



VIRAJ PROFILES

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STANDING FOR MORE THAN JUST A BUSINESS

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From a modest start 15 years ago in 1990, Viraj Profiles Ltd has grown year on year to become one of the largest producers of stainless steel products in the world. Forward thinking and diversification, as well as investment into areas of growth and expansion have all been prominent features in one of the most impressive success stories in India today. We spoke with Managing Director, Mrs. Renu Kochar regarding this remarkable journey.

WITH A MODEST STRENGTH OF 150 EMPLOYEES, Viraj Profiles Ltd was incorporated in 1990 and started its first melting shop in 1991. While they are best known for it now, it wasn't until 1995 when they started manufacturing stainless steel products. Mrs. Kochar explains, "In the same year we commissioned our Flanges division and Bright Bar division and started exports of Bright Bars. Then after around 5 years, in the year 2000, we established our Profiles division."

The profiles division predominantly catered to overseas clients as 99% of their total profiles products were already being exported. Mrs. Kochar reveals that one of their biggest achievements came in 2008 when Viraj was ranked 3rd largest producer of Stainless Steel Long products in the world, "And from then on there was no looking back."

The company has come a long way from manufacturing utensil grade steel to being the go-to-business for the manufacturing of specialised engineering products for various hardware-reliant industries such as petrochemicals, ship building, defence, automotive, architecture and construction. Furthermore, they support these industries across 90 countries and five continents, with 9000 staff.

"We manufacture a wide range of products using austenitic, ferritic, martensitic and duplex stainless steel grades," Mrs. Kochar explains, "Whether we're producing rods, wires or flanges and fittings, all of our product categories are equally important to us and have equal demand across different countries."

However, some of the products have specific application in a particular industry, whereas others have a universal demand such as the 50,000 SKUs manufactured in austenitic, ferritic, martensitic, austenitic-ferritic (Duplex) and special stainless steel grades. Irrespective of the grade, Viraj's steel melting shop is well equipped.

Hosting five induction furnaces, two AOD converters and two continuous billet casters, they have a melting capacity of 5,00,000 tons per annum, Mrs. Kochar reveals that they recently installed three high powered induction furnaces from ABP (Germany) and are equipped with a number of mechanised systems for scrap charging, slag skimming and dismantling of AOD and ladle lining.

The smallest bits of machinery are the most important; just ask any engineer who has been left with a handful of nuts and bolts after putting a machine back together. An engineer's workshop is filled with tools of their trade that come in a range and host of

different shapes and sizes and Viraj have entire divisions dedicated to the creation of these very important components.

A wire and rod division manufactures a range of different wire types, from welding wire to conveyor belt wire, while a wholly separate division produces austenitic grade fasteners, nuts, bolts and screws. Architectural tee bars, taper and no taper channels and equal and unequal angles and a range of flanges.

"We are continuously working on technological upgrading, new product development and the quality improvement of our research and development departments products so that we can serve our customers ever better and produce new products to satisfy them," Mrs. Kochar explains.

Today, the company is one of the largest manufacturers of flanges in the world and one of the largest suppliers of flanges for marine applications. Predominantly involved with export, they provide patented protective covers with each and every flange and in September 2010, Viraj Profiles was the winner of the SEEPZ – SEZ Highest Exporter Award amongst EOUs.

"We are the second largest manufacturer of long products in the world with 90% of our products exported to different countries across Europe, America, Australia, Africa and other Asian countries, with plans to further increase our footprint in other parts of America and Middle Eastern countries." Mrs. Kochar says.

9000 VIRAJIANS

With such a large workforce functioning at different levels, at Viraj every individual is responsible for their duties and are empowered to do the right thing, "Passion, ownership and transparency are the backbone of our work culture. From the moment of their Induction, all Virajians are introduced to our way of business and everyone plays a vital role in making us a great place to work."

Ongoing training and mentoring programmes are conducted at Viraj and have made them one of the most preferred employers



in their industry. This is largely due to the vision of the human resources department, which uses a three pronged approach to gather a workforce of multi-skilled, multi-cultural individuals that are organised into teams that nurture a constant drive for learning and development.

“For a company to prosper, you need to continually hone the skills of your workforce,” Mrs. Kochar points out. She goes on to explain that investment into staff, both pre and post joining, is important to get an edge over others in the prevailing competitive world, “Viraj strives to keep its employees aligned with recurring issues, changes and on-going developments in the organisation by giving them continuous training in behavioural aspects, technical knowledge enhancements, and leadership qualities.”

FOCUS ON CUSTOMERS

It is a strong combination of traits and strategies that has led to the prominent position that Viraj enjoys, internationally, today. Mrs Kochhar enthuses, “Our key strength is our customers. Our success has been made possible by the loyalty demonstrated by our clients worldwide, so retaining close relationships with them and emphasising a strong customer focus remains of

critical importance to us today. Similarly, our lean management structure has streamlined and simplified the operation and co-ordination of a business of this scale – which also facilitates rapid decision-making. Our strong global presence is combined with an extremely large product portfolio that encompasses a broad range of industrial applications, so agility in our corporate dealings is of great importance to us.” In many instances, Viraj operates as the sole provider in Asia for many of the products that it manufactures today, which lends a further competitive edge to an already dynamic business.

STRENGTH IN FOCUS, QUALITY AND STANDARDS

In order to keep their customers satisfied, Viraj follow very stringent quality control measures to ensure production and delivery of flawless products. Quality Control is “a system for programming and co-ordinating the efforts of various groups to maintain or improve the quality level which allows customer satisfaction.”

Quality is actually about continuously meeting and improving upon the agreed customer requirements and they strive to do so by following strict adherence to the quality analysis tools. Adhering



to the policy of TQM for improving overall performance and quality of their products, the quality control department inspects all the products at every stage of production to ensure zero-defect products.

Then, by employing the most advanced, sophisticated and state of the art machines for production and stringent quality control measures, they can ensure impeccable quality products to meet and exceed their customer requirements. All of Viraj's plants are ISO 9001 certified and are well equipped with in-house lab and quality testing facilities. They use testing spectrometers for PMI (Positive Material Identification) tests, Ultrasonic Tester and Eddy Current Testers for assessing both the surface as well as internal defects. SPC Analysis is used as a tool to supervise the ongoing production process and precise inspections, while sorting machines ensure best quality products.

EXPANSIONS, ACQUISITIONS AND COMMISSIONS

As per their expansion plan, Viraj have commissioned a Fully Automatic Section Rolling Mill in Tarapur India. Completely automated, the plant is the first of its kind in the country, on an industrial scale, and is quite unique in terms of facilities, integrating

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an Automatic Picking Line and Automatic Labelling Packaging line.

This new facility will be able to manufacture more than 700 different shapes and designs of angle flats and bars and the commissioning of this new plant is a bright example of the Group's commitment to its strategy of facility modernisation.

"Upgrading technology is the need of the hour today," Mrs. Kochar says, "The market has become so competitive that we need to offer products to our customers ever faster, with ever increasing quality,"

The new plant has an automatic labelling and packaging facility which enables quick dispatch processes and its annual capacity will grow to up to 180,000 Tons as the use of fully automated processes will not only help in increasing production capacity, it will also ensure the accuracy in the measurements and dimensions of each product coming out of the plant.

"This is for the first time that an automation process of this magnitude has been carried out in the 'Stainless Steel Long Products' sector and the plant complies with the high environmental standards of modern Stainless Steel manufacturing and has Level 2 Automation processes,"

This new facility has several locational advantages as well. The nearest railway track is a mere eight kilometres from the

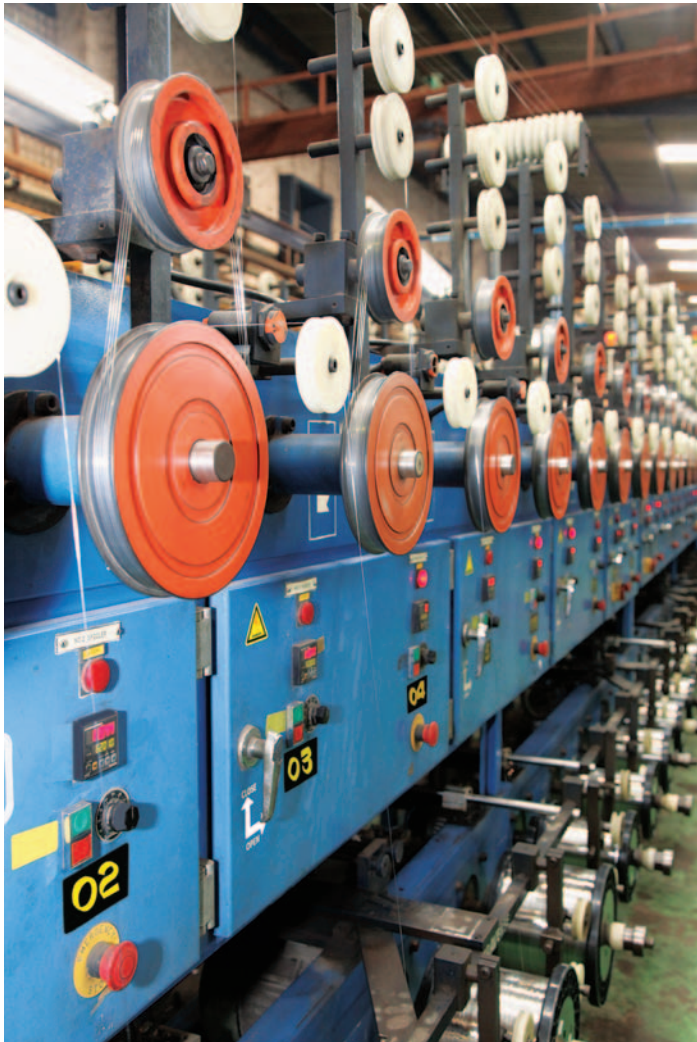
production site and the nearest Port is around 170 kilometres away. Viraj Profiles has its own in-house Inland Container Depot (ICD) to ensure smooth logistical support to its clients.

The combination of the specific design and fully automated process, coupled with a smooth logistics arrangement allows for a reliable and consistent production and supply of high quality products at optimum operational economy. The new facility will help Viraj to serve current and future markets in a more efficient manner.

CORPORATE SOCIAL RESPONSIBILITY

"At Viraj, we believe that society is one of our key stakeholders," Mrs. Kochar tell us, "And we value Corporate Social Responsibility as doing business in such a way that it provides social, economic and environmental benefits to the communities and geographies in which we operate."

To encourage a positive impact on the environment, consumers, employees and community, their corporate social responsibility projects focus on key areas such as health, education, environment and social causes. Their CSR activities aim at reaching out to the poor and under-privileged sections of society and helping them to

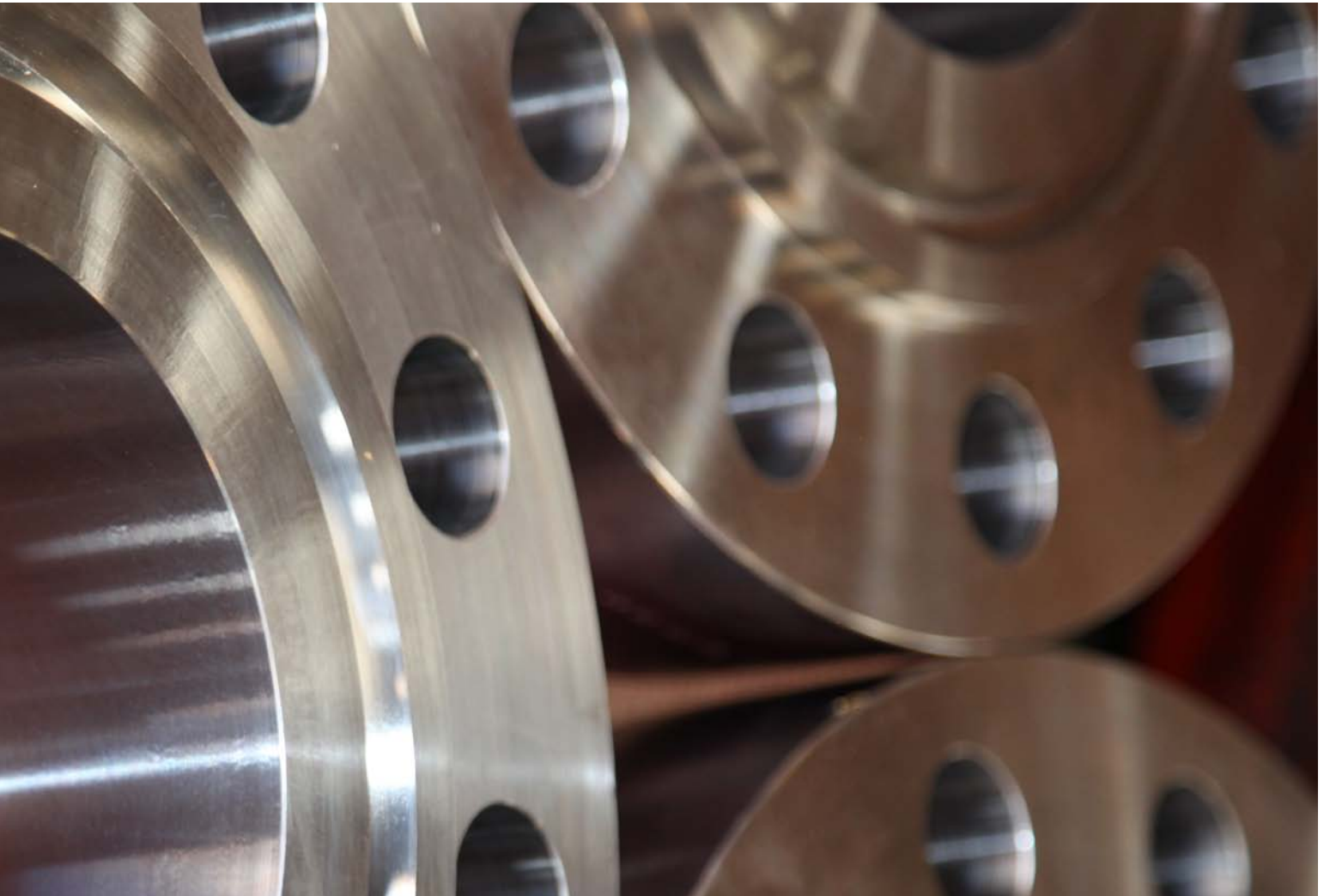


shape a better and more sustainable society. “We strongly believe that these activities benefit society as well as enhancing corporate value.”

VIRAJ SHRI RAM CENTENNIAL SCHOOL

Viraj Profiles Limited is committed to the welfare of the people within its vicinity as it believes in the policy that emanates from the conviction that human beings are at centre of all developmental activities. Being a corporate house, the company understands its responsibilities towards the society and actively contributes to the same. Mrs. Renu Kochhar, a compassionate woman herself, always cherished the idea of starting an educational institute that could provide the best quality education to the local people of Boisar.

In realising her dream project, Viraj Management initiated the construction of a school providing education matching international standards, at their premises at Kurgaon, namely Viraj Shri Ram Centennial School. This CBSE (later ICSE / IGCSE) school is affiliated with a prestigious educational group in New Delhi, Shri Ram New Horizons Ltd. (SRNH), a joint venture between the Shri Ram Group & New Horizons Worldwide, Inc. SRNH brings forth international standards of training and education to India.



EDUCATIONAL INITIATIVES

Society's biggest asset is not the large infrastructure or lavish lifestyle of the people. All this can disappear after certain periods of time if the population is uneducated, so the biggest investment for a society lies in refining its human resources by providing them with a good education. It is with this motto that Viraj undertakes several education enhancement activities. At Viraj, Corporate Social Responsibility is not regarded as merely a brand Image building tool, rather, CSR at Viraj is a sincere devotion that stems from genuine concern and the drive to provide a better future for the next generation. Viraj has supported a number of schools by providing scholarships and distributing reading and writing materials to the students at Zilla Parishad School, Maan. Existing School infrastructure and an Anganwadi at Baripada have been renovated for providing a better learning environment for the students.

Adult Literacy Programme

A Polytechnic College is being proposed to bring technical advancement to rural areas, to bridge the gap between industrial requirements and professional, while enhancing technical knowledge of local people, which will help to accelerate employment among local youths. Through this initiative, Viraj aims to aid the rural youths of society to break away from the vicious circle of poverty, ignorance, deprivation and exclusion by providing them with a good education and training.

Infrastructure Development

Amongst various CSR activities which are undertaken by Viraj, one focus is the provision of Infrastructural support to the local schools. As part of this initiative, several developmental activities have been initiated by Viraj Profiles in its peripheral area by renovating village properties. These projects are undertaken on a need basis.

Health Improvement

We understand that society can only develop when it is developed in terms of better education, improved health and better economic sustainability. Following these principles, Viraj has undertaken several initiatives for ensuring good health of the people in the nearby villages. Such initiatives, on the part of the company, go a long way towards gaining acceptance from local communities and encourages engagement from local people.

An ambulance has been in operation, in association with Lions' club of Tarapur, for subsidised access to emergency medical cases which need to be shifted to Mumbai for further treatment. This facility has proven to be a boom for the people of nearby villages who otherwise had to struggle for an ambulance in the case of any emergencies. Viraj is planning to establish a world class medical facility at Tarapur, while also organising free health camps regularly for the people residing in the nearby villages.

Female Empowerment

Female empowerment in India is still an issue, with women still being treated as the weaker section of society and Viraj recognises this as an outmoded and archaic manner of thinking. Today, a society cannot develop completely unless the women are empowered. Supporting the notion of women being empowered in today's society, Viraj Profiles places special attention on local girls and women. By organising self help groups in nearby villages, where women are provided with free vocational training by Viraj to help them find financial independence, progress is being made. The ultimate aim is to empower women to be self-sufficient and self-reliant, by providing them with a viable entry to the market with an assurance of running a business.

CARE FOR THE ENVIRONMENT

Viraj is going eco-friendly by focusing on energy efficiency in their factories and production processes, with the use of eco-friendly recyclable materials. Recognising that the use of recycled scrap supports waste management, conserves natural resources and reduces energy usage, this has become a primary concern for the organisation.

All the while, without compromising on quality, they utilise waste exchange extensively, where the waste product of one process becomes the raw material for another. "The main area where we contribute, with recycled material, is in our melt shop, wherein we import Industrial and domestic recycled scrap, from various countries, in order to produce quality Stainless Steel material," Mrs. Kochar tell us, "And this is all in line with the latest emission norms put in place to ensure zero discharge of fumes."

To ensure this further they have imported and installed new induction furnaces, in their melt shop, which have ash collectors to collect the dust, while for processes such as induction melting, AOD refining and continuous casting, it is ensured that the induction furnaces are utilised on a rotational basis. This ensures that they are maintained to perform at optimum levels, providing better output of material quality, while minimising the consumption of energy and offering overall efficiency through reduced wastage.

Water is conserved in the annealing and pickling processes as well, "We installed a scrubber and absorber system that treats water with acid or base as required for neutralisation, so that the water can be recycled," she tells us, "After filtration, we remove the solid impurities. Thus we use the same water again, saving costs and natural resources at the same time."

As one of the most important companies, not only in India but in the world, Viraj have nobly taken on the responsibility of being an example of how companies need to take the lead, not only in innovative thinking and technology upgrading, but in social and economic developments as well, as Mrs. Kochar concludes, "We need to stand for more than just business."

