

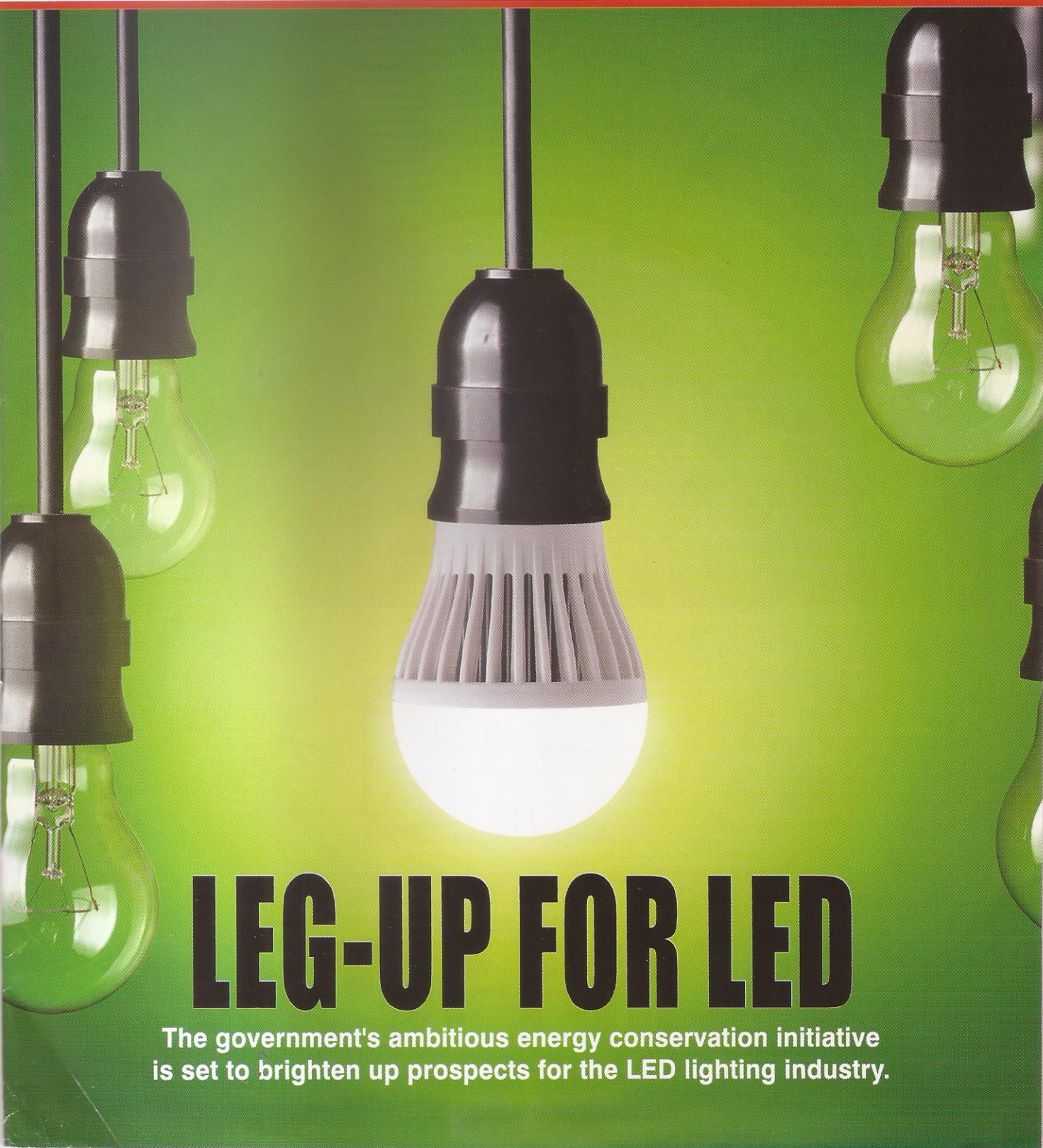
FMCG Cos Join Clean India  
SsangYong's Revival Plan

Tata Motors' Big Splurge  
Cairn In Retro Tax Row

# India Business Journal

VOLUME X NO. 10 Rs 35

APRIL 2015



## LEG-UP FOR LED

The government's ambitious energy conservation initiative is set to brighten up prospects for the LED lighting industry.



AMIT BRAHMABHATT

**H**uge containers are piled up all over the place. Forklifts and reach stackers are moving the containers to and from trucks parked nearby. Large warehouses all around house many more containers, some empty and some others packed with goods. The Customs clearance officials nearby are swiftly checking documents of shipments.

The place could very well be a busy part of a thriving port. However, the nearest port - Jawaharlal Nehru Port Trust (JNPT), India's busiest port

### Viraj At A Glance



Viraj's fully-automatic SRM plant in Tarapur

#### Origin

1990

#### Business

Stainless steel

#### Major products

Flanges, bright bars, sections, profiles, fasteners, wires and wire rods

#### Plants

7 in Tarapur

#### Annual capacity

5,28,000 tonnes

#### Employees

9,000+

#### User industries

Automobile, shipping, defence, construction and petrochemicals

#### Clients

1,300+

#### Global presence

90+ countries

#### FY14 revenue

Rs 9,300+ crore

# New Dynamics

Viraj Profiles' new SRM plant and its recently-opened inland container depot are set to be a game-changer for the world's second-largest stainless steel long products manufacturer.

- is about 150 km from this place. This buzzing place is Vaishno Container Terminal, the inland container depot (ICD) in Tarapur, Maharashtra.

The sprawling ICD which started operation last August is already a beehive of activity. Spread over 11 acres, the depot, with a warehousing space of 33,000 sq ft, has a capacity to handle up to 5,000 teu (twenty-foot equivalent unit) of containers per month. A part of Vaishno Logistics, the logistics division of \$1.5-billion (over Rs 9,300 crore) Viraj Profiles, the ICD is changing the business dynamics of the world's second-largest and India's largest manufacturer of stainless steel long products. Besides, a number of other industries in the vast hinterland north of Mumbai too stand to gain from the container facility.

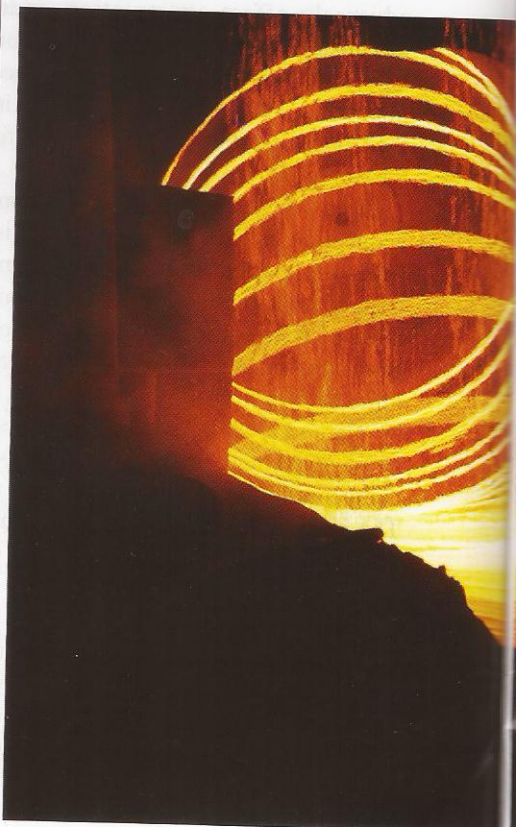
"The Vaishno Container Terminal provides a one-stop shop in logistics and delivers operational excellence to manufacturing units in and around the area," points out Viraj Profiles Chairman and Managing Director (CMD) Neeraj Raja Kochhar. Mr Kochhar, the brain behind the ICD, is satisfied that Viraj, his stainless steel behemoth, is reaping rich returns from the new container facility.

The Tarapur ICD makes immense business sense for the Mumbai-headquartered stainless steel manufacturer, with exports contributing about 95 per cent to its total revenue. The container depot, close to Viraj's manufacturing plants in Tarapur, has enabled the company to ship its wide range of products quickly - without facing usual hassles of a congested port - to more than 1,300 customers in

over 90 countries spread across six continents. The depot is well connected by both road and rail to JNPT near Mumbai. Moreover, Viraj's own fleet of trucks facilitates easy movement of shipments from its factories via its ICD to Vaishno Logistic Yard - the container freight station (CFS) owned by the company about 15 km away from the congested port - and from there to the company's vast overseas markets through the port.

#### Early days

In fact, Viraj Profiles has its logistics worked out to the last detail, thanks to Mr Kochhar's logistical background. Long before the Viraj CMD





entered the stainless steel industry, he had made his mark in the logistics sector. But in 1990, Mr Kochhar turned his focus to steel and started a small melting shop in Tarapur.

It was a humble beginning for Viraj Profiles, which over the next two decades transformed into a stainless steel giant. Mr Kochhar had always been nursing his global ambitions of tapping the lucrative international steel markets. In 1992, Viraj took a first step in realising its promoter's dream by commissioning a small induction furnace to manufacture utensil-grade steel for the domestic market.

Three years later, the company went on a big diversification spree by entering new product categories and enhancing its production capacity. It began manufacturing stainless steel and established divisions for bright bars, flanges - it is today the world's largest producer of stainless steel flanges - and forging. In the same year, that is, in 1995, Mr Kochhar's dream came true as Viraj entered the



**Neeraj and Renu Kochhar: Moulding a success story**

global market by exporting bright bars. Since then, almost every year, Viraj added a new product to its stainless steel range, including sections and profiles, fasteners, wires and wire rods.

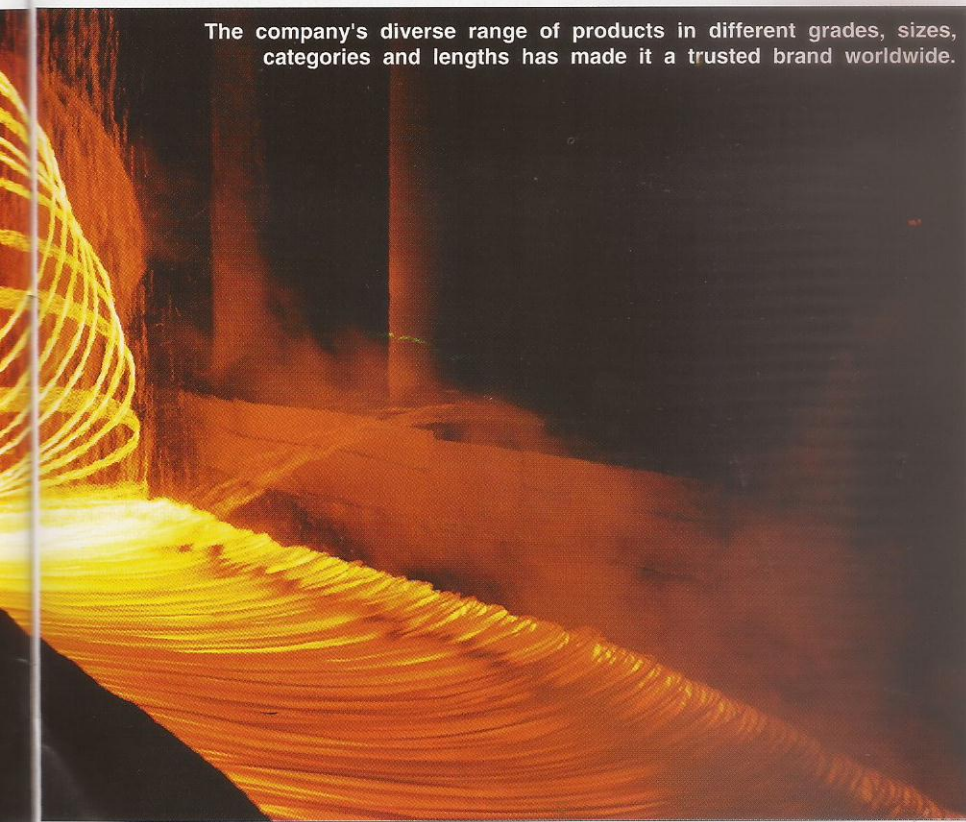
By the turn of the millennium, Mr Kochhar was joined by his wife, Renu Kochhar. Ms Kochhar - a BA

graduate from Delhi University, who had also pursued a short-term management course from Harvard University - joined Viraj Profiles in 2001 as a director and went on to become its managing director. Her insights into manufacturing and marketing turned Viraj into a robust stainless steel company.

The company's seven manufacturing units, including the latest section rolling mill (SRM) that went on stream in 2013, have been catering to sectors as varied as automobile, shipping, defence, construction and petrochemicals, among others. Viraj boasts of installing a first-of-its-kind, fully-automatic, SRM plant in the country on an industrial scale. The new facility, with an annual capacity of 1,80,000 tonnes per annum (tpa), is able to manufacture more than 700 different shapes and designs of angles, flats and bars. "With automatic labelling and packaging facility, the SRM plant enables quick dispatch processes," adds Mr Kochhar.

#### **Excellent show**

In a little over two decades, the Kochhars have transformed Viraj Profiles from a single-plant, utensil-grade steel producer to a multi-plant, multi-product stainless steel company. Starting operation with 150 people and 1,000 tpa capacity, the stainless

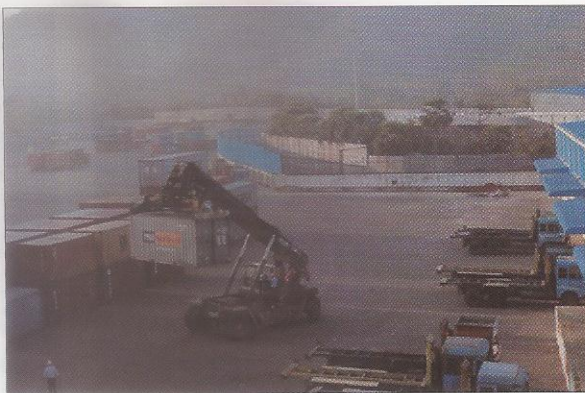


The company's diverse range of products in different grades, sizes, categories and lengths has made it a trusted brand worldwide.



steel producer has grown multi-fold with over 9,000 people on its roll and an annual production capacity of 5,28,000 tonnes. The spectacular growth of the stainless steel company appears to be backed by a sound strategy that lays great emphasis on superior technology, world-class quality and diversification of its products, markets and clients.

Over the years, the company has constantly upgraded technology at its six plants. Besides, its newly-opened SRM plant sets Viraj apart from the rest of the domestic stainless steel players by stressing on its sheer industrial prowess. Quality is another differentiator that has placed Viraj way ahead of its



The Tarapur ICD facilitates Viraj to ship its wide range of products quickly and without hassles to its over 1,300 overseas clients.

competitors. Over 90 domestic and global certifications, such as ISO 9001-2008, AD 2000 Merkblatt WO of TUV NORD and PED 97/23/EC approved by Saudi Arabia's Saudi Aramco, among others, speak volumes about the company's commit-

ment to the best global standards of quality. No wonder, the stainless steel-maker has successively bagged the best exporter award, year after year.

Perhaps, widespread diversification has kept Viraj going through thick and thin, and the fact is most evident in the ongoing global economic slowdown. It is the company's wide scale of diversification across products, markets and clients that has ensured consistent

growth for the predominantly export-driven company even in these tough times. "Though the global economy has witnessed a slowdown lately, our diverse range of products in different grades, sizes, categories and lengths, combined with our engineering quality, makes Viraj a leader and trusted brand in the international market," stresses Mr Kochhar.

With the world economy still not out of the woods, prospects for the global stainless steel market appear subdued in 2015, according to MEPS International, the UK-based steel market consultancy. A continuing over-production and falling demand have resulted in a glut and put pressure on the price of stainless steel. Stainless steel manufacturers focused on the Indian market - the world's second-largest consumer and the third-largest producer of the alloy - have to contend with yet another problem - rising Chinese imports.

Amid these troubles, Viraj Profiles appears to be finely poised with its sound strategies and unfaltering focus on the global market. The company has survived and prospered in the worst of economic crisis of past years. With its modern SRM plant going on stream and the ICD integrating its logistics, Viraj - which means excellence in Sanskrit - is all set to continue its excellent run.

## Viraj's Humane Side



Viraj Shri Ram Centennial School in Boisar

**V**iraj Profiles believes in giving back to society. The stainless steel manufacturer has been into many social welfare activities much before the concept of corporate social responsibility (CSR) became mandatory.

The company's CSR activities broadly touch four major sectors, namely education, local infrastructure, healthcare and women's empowerment. Viraj Managing Director Renu Kochhar, who oversees the company's manufacturing and marketing divisions, is the driving force behind Viraj's CSR initiatives.

Viraj Shri Ram Centennial School in Boisar is one of the standing testimonies to the company's commitment to social welfare. The prestigious school, a joint venture between the Shri Ram Group and New Horizons Worldwide, brings world-class education to the doorstep of children in the northern hinterland of Mumbai.