

**ADDRESS BY THIRU BANWARILAL PUROHIT, HON'BLE GOVERNOR
OF TAMIL NADU AT THE PLATINUM JUBILEE CELEBRATIONS OF THE SOUTH
INDIA IRON & HARDWARE MERCHANTS' ASSOCIATION AT BKN AUDITORIUM,
VEPERY, CHENNAI ON 24.10.2018 AT 6.30 P M**

Anaivarukkum Maalai Vanakkam

Thiru. R. Rajagopal, I.A.S.,
Additional Chief Secretary to Governor

Thiru. S.A. Azeez,

Thiru. Rajesh Lakhoni, I.A.S.,
Member Secretary of CMDA

Thiru. P.K. Krishna Murthy,

Thiru. M.A.C. Baseer Ali,

Office Bearers of the Association

Distinguished Invitees

Ladies & Gentlemen

It gives me great pleasure to be taking part in the Platinum Jubilee Celebrations of the South India Iron and Hardware Merchants' Association, Chennai. I extend my warm greetings to all the members of the Association on this happy occasion.

The common man's trust with the merchants of the hardware association is mainly during the period of house construction, since the steel rods and bars form an essential element of concrete preparation for laying the foundation and for raising the structure. I am informed that the construction sector accounts for more than 30% of the total demand for steel in India.

India has made considerable progress in the products of iron and steel in the last 7 decades.

Before independence, we had only two factories for iron and steel in India and the total production capacity was only 1.3 million tones. Today the production has touched 96 million tonnes and India is the third largest producer of iron and steel in the world next only to China and Japan.

This is not at all surprising considering the long history of iron and steel making in India.

Archaeological sites in India, such as Malhar, Dadupur, Raja Nala Ka Tila, and Lahuradewa in the state of Uttar Pradesh, show iron implements in the period between 1800 BCE - 1200 BCE.

Spikes, knives, daggers, arrow-heads, bowls, spoons, saucepans, axes, chisels, tongs, door, fittings etc. ranging from 600 BCE-200 BCE have been discovered at several Archaeological sites.

Even as early as 300 BCE – high quality steel was being produced in southern India by what Europeans would later call the crucible technique. Using this technique, high-purity wrought iron, charcoal and glass were mixed in a crucible and heated until the iron melted and absorbed the carbon. This steel was widely exported and traded throughout ancient Europe, China, and became particularly famous in the Middle East, where it was known as Damascus Steel.

The world's first iron pillar was the Iron Pillar of Delhi erected during the time of Chandragupta. The swords manufactured in Indian workshops are mentioned in the written works of Muhammad al-Idris which date back to a period nearly 1000 years ago.

Even subsequently, Indian metallurgy produced excellent small firearms which were actually stronger and more accurate than their European counterparts. However with the arrival of the British in India the industry was badly crippled. The policy of moving out raw material from India, manufacturing finished products in Britain and shipping that to India resulted in a huge drain of wealth from India. This trend was reversed after independence and many integrated steel plants were set up in the public sector resulting in the rapid growth of the industry. In the last 25 years the private sector has also played a key role in increasing the production of iron and steel.

There are two types of Iron & Steel manufacturing industries in India. They are:-

1. Integrated Steel Plants
2. Mini Steel Plants (Re-Rolling Mills)

Integrated steel plants are large, and they handle all aspects of production in one complex i.e., from putting together raw materials to steel making, Rolling, Shaping and manufacturing finished steel.

Mini steel plants (Re-Rolling industries) use steel scrap and sponge iron as raw materials and make mild steel, TMT Bars, Angles, Channels, Wires, Rods, Rails, Beams of various sizes dimension and grades.

The National Steel Policy 2017 of the Government of India is an effort to steer the industry to achieve its full potential, enhance steel production with focus on high end value added steel while being globally competitive. India's competitive advantage of steel production is driven to a large extent, by the indigenous availability of high grade iron ore and non coking coal which are the critical inputs of steel production. In addition, it also has a growing domestic market and a relatively young labour force which provides a competitive edge. However global competition is an important challenge since large unutilized capacities for production in countries like China and reduced domestic consumption in China has resulted in cheap steel being made available in the international market.

The Indian steel making industry is also expected to follow a sustainable path of development in respect of environmental friendliness, and mineral conservation, and this also pushes up costs. It is through the right use of technology blended with the appropriate tariff structure that the Government of India is maintaining the health of the steel manufacturing industry.

The Government has also planned to promote gas based steel plants, electric steel making, auxiliary fuel injection in blast furnaces and other technologies which will bring down usage of coking coal in steel production. Efforts have also taken to facilitate alternate route for steel making by using indigenous coal with increased focus on improving energy efficiency and reducing GHG emission.

The Indian economy is rapidly growing with enormous focus on infrastructure and construction sector. Several initiatives in recent years, namely affordable housing, expansion of railway net works, development of domestic ship building industry, opening up of defence sector for private participation and anticipated growth in the automobile sector are expected to create a significant demand for steel in the country.

The goal of the Government outlined as Housing for all by 2022 and the implementation of schemes such as Pradhan Manthri Awas Yojana Scheme and

Saansad Adarsh Gram Yojana Scheme also provide a huge opportunity for hardware merchants.

The coming years are therefore bright and I am sure that this Association will see greater growth and prosperity at the time of completing 100 years. The Association has so far guided its members on the path of growth by playing an active role in disseminating information and by approaching authorities for protecting the interests of hardware merchants. A greater opportunity awaits the Association in the future, in enabling policy making for the benefit of its members and the consumer.

I'd like to recall to the members, the words of Mahatma Gandhi about the need for taking care of the consumer. He said and I quote "The consumer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider to our business. He is a part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so". Unquote. Echoing the words of Gandhiji I request the members of the Iron and Hardware merchants association to be polite to the common public who are their customers and also provide them with the best variety of products at the most reasonable rates, by sourcing the materials with market acumen and resourcefulness.

Let me conclude by saying that we are living in exciting times. Domestic demand is booming. We are on the cusp of reaping the benefits of the demographic dividend. We have built up a strong level of self reliance in essential sectors such as food production and are leading the world in high tech sectors by exporting valuable computer software. This is the time for all of us to actively participate in nation building so as to make India the Vishwaguru.

I congratulate the office bearers of the Association for the manner in which the platinum jubilee celebrations have been planned and organised. I extend my best wishes to all the iron and hardware merchants. May success visit them in all their efforts. I wish them well.

Nandri Vanakkam

Jai Hind