-95

- |      |                            |                     |
|------|----------------------------|---------------------|
| (1)  | Shri. Aroon Kumar Jain     | President           |
| (2)  | Shri. B. R. Chandak        | Vice-President      |
| (3)  | Shri. Rakesh D. Gupta      | Hon. Gen. Secretary |
| (4)  | Shri. Kamal K. Gupta       | Treasurer           |
| (5)  | Shri. S. K. Mall           | Director            |
| (6)  | Shri. R. P. Malhotra       | Director            |
| (7)  | Shri. Dinesh Choudhry      | Director            |
| (8)  | Shri. Suraj Prakash Jindal | Director            |
| (9)  | Shri. Rajeev Goyal         | Director            |
| (10) | Shri. Santosh Kumar Jain   | Director            |
| (11) | Shri H.V. Kanakiya         | Director            |

\* \* \* \* \*

Shri. S. C. Joshi 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.



Dear Members,

The Board of Directors are very much pleased to welcome you all for the 23rd Annual General Meeting of the Association.

This is the Second BIENNIAL GENERAL MEETING to Elect the PRESIDENT, TEN DIRECTORS and THE HON. GENERAL SECRETARY-Out of the 10 DIRECTORS ELECTED, for the next TWO YEAR TERM - 1995-96 and 1996-97, since the present team of office Bearers & the Board of Directors, on completion of their term, are retiring.

We are, therefore, pleased to present before you the 23rd Annual Report of the Association.

We have tried our best to cover almost all the events & the activities of the Association that have taken place during the period of 5 months from March, 1995 to September, 1995, as the last AGM was held on 21st March, 1995.

**CENTRAL EXCISE AND STEEL RE-ROLLERS :**

Central Excise matter has continued to be a constant strain on the Re-Rolling Industry for the last several years. In the last Union Budget We have been hoping that the reduction of Central Excise duty on Iron & Steel under Chapter 72 shall be reduced from 15% to at least 10% Advalorem, so that the Rerollers can get some financial relief. But, inspite of repeated representations by the Association and also by AISRA, the Govt. has not yet taken any positive stand on this matter and our problem has still remained unsolved. In the current Budget also no relief on this aspect has been offered by the Govt. On the otherhand, the Govt. has totally withdrawn Deemed Credit Concession, admissible under Financial Order No.TS/36/TRU dated 1-3-94, with effect from 1st April, 1995. The Show Cause Notices issued by the Central Excise Department to the Rerollers availing Deemed Credit, on crossing the turnover limit of Rs.75 Lakhs, have been confirmed by the Adjudicating Commissioners in the cases of Some Members. Since it is not possible to get STAY ORDER from the Appellate Authorities within the stipulated period of 3 months,



the Members will have to pay interest at the rate of 20% after the lapse of three months. Also the Department is threatening for Penal proceedings under Section 230 for the recovery of dues. This will cause a lot of hardship to the Rerollers. However, some relief is offered by the Govt. in the current Budget by raising the eligibility limit (under SSI Exemption under Notifn.No. 1/93-CE dated 28-2-93) from 2 Crores to Rs.3 Crores. with effect from 1-4-95 and has brought the Shipbreaking Industry under the purview of Central Excise duty which has facilitated the Rerollers to avail MODVAT Concession on the raw material obtained from Shipbreaking. The Govt, vide their Notification No.18/95 CE (NT) dated 18-5-95 has removed anomaly of the restriction of Rs.920/- per tonne on the goods obtained from Shipbreaking, under heading No.72.30 & 73.27 and used in the final products to avail MODVAT facility. Although the Govt. has raised the eligibility limit from Rs.2 Crores to Rs.3 Crores in the current financial year, that being found inadequate, the Association has already requested the Hon'ble Finance Minister to raise the limit at least upto Rs.5 Crores.

The definition of Re-rollable Scrap has already been incorporated by the Bureau of Indian Standard. The Association is constantly pursuing the matter for incorporating the Definition of the Rerrollable Scrap in the Customs' Tariff and to fix the rate of duty & to reduce the duty of Billets at 10% with the Govt. But we could not achieve the desired result so far. Therefore, we have again taken up the matter with the Ministry of Steel & Mines (Govt. of India) & has urged the Hon'ble Minister to look into this problem of the Re-rollers & redress the same at the earliest.

**BOARD OF DIRECTORS :**

- |                            |                     |
|----------------------------|---------------------|
| (1) Shri. Aroon Kumar Jain | President           |
| (2) Shri. B. R. Chandak    | Vice-President      |
| (3) Shri. Rakesh D. Gupta  | Hon. Gen. Secretary |
| (4) Shri. Kamal K. Gupta   | Treasurer           |



**DIRECTORS**

- |     |                            |          |
|-----|----------------------------|----------|
| (1) | Shri. S. K. Mall           | Director |
| (2) | Shri. R. P. Malhotra       | Director |
| (3) | Shri. Dinesh Choudhry      | Director |
| (4) | Shri. Rajeev Goyal         | Director |
| (5) | Shri. Suraj Prakash Jindal | Director |
| (6) | Shri. Santosh Kumar Jain   | Director |
| (7) | Shri. H. V. Kanakiya       | Director |

**ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS :**

No. of Meetings held (From the Previous  
AFM held on 12th March, 1995) :

4

Sr.No.	NAME	Present	Leave of Absence granted	Absent
(1)	Shri. Aroon Kumar Jain	4	-	-
(2)	Shri. B. R. Chandak	4	-	-
(3)	Shri. Rakesh D. Gupta	2	1	1
(4)	Shri. Kamal K. Gupta	3	1	-
(5)	Shri S. K. Mall	1	1	2
(6)	Shri. R. P. Malhotra	1	2	1
(7)	Shri Dinesh Choudhry	1	-	3
(8)	Shri. Suraj Prakash Jindal	-	-	4
(9)	Shri. Rajeev Goyal	-	2	2
(10)	Shri. Santosh Kumar Jain	3	-	1
(11)	Shri. H. V. Kanakiya	3	-	1



**REPRESENTATIONS :**

10th April, 1995.

**1) POST BUDGET (1995-96) MEMORANDUM TO IMC :**

On discussion of the implications of the Union Budget for 1995-96, the Association has requested IMC to urge upon the Govt. to reduce the C.Ex.duty on Steel from 15% to 10% and withdraw the restriction of Rs.920/- pmt.on the Rerollables available in the local market.

**2) IMPACT OF THE UNION BUDGET OF 1995-96**

18th April, 1995.

**ON THE IRON & STEEL RE-ROLLING INDUSTRY :**

While appreciating the welcome steps taken by the Hon'ble Finance Minister in giving some relief to the Iron & Steel Industry by raising the eligibility limit from Rs.2 Crores to Rs.3 Crores and facilitating the Rerollers for availing MODVAT CREDIT, by bringing Shipbreaking Industry under the preview of Central Excise, the Association requested the Govt.to enhance the limit upto Rs.5 Crores, as the limit of Rs.3 Crores is verymuch inadequet. We also stressed for the urgent need to reduce the C.Ex.duty on the godds falling under Chapter 72, from 15% to 10% in the interest of higher yielding of revenue collection & requested for the concessional credit facility be extended at the international market rate, to the Iron & Steel Industry.

**3) STEEL COMMUNITY'S REACTION TO THE  
BUDGET PROPOSALS FOR THE YEAR 1995-96 :**

2nd May, 1995.

While communicating the feelings of the Iron & Steel Industry Sector, We have requested the Steel Chamber of India, Bombay to incorporate the issue of reduction of C.Ex.duty on rerollable Inputs, falling under Chapter 72 of C.Ex.Tariff, at least from 15% to 10%, which the Association had already included in the Pre-Budget Memorandum submitted to the Hon'ble Finance Minister for consideration while formulating the Budget Proposals for 1995-96. We also had suggested to the Steel Chamber that the Govt. should be requested not only to exclude the Iron & Steel from the Essential Commodities Act but should also extend due relief to the Steel Industry by lowering the C.Ex.duty to 10%, to make the Rerolling Industry more production oriented & LPG should also be excluded from the Essential Commodity Act.



**4) REGULARISATION OF MAXIMUM DEMAND OF THE STEEL ROLLING MILLS :**

On constant persuasion with the State Electricity Board, MSEB had advised the Association to forward the details of the Members, who desire to regularise their Maximum Demand. We have already advised the Members to furnish their details & those Members who have furnished the same, we have already forwarded to MSEB with a request for it's early finalisation.

19th May, 1995.

**5) PRE-BUDGET MEMORANDUM, FOR THE STATE BUDGET FOR 1995-96**

The Association had requested the Hon'ble Finance Minister of Govt. of Maharashtra to take into consideration, on Priority, the issue of Abolition of OCTROI on Iron & Steel raw material/products and reduce the Central Sales Tax at least by 2% as has been done in some States like Delhi & Punjab, w.e.f.1-4-95, which is essential in the interest of development of the Steel Re-rolling Industry in the State of Maharashtra & to make it more production oriented & will also save the Industry from the unnecessary financial burden & harrasment to the Industry & Trade.

**6) INSTALLATION OF ELECTRONIC METERS BY MSEB IN THE STEEL ROLLING MILLS & INDUCTION FURNACES :** 22nd June, 1995.

MSEB has adopted a scheme of installing Electronic Meters, in a phased manner, in the Steel Rolling Mills & Induction Furnaces in Thane, Raigad & Nasik Districts of the State. The Association, while welcoming this scheme of MSEB, has requested MSEB to install such Meters in other Districts of the State of Maharashtra since these Meters are helping in reducing Ovrreading, higher consumption reading etc.

**7) SUGGESTION TO AISRA :**

We have requested AISRA to take effective steps for curbing the C.Ex.evasion by the Steel Industry.

(b) Value Added Tax system be introduced at the earliest possible.

(c) To introduce Uniform rates of C.Ex.duty for all (Ferrous/Non-Ferrous) Metals, Machinery Componets etc.

(d) Building Industry should also be brought under MODVAT System.



4th August, 1995.

**(8) DEFINATION OF REROLLABLE SCRAP TO BE INCORPORATED IN THE CUSTOMES TARIFF & THE RATE OF DUTY TO BE FIXED :**

Since this matter is pending for a pretty long period with the Government & despite the assurance from the CBEC & the Hon'ble Union Minister-no positive result has been achieved. The Association has, therefore, again taken up the matter with the Hon'ble Minister for Steel & Mines & has requested to look into this genuine problem of the Industry & to take effective steps, on priority, for its finalisation.

**(9) INTEREST ON DELAYED PAYMENTS/REFUNDS OF C.EX.DUTY UNDER SECS. 11AA & 11BB :**

CBEC has recently fixed the rate of interst @ 20% on the delayed payment of Ex.duty & at 15% on the delayed payment of Refund of duty, if any, within 3 months from the date of receipt of Application for such refund after the decision taken by the appropriate competent Authority/Court. We have requested the Govt. that the interest payable under Section 11BB should be applicable from the date of payment of duty effectively made in excess and not from the immediate date of the Application-after the expiry period of 3 months.

**(10) REDUCTION IN CENTRAL SALES TAX ON IRON & STEEL RAW MATERIAL/ PRODUCTS IN THE STATE OF MAHARASHTRA :**

The Hon'ble Finance Minister, Govt. of Maharashtra was requested to consider the genuine problem of the Industry & reduce the Central Sales Tax by 2% on the rerollable raw material of Iron & Steel in the State of Maharashtra w.e.f.1-4-95 in the current State Budget. But the State Govt. has not given relief to the Industry nor OCTROI has also been abolished so far. The Association has, therefore, again requested the Hon'ble State Finance Minister to take the positive stand on this issue, on priority, & offer financial relief to the Industry.



MEETINGS12th April, 1995.

The President of our Association-Shri.Aroon Kumar Jain & Shri.Kamal Kishore Gupta, Treasurer had a privilege to have a Meeting with Mr.R.K. Mittal, I.A.S.-Development Commissioner of Iron & Steel, Govt. of India at Bombay on 12th April, 1995 when pressing problems of the Industry (viz.Supply of raw material, Central Excise duty etc.) were discussed. The Commissioner was urged the necessity of rescinding the Notfn.No.5/94 of availing MODVAT on raw material obtained from breaking of Indian Flag Ships. (b) Withdrawal of LPG from the Essential Commodities Act for it's smooth availability to the Steel Industry. (c) Scarcity of raw material is usually experienced by the rerollers due to shifting of line of production from SEMIS to SECTIONS/MERCHANT BAR by the Major Supplying Industries like SAIL, RINL, TISCO etc. which hampers the production of small Rerollers & affects the demand of finished products in the market. (d) Due to prohibitive cost of imported raw material, though is available, finds not viable to the small rerollers. He was therefore requested that the rerollers may be permitted to import Billets etc. directly without Trade Intermediary for it's smooth supply.

6th June, 1995.

Indian Merchant's Chamber Bombay had arranged on 6th June, 1995 Meetings with Shri.Keshubhai Patel, Hon'ble Chief Minister of Gujarat (attended by the Hon.Secretary of the Association) and with Shri. Manohar Joshi, Hon'ble Chief Minister of Maharashtra (in the evening session-which was attended by the President of our Association-Shri. Aroon Kumar Jain). On behalf of the various Associations & the Trading Community the President IMC made the following valuable suggestions to the Hon'ble Chief Minister :

- (a) That distribution of Power by Private Sectors may be permitted to minimise the loss of transmission & distribution.
- (b) OCTROI should be abolished forthwith & Surcharge-in lieu thereof may be levied, if necessary.
- (c) Central Sales Tax should be reduced to 2% etc.



The Hon'ble Chief Minister welcomed the suggestions & assured that active consideration will be given to the proposals made by the IMC in the interest of rapid Industrial Development in the State & the State Govt's policies & Programmes will be on the lines of the Govt. of India's Policy of Liberation.

SEMINAR

7th July, 1995.

Marketing Seminar of Combustion Control Equipment for the Steel Re-Rolling Industries was arranged by SPECTRUM ENERGY SERVICES, BOMBAY in the Association's Hall on 7th July, 1995 which was attended by many Members of our Association. Mr. Jairaman, Director of the ENERGY SERVICES apprised the Members the functioning, the need & the utility of the equipment which shall considerably help in reducing the consumption of Furnace Oil & reduces the cost of production.

NOMINATION FROM THE ASSOCIATION to AISRA : NEW DELHI : The Association has sent the Nomination of Shri.S. K. Mall, Director-SRAM & Sr.Vice-President, AISRA as the Association's Representative to the National Executive of AISRA & We are pleased to inform all the Members that Shri.S.K.Mall received the Honour of getting Re-elected as Sr.Vice-President of AISRA for the next Two year term i.e.1995-1997.

MEMBERSHIP OF THE ASSOCIATION : Although there has not been desired increase in the Membership, We are pleased to inform that we could enroll following Re-rollers as NEW MEMBERS/LIFE MEMBERS to our Association in the current year.

MEMBERS : 1) M/S. Kudus Steel Rolling Mills, Pvt.Ltd.Bombay.  
2) M/S. Vaishnav Ispat, Pvt.Ltd.-Darukhana-Bombay.

LIFE MEMBERS : 1) M/S. Multi Steel Stores- Kalyan.  
2) M/S. Gurunanak Metal Works- Bombay.

We, therefore, appeal All the Members that in the interest to strengthen our Association, every Member should promote at least one Reroller to become Member of our Association.



The Association, on this date has : 72 (Seventy Two) Members :-

ORDINARY MEMBERS :	35
LIFE MEMBERS :	34
ASSOCIATE MEMBERS :	03
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TOTAL :	72
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on it's Roll as per the details given above.

**ARREARS OF SUBSCRIPTION** : Membership Subscription of the Association is accounted on the actual receipt basis during the year 1994-95 and is reflected accordingly in our Books of A/Cs. Although Members of our Association, whose turnover run into several Crores, it is a matter of regret that many of them still do not feel it important and essential to pay in time the meagre amount of Rs.1500/- their Annual Membership Subscription. We therefore, would like to appeal all the members to inculcate the feeling that the Association is of-and-for them & it can carry on it's activities only with the active contribution & support from its members & we anticipate timely payment of their Membership Subscription. We request all the Members to pay their subscription arrears at the earliest.

#### **GENERAL**

##### **CONDOLENCES** :

On behalf of the Association, President & the Board of Directors expressed their deep condolences on the sudden & sad demise of Shri.Harjivandasji Gandhi, father of Shri.Satish Gandhi of Bhuwalka Steel Industries and of Shri.Gangabhishanji Mundhra, father of Shri.Motilal Mundhra of Shiva Steel Rolling Mills. Condolence resolutions were passed in the Board of Directors' Meeting & condolence messages were sent to the bereaved families.

#### **APPEAL**

The Members are aware that the Association is trying it's best to render prompt service to all the Steel Rerolling Mill Members of the entire States of Maharashtra to their utmost satisfaction by issuing Letters/Circulars/



News Letters etc. and also on the matters of their common interest, from time to time, for thier information & guidance. We also circulate Price Lists & Market Rates of the Industry with a view to apprise the Members the latest condition of the Market.

Association is also rendering it's assistance, as & when required, for representing specific Cases of Individual Members, with the concerned Authrities, for guidance & Settlemnt.

**VOTE OF THANKS**

The Board of Directors wish to convey their sincere Thanks to All the Members for extending their active co-operation, assistance & valuable suggestions to the Association from time to time for the efficient & smooth functioning and hope to get the same in future also.

The Board also appreciate the prompt & efficient Services that are being rendered by the Executive Secretary & Staff of the Association during the entire year, without whom, it would not have been possible to carry out the day-to-day activities of the Association.

By Order of the Board

**Rakesh D. Gupta**

Hon.General Secretary.

Bombay

Date : 30th September, 1995.

For G.D. JAIN & CO.  
Chartered Accountants,

(G.D. JAIN)  
PROVIDER