



SANDEEP JAIN
President
All India Induction Furnaces
Association

Sandeep Jain President of All India Induction Furnaces Association (AIIFA) is a B.Sc. graduate from D.A.V College, Chandigarh and did his post graduation in Master of Business Administration from PAU, Ludhiana with specialization in Financial management. After completing his studies, he went straight into family business of steel making. From there onwards, he gathered a vast experience in steel melting and rolling of special steels and also in steel and cast iron castings and open and closed die forgings manufacturing. Along with this he is also into oxygen and nitrogen gas manufacturing.

Jain has an experience of over 32 years in Steel Melting & Rolling & Forging Industry.

He has worked with other Associations such as:-

President	All India Induction Furnace Association, New Delhi
Sr. Vice President	Induction Furnace Association of North India (Regd.)
Executive Member	Apex Chamber of Commerce & Industry, Ludhiana
Member	Ludhiana Management Association
Member	Regional Advisory Committee, Central Excise Commissionerate, Ludhiana.
Member	Permanent Trade Facilitation Committee, Customs Commissionerate, Amritsar

“Our industry needs a big breather from both state and central Govt. in the form of low power tariff along with quality transmission, zero duty on scrap and lower duties on ferro alloys which are not manufactured in India. Lower excise duties on steel produced by Induction furnaces as compared to big steel plants.” In an exclusive conversation with Editorial Assistant, Trupti Jagtap of Steelworld, Sandeep Jain has revealed the circumstances of secondary steel sector. Excerpts



Induction Furnace Industry Fights for Survival

According to you how many Induction Furnace units are in operation as of 2016?

- As of 2016, there are approximately 1300 units.

What is the total production by Induction Furnace industry in the year 2015 - 16 as compared to 2014 - 15 and what have you done to increase its production capacity?

- Production in the year 2015-16 (April 2015-Dec 2015) is Rs. 21.09 million as compared to Rs. 28.28 millions in 2014-15. In the present circumstances, the Induction Furnaces Industry is fighting for survival instead of increasing production.

There has been a decline in the prices of steel for the last few years. What has been the effect on the secondary steel producers?

- The decline in the prices of steel in last few years is because of two reasons; one is low demand of steel in India and second cheap imports from China. Resultantly the secondary steel sector has to bear the maximum brunt and presently is working below 50% capacity utilisation.

What kind of support do you expect from the Govt. in terms of policy making and technology up-gradation?

- The support required from both centres and state governments are as follows:

(a) Lower tariff to IF industry as power constitutes more than 60% of the cost of production.

(b) Easy and tax free (like cross subsidy etc.) availability of open access to private power.

(c) Abolition of custom duty on import of steel scrap which was zero few years back.

(d) Availability of finance for technology up-gradation at low rate of interest as is available to textile industry under TUF (Textile Up-gradation Fund) Scheme.

(e) Capping the life span of vehicles after which registration be refused.

(f) Allowing governments to use steel made out of induction furnace which at present is specifically barred under government tenders.

Tell us something about the structure, objectives & the activities of AIIFA.

- The All India Induction Furnaces Association (AIIFA) is one of the premier industry Association in the secondary steel sectors of the country. AIIFA represents the interest of Electric Induction Melting Furnace industry operating in various parts of the country. In the country there are around 1300 operating Induction Melting Furnace units with installed capacity of 30.275 million tonnes and contributing in producing over 45% of total domestic crude steel production. Its members are engaged in the production of Mild Steels, Low Alloy Steels, Stainless Steels, Grinding Media and Cast Iron, Mild Steel and Stainless Steel castings through Electric Induction Melting Furnaces.

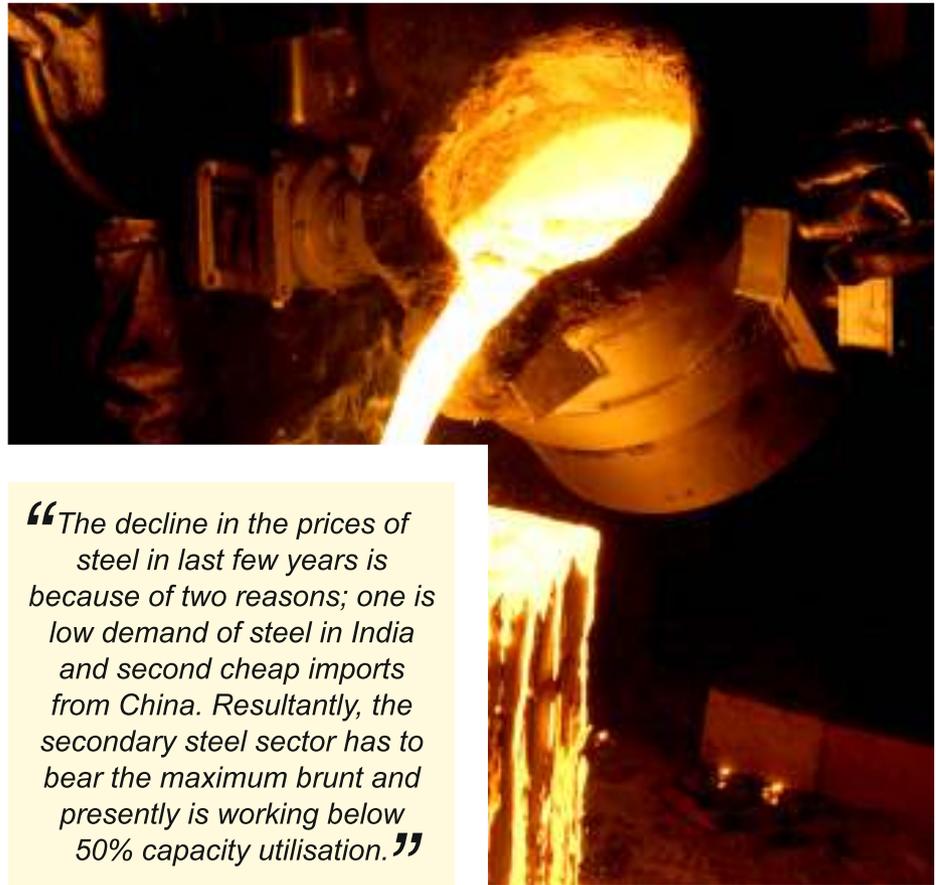
AIIFA - is a link between the IF industry and the various government departments at centre and state level. AIIFA is regularly representing the IF industry in the formulation of various policies in different ministry like finance, steel, environment, power etc. It keeps a watch on various developments related to our industry and keep the members updated on such things. AIIFA keeps on holding technical and other seminars at regular intervals for the benefits of members.

What are the challenges faced by the secondary steel sector and what measures are required to be taken to overcome it?

- There are many challenges before the induction furnace industry (IF):

(a) Competition with iron-ore based large capacity steel plants.

(b) High power tariff specially to IF industry terming it as 'power intensive units' whereas the IFI power load is the most stable



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and maximum revenue paying industry per KW of connected load.

(c) Coupled with this, the state power utilities are putting hurdles for our industry to buy cheap power under open access of power policy from private power producers.

(d) Shortage of scrap within India because of no maximum life span for vehicles in India after which they are compulsorily scrapped. This policy if implemented will not only increases scraps availability but also create demand for finished steel. It also helps to check pollution by obsolete technology vehicles and also saves on foreign exchange out flow on oil because of new vehicles being fuel efficient.

This can be judged as there is not even a single scrap shredder in India.

(e) Custom duty on import of steel scrap whereas import is necessity for IF industry because of shortage.

(f) BIS Standards being imposed on steel made out of Induction Furnaces whereas no standards are imposed on sponge iron which is one of the basic raw material of our industry.

Our industry needs a big breather from both state and central Govt. in the form of low power

tariff along with quality transmission, zero duty on scrap and lower duties on ferro alloys which are not manufactured in India. Lower excise duties on steel produced by Induction furnaces as compared to big steel plants.

Presently TCS is charged on scrap which should be abolished as it only increases paper work.

The most important measure required from central government is “ Deemed credit on scrap “ being generated from SSI and non excisable units in India as the steel being used by them is already duty paid but because they are not registered with Central excise, they are unable to issue Cenvat invoice.

The same is the case with many Govt. organisations that sell scrap but don't give excise paid invoice and hence the Cenvat chain is broken. The best solution is to make all scrap being generated in India excisable.

Above all our industry is anxiously awaiting passing of GST bill which we hope will prove a big boost for all types of industries if exemptions on the basis of product, type of industry and location of industry etc. is not given under GST.