

Distribution of iron & steel items to SSI sector : 2006-07

Government has a scheme for routing the allocation of Iron and Steel materials from main producers like SAIL, RINL, and TATA STEEL to SSI units, and other Government departments through the State Small Scale Industries Corporations (SSICs) and also through National Small Industries Corporations (NSIC) where SSICs are either defunct or not in existence. In order to ensure that small scale industries obtain these raw materials at reasonable prices, the Government provides nominal handling charges of approximately Rs.500/- per tonne.

Coordination Committee has been re-constituted as Small Scale Industry Coordination and Review Committee under the Chairmanship of Joint Secretary (Steel) wherein Secretaries of Small Scale Industries of State Government, Managing Directors (MDs) of State Small Scale Industries Corporations, Chairman-cum-Managing Director (CMD) of National Small Industries Corporations Ltd., CMD/MD of main steel producers like SAIL, RINL, TATA STEEL and producers associations are the Members of the Committee. The Committee meets quarterly.

The functions of the Committee are here-under :-

- ◆ Suggestion for formulation of policy guidelines for proper supply of iron and steel items to SSI sector and allocations to the Corporations.
- ◆ Review the performance of the Corporations.
- ◆ To identify the problem areas and various bottlenecks and suggest measures, both short term and long term for the assured supply of steel materials to the SSI Sector.

Allocation of Iron & Steel items made during the last three years :-

Corporations	2003-2004	2004-2005	2005-2006
SSICs	540 (24.1%)	861 (59.4%)	619 (-28.1%)
NSIC	--	428	212 (-50.4)
Total	540 (24.1%)	1289 (139.7%)	831 (35.5%)

(Quantity in '000 Mts)

Note : Figures in brackets indicate % change over previous year. In the year 2005-06 allocation was made based on actual lifting done in the previous year 2004-05.

Allocations for 2006-07 have been based on the lifting done in 2005-06 plus 10%.

Instructions for allotment of steel materials

- ☞ Small SSI consumers (Actual users) needing less than 600 MTs per annum should lift iron & steel materials from SSICs & NSIC of the respective States.
- ☞ Large SSI consumers of steel materials (Actual users) who consume over 600 tonne per year (whose average lifting for the last three years is 600 MTs or above including the amount lifted from the Corporations in the same year) may directly lift their materials from the main producers. In such a case, the producers should ensure that the materials are being issued to actual users.
- ☞ SSICs & NSIC will not supply iron & steel materials to large consumers.
- ☞ Any balance material left after satisfying the above priority consumers can be released to traders.
- ☞ In case of poor lifting, the allocated quantity may be distributed through the State Industrial Development Corporations (SIDC) or through an association of users nominated by State Government or State Industries Development Corporation.
- ☞ Category - wise allocations will be made on an annual basis irrespective of section, shape and size.
- ☞ To enable the producers to take up proper planning and supply, 25% of the individual allocation shall be treated as quarterly allocation. Each Corporation must register their specific requirement for each category size/grade-wise on a quarterly basis at least 15 days in advance of the quarter. However, producers may accept registration of quantities that are at variance of 5% of the annual allocations (SSICs/NSIC can register from 20-30% of the annual allocation in each quarter).

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