

Infrastructure development to boost stainless steel consumption

Jindal Stainless Limited India's largest fully integrated stainless steel manufacturer, is a part of the 18 Bn USD O P Jindal group. It has grown from an indigenous single-unit stainless steel plant at Hisar and with the addition of Jajpur plant at Odisha today has a total melting capacity of 1.8 million tpa.

It's global footprint spreads across 65 countries and is among the top 10 producers of Stainless Steel in the world. Jindal Stainless also boasts of a ferro alloy plant of 250,000 TPA, coke oven plant of 430,000 TPA and a 250MW captive power plant. The company is a pioneer in cost effective Cr-Mn Grades of SS (200 series).

Moreover, it is producing more than 50 grades of stainless steel including special products like razor blade steel, coin blanks (cupronickel, aluminum bronze, ferritic, and bi-metallic) and precision strips (as thin as 0.05mm).

More importantly, Jindal Stainless also manufactures world class other grades of stainless steel which includes SS strips up to 1650mm wide and plates, hot rolled coils from 2 mm to 10 mm thick, cold rolled strips from 0.3 mm to 5.0 mm etc.

Moreover, the speciality product division of the company gives it the unique distinction of being the world's largest



"We expect stainless steel demand to continue to grow at 5-6 pc – while India has potential to grow at around 8-9 pc – but, for that infrastructure development needs to pick up."

Mr. Tarun Khulbe
Chief (SS Technology & Operations),
Jindal Stainless Ltd.

producer of high quality precision strips and stainless steel strips for razor blades.

Mr. Tarun Khulbe highlighted the key demand drivers for

Pramod Shinde

stainless steel and major challenges confronted by domestic stainless steel industry. He also revealed JSL strategy to enhance the metals application in Architecture, Building & Construction sector (ABC) while interacting in this interview.

Excerpts :

How do you perceive the stainless steel market in India and globally?

For the past four years, the global economy has slowed down considerably; as a result growth in India has also been slow. Despite, the overall global stainless steel production grew by 5.2% in 2012-

13 to reach a record high of 35.4 million metric tonne (MT) vis-à-vis 2011-12 largely due to China. And rest of the world showed a negative growth, mainly due to destocking. India, however showed a marginal growth vis-a-vis 2011-12.

Current per capita usage of stainless steel in India is little over 2 kg which is one of the lowest among the other developing economies and all out efforts are being made for growth of this industry. We estimate global growth in stainless steel demand to be between 5-6%, whereas in India we are making serious efforts to enhance this growth to 8-9%, but for this the government needs to bring the focus back on infrastructure development.

What would be key demand drivers for stainless steel in India?

Traditionally, stainless steel has found acceptance and usage in the following sectors:

- Kitchenware, tableware, household articles
- Nuclear Power
- Chemical industry, petrochemical and all other process industries
- Automotive, railway and transportation
- Architecture, building and construction

Having realized the great value stainless steel brings to the table, more and more sectors are now openly experimenting with stainless steel such as, mints, plumbing, overhead water tanks, modular kitchens, milk cans, solar power, gas cylinder etc.,

But, Architecture, Building & Construction and Automotive, Railway & Transport sectors will continue to be the key demand drivers for stainless steel.

What are the major challenges confronted by domestic stainless steel industry?

The Indian stainless steel industry is under huge strain on account of cheap imports and unfavourable duty structure, as a result the capacity utilization of the domestic industry has come down to around 40%. Moreover, volatility in raw material prices and fluctuating exchange rates, increases the raw material cost for domestic manufacturers besides causing uncertainty in business. Further, import duty of 2.5% on pure nickel, ferro nickel, MS and SS scrap is also impacting the profitability / operations of domestic stainless steel industry severely.

What is Jindal Stainless strategy to enhance the application of stainless steel through architecture, building and construction sectors?

Jindal ARC – A Jindal Stainless Company, was conceptualized during 2004-5, as a strategic forward integrated entity of Jindal Stainless. Since its inception, Jindal ARC has played a leading

role in creating awareness about stainless steel applications in India particularly in architecture, building & construction (ABC) and automotive, railway & transport segments. Jindal ARC is uniquely positioned to provide innovative products and customised solutions in stainless steel. In addition to secured supply of stainless steel from Jindal Stainless, Jindal ARC has developed comprehensive range of capabilities required for offering solutions in stainless steel. Apart from its capability of providing architecturally appealing solutions in most of the market segments, Jindal ARC is making every effort to promote the usage of stainless steel in ABC segment.

Jindal Stainless' journey towards sustainability?

We believe that Corporate Social Responsibility (CSR) is a strategic approach which integrates social and environmental concerns into our business operations. Through various developmental initiatives we have been reaching out to our own employees, other individuals and communities around our plant locations. To broaden the spectrum of engagement we are now working with communities across geographies and of course along the supply chain.

As part of Skill Development Programme, we run Jindal Institute of Industrial Training in Jajpur and Hisar. The IIITs provide training in industrial electrical, computer hardware & networking, dress designing, beauty culture etc. Each year the institutes train over 600 rural youth and assist them in job placements.

Through our CSR initiatives we have been working with women through Self Help Groups, skill training, computer literacy and income generation programs. Our focus during the years has shifted to identifying micro-enterprise opportunities for women and encourages entrepreneurship.

There is growing confidence among the women and they are eager to start something on their own. Jindal Stainless Limited is forging new partnership to take forth the existing initiatives and promote various income generation activities.

As part of education initiative, every year we reach out to 3000 children at our various plant locations in the country. The programs range from setting up village libraries, running non-formal education programs to bridge the gap between children who are out of school and enroll them to formal education, set up computer education centers and interactive computer learning programs called 'hole in the wall' to bridge the digital divide.

Integrated health care programs have been designed to address both preventive and curative health issues. Interventions are carried out through the 400 bedded super-specialty hospital in Hisar, Health Care Centre, Mobile Health Van program, Awareness Generation Programs, HIV/AIDS Intervention, Save the Girl Child Program and program on cancer & drug abuse.

Through our health care initiatives other than the NC Jindal hospital we reach out to around 20,000 patients in 20 villages in a year in Jajpur and Hisar. Various programs are being implemented under Environmental initiatives like tree plantation, rain water harvesting, promotion of clean energy through initiatives like promotion of bio-gas, jatropa plantation etc.

We are also committed to the UN Women Empowerment Principles and have signed the WEP CEO statement of support and have been championing the cause both internally and externally. The company has also been nominated as a member of the UN Women Empowerment Leadership Group, which has 30 members across the globe. ■