



REPORT

ON

STEEL CONTROL

October, 1963.

GOVERNMENT OF INDIA
Ministry of Steel & Heavy Industries
(Department of Iron & Steel)

Ra. 1/a

FOREWORD

We were appointed by the Government of India in September 1962, to examine the system of planning and distribution of steel. Our terms of reference were : (a) to examine the existing system of planning of production and control over distribution of iron and steel materials exercised by the Iron and Steel Control Organization; (b) to streamline and revise the procedure for ensuring equitable and speedy distribution; (c) to examine the function of Stockists, both Controlled and Registered, and to make recommendations about their future role; and (d) to examine the system of control and distribution of pig iron.

During the last year, we have visited Calcutta, Bombay, Hyderabad, Madras and Ranchi as well as the steel plants at Tatanagar, Rourkela and Bhilai. We have had discussions with a large number of persons, associations, and official agencies concerned directly or indirectly with the production, distribution and consumption of steel.

In January, 1963, we presented an interim report to the Minister for Steel and Heavy Industries embodying our provisional conclusions. Our intention in submitting this report was to have the benefit of comments and criticisms from administrators and others concerned with steel control before preparing our final report.

The completion of the final report has been delayed somewhat by the fact that a number of official and non-official agencies took some time to formulate and transmit to us their views on our interim report. But we are happy that representatives of all sections of steel industry and trade and of all steel-consumers, as well as steel control authorities, have been able to give their reactions to our tentative findings. They have responded generously to all our inquiries, both about the legal and formal aspects of steel pricing and distribution and about the not-so-well-known phenomena in the steel markets of India. We take this opportunity to acknowledge our debt to all of them.

We have also had several discussions with the Minister for Steel and Heavy Industries, Shri C. Subramaniam. For his courtesy and for the stimulus provided by these discussions we are very grateful.

In framing our proposals we have tried to ensure that the new control system has structural consistency. If it is to be given a fair trial, it is important that in implementing our proposals this should be

fully recognized. The enforcement of a few selected proposals may do more harm than good.

Finally, we would like to acknowledge the many-sided contribution made to our work by the Secretary of the Committee, Shri C. A. Nair. He has given us untiring assistance all through, and several of our recommendations have taken the shape they have under his questioning and counsel.

C. A. NAIR (Secretary)

October 7, 1963.
Delhi,

K. N. RAJ (Chairman)

RAJ KRISHNA (Member)

K. S. KRISHNASWAMY (Member)

CONTENTS

CHAPTER I : BACKGROUND	1
CHAPTER II : AN APPRAISAL OF THE PRESENT CONTROL SYSTEM ..	8
CHAPTER III : THE PROPOSED CONTROL SYSTEM	19
CHAPTER IV : THE RE-ROLLING INDUSTRY	28
CHAPTER V : SUPPLY AND DISTRIBUTION OF PIG IRON	33
CHAPTER VI : IMPORTS OF STEEL	36
CHAPTER VII : SUPPLY OF STEEL FOR THE SMALL SCALE SECTOR ..	40
CHAPTER VIII : THE REGIONAL DISTRIBUTION OF STEEL	45
APPENDIX	49