

**39**

**STANDING COMMITTEE ON  
COAL AND STEEL  
(2012-2013)**

**FIFTEENTH LOK SABHA**

**MINISTRY OF STEEL**

**PROMOTION OF STEEL USAGE**

**THIRTY-NINTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

*August, 2013/Bhadrapada, 1935 (Saka)*

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STANDING COMMITTEE ON  
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(2012-2013)

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PROMOTION OF STEEL USAGE

*Presented to Lok Sabha on 29.08.2013*  
*Laid in Rajya Sabha on 29.08.2013*



LOK SABHA SECRETARIAT  
NEW DELHI

*August, 2013/Bhadrapada, 1935 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE ON COAL  
AND STEEL (2012-13)

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Smt. Jyoti Dhurve
5. Shri Ganeshrao Nagorao Dudhgaonkar
6. Shri Sabbam Hari
7. Shri Vishwa Mohan Kumar
8. Shri Yashbant N.S. Laguri
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17. Shri Pashupati Nath Singh
18. Smt. Rajesh Nandini Singh
19. Shri Uday Pratap Singh
20. Shri Om Prakash Yadav
21. Shri Bansa Gopal Choudhary\*

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\* Nominated *w.e.f.* 13.12.2012.

*Rajya Sabha*

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu
24. Shri Srinjoy Bose
25. Smt. Smriti Zubin Irani
26. Shri Jugul Kishore
27. Shri Sanjay Raut
28. Shri Dhiraj Prasad Sahu
29. Shri Nand Kumar Sai
30. Shri Dilip Kumar Tirkey
31. Vacant

SECRETARIAT

1. Shri S. Bal Shekar — *Secretary*
2. Shri Shiv Singh — *Director*
3. Shri Arvind Sharma — *Deputy Secretary*

## INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Thirty-Ninth Report (Fifteenth Lok Sabha) on "Promotion of Steel Usage" pertaining to the Ministry of Steel.

2. The Standing Committee on Coal and Steel (2012-13) had selected the subject for detailed examination and report to the Parliament. The Committee (2012-13) took oral evidence of the representatives of the Ministry of Steel on 1st July, 2013.

3. The Committee wish to express their thanks to the officials of the Ministry of Steel and Steel PSUs for placing before them and in furnishing material/information from time to time as desired by the Committee.

4. The Report was considered and adopted by the Committee at their sitting held on 26.08.2013.

5. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

NEW DELHI;  
26 August, 2013  
04 Bhadrapada, 1935 (Saka)

KALYAN BANERJEE,  
Chairman,  
Standing Committee on Coal and Steel.

## **REPORT**

### **PART I**

#### **A. INTRODUCTORY**

Steel is the basic foundation material of any economy and it will not be an exaggeration to state that the advancement of the economy is assessed by the consumption level of steel therein.

2. Economic liberalization in India has led to huge capacity creation for steel making and India has already attained the exalted rank of being the 4th largest producer of crude steel in the world and is expected to elevate its position further in the coming days as new capacities become operational.

3. Indian Iron and steel industry with its strong forward and backward linkages contributes significantly to overall growth and development of the economy. As per official estimates, the Industry today directly contributes 2 per cent of India's Gross Domestic Product (GDP) and its weightage in the official Index of Industrial Production (IIP) is 6.2 per cent.

4. While one appreciates India has miles to go before it can match the infrastructure/per capita consumption levels of the developed world/newly industrialized economies of Asia, it does remain a fact that despite significant strides in many respects (including technological breakthroughs), domestic steel consumption, specially in per capita terms, remains way below the desired level, hovering around 60 kg compared to world average of 217 kg and 477 kg for China.

5. As the potential for domestic steel consumption is huge in India which calls for intensifying the drive for promotion of steel usage in the country, the Committee have examined in detail the steps and major policy decisions taken by the Government and Steel Industry to augment the per capita consumption of steel in the country.

#### **B. INTENSITY OF STEEL USAGE**

6. The domestic steel industry has been able to carve out a niche for itself in the global scene. From a country with a fledgling status of one million tonnes of capacity at the time of Independence, it has today become the world's 4th largest producer of crude steel preceded only by China, Japan and USA.



7. The details of top ten Crude Steel Producing Countries of the World are as shown below:—

Sl. No.	Country	Production (in million metric tonnes)		Rank
		2011	2012	
1.	China	694.8	716.5	1
2.	Japan	107.6	107.2	2
3.	U.S.A	86.4	88.6	3
4.	India	73.6	76.7	4
5.	Russia	68.9	70.6	5
6.	South Korea	68.5	69.3	6
7.	Germany	44.3	42.7	7
8.	Turkey	34.1	35.9	8
9.	Brazil	35.2	34.7	9
10.	Ukraine	35.3	32.9	10
World (Total)		1529.2	1547.8	

Source: World Steel Association (WSA)

8. The Ministry of Steel have informed the Committee that India's steel production capacity is slated to increase manifold in the coming years due to the envisaged large scale investments in steel both in green field and brown field capacities by the public sector and private entrepreneurs. However, In spite of being one among the largest producers of steel in the world, India is still lagging way behind some of the other major steel producing countries in the world in terms of intensity of steel usage in overall economic activities (*i.e.*, per unit of GDP) or per capita consumption of finished steel. In 2012 our per capita consumption of finished steel was about 60 kg against the world average of 216.9 kgs as per details given below:—

**Per Capita Finished Steel Use in Selected Countries (in Kgs)**

Sl.No.	Countries	2012
1.	China	477.4
2.	S. Korea	1114.1
3.	Japan	506.0
4.	USA	306.2
5.	India	60 (approx.)
World (average)		216.9

Source: World Steel Association (WSA)

The Per capita consumption of steel in the country is thus estimated at around 60 kg.

9. Asked about trends in per capita consumption of steel (kilograms finished steel products) in the country as reported by World Steel Association, the Committee were apprised as under:—

	2006	2007	2008	2009	2010	2011	2012
Per capita consumption in India in Kgs.	39.4	43.9	43.2	47.9	53.0	56.2	59.8

### C. CRUDE STEEL PRODUCTION

10. According to Annual Report of the Ministry of Steel World crude steel production stood at 1547.8 million tonnes during 2012, an increase of 1.2 per cent over 2011. During 2012, Chinese crude steel production reached 7165.5 mt, a growth of 3.1 per cent over 2011. China remained the largest crude steel producer in the world, accounting for 72 per cent of Asian and 46 per cent of world crude steel production during 2012. India was the fourth largest producer with 76.97 million tonne of steel produced during the period with a growth 4.6% over 2011.

11. Asked about the detail of new projects targeted to be completed during 12th Five Year Plan for production of steel the Committee were informed as under:—

“The list of major steel projects (both Brownfield and Greenfield) that are considered likely to come up in different states of the country during the 12th Five Year Plan period is below:—

#### Likely Crude Steel Capacity by 2016-17 (mt)

##### (A) Firm Projects

Producer/Company	India: Likely Crude Steel Capacity by 2016-17 (mt)
1	2
SAIL (All plants)	20.75
RINL/Vizag Steel Plant (Andhra Pradesh)	7
NMDC, Chhattisgarh (Nagarnar)	3

1	2
Tata Steel—Jharkhand (Jamshedpur)	10
Tata Steel—Odisha (Kalinga Nagar)	6
JSW Steel—Karnataka (Vijaynagar)	12
JSW Steel—JSW Ispat (Maharashtra)	4.5
JSW Steel—JSW SISCO (Tamil Nadu)	1.9
Jindal Stainless, Odisha	0.8
Essar Steel, Gujarat (Hazira)	10
JSPL—Chhattisgarh (Raigarh)	4
JSPL—Odisha (Angul)	4
JSPL—Jharkhand (Patratu)	3.5
Bhushan Steel Limited, Odisha	5.2
Electro Steel Castings, West Bengal	2.2
Visa Steel, Odisha (Kalinga Nagar)	1.5
Others (multi-location)	43.85
(A) Total (Firm Projects)	140
<b>(B) Additional capacity not firm but possible</b>	
Tata Steel, Odisha (Gopalpur)	4
Posco, Odisha	4
Monnet Ispat, Chhattisgarh	1.5
Uttam Galva, Maharashtra	1.1
Bhushan Power & Steel, Odisha	2.5
Others (medium scale, multi-location)	4.5
(B) Additional Capacity not firm but possible	17.6
<b>(C) Total (Realisable) Crude Steel Capacity by 2016-17 (mt)**</b>	
Capacity	149

Source: Report of the Working Group on Steel for the 12th Five Year Plan;

\*\* $(C)=(A)+0.5*(B)$

Note: mt=million tonnes

The Report of the Working Group on Steel for the 12th Five Year Plan however points out that for expeditious implementation of the identified projects, it is necessary to create a conducive policy environment to ensure easy availability of physical and financial resources such as raw materials, infrastructural facilities, land, water, etc.”

#### **D. CONSUMPTION OF STEEL IN RURAL AREAS**

12. According to the Ministry of Steel, steel consumption has taken place largely at the urban level and peripheral locations while growth at rural level has been relatively minimal and in turn, has depressed overall growth. The Committee were informed that there are significant reasons for promoting steel consumption in rural India and some of these are as follows:—

- (i) In a 1 bn+ population, 72% live in ‘rural’ India with 23 out of 35 States/UTs, having rural population in excess of 70%.
- (ii) Studies conducted from time to time indicate, despite significant strides of steel industry in post-1992 India, level of rural steel consumption remains sub-optimal, indicating scope of growth.
- (iii) A step towards Inclusive Growth—increased use of steel may well change the face of rural economy and lifestyle.
- (iv) Ample scope of consumption of steel exists in key areas/items of rural lifestyle like Grain Storage—Bins/Silos, Steel Intensive Construction Activities, Short Span Road Bridges/Culverts, Agricultural Implements, Water Tank, Non-Mechanised Transport, Sewarage and Sanitation, Scaffoldings/Fencing, Water Harvesting and Drip Irrigation.

13. Asked about the reasons for low consumption or penetration level in rural areas, the Committee were apprised of following key factors:—

- (i) Perception of steel as a high-cost material in rural sector.
- (ii) Problems of procurement and supply in interiors of rural sector.
- (iii) Market ups and downs of steel sector itself.
- (iv) Low growth of rural industry and absence of proper skills in rural sector.

- (v) Concentration on high-valued, high-yield markets, typically in urban areas.
- (vi) Lack of proper assessment of steel demand in rural India.

14. India's steel production capacity is going to increase manifold in the coming years. The current abysmally low per capita consumption of steel of 59 kg. in India compared to the world average of estimated 200 kg. strengthens the argument that the domestic steel industry has a huge growth potential. The Parliamentary Standing Committee (PSC) on Coal and Steel on Demand for Grants (2007-08) of the Ministry of Steel in its 25th Report had noted that "to achieve this objective, it is necessary to create required infrastructure for steel industry as well as increase per capita consumption of steel".

15. In pursuance of the recommendation of the Standing Committee on Coal and Steel, the Ministry of Steel has informed that a survey/ study was carried through the Joint Plant Committee to assess the demand for steel in rural areas. The JPC has submitted the final Report of this survey in July, 2011. The survey has come out with findings regarding average per capita consumption of finished steel in rural areas, trends of consumption of steel and future projections of steel in rural India.

16. The survey collected the data for the purpose of analysis for the three years *i.e.* 2006-07, 2007-08 and 2008-09 and assessment of rural steel demand for the periods 2011-12, 2016-17 and 2019-20. The average per capita consumption of finished steel in rural India has been assessed at 9.78 kg. during the period 2007 to 2009, which is estimated to increase to around 12 kg. in 2020 based on increased penetration of steel products. This growth would be powered mainly by construction activities, largely at the household level but also by purchase of items such as items for professional use, furniture and vehicles. It is also expected that the demand for household items would decrease over the years. The major reason for the same is increasing replacement of steel by plastic for some of the major contributing items of that category.

17. The survey has also made recommendations for enhancing the consumption of steel in rural India through shift in type of housing structure (with more steel) with:—

- (i) Re-looking steel design for various applications,
- (ii) Investment in community structures,
- (iii) Small and medium steel product manufacturing,

- (iv) Highlighting the advantages of steel,
- (v) Increased aesthetics of steel, improving logistics & supply chain, and
- (vi) Addressing steel quality issues.

18. Taking note of the present per capita consumption of steel at 9.78 kg. in rural areas and which is targeted to be increased to 12 kg. by the year 2020, the Committee have desired to know the reasons as to why only an increase of 3 kg. have been targeted to be achieved for per capita consumption in rural areas during the next 7 years. In this regard, the Committee were apprised by Ministry of Steel as under:—

“One of the key findings of the study, *“Assessment of Steel Demand in Rural India”*, conducted by the Joint Plant Committee (JPC) under the aegis of the Ministry of Steel, is that rural per capita finished steel consumption, averaging 9.78 kg. during the survey period, 2007-2009, is estimated to go up to 12 kg. by 2020, depending on the level of economic growth in the country.”

19. It further states:—

- “(a) Given that growth rate of GDP of agricultural and allied activities was around 3% during the study period and the projected growth rate of steel demand (based on the steel—GDP elasticity relation) over the period 2010-20 is 2.5%, it emerges that if rural GDP grows by a further 1%, rural steel demand grows by 1.25%. Using this information, the potential demand projection of rural per capita steel consumption by 2020 has been arrived at 12 kg.
- (b) As such, this is a statistical projection only, based on the field data as obtained during the survey. It is not a target that has been laid down for achievement for the country/industry by this time period.
- (c) However, at the same time, the study has clearly indicated that the potential for steel consumption is even higher. This is because with increasing affluence and impact of urbanization, rural populace can afford even more steel products. This means that growth beyond 12 kg. is achievable if rural GDP grows higher and in this regard, the Study has pointed out various interventions or promotional measures which may be required to elevate rural steel consumption beyond present/perceived levels.”

20. Asked about the steps taken by the Ministry of Steel for implementation of the recommendations made by JPC, the Committee were informed of the following:—

- (i) Funding of INSDAG projects on rural skill development program under the Market Development Project scheme by JPC.
- (ii) Collection of data on rural level stock points by INSDAG.
- (iii) Publication of books/study reports in connection with framed steel structures for rural areas by INSDAG.
- (iv) Schedule for next proposed study of steel demand in rural India by JPC.

#### **E. WORKING GROUP ON STEEL FOR 12TH FIVE YEAR PLAN**

21. The Working Group on steel for 12th Five Year Plan had indicated that in order to achieve double digit growth rate of domestic steel consumption investments of 1 billion dollar in infrastructure and setting up of the national manufacturing and investment zones are required as integral part to accelerate the pace of implementation of infrastructure projects in the country. The Committee have desired to know the steps taken by the Government/Steel Companies to improve the cement to steel ratio in construction, deeper penetration into rural markets, diversification strategies, etc. as pointed out by the Working Group. In this regard, the Ministry of Steel in a post evidence reply furnished to the Committee have informed as under:—

##### **“(i) Steps taken by the Government**

For the last decade INSDAG has been continuously propagating various ways and means to improve steel to cement ratio in construction. Preparation and dissemination of various reports/guidebooks/manuals/Codes & Standards, continuous education to professionals, faculties and students through various classrooms trainings/seminars/competitions, representation to various implementing authorities for steel/ steel-concrete composite construction, etc. are some of the activities INSDAG has been doing to achieve the goal. One prominent example in this regard is extensive and exclusive use of structural steel in airport modernizations across the country. In addition, development of various agro-implements like steel bullock carts, storage bins, multipurpose furniture are also being pursued by INSDAG. Since fabrication is considered one of the major bottlenecks

of enhanced steel usage in rural/semi-urban areas, INSDAG is trying to improve the scenario by imparting hand-holding support to the prospective rural entrepreneurs to set up their own fabrication units at their chosen locations. This endeavour is keeping pace with the Government's initiative to provide electricity at every village in India. Currently, this initiative is being pursued at Uttar Pradesh, Odisha, Bihar, Jharkhand, Tripura and West Bengal.

**(ii) Steps taken by SAIL**

So far as penetration into rural markets is concerned, the main area of concentration has been to put in place an effective Rural Dealership Scheme and building upon it. So far as diversification strategies are concerned, SAIL is in the process of undertaking a modernization program in its producing plants where product diversification with focus on value added products would be of primary importance. Diversification strategy related to exploring of new markets/projects is an ongoing process and the thrust on the same would continue. Application Engineering Group of SAIL provides presentation to project customers (including government customers) to use steel intensive designs in construction.

**(iii) Steps taken by RINL**

RINL is making efforts for increasing the availability of steel products in rural areas for construction by widening rural distribution network. It is planned to increase the number of rural dealers to 1000 by the end of the current financial year.

RINL plans to take rolling mills on wet lease basis at different locations in the country for conversion of semis produced in the Plant into economy grade Rebars and Structurals for supplying to rural customers.

RINL has developed earthquake resistant and corrosion resistant rebars for usage in construction. These new grades of steel products help in reducing damage during natural calamities like earthquakes, floods, tsunamis, etc. in rural, hilly and coastal areas and increases the life of structures constructed.

INSDAG has been promoting designs of steel intensive buildings, which are economical considering life cycle costing."



22. The Working Group on steel for the 12th Plan in their report has also stressed on the need for projects like Bharat Nirman, PMGSY, Rajiv Gandhi Awas Yojana to increase the per capita steel consumption. Asked about the steps taken by the Steel PSUs to tap the potential of the rural economy by giving thrust to design project developments and fabrication of specially design steel houses for villages, culverts and bridges etc. where steel could be used as a major material, the Committee were apprised as under:—

**“(i) Steps taken by the Government**

INSDAG had developed comprehensive design and construction manual for small span bridges & culverts for National Rural Roads Development Agency (NRRDA) under Ministry of Rural Development and Ministry of Road Transport and Highways (MORTH) for implementation of the same in rural areas under Pradhan Mantri Gram Sadak Yojana (PMGSY). These steel based designs of rural bridges & culverts are presently being implemented in various parts of the country. Border Roads Organizations (BRO) and National Highway Authority of India (NHAI) are also being pursued to develop such manuals for their use. The construction methodology is very simple and materials used are generally available in all rural retail shops. The same concept is also followed while developing steel framed rural houses. INSDAG will shortly construct two prototype buildings at Tripura for exposure to rural masses. One such building has been constructed at a remote village in West Bengal and being monitored for the last one year. Till date the performance of the building is quite satisfactory. To complement these activities, INSDAG is helping rural people to develop their own fabrication units at their villages. These units will also expect to solve the unemployment issues to some extent.

**(ii) Steps taken by SAIL**

In order to tap the potential of the rural economy, promotional activities like Mason Meets and Dealer Meets are held to create greater awareness for use of steel in various constructions including individual houses. The benefits of using steel are explained in such meets. During 2012-13, a total number of 17 Mason Meets and 107 Dealers Meets have been conducted by SAIL as a whole. However, Projects incorporating new designs for fabricating of steel houses/housing structures are being initiated by INSDAG under the Ministry of Steel. SAIL along with other main producers and Ministry of Steel is promoter of INSDAG.

**(iii) Steps taken by RINL**

RINL with the help of INSDAG plans to organize Workshops for rural artisans on usage of steel products in rural areas in the local Industrial Training Institutes (ITI).

RINL plans to set up Steel Processing Units (SPUs) to manufacture “made to order” steel products at various locations in the country. The shapes and sizes required by the customers including those from rural areas are planned to be manufactured in these SPUs.

INSDAG has developed steel houses for villages. As per these designs, RINL has built a steel village in the vicinity of Visakhapatnam Steel Plant as a CSR initiative. This village has some houses, a School Building and a Community Centre.

INSDAG is also imparting training on steel fabrication used for construction in rural areas with the help of main steel producers.”

23. Asked about any proposal furnished by the Governments/PSUS for any subsidy for agri-implements/machinery through effective targeting by UID scheme as suggested by the Working Group on Steel, the Committee were informed by the Ministry of Steel that at present there is no proposal of subsidy from Ministry of Steel for agri-implements/machinery through UID scheme.

24. The Committee were informed that special design and increased use of steel in construction has been suggested by various research groups to improve the cement to steel ratio and how they are implemented specially in hilly and rural areas including Uttrakhand during the last 5 years. In this regard, the steps taken by INSDAG are as under:—

- “(a) Development of steel-concrete composite construction and its propagation. Some live examples of this technology are Handloom Complex at Janpath and Indira Paryavaran Bhawan at Jorbagh, New Delhi.
- (b) Development of efficient and economical structural sections like parallel flange beams and columns (in the product line of JSPL and SAIL). INSDAG has developed one ready to use manual for parallel flange sections for wider use.
- (c) Development of high grade reinforcement bars like 500 and 550 grades through TMT route. INSDAG has been providing trainings for masons on good construction practices with TMT bars.

- (d) Maximizing use of colour coated roof and wall sheets.
- (e) Development and popularizing of light weight structures using Square Hollow Section (SHS), Rectangle Hollow Section (RHS) and Circular Hollow Section (CHS). INSDAG is providing improved fabrication techniques with lighter sections periodically.

All these developments are taking shape predominantly during last 5 years and due to their various advantages, are being used extensively in difficult terrain like Uttarakhand.”

#### F. SECTOR-WISE DEMAND OF STEEL

25. When asked about the sector-wise demand of steel and the sectors which do not meet the targeted consumption from domestic production and need to be imported, the Committee were informed as under:—

“The, data collected by JPC on trends in production for sale, import, export, real consumption of key items of non-alloy steel and overall alloy/stainless steel and total finished steel, for 2012-13 (provisional) is provided below.

**Total Finished Steel (non-alloy + alloy): 2012-13 (prov.) ('000t)**

Category	Production for Sale	Imports	Exports	Real Consumption
1	2	3	4	5
Bars & Rods	28,847	514	413	29,497
Structurals	4,843	91	60	4,899
Rly. Materials	909	19	3	918
Non Flat	34599	624	476	35314
Plates	4,084	862	235	4,825
H.R.Coils/Skelp	15,935	1830	1615	16,381
H.R. Sheets	614	122	199	548
C.R. Sheets/Coils	8,769	1568	412	9,960
GP/GC Sheets	6,532	432	1509	5,524

1	2	3	4	5
Elec. Sheets	178	385	4	564
Tinplate (incl. ww)	239	184	54	372
TMBP	0	1	0	1
Pipes (Large Dia.)	2,036	134	136	2,071
Tin free steel	0	66	1	65
Flat	38387	5584	4165	40311
Less : Double Counting	-	-	-	6,646
Total: Non-Alloy	72986	6208	4641	68979
Total: Alloy	4630	1659	612	4351
Total Finished Steel	77616	7867	5253	73330

Source: JPC

As per the "India Steel Vision 2020" conducted by WSA, the sector-wise consumption of steel during 2011-12 is as follows:—

1. Infrastructure & Construction — 63% (45 Million tonnes)
2. Engineering & Fabrication — 22% (16 Million tonnes)
3. Automotive — 10 % (7 Million tonnes)
4. Packaging — 3% (2 Million tonnes)
5. Other Transport — 2% (1 Million tonnes)

Some of the sectors which require imported steel are as given below:—

- (i) CRGO steel, which is not produced by any domestic steel producer, for Power sector (transformers).
- (ii) Some applications in Auto sector (Bake Hardenable [BH] steels, Dual Phase Steel [DP], Transformation Induced Plasticity [TRIP] steels, Interstitial Free [IF] steels, Ferrite-Bainite steels).
- (iii) High Tensile Grade Plates for Penstock, Earth Moving equipment, Power sector and Boiler quality Plates for Boilers.
- (iv) Special Quality Bars & Rods for application in Auto sector.
- (v) API grade HR Coils/Plates for Oil & Gas sector."

## **G. ROLE OF STEEL PSUs TO PROMOTE USAGE OF STEEL**

### **(i) Role of INSDAG**

26. The Committee were informed that the Institute for Steel Development and Growth (INSDAG) based in Kolkata, promoted by the Ministry of Steel and leading domestic steel producers, is operating for more than a decade towards promotion of steel use in Indian construction and infrastructural sectors. In pursuance to this objective the Institute disseminates steel related information/knowledge through seminars, workshops, publications, etc., to professionals and academics, organize award competitions, explores and innovates new and better avenues of steel usage and provides specialized consultancy.

27. According to reports from INSDAG, some steel companies have come forward to sponsor "Showcase Models" of specially designed steel houses for villages. Besides, the Institute has been assigned the task of developing design manuals for rural infrastructure such as culverts and bridges where steel could be used as a major material. Another innovative concept popularised by INSDAG is to promote "steel bullock-carts" in villages in association with the "Central Mechanical Engineering Research Institute", Durgapur. These bullock-carts will have a minimum life span of 20 years. Public Sector Banks have been roped in for providing loan to the rural people for purchase of the steel bullock carts. The Institute is also engaged in convincing the steel companies to support production of the steel carts. Several local NGOs and Khadi & Village Industries Corporations are taking part in this initiative to promote the said item. From one village in Odisha an order for 250 such bullock-carts has been received and more efforts are underway from several other villages. A well organised campaign is required.

### **(ii) MDP Projects**

28. The Union Cabinet in its note in July 1997 had decided that an amount of Rs. 5 (five) crores per annum may be spent on projects intended to develop the market for steel. Popularly referred to as Market Development Projects (MDP), these are meant for popularizing steel usage in the country through innovative application/use of steel in different areas. An Evaluation Committee, constituted by the Ministry of Steel, operates with the objective to ensure that market development projects are monitored and implemented on a holistic scale. A project submitted under the scheme needs clearly to spell out how its implementation will lead to a development in the domestic steel market in terms of an increase consumption of steel/lead to innovative use of steel.

29. Asked to furnish details of utilization of annual grants of Rs. 5 crore for marketing development projects during the last 5 years, the Ministry of Steel has informed the Committee in a post evidence reply as under:—

“JPC does not have any project on account of market development amounting to Rs. 5 crores and above as of now. However, details of funds which were released are as follows:

**Details of utilization of annual grants for market development projects in last 5 years**

Sl. No.	Project Name	Beneficiary	Amount Released (Rs. in lakhs)	Released in
1.	Skill-cum-Entrepreneurship Development Programme (Uttar Pradesh)	INSDAG	6.24	May 2013
2.	Skill-cum-Entrepreneurship Development Programme (West Bengal)	do	5.38	October 2012
3.	Design manual for steel structurals according to new IS:800	do	14.50	March 2008
4.	Handbook on architectural and construction in steel	do	12.00	March 2008
Total:			38.12	

**(iii) Steel Authority of India Ltd. (SAIL)**

30. As on 1st January, 2013 SAIL has a network of 37 Branch Sales Offices, 27 Customer Contact Offices and 66 Warehouses.

31. With a view to widen the reach of its products, SAIL has established its dealer network extensively to cover almost all the districts in the country. As on 1st June, 2013 SAIL dealership network consists of 2986 dealers spread over 629 districts including 678 rural dealers under its new Rural Dealership Scheme launched in 2011-12 with a view to expand its scope of business in rural areas of the country especially at block/taluka level. The details of State-wise dealership and rural dealership Network of SAIL are given at Annexure-I and II respectively. Process for further appointment of rural

dealers is under progress. The primary objective of the Rural Dealership Scheme is to meet the steel demands of the small rural consumers at block, tehsils and taluka levels.

32. As per SAIL Dealership Policy and Rural Dealership Policy, dealers are required to stock TMT Bars, GP/SC Sheets and other items required by common men and sell to small/retail customers at prices fixed by SAIL. Appointment of dealers in various districts/blocks/talukas has helped in making steel items of mass consumption available near the consuming points at competitive prices as SAIL absorbs transportation cost from the nearest SAIL warehouse to the dealers' premises. As a result, SAIL material is made available in rural and remote locations at the same price at which it is available to dealers at the nearest SAIL warehouse location.

33. As regards, according preference to applicants from SC/ST and OBC categories for dealership of SAIL products, the Committee were apprised that Dealers under SC/ST & OBC have been exempted from payment of security deposit @ Rs. 500/- per tone of agreed monthly off-take. Applicants belonging to SC/ST & OBC are being given preference in appointment as SAIL dealer, subject to their fulfilling eligibility criteria/conditions, as prescribed for them.

34. During the informal discussion at Darjeeling while the Committee were on study tour, the Committee have desired to know as to how far the new "SAIL Rural Dealership Policy" launched during 2011-12 has been successful for increase in the growth of steel usage in rural areas. In this context, the Ministry of Steel/SAIL have replied as under:—

"Consequent upon the launch of the Dealership Scheme, the first appointment of Rural Dealers was made from April, 2012 onwards. SAIL plans to increase the number of rural dealers to one thousand by the end of this financial year. From a level of Nil supplies during 2011-12, SAIL has increased supplies to Rural Dealers to the level of 12990 tonnes during the year 2012-13. During the current financial year, thrust would be given for increasing the numbers and supplies to Rural Dealers. TMT Bars from ISP Bar Mill will greatly help in enhancing the supply of steel (TMT Bars) to rural areas."

35. Enquired about the efforts made by SAIL to create adequate network infrastructure to create more demand of steel in rural areas, the SAIL has replied as follows:—

"As regards increasing demand for steel in rural areas, the following initiatives are being considered:—

- (a) Appointment of more Dealers in the rural areas;

- (b) Increasing the volume of supply of steel to Rural Dealers once ISP Bar Mill is commissioned;
- (c) Creation of a viable supply chain logistics to serve these Deale; and
- (d) Increased quantum of promotional activities.”

36. Asked about the present rate of consumption of steel in the country and whether there has been any increase in the percentage consumption of finished steel in rural areas after the launch of ‘Rural Dealership Policy’ by SAIL and whether any study has been conducted in this regard, SAIL has informed the Committee as under:—

“As per Joint Plant Committee (JPC), consumption of steel in the country during 2012-13 was 73.33 million tonnes, a growth of 3.3% over CPLY. Based on this per capita consumption of steel in the country during the year 2012-13 works out to 60 kg. A beginning has been made by SAIL to take steel to the rural areas with the introduction of the Rural Dealership scheme. With increased availability, significant enhancement can be expected in usage of steel in these areas in the coming years. JPC has recently sponsored a study that revealed that consumption of Steel in Rural areas is 12 kgs per capita.”

37. When the Committee asked about the efforts made by the SAIL management including funds allocated during the last three years for “Promotion of Steel Usage” Region-wise, the Ministry of Steel/ SAIL has submitted the information as follows:—

“SAIL has been promoting steel usage primarily through its Dealership Scheme. The region-wise promotional expenditure in Retail has been as follows:—

(In Rs. Lakhs)					
Year	ER	NR	WR	SR	Total
2012-13	121.3	148.2	74.9	32.2	376.6
2011-12	111.3	125.0	94.1	45.0	375.4
2010-11	94.9	142.9	91.3	49.1	378.2

38. The Committee were informed that though SAIL and RINL has increased their rural retail dealers to 678 and 606 respectively, the per capita steel consumption in rural areas is mere 10 kg against the



given average of about 60 kg. Enquired about the increase in sale of steel products by the increased number of retail rural dealers of both SAIL and RINL during the last three years, the Committee were informed in a post evidence reply as under:

**“SAIL**

Sale of steel materials through Retail Network of SAIL during the last three years has been:—

TMT:	'Qty in T		
SALES	2012-13	2011-12	2010-11
Total Retail Sales	379127	392095	413230
Rural Dealership Sales	9552	0	0
GP/GC:	'Qty in T		
SALES	2012-13	2011-12	2010-11
Total Retail Sales	149159	139928	137471
Rural Dealership Sales	3172	0	0
LIGHT STRLS	'Qty in T		
SALES	2012-13	2011-12	2010-11
Total Retail Sales	14891	24092	28786
Rural Dealership Sales	266	0	0

39. As per SAIL Dealership policy, SAIL dealers are required to spend Rs. 100 per tonne on promotion of SAIL products which is reimbursed by SAIL.

40. As per SAIL's Dealership Scheme, a Dealer is entitled to spend on promotional activities a sum based on accruals which depends on the lifting (off take) by the Dealer. The concerned Branch Office in consultation with Regional Office undertakes expenditure of unspent amount, if any, towards other promotional activities like holding of Mason Meets/Architect Meets and also other forms of promotional activities.

41. A brief summary of some of the major promotional activities undertaken in 2012-13 in all the Regions are as under:—

**(I) “Eastern Region**

- 7 nos. of Dealer Meets, 2 nos. of Architect Meets and 5 nos. of Mason Meets held.

- Various Promotional Activities undertaken:
  - Distributed Calendars with SAIL products & Logo to Dealers at Bokaro.
  - Partly sponsored a Car Rally at Kolkata.
  - Participated in the CII Exhibition in August, 2012—SAIL stall with product displays, banners and brochures.
  - Wall paintings, Hoardings, Cable TV ads, displays at Traffic Barricades, Printing and distributing T. shirts etc. undertaken by the various Branches.

#### **(II) Northern Region**

- 80 nos. of Dealer Meets, 4 nos. of Architect and 4 nos. of Mason Meets held.
- Various Promotional activities undertaken:
  - Hoardings, Bus Back Advertisements etc. displayed by the Branches.

#### **(III) Western Region**

- 14 nos. of Dealer Meets, 6 nos. of Mason Meets and 1 Architect Meet held.
- Various Promotional activities undertaken:
  - Wall Paintings, Bus Shelters, Flex on Trucks and Trailers, Hoardings.
  - Advertisement on RSTC Tickets and Yellow pages published at Jaipur and Baroda.
  - A Cycle Rally “Paddle Power, 2012” was conducted at Pune.

#### **(IV) Southern Region**

- 6 nos. of Dealer Meets and 2 nos. of Mason Meets held.
- Various Promotional activities undertaken:
  - Participated in the International exhibition on Building materials organised by Builders Association of India, Southern Centre during 29th June-1st July, 2012 at Chennai Trade Centre, Chennai.
  - Backlit Display Board installed in SAIL Office, Chennai during March, 2013.

- Hoardings at Railway Station, Bus Panel Ads, Cable TV Ads, Pamphlets in local language, Wall paintings, Newspaper Ads, Stickers on Auto Rickshaws etc. undertaken by the Branches.

Expenditure on account of promotional activities is expected to increase with higher off-takes under the Rural Dealership Scheme from this year.

Besides the above, promotion of steel usage for other products not covered under the Dealership Scheme is undertaken by the Application Engineering Group in association with RDCIS and Steel Plants through continuous interaction with customers."

42. The promotional activities are undertaken by SAIL and its dealers including in the interior areas attached to the SAIL Branch Sales Office/Dealer. Some of the activities undertaken for publicity are given below:—

**“(a) Outdoor Advertisements**

Wall Paintings, Hoardings, Mobile Vans, Display on Bus backs, Kiosks, Bus Shelters, Welcome Signage at entry into different districts/towns, Glowing boards.

**(b) Printed Materials**

Product Brouchers, Product Literatures/Pamphlets, Dealer Directory, Posters, Calendars, Advertisements on Railway Tickets/Railway Reservation charts, Bus tickets and Yellow pages.

**(c) Audio-Visuals**

Films, Presentations, Radio/FM Jingles, Road Shows.

**(d) Events**

Mason Meets, Architect Meets, Dealer Meets/Conference, Road Shows, Participation in Exhibitions and Melas, Sponsoring/Co-sponsoring of events, Cycle rally.

**(e) Gift Items**

Pads, Pens, T-shirts, Caps, Gloves, Clocks, Diaries, Callipers, Measuring Tapes, Bags etc."

43. During the study visit to Darjeeling in May, 2013, the Committee had enquired about the details of the special efforts made for "Promotion of Steel Usage" especially in the rural, hilly and far flung

areas of North-Eastern Region. In this regard, SAIL has submitted the following:—

“Major promotional activities undertaken in the North-Eastern region are as follows:—

- (i) To get optimum visibility 28 welcome kiosks were installed at Guwahati airport road (Feb. 2013). The kiosks offer visibility to both incoming and outgoing airport traffic.
- (ii) A 70x20 welcome hoarding was installed at Guwahati airport road area (Feb. 2013). The gigantic hoarding greets all visitors to Guwahati.
- (iii) A special campaign of SAIL branded buses was implemented in August 2012. Also special SAIL branded traffic barricades were implemented. 50 Buses plying all over Guwahati were branded and 10 SAIL branded Traffic Barricades across Guwahati was implemented.
- (iv) 68,750 sq. feet wall paintings campaign undertaken in Assam, Tripura and Meghalaya during June 2012 and Aug. 2012 was highly successful and led to widespread company visibility. A total of 36,750 sq. feet wall paintings were done in Assam, 10,250 sq. feet in Meghalaya and 21,750 sq. feet in Tripura during this period.
- (v) A Dealers’ meet on dealer finance programme was organised at Guwahati in December 2012. Dealers were briefed on the innovative dealer finance scheme being initiated by SAIL in collaboration with metal junction with State Bank of India as financing partner. The dealer finance scheme will facilitate dealers with credit opportunities. Another dealers’ meet was organised at Guwahati in April 2013 chaired by ED (LP) and RM Retail.
- (vi) A masons’ meet was organised at Agartala in May 2012 to brief masons about the benefits of SAIL products.
- (vii) An all India kick boxing championship held for the first time was sponsored by SAIL at Guwahati in February 2013.
- (viii) SAIL also sponsored the main Bihu function at Guwahati in April 2013 with a footfall of 5 lakhs.
- (ix) Sponsored Durga Puja celebrations at NTPC Salakhati Township in Oct. 2012.

Expenditures on account of promotional activities in the North-Eastern Region have increased from a level of Rs 17.48 lacs in 2011-12 to Rs 21.44 lacs in 2012-13.”

44. Regarding steps taken for promotion of steel industry by SAIL, the Committee were also apprised of the following:—

- ❖ “In addition SAIL, has undertaken following activities for promotion of steel usages during 2012-13. Technical presentations were made to Government Department and project customers for publicity of new products like corrosion resistant/earthquake resistant TMT Bars for construction and rock bolt bars for tunnelling.
- ❖ At SAIL, continuous efforts are being made to develop new products for meeting specific applications as required by our customers for promoting steel usage. Development of new and improved products helps in increasing use of steel and in avoiding replacement of steel by other substitutes. It also helps in adding value to the product and in turn improves customer satisfaction levels. SAIL developed 24 new products during the year 2012-13 for a wide variety of application. Some of the new products developed were—
  - IS 2062 E350 HR Coil without micro-alloying (Thinner Gauge 1.6-4.0 mm) at Salem Steel Plant and IS 2062 E450 HR Coil at Bokaro Steel Plant for Railway wagons.
  - API X-70 HR Coil at Rourkela Steel Plant for Sour Gas Application.
  - ASTM 537 CL. II Q & T Plates at Bhilai and Rourkela Steel Plants for Petrochemical and Heavy Machinery.
  - Soft Iron Magnetic Plates at Bhilai Steel Plant for Neutrino Observatory.
- ❖ SAIL regularly participates in fairs and exhibitions highlighting various usages of steel. During 2012-13 SAIL participated in India International Trade Fair (IITF) and India Engineering Trade Fair held in November 2012, February 2013 at Pragati Maidan Delhi and also in India Steel 2013 held at Mumbai in April 2013.
- ❖ SAIL has taken up comprehensive development of 79 Model Steel Villages spanning eight States. The development work being undertaken in these villages is likely to result in generation of steel demand. State-wise details of Model Steel Villages are as given below.

State	No. of Villages	Plant/Units
1	2	3
Bihar	3	CMO-3
Jharkhand	13	BSL-8, RMD-5

1	2	3
Odisha	19	RSP-16, RMD-3
West Bengal	20	DSP-11, ISP-7, ASP-2
Chhattisgarh	21	BSP-21
Karnataka	1	AISP-1
Madhya Pradesh	1	RMD-1
Tamil Nadu	1	SSP-1
Total No. of villages	79	79

Specific promotional activities undertaken during 2012-13 is given at Annexure-III.”

**(iv) Rashtriya Ispat Nigam Ltd. (RINL)**

45. The Committee have been informed that RINL-VSP makes efforts on continuous basis for promotion of steel usage through development and supplying of new products and improving Distribution Network for wider coverage. Efforts are made for developing new products to meet specific applications, which in turn help in promoting steel usage. The requirements of customers of new products/grades/sizes of steel products are collected through various interactions with the customers. In case it is found technologically feasible, these products are developed and supplied to the customers. Some of the new products developed and supplied to the customers in the recent past include Billets for Axles, Squares for manufacturing Structural for Transmission Line Towers, Billets for manufacturing Seamless Tubes etc.

46. In order to promote steel consumption in rural areas further, RINL introduced Rural Dealership Scheme and the number of such Dealers have been increased six fold to 606 in the last three years as under:—

Item	March, 2010	March, 2013
Rural Dealers	100	606

47. Out of 606 Dealers, 90 belong to SC/ST category and 109 belong to OBC category.

48. RINL has informed the Committee that in order to improve distribution of steel in rural areas further, it is planned to increase the number of Dealers to 1000 by end of current year. Appointment of

Dealers is being done on continuous basis to achieve Company's Objective of ensuring availability of RINL products in nook and corner of the country.

49. Keeping in view the ongoing and future expansion of the plant capacity, actions have been initiated by RINL to open 7 New Branches at Raipur, Ranchi, Trichy, Allahabad, Siliguri, Panaji and Jammu. Initially, RINL plans to appoint Marketing Contact Officers (MCOs) at 7 locations.

50. RINL also plans to open Nodal Stockyards in South, West and Northern Regions to improve distribution of steel products to various locations. At Head Quarters, Visakhapatnam a new Central Despatch Yard is going to be constructed to facilitate systematic stacking and speedy loading of products into the wagons.

51. With a view to popularising usage of steel in rural areas, RINL/VSP introduced the Scheme of registration of District Level Dealers in Small Towns and Rural Dealers at Block and Panchayat Level locations. The process of registration of Rural Dealers is continuous and simple. Preference is given for the minorities and women entrepreneurs in the Rural Areas for the Rural Dealerships. For promotion of e-sales RINL has also launched e-portal. RINL-VSP has floated EOI for taking Steel Processing Units (SPUs) on Wet Lease basis for manufacturing of economy Rebars and Structural from the semis produced in RINL. These economy products are to be sold in the Rural Areas with new Brand Name.

52. During the study tour to Gangtok in May, 2013, when the Committee desired to know the mechanism available in RINL for marketing its various products, the RINL has submitted the following:—

"RINL has a wide distribution network spread across the country for supplying steel products to various category of customers include those in the nook and corner of the country. The company has 5 Regional Offices located at Delhi (North), Mumbai (West), Chennai (South), Kolkata (East) and Visakhapatnam (Andhra Pradesh). RINL has 23 Branch Sales Offices and 22 Stockyards.

The company has Consignment Sales Agents (CSAs) at 5 locations including 2 in North East *i.e.* Guwahati (Assam) and Agartala (Tripura), Bhopal and Jabalpur (M.P.) and Varanasi (U.P.) and 133 Retailers, who market RINL's Products. These outlets help in supplying steel to customers in urban and semi-urban areas. There are 606 Dealers as on 31.3.2013, all throughout the country supplying steel products to urban, semi-urban and rural customer in addition to other distribution points.

RINL primarily markets its products to 3 market segments *i.e.* Projects, Industrial Consumers (Actual Users) and Retailers. In addition, steel projects are also supplied to National Small Industry Corporation (NSIC) and State Small Scale Industry Corporations (SSIC) as per the allocation made by the Ministry of Steel, Government of India.

Leveraging its Port based location, RINL also export pig iron and a small quantity of steel products. The Export Division is located at Head Quarters, Visakhapatnam. In the process of manufacturing iron and steel, by-products are generated. RINL also markets the by-products like naphthalene, benzol products, ammonium sulfate, pitch, coal tar, coal oils, granulated BF slag, lime fines, oxygen etc.”

53. Asked about the efforts that have been made by the RINL management including funds allocated during the last three years for “Promotion of Steel Usage” (Region-wise), RINL has informed the Committee as under:—

“RINL has adopted a 3 Pronged Action Plan for improving steel usage, as below:—

#### I. Widening Marketing Distribution Network

The per capita steel consumption of steel in rural areas has now picked up but still it is a mere 10 Kg. against the country’s average of about 60 Kg. In order to promote steel consumption in rural areas further, RINL introduced Rural Dealership Scheme and the number of such Dealers have been increased six fold to 606 in the last three years. Region-wise number of Rural Dealers are as under:—

Region	March, 2010	March, 2013
North	3	190
West	8	81
South	29	162
East	25	158
Andhra	35	15
Total	100	606



Out of 606 Dealers, 90 belong to SC/ST category and 109 belong to OBC category. In order to further improve distribution of steel in rural areas, it is planned to increase the number of Dealers to 1000 by end of current year. Appointment of Dealer is being done on continuous basis to achieve Company's Objectives of ensuring availability of RINL projects in nook and corner of the country.

Keeping in view the ongoing and future expansion of the plant capacity actions have been initiated to open 6 New Branches at Renigunta, Trichy, Ranchi, Allahabad, Sonapat and Jammu. RINL also plans to appoint Marketing Contact Officers (MCO's) at 7 locations. These are Raipur, Ranchi, Trichy, Allahabad, Siliguri, Panaji and Jammu.

RINL has also plans to open Nodal Stockyards in South, West and Northern Region to improve distribution of steel products to various locations. At Head Quarters, Visakhapatnam a new Central Dispatch Yard is going to be constructed to facilitate systematic stacking and speedy loading of projects into the wagons. To improve dispatch and delivery, it has also been proposed to introduce coastal shipping in East coast from Visakhapatnam to Chennai to begin with.

#### Export

RINL's products are well accepted in international market. Currently after the meeting the domestic requirement, export of around Rs. 500 crore annually is being done. Last year RINL's share in export of pig iron from the country was the highest at 59%. As per strategy, about 10% of its products will be targeted for export. Under this endeavour, the company has opened International Marketing Office (IMO) in World Trade Centre at Colombo, Srilanka in April, 2013. Efforts are being made to take Rolling Mills on wet lease basis in Srilanka and Myanmar for rolling RINL's semis into finished steel products like TMT bars and Structurals and market in these countries and also export to other countries. It is planned to open Marketing Offices in countries like Singapore, Dubai, Malaysia, etc. to improve exports.

#### II. Development of new products and augmentation of capacity

Objectives: To serve customers better by meeting their requirement of quality projects, decrease the specific consumption, making steel use cost competitive and also to produce products, which are currently being fully/partially imported.

Products development is a continuous process of RINL to meet the specific requirements of customers. In response to the customers need, product development is taken up, successfully developed products are supplied to them. During last 3 years, about 65 new products have been developed. The new products developed are meeting the stringent quality requirement of sectors like construction, railways, oil and gas, automobile, engineering etc. Supply of the projects RINL contributes to increase in steel consumption in the country.

RINL has taken a number of steps to produce projects of import substitution. In the capacity expansion to 7.3 Mt, the product-mix is being widened. State-of-the art Secondary refining facilities like Electro Magnetic Stirrer (EMS), RH Degasser, Ladle furnace along with several new technologies are introduced in the ongoing expansion. These facilities give capacity to produce any chemistry required by customers. Several new units are getting installed by RINL to produce the following products, which are basically import substitution items:—

Continuous Cast Rounds: to produce rounds upto 500 mm dia. First time in India to meet the requirement of tube manufactures, forgings sector etc.

Forged wheels: To supply wheels to Railways to meet the requirement of High Speed Trains and others. Biggest Plant in India. Installation of this unit will curb import and also encourage export.

Axle Plant: To supply axles to Railways to meet the requirement of higher wagon loads. This will be the 2nd Biggest plant in India. The unit will curb import and encourage export and also meet the requirement of special forging.

Seamless Tubes: To supply seamless tubes upto 18" dia. of higher grades. The unit is going to be the 1st in India. This will meet the growing requirement of power, oil & gas sector in India as well as other countries, mostly in Gulf countries.

TLT Grade Structural: All items at one place. This unit is going to be the 1st of its kind in India.

Electrical Sheets in CRGO/CRNO Grades: It is at initial stage of technology acquisition/development.

Flat Products: RINL has plans to diversify into the products segment in the expansion from 7.3 MT to 11.5 MT capacity.

### III. Advertisement campaigns

Objectives: To build brand name of the company and promotion of steel usage to bring awareness amongst larger cross section of people.

Earlier RINL was depending more on mouth-to-mouth publicity arising out of its excellent Marketing Services. Survey made by PM's Trophy Team has also brought out this feature. Hence there was limited expenditure on publicity. However, now with expansion products and availability of higher projects volume, RINL's expenditure on sales promotion is getting increased in stages. During the last 2 years, expenditure increased by 53% to Rs. 3.05 crore of last year *i.e.* 2012-13. Keeping in view the need and the initiatives required to be taken for product campaigns, Board of RINL has also enhanced the budget for product promotion to Rs. 15 per tonne of steel sales. Steel promotion activities being taken includes:

- (i) Conducting workshops of Architects, Designers, Builders, Consultants etc. at Major Metros (New Delhi, Kolkata, Chennai, Mumbai Hyderabad, Bangalore, Ahmedabad, Patna Bhubaneswar, Kanpur/Agra)
- (ii) Meet on Rural Marketing to promote "Steel consumption in Rural Areas" was undertaken in association with CII and ASSOCHAM.
- (iii) Partners Summit held every year at HQ, Visakhapatnam, where Rural Dealers participate and discuss various interface issues.
- (iv) Regular Rural Dealers Meets are being conducted in the Branch Offices.
- (v) CSR Programme along with promotion of steel in rural areas have been conducted in Bhubaneswar, Bangalore, Jaipur, Lucknow and Kanpur & such programme will be taken up in other areas.
- (vi) Advertisements during important Sports Events, Seminar etc.
- (vii) Making a Product Film in local languages and telecast through local Cable Network.
- (viii) Making a CD consisting of Product Features and Contract Persons.

- (ix) Advertisements on Buses, Hoardings at Bus Stands, Airports Railway Stations and vantage points.
- (x) Glow Sign Boards at Stock Yards, Retailers, DLD's and RDs locations.
- (xi) Product Campaign through News papers, Magazines etc.
- (xii) Product Campaign in Airlines In-flight Magazines.
- (xiii) Hoardings on RINL's Products in Tier-II Cities & Rural Areas.
- (xiv) Projections of video clips on RINL Products in Cinema Halls.
- (xv) Participation in Exhibitions for displaying RINL's Products.
- (xvi) Printing of Product Brochures for Circulation amongst customers.
- (xvii) RINL along with INSDAG has also taken up steel product promotion campaign for improving steel consumption in the country.

With combined effects of advertisement, customer satisfaction, new products, rural dealership scheme etc, RINL has recorded growth in sales of steel products in major States *i.e.* UP by 21%, Bihar by 13%, Uttaranchal by 58%, Haryana by 18%, Rajasthan by 15%, Odisha by 25%, West Bengal by 21% and Maharashtra by 11% in 2011-12. Similarly, in 2012-13, growth rates were registered in various States, *i.e.* Bihar by 33%, Gujarat by 3%, Delhi 208% and Kerala by 15%.

Institute for Steel Development and Growth (INSDAG), promoted by major steel producers in the country and the Ministry of Steel (MoS) has been acting as a nodal agency for undertaking promotion of steel usage campaign in the country. RINL is a member of this campaign committee and finances the promotional activities undertaken by INSDAG.

The details of actual expenditure on product promotion in the last 3 years by RINL are brought out below:—

Items	2010-11	2011-12	2012-13
Actual expenditure	1.99	3.13	3.05

The expenditure was primarily for issuing Advertisement in the News Papers, advertisements on the Buses, participating in Exhibitions, Putting Banners and Bill Boards at Bus Stations and important locations, advertisements at Airport and during important Sports Events, Seminars etc.”

54. As regard the outlays that have been earmarked for the promotion of steel for the year 2013-14, the Committee were informed as under:—

**“SAIL**

SAIL plans to increase the expenditure on promotion on account of Retail from the last year's level of ₹ 3.77 crores to about ₹ 4.25 crores which is an increase of over 12%.

**RINL**

The outlay earmarked by RINL for product promotion at RINL in 2013-14 is Rs. 2.5 cr.”

55. Asked about the constraints faced by the RINL in supplying the steel products, the Committee were informed as under:—

“RINL is a single unit south based integrated steel plant located in Visakhapatnam, Andhra Pradesh. More than 50% of its steel products are sold in southern states due to freight advantage. Additional freight is incurred for sending products to farther places making already thin margins due to lack of captive iron ore mines. In case of addition of actual freight, product price is becoming high. Waival of CST on sales in North-Eastern States would reduce the sale price. Some of the constraints are brought out below:

- (i) The lifting performance of steel products by Rural Dealers is not upto expectation. RINL is taking action for popularizing steel consumption in rural areas through publicity and conducting seminars etc.
- (ii) Transportation & Logistic is a constraint for movement of steel products in the interior locations.”

56. During the informal discussion at Gangtok on 25.5.2013 when asked as to whether RINL has launched a Rural Dealership Scheme on the lines of SAIL and whether RINL has faced any hindrances in the North-Eastern Region during the process, the Ministry of Steel/ RINL submitted as under:—

“As regards the Rural Dealership Scheme, the Committee were informed that RINL is a pioneer in launching and the same was launched during the FY 2010-11. There has been steady increase in the number of Dealers appointed year after year. The No. of Dealers

at the end of the year in the last two years and the current years is as under:—

Item	2010-11	2011-12	2012-13
No. of Rural Dealers	229	318	606

As on 31.3.2013, 20 Rural Dealers have been appointed in various States in North-Eastern Region. Steel products for these Rural Dealers are serviced from Branch Sales Office (BSO), Kolkata. In the North-Eastern Region, response to the advertisements issues is normally poor and as result, RINL is not in a position to increase the network.”

57. When the Committee asked about the present rate of Consumption of steel in the country and enhancement in the percentage consumption of finished steel in rural areas after the launch of ‘Rural Dealership Policy’ by RINL, the Committee were informed as under:—

“After implementation of Rural Dealership Scheme by RINL, there has been a steady growth in sales in the Rural Areas. The steel supplies to rural areas by RINL are as under:—

Item	2010-11	2011-12	2012-13
Quantity of Steel supplied through Rural Dealers (Tonnes)	1.52	1.74	2.00”

58. During the study visit of the Committee at Gangtok in May, 2013, when asked about the efforts made by RINL to create adequate network infrastructure to create more demand of steel, the following was submitted to the Committee:—

“RINL has a wide distribution network consisting of Regional Officers, Branch Sales Officers and Stockyards spread across the country. Consignment Sales Agents are appointed at locations, where RINL does not have its outlets. Retailers are appointed for supplying steel to the customers in various locations. Rural Dealers are appointed for supplying steel products to the semi-urban and rural customers.

Some of the initiatives taken by the Company for creating more demand for steel are as under:—

- (i) Appointment of Exclusive Dealers at various locations in the country.
- (ii) Appointment of Channel partners in the states, where RINL has no presence or meager presence.

- (iii) Posting of Marketing Contract Officers (MCOs) at Ranchi, Raipur, Trichy, Allahabad, Panji (Goa), Jammu and Siliguri to tap the potential market in the respective areas has been taken up.
- (iv) Taking Steel Processing Unit (SPU) for conversion of semis into finished steel products.
- (v) Opening Service Centres at important locations in the Country.
- (vi) International Marketing Office (IMO) at Colombo, Sri Lanka to be operational.
- (vii) Taking Steel Processing Unit (SPU) in Sri Lanka and Myanmar.

Depending upon the requirement, Marketing Contract Officer (MCO) of RINL are planned to be posted in Dubai, Singapore and Kuala Lumpur, so as to facilitate export tie ups with various countries in Asia and other countries."

59. The Committee have desired to know efforts made by RINL during the last three years for promotion of steel usage in the country. In this regard, RINL has submitted as under:—

"The following are the actions taken by RINL in the last 3 years for promotion of steel usage in the country:—

**(a) Increase in distribution network**

INSDAG has been acting as a nodal agency for undertaking promotion of steel usage campaign in the country & RINL is a member of this campaign committee and finances the promotional activities undertaken by INSDAG. Besides this, RINL has also promoted usage of steel by making product campaigns and also increasing the availability of steel in rural areas by expanding its distribution network through appointment of RDS.

**(b) Development of new products**

RINL makes efforts on continuous basis for development of new products to meet specific requirement of the customers, which increase usage of steel. The number of new products developed in the last 3 years is as under:—

Sl.No.	2009-10	2010-11	2011-12
No. of new products developed	21	25	26

The new products developed find application in various sectors like construction, railways, oil and gas, automobile, engineering etc. Supply of the products by RINL contributes to increase in steel consumption in the country."

## PART II

### OBSERVATIONS/RECOMMENDATIONS OF THE COMMITTEE

1. The per capita consumption of steel is considered as an important index for the socio-economic development and living standard of the people of any country. The Committee are concerned to note that though India ranked 4th in the world steel production with annual production of steel at 73.6 million tonne after China (716.5 million tonne) Japan (107.2 million tonne) and USA (86.4 million tonne), the per capita consumption of finished steel in the country stood awefully at 60 kg. against the world average of 216.9 kg. during 2012 which is also much below the per capita finished steel used in South Korea (1114.1 kg.), Japan (506 kg.), China (477.4 kg.). The Committee also note that per capita consumption in the country have risen from 39.6 kg. in 2006 to 59.8 kg. in 2012. Although, the Committee note that after their recommendation [25th Report on Demands for Grants (2007-08)] to the Ministry to achieve the huge growth potential and to create required infrastructure for steel industry as well as increase per capita consumption of steel, there has been increase of about 16.6 kg. of per capita consumption of steel in the country, they, however, are of the view that with the present rate of increase in per capita consumption of steel, it may take centuries to catch up with the developed countries like South Korea, Japan and even China in per capita consumption of steel in the country. Though SAIL has formulated a new SAIL Rural Dealership Policy only during 2011-12, RINL does not have such policy to increase growth of steel usage in rural areas. The Committee strongly believe that India being a developing country, there is a huge scope for increase in steel consumption in infrastructure sector like roads, railway network, sea ports, airports, large scale housing projects, industries including capacity addition in power generation and distribution, oil and gas, steel, communication, manufacturing sectors, agricultural sector, construction of dams and bridges, interlinking of rivers, mechanization of farming, tapping potential of steel consumption in rural area, fencing of countries borders, etc. The Committee would like the Ministry of Steel/Steel PSUs to formulate a comprehensive policy for promotion of steel usage since the consumption of steel has a direct bearing on the production of steel keeping in view the manifold increase in the steel production in the coming years.



2. The Committee observe that consumption of steel has not grown relatively in the rural areas which comes out to 9.78 kg. What has further perturbed the Committee is that despite huge potential in rural India where 72% of 1 billion plus population of the country live, the Joint Plant Committee (JPC) has assessed, only around 12 kg. per capita consumption by the end of the year 2020. Although, the Government have admitted that it is not the target and is just a statistical project, the Committee are of the view that increasing affluence and impact of urbanization, rural populace can afford even more steel consumption and with various promotional measures, the rural steel consumption can grow beyond the perceived levels. The Committee feel that for enhancing the consumption of steel in rural India, it is necessary to make rural consumers aware of the advantages of steel usage over the traditional materials like wood and plastic in terms of inherent strength, design flexibility, the fire resistance, durability and life cycle cost advantage besides the eco-friendliness of using steel in construction, storage and other household items. The Committee, therefore, recommend that rural campaign of the Ministry/Steel PSUs for promotion of steel should aim to achieve these ends.

*Working Group on Steel for 12th Five Year Plan*

3. The Committee note that the Working Group on Steel for 12th Five Year Plan had indicated that in order to achieve double digit growth rate of domestic steel consumption investments of 1 billion dollar in infrastructure and setting up of the national manufacturing and investment zones are required as integral part to accelerate the pace of implementation of infrastructure projects in the country. The Committee have been apprised that steps are being taken by the Government/Steel Companies to improve the cement to steel ratio in construction, deeper penetration into rural markets, diversification strategies etc. as pointed out by the Working Group. Further, Institute for Steel Development and Growth (INSDAG) has been continuously propagating various ways and means to improve steel to cement ratio in construction, preparation and dissemination of various reports/guidebooks/manuals/Codes & Standards, continuous education to professionals, faculties and students through various classrooms trainings/seminars/competitions, representation to various implementing authorities for steel/steel-concrete composite construction, etc. The Committee have been informed that one prominent example in this regard is extensive and exclusive use of structural steel in airport modernization across the country. Taking note of the huge investments required in manufacturing and

infrastructure projects, the Committee would like to be apprised of the investments made by Steel PSUs for undertaking modernisation programme and product diversification strategy so far with focus on value added products.

4. The Committee note that the Working Group on Steel for the 12th Five Year Plan Period has stressed on the need for projects like Bharat Nirman, Pradhan Mantri Gram Sadak Yojana and Rajiv Gandhi Awas Yojana to increase the per capita steel consumption. The Committee have been given to understand that INSDAG had developed comprehensive design and construction manual for small span bridges and culverts for National Rural Roads Development Agency (NRRDA) under Ministry of Rural Development and Ministry of Road Transport and Highways (MoRTH) for implementation of the same in rural areas. These steel based designs of rural bridges and culverts are presently being implemented in various parts of the country. While observing that INSDAG is constructing two prototype buildings in Tripura for exposure to rural masses and one such building has been constructed at a remote village in West Bengal, the Committee recommend that this concept be followed in more and more States to create greater awareness for use of steel to help the rural people. The Committee also desire that Border Road Organisation and National Highways Authority of India should also be pursued by Ministry of Steel to develop comprehensive design and construction manual for their use as developed by INSDAG for NRRDA.

5. The Committee also note that Working Group on Steel for 12th Five Year Plan has also recommended that subsidies for purchasing agri-implements/machinery through effective targeting by UID scheme should be implemented. Although, the Ministry of Steel has informed the Committee that there is no proposal for providing subsidy by them for agri-implements/machinery, the Committee feel that the Government should come out with such a proposal to ensure deeper penetration into rural markets where demand remains untapped.

6. As regards the thrust given to design product developments and capacity building in fabrication of steel articles needed by the rural economy for houses for villages, community halls, culverts and bridges etc., the Committee observe that RINL has planned to set up Steel Processing Units to manufacture 'Made to Order' steel products on various locations in the country. The shapes and sizes required by the customers from rural areas are planned to be

manufactured from these Special Processing Units. The Committee note that SAIL has taken up comprehensive development of 79 model Steel villages spanning over 8 States and development work undertaken in these villages is likely to result in generation of steel demand. Further, as per designs developed by INSDAG, RINL has built a steel village with some houses, school building and community centre in the vicinity of the Vishakhapatnam Steel Plant. While appreciating RINL plan to set up Steel Processing Units at various locations in the country, the Committee desire that Government should come out with a plan where all steel producing units, be in public or private sectors, are directed to set up such 'Made to Order' Special Processing Units at various locations in the country to boost the per capita steel consumption in rural areas.

7. The Committee are given to understand that fabrication is considered one of the major bottlenecks of enhanced steel usage in rural/semi-urban areas and INSDAG is reported to be trying to improve the scenario by imparting hand-holding support to the prospective rural entrepreneurs to set up their own fabrication units at their chosen locations. The Committee are, however, perturbed to note that the Government and PSUs like SAIL and RINL have failed to take desired steps to increase the demand of steel in rural market by supporting the prospective rural entrepreneurs to set up their own fabrication units. Further, though RINL has reported to have developed earthquake resistant and corrosion resistant rebars for usage in construction and has claimed that these new grades of steel products help in reducing damage during natural calamities like earthquakes, floods, tsunamis, etc. in rural, hilly and coastal areas and increases the life of structures constructed, the Committee observe that the company has failed to promote these products in hilly areas which are prone to natural calamities like earthquakes, floods, etc. Unhappy to note that the steel companies and INSDAG have failed to promote these steel products in rural and hilly areas, the Committee strongly recommend that the Government should come up with a plan not only to support the prospective rural entrepreneurs to setup their fabrication units but SAIL and RINL should also setup the same at their chosen locations with focus on value added products.

8. The Committee observe that INSDAG has been pursuing various programmes for development of steel usage such as development of steel-concrete composite construction and its propagation, development of efficient and economical structural sections like parallel flange beams and columns, development of

high grade reinforcement bars like 500 and 550 grades through TMT route, maximizing use of colour coated roof and wall sheets, development and popularizing of light weight structures using Square Hollow Sections, Rectangle Hollow Section and Circular Hollow Section. As the Ministry of Steel has informed the Committee that all these developments have been taking shape predominantly during last 5 years and due to their various advantages, are being used extensively in difficult terrain like Uttarakhand, the Committee would like to be apprised of the utilization and adoption of the above technologies in different parts of the country.

#### *Market Development Projects*

9. The Committee note that in 1997, the Government had decided that an amount of Rs. 5 crore per annum be spent on projects intended to develop the market for steel. These market development projects were meant for popularizing steel houses in the country through innovative applications/use of steel in different areas. The Committee are, however, dismayed to note that only four projects with total grants amounting to Rs. 38.12 lakh were taken up for these marketing development projects in the last 5 years. The projects included skill-cum-entrepreneurs development programme in Uttar Pradesh and West Bengal, design manual for steel structurals and hand book on architectural and construction in steel. The Committee, therefore, cannot but deplore the inaction on the part of the Government and Institute for Steel Development and Growth (INSDAG) for their utter failure to implement the project in right spirit which was set up more than a decade ago for promotion of steel use in Indian construction and infrastructural sectors. The Committee feel that INSDAG has failed to achieve its objectives of promotion of steel use by not providing requisite thrust to increase steel consumption particularly in rural areas as it was unable to come up with market development projects. What has further pained the Committee is that despite the existence of various agencies like JPC, INSDAG, Evaluation Committee for monitoring and implementation of MDP, Steel PSUs and private companies, no concrete steps were made to increase consumption of steel. The Committee, therefore, strongly recommend that necessary steps be taken by the Government to ensure that more and more market development projects are taken up and the grants of Rs. 5 crore per year be fully and gainfully utilized for resultant increase in per capita consumption of steel.

#### *Rural Dealership*

10. The Committee observe that the rural retail dealership of SAIL and RINL has increased from nil and 240 in 2010-11 to 678 and 606 in 2012-13 respectively. As regards the sale of steel materials

through retail rural network by SAIL during 2010-11 and 2011-12, the Committee note that it was nil and has increased to the level of 12990 tonnes during the year 2012-13. The steel supply by RINL to rural dealers from 1.53 lakh tonne during 2010-11 and 1.74 lakh tonne during 2011-12 has risen to 2 lakh tonne during 2012-13. From the data furnished by the Government/SAIL, the Committee cannot but deplore the way the SAIL has failed to supply steel materials to rural areas during 2010-11 and 2011-12 and has entered in rural market only after appointment of rural retail dealers during 2012-13. The Committee also observe that the increase in quantity sold by RINL during 2012-13 with 606 dealers at 2 lakh tonne has also not risen sufficiently in proportion to 366 new dealers appointed during 2011-12 and 2012-13. The Committee, therefore, recommend that more and more dealers should be appointed in villages, semi-towns and municipal areas. The future of increased use of domestic steel products rests with the people of rural, semi-towns and municipal areas. Public sector undertakings like SAIL, RINL etc., should take steps to educate the rural people regarding utilisation of domestic steel products. Sometimes, they should hold 'steel melas' in rural areas. Massive advertisements in regional languages should be made in rural areas, so that people become aware of utilisation of steel products. Time has ripen that Nationalized Steel Industry must open their respective publicity department engaging professional experts for publicizing use of steel products in entire India. Public Sector Undertakings(PSUs) must give more time and energy to sell domestic steel products and market development projects in the country.

#### *Sector-wise demand of Steel*

11. From the data furnished by the Ministry of Steel on trends in production for sale, import, export, real consumption of key items of non-alloy steel and overall alloy/stainless steel and finished steel, the Committee observe that among the non-flat category against the production of 3,45,99,000 tonne, the imports and export were 6,24,000 tonne and 4,76,000 tonne respectively. The major products imported in the non-flat category were bar and rods. As regards the flat items, the Committee observe that HR coils and HR sheets are equally imported and exported. As per the India Steel Vision 2020, the utilization of steel by infrastructure and construction sector will be 63% i.e. 45 million tonnes of steel, whereas engineering and fabrication is the another major steel consumption sector which will consume 22% of the steel production (16 million tonne). The Committee note that some of the sectors like CRGO Steel required for transformers in power sector are not produced by any domestic

steel producer. Further, Bake Hardenable Steels, Dual Phase Steel etc., in auto sector, power sector and boiler quality plates for boilers, HR coils/plates for oil and gas sector etc., are also required to be imported. In view of the emerging demand of these products in power, steel, auto, oil and gas sectors, the Committee feel that the steel companies should focus on their production also so as to become self reliant and to save foreign exchange reserves.

*Allocation of Funds for Promotion of Steel Usage*

12. In order to tap the potential of steel usage, promotional activities like mason meets and dealer meets are being held by the steel PSUs to create greater awareness for use of steel in various constructions including individual houses during 2012-13. A total no. of 17 mason meets and 107 dealer meets were conducted by SAIL. The Committee have been informed that steel PSUs has also adopted a three pronged action plan for improving steel usage by widening marketing, distribution network, development of new products and advertisement campaign to bring awareness amongst largest section of people by conducting workshop of architects, designers builders, advertisement during sports events, seminars, hoardings, product campaign through newspaper, printing of product brochures etc. The Committee note that the actual expenditure on product promotion by SAIL during 2012-13 was Rs. 3.78 crore and the outlays for 2013-14 for promotion of steel by SAIL has been kept at Rs. 4.25 crore. As regards funds earmarked by RINL for product promotion in 2013-14, the Committee observe that these have been decreased to Rs. 2.5 crore against the actual expenditure of Rs. 3.05 crore during 2012-13. The Committee are unhappy to observe that though the installed capacity of SAIL which is 12.84 million tonne is much more than that of RINL which is 2.90 million tonne per year, the expenditure incurred by both the companies during 2012-13 on promotion of steel usage is almost the same. The Committee desire that SAIL should increase the outlays for promotion of steel usage. Taking note of the likely crude steel capacity of SAIL to be increased to 20.75 million tonne and that of RINL to 7 million tonne by 2016-17, the Committee recommend that both the companies should spend more amount on promotion of steel usage and the Committee be apprised of the same.

NEW DELHI;  
26 August, 2013  
04 Bhadrapada, 1935 (Saka)

KALYAN BANERJEE,  
Chairman,  
Standing Committee on Coal and Steel.

## ANNEXURE I

**Details of State-wise Dealership Network of SAIL***State-wise, Category-wise Dealers as on 1.6.2013*

State	SC	ST	OBC	Gen.	Total
Odisha	5	0	7	117	129
Jharkhand	9	5	8	67	89
West Bengal	7	0	2	118	127
Assam	1	8	3	61	73
Meghalaya	0	7	0	5	12
Tripura	1	0	1	14	16
Arunachal Pradesh	1	44	0	0	45
Manipur	2	8	1	5	16
Mizoram	0	11	0	1	12
Nagaland	0	20	0	0	20
Bihar	15	0	69	58	142
<b>Total-Eastern Region</b>	<b>41</b>	<b>103</b>	<b>91</b>	<b>446</b>	<b>681</b>
Uttar Pradesh	24	0	62	206	292
Chandigarh	2			21	23
HP	1	4	1	83	89
Delhi	1			43	44
Haryana	32	1	23	102	158
UK	1		1	32	34
Punjab	2	0	0	79	81
J&K	1	3	0	37	41
<b>Total-Northern Region</b>	<b>64</b>	<b>8</b>	<b>87</b>	<b>603</b>	<b>762</b>

State	SC	ST	OBC	Gen.	Total
Gujarat	9	3	3	55	70
Chhattisgarh	1	2	2	43	48
Madhya Pradesh	4	1	7	83	95
Rajasthan	4	0	5	70	79
Maharashtra	74	1	29	118	222
Goa	0	0	0	7	7
Dadra and Nagar Haveli	0	1	0	0	1
Daman and Diu	1	0	1	1	3
Total-Western Region	93	8	47	377	525
Andhra Pradesh	18	4	12	78	112
Karnataka	2	0	2	28	32
Kerala	1		11	36	48
Tamil Nadu	39	1	56	46	142
Andaman and Nicobar Islands	0	0	0	0	0
Puducherry	2		4	0	6
Total-Southern Region	62	5	85	188	340
All India	260	124	310	1614	2308



## ANNEXURE II

**Details of State-wise Rural Dealership Network of SAIL***State-wise, Category-wise Rural Dealers as on 1.6.2013*

State	SC	ST	OBC	Gen.	Total
Odisha	2	1	4	17	24
Jharkhand	5	2	5	13	25
West Bengal	6	0	5	48	59
Assam	0	0	1	7	8
Meghalaya	0	0	0	0	0
Tripura	0	0	0	1	1
Arunachal Pradesh	0	1	0	0	1
Manipur	0	0	0	0	0
Mizoram	0	0	0	0	0
Nagaland	0	0	0	0	0
Bihar	0	0	4	4	8
<b>Total-Eastern Region</b>	<b>13</b>	<b>4</b>	<b>19</b>	<b>90</b>	<b>126</b>
Uttar Pradesh	18	1	57	89	165
Chandigarh	0	0	0	0	0
HP	1	2	1	17	21
Delhi	0	0	0	0	0
Haryana	4	0	2	35	41
UK	0	0	0	1	1
Punjab	2	0	0	24	26
J&K	1	4	0	56	61
<b>Total-Northern Region</b>	<b>26</b>	<b>7</b>	<b>60</b>	<b>222</b>	<b>315</b>

State	SC	ST	OBC	Gen.	Total
Gujarat	2	2	3	11	18
Chhattisgarh	1	1	1	18	21
Madhya Pradesh	3	2	3	23	31
Rajasthan	2	3	6	11	22
Maharashtra	18	3	24	13	58
Goa	0	0	0	1	1
Total-Western Region	26	11	37	77	151
Andhra Pradesh	7	1	7	28	43
Karnataka	1	0	0	2	3
Kerala	0	0	1	11	12
Tamil Nadu	3	0	10	15	28
Andaman and Nicobar Islands	0	0	0	0	0
Puducherry	0	0	0	0	0
Total-Southern Region	11	1	18	56	86
All India	76	23	134	445	678

ANNEXURE III

**Specific promotional activities undertaken by SAIL during 2012-13**

Type of meets	ER	NR	WR	SR	Total
Mason meets	05	04	06	2	17
Architect meets	02	04	01	-	07
Dealer meets	07	80	14	06	107

**Region-wise, location wise other promotional activities undertaken during 2012-13 for SAIL dealers are given below:—**

**Eastern Region:**

- Participated in a CII exhibition in August, 2012 at Bhubaneswar
- Wall paintings done at Bhubaneswar, Kolkata and Rourkela.
- Hoardings were put in prominent places at Bhubaneswar, Guwahati, Bokaro and Patna.
- Newspapers advertisement at Bhubaneswar.
- Glow sign boards displayed at Durgapur Railway Station.
- Cable TV advertisement at Bhubaneswar and Durgapur.
- Vintage Car rally organised by Statesman Kolkata, sponsored by a dealer.
- Display board of SAIL TMT at construction site in Hailakandi (Guwahati).
- Calendar with SAIL products at Logo distributed to Dealers at Bokaro.
- Flex board in remote locations of Patna, Muzaffarpur and Katihar districts of Bihar.
- Distribution of T-Shirts, Caps with SAIL Logo at Durgapur and Patna.

**Northern Region:**

- Wall paintings done at Delhi, Faridabad, Ghaziabad, Agra, Allahabad, Kanpur, Chandigarh, Jalandhar, Ludhiana and Jammu.

- Hoardings were put in prominent places at Faridabad, Ghaziabad, Kanpur, Chandigarh and Jammu.
- Magazine advertisements at Delhi and Faridabad.
- Distribution of diaries, calendars, pen and key chains with SAIL logo at Delhi, Allahabad, Chandigarh and Mandigovindgarh.
- Signboards of products with SAIL logo at Metro Stations in Delhi.
- Distribution of Cricket kit, T-shirts and caps to young Cricket players at Delhi and Faridabad.
- Hand holding meets were organised for SAIL rural dealers at Ghaziabad and Srinagar.
- Flex boards at prominent places in Mandigovindgarh.
- Bus panelling done at Ludhiana.
- Bus body hoardings on 40 JKSRTC buses plying in various districts of J&K.

**Western Region:**

- Wall paintings done at Indore, Nagpur, Pune, Jaipur and Mumbai.
- Hoardings were put in prominent places at Nagpur, Ahmedabad, Baroda, Mumbai and Jaipur.
- Newspapers advertisement at Nagpur, Mumbai and Pune.
- Advertisement on mobile vans, trucks, bus panel at Jaipur, Goa and Mumbai.
- Cycle rally conducted by BSO, Pune.
- Bus tickets and Yellow pages advertisement were done by Jaipur and Baroda.
- Glow sign boards displayed at Railway stations of Indore.
- Advertisement on bus shelter at Mumbai.

**Southern Region:**

- Participated in international exhibition on building materials organised by the Builders Association of India in June 2012 at Chennai.
- Wall painting done at Chennai & Tirupati.

- Hoardings were put in prominent places at Chennai Railway Station.
- Backlit Display Board on SAIL, TMT installed in Kodambakam High Road, Chennai.
- Product advertisement through bus panels at Chennai.
- Distributed T Shirts with SAIL logo at Chennai and Cochin and Vizag.
- Given newspaper advertisements in local newspapers at Hyderabad, Vizag and Coimbatore and Bangalore.
- Distributed laptop bags to select customers at Chennai.
- Distributed gift articles such as keychain, tabletop calenders, tableclock with SAIL emblem at Coimbatore.
- Wall painting of TMT done at Trichy.
- Distributed Mouse pad with SAIL logo at Coimbatore.

**During the current financial year 2013-14 till date, the details of Region-wise, location-wise promotional activities undertaken are as given below:—**

**Eastern Region:**

Branch	Dealer/Promotional Activity
Guwahati	1. 500 Kiosks installed in Guwahati-Shillong Highway. 2. 20x20 Hoarding At Nongpoh (Guwahati-Shillong Highway).
Patna	1. Hoardings. 2. Flex Board Displays. 3. Key Rings and Caps with SAIL logo. 4. Carry Bags with SAIL logo and dealer related steel products. 5. Umbrellas with SAIL logo.
Bokaro	1. 7 Hoardings at Ranchi, Deogarh, Koderma, Hazaribagh, Garwa.

Branch	Dealer/Promotional Activity
	2. Wall Paintings at Bokaro & Deogarh—4000 Sq Ft.
	3. Gifts distributed by dealers to their customers—T-Shirt, Coffee Mugs with SAIL logo.
Bhubneshwar	1. Cable TV Advt. 2. Newspaper Advt. 3. Gift Set—Emergency Light, Hot Case, Electric Iron.
Rourkela	1. Hoardings—4 2. Wall Paintings—3 3. Banner—1 4. Gifts Distributed by dealers to their Customers—T-Shirt, Wall Clock with SAIL Branding.
Kolkata	1. 3 Hoardings at/near Siliguri/Bagdogra Airport. 2. 9 Hoardings along Siliguri—Gangtok Highway. 3. 9 Hoardings along Siliguri—Darjeeling Highway. 4. 3 Hoardings at Batasia Loop and 1 at Ghoom. 5. 1 Hoarding in Darjeeling City. 6. 3 Banners at prominent places in Gangtok city.
Durgapur	1. Umbrellas with SAIL branding distributed by SAIL dealer. 2. Mason meets At Batar, Bankura and Faridpur.

**Northern Region:**

Branch	Promotional Activities by SAIL Branches	Promotional Activities by Dealers
1	2	3
Kanpur	Rural Dealer-cum-mason handholding meet at Gonda-1 (to be held on 21.6.13) 4 Tata 207 vehicles painted Extension of Police booth by 3 months	Wall paintings - 8

1	2	3
Ludhiana	Rural Dealer cum mason handholding meet at Jagraon on 16.6.2013-1	Wall paintings by the dealers – 8-10
Chandigarh		Wall painting – 47 Hoardings – 8-9 Key rings, pads etc. distributed.
Agra	Rural Dealer cum mason handholding meet at Hathras on 16.6.2013-1 Mason meet-1 Dealers meet-1	Wall painting – 15-20
Allahabad	Rural Dealer cum mason handholding meet at Gorakhpur on 21.6.2013-1 Newspaper Ads-4 Mason meet-1 Dealers meet-3	Bag distribution by 2 dealers Diary, calculator, mason notepad distributed by 1 dealer each.
Jammu	Rural Dealer cum mason handholding meet at Srinagar on 8.6.2013-1 Dealers meet-1	Wall paintings – 3 2 Hoardings in Leh will be put up
Mandi	Joint Rural Dealer cum mason handholding meet at Jagraon on 16.6.2013-1	Gift items like thermos, calendar, pens, key rings distributed
Jalandhar	Joint Rural Dealer cum mason handholding meet at Jagraon on 16.6.2013-1 Newspaper ads-15 Mason meet-1 Dealers meet-2	Pens/Stationary – Rs. 1.5 lacs Wall paintings – 4-5 Hoardings – 2
Faridabad	Proposed Rural Dealer cum mason handholding meet at Jhajjar-1	
Ghaziabad	Rural Dealer cum mason handholding meet at Moradabad on 7.6.2013	Wall paintings – 20 Hoardings – 2
Delhi	Metro station ads at 3 metro stations	Wall paintings – 3

**Western Region:**

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Branch	Details of promotional activities undertaken
Ahmedabad	Hoardings, Magazine Advertisement, Gift items
Baroda	Hoardings, Gift items
Bhilai	Newspaper advertisement, Wall Paintings, Gift items Dealer meet held in June, 2013
Indore	Glow Sign Board at Railway Station, Gift items
Gwalior	Wall paintings
Mumbai	Bus Q Shelter at Chembur  One Architect Meet held at Sindhudurg under BSO, Mumbai in May, 2013
Pune	Gift items like key chains/Auto-rikshaw panel, Hoardings Dealer Meet held in May 2013

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**Southern Region:**

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Branch	Dealer/Promotional Activity
Chennai	Carry bags with SAIL ad distributed by dealer
Bangalore	Newspaper advertisement
Trichy	Wall paintings in Trichy
Hyderabad	Hoardings, Newspaper Advertisement & distribution of Travel bags with SAIL advertisement
Coimbatore	Wall paintings in Coimbatore
Vizag	Pamphlets, Cable TV advertisement, Newspaper Advertisement, Auto Panels
Cochin	Distribution of diaries & Calendars

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ANNEXURE IV

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 1ST JULY, 2013 IN  
COMMITTEE ROOM 'B', PARLIAMENT HOUSE  
ANNEXE, NEW DELHI

The Committee sat from 1400 hrs. to 1600 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Shri Ganeshrao Nagorao Dudhgaonkar
4. Shri Vishwa Mohan Kumar
5. Shri Govind Prasad Mishra
6. Kumari Saroj Pandey
7. Shri Gajendra Singh Rajukhedi
8. Shri Pashupati Nath Singh
9. Shri Om Prakash Yadav
10. Shri Yashbant N.S. Laguri
11. Shri K.R.G. Reddy

*Rajya Sabha*

12. Dr. Pradeep Kumar Balmuchu
13. Shri Sanjay Raut

SECRETARIAT

1. Shri Shiv Singh — *Director*
2. Shri Arvind Sharma — *Deputy Secretary*

WITNESSES

**Ministry of Steel and its PSUs**

1. Shri D.R.S. Chaudhary Secretary, Ministry of Steel
2. Shri Vinod Kumar Thakral Additional Secretary & FA

3. Shri Lokesh Chandra	Joint Secretary, Ministry of Steel
4. Shri Upendra Prasad Singh	Joint Secretary, Ministry of Steel
5. Shri Syedain Abbasi	Joint Secretary, Ministry of Steel
6. Shri J.P. Shukla	Joint Secretary, Ministry of Steel
7. Shri Suraj Bhan	Economic Advisor, Ministry of Steel
8. Shri P. Madhusudan	Director (Finance), RINL
9. Shri C.S. Verma	Chairman, SAIL & NMDC
10. Shri S.S. Mohanty	Director, SAIL
11. Shri Anil Chaudhary	Director, SAIL
12. Shri H.S. Pati	Director, SAIL
13. Shri Malay Chatterjee	CMD, KIOCL
14. Shri Moyukh Bhaduri	CMD, HSCL
15. Shri G.P. Kundargi	CMD, MOIL
16. Dr. Satish Chandra	MD, Birds Group of Companies
17. Shri S.K. Tripathi	CMD, MSTC
18. Shri A.K. Basu	Director, MSTC Ltd.
19. Shri K.K. Mehrotra	CMD, MECON
20. Shri A.K. Tyagi	Director, MECON
21. Shri N. Samaddar	Executive Secretary, JPC
22. Shri Sushim Banerjee	Director General, INSDAG
23. Dr. A.S. Firoz	Chief Economist, ERU
24. Shri S. Thiagarajan	Director, NMDC Limited
25. Shri Subimal Bose	Director, NMDC Limited
26. Shri S.K. Das	Director, NMDC Limited

2. At the outset, the Chairman welcomed the Secretary, Ministry of Steel and other representatives of Ministry of Steel and Steel PSUs to the sitting of Committee convened to take oral evidence of the representatives of the Ministry of Steel on the subject "Promotion of Steel Usage".

3. Thereafter, a visual presentation on the above subject was made before the Committee by the representative of Ministry of Steel. The points discussed during the sitting broadly related to the issues such as production of steel; total consumption of steel in the country including rural areas; steps taken to increase the steel usage particularly in rural areas; per capita consumption of steel in the country *vis-a-vis*

other developed and developing countries; gap between consumption and production; import of steel; dealership network in the country including rural areas, etc.

4. The Members raised their concerns on the above issues and sought clarifications from the Ministry of Steel. Some of the points were clarified by the representatives of Ministry of Steel. The Chairman directed the representatives of the Ministry of Steel to furnish written replies to the queries raised by the Members which could not be responded to.

A copy of verbatim proceedings has been kept on record.

*The Committee, then, adjourned.*

ANNEXURE V

MINUTES OF THE SITTING OF THE STANDING COMMITTEE  
ON COAL AND STEEL HELD ON 26 AUGUST, 2013 IN  
ROOM NO. '112', PARLIAMENT HOUSE ANNEXE,  
NEW DELHI

The Committee sat from 1500 hrs. to 1530 hrs.

PRESENT

Shri Kalyan Banerjee — *Chairman*

MEMBERS

*Lok Sabha*

2. Shri Hansraj G. Ahir
3. Smt. Jyoti Dhurve
4. Shri Ganeshrao Nagorao Dudhgaonkar
5. Shri Vishwa Mohan Kumar
6. Shri Yashbant N.S. Laguri
7. Shri Pakauri Lal
8. Shri Govind Prasad Mishra
9. Shri Rajaram Pal
10. Kumari Saroj Pandey
11. Shri Gajendra Singh Rajukhedi
12. Shri Pashupati Nath Singh
13. Shri Om Prakash Yadav

*Rajya Sabha*

14. Shri Dilip Kumar Tirkey

SECRETARIAT

1. Shri Shiv Singh — *Director*
2. Shri Arvind Sharma — *Deputy Secretary*

2. At the outset, Chairman welcomed the Members to the sitting of the Committee.

3. The Committee thereafter took up for consideration the following Draft Reports:—

- (i) \*\*                                 \*\*                                 \*\*                                 \*\*
- (ii) Report on “Promotion of Steel Usage” pertaining to the Ministry of Steel.
- (iii) \*\*                                 \*\*                                 \*\*                                 \*\*

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairman to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

*The Committee, then, adjourned.*

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\*\*Do not pertain to this Report.