

Capital goods makers decry steel ministry move

Capital goods makers have decried the steel ministry's move against allowing stainless steel end users and producers 'sufficient time' to get BIS licenses for implementation of Stainless Steel Products Quality Control Order.

"Why were stainless steel global producers not given 15 months to get the BIS License which is minimum period required by producers and the end users of stainless steel products to align their imports with BIS certification," V P Ramachandran, Secretary General, Process Plant and Machinery Association of India (PPMAI), an apex body of capital goods producers said.

Department of Industrial Policy and Promotion (DIPP) and Department of Heavy Industries (DHI) had earlier requested Ministry of Steel to give extension of at least 15 months for implementation of Stainless Steel Products Quality Control Order, similar to the extension given to carbon steel global producers earlier to get Bureau of India Standards (BIS) license, giving sufficient time to foreign producers to align their imports into India with Indian standards

He said the discrimination has put roadblocks in the ease of doing business by the capital goods producers in the country. "The ad-hoc decision of steel ministry ignoring the requests by DIPP and DHI has put the capital goods sector in difficult situation," Ramachandran said in a statement released by PPMIAI.

"Capital Goods sector had submitted a list of grades which are not covered by the BIS standards but for strange reasons the steel ministry did not notify all those grades for exemptions. What is shocking is that exemption notification from steel ministry was done arbitrarily and many non-standard grades which do not



conform to any international or BIS standards were included in the exemption list," he added.

The Stainless Steel Products (Quality Control) Order 2016 was issued on June 10, 2016, covering three stainless steel products. This order was scheduled to be enforced after 3 months of publication, i.e. September 10, 2016. However on receipt of several representations, date of enforcement was extended by total 180 days from the date of the original order (in effect, three months extension), which postponed the implementation date till December 7, 2016.

Following this, on December 6, 2017, the government granted extension of two months for the implementation of Stainless Steel Products (Quality Control) Order.

Final call on strategic divestment of SAIL units by September

Indian government is likely to take a final call on strategic disinvestment of three SAIL units by September and due diligence is already on for the same. While the government in-principle had approved strategic disinvestment of SAIL's Bhadravati: Salem and Durgapur (alloy steel plants), modalities are yet to be worked out.

The report quoted an official as saying that "We hope that within 6-7 months, we would be in a position to take a call on whether to disinvest or not. There is an in-principle decision to disinvest some units of SAIL, and based on that, the government is moving ahead. We have given deadlines... because there are a lot of processes to be done – evaluation and appointing transaction advisors, legal advisors, asset valuers, based on which the RFP (request for proposal) will be floated for actually inviting people, short-list those bidders., all that takes time".

The government had earlier said it would not go in for distress sale of the three SAIL subsidiaries and rather look for a management that will turn around the units.

INTUC blames faulty policies for steel crisis

Indian National Trade Union Congress (INTUC) National President G. Sanjeeva Reddy blamed the faulty policies of the Central government for the crisis faced by Rashtriya Ispat Nigam Limited, Steel Authority of India Ltd and other steel majors.

He said that the steel units had turned sick because of dumping of cheap steel by China and other countries. He said imposing of heavy anti-dumping duty would have prevented their presence in the domestic market. Reddy said how the United States of America had stopped sale of steel from China, Korea and Japan and sought steps to help the domestic steel industry to improve their financial results.

Referring to Hindustan Shipyard Limited (HSL), he said Goa Chief Minister Manohar Parrikar during his stint as Defence Minister had ignored the genuine needs of the shipyard. He said while awarding big orders to Goa Shipyard Ltd and Mazagon Dock Ltd, he had ignored the promise made to HSL.