



Chairman of the Viraj Group, Mr Neeraj Kochhar (right), and Managing Director of Viraj ImpoExpo (left), Mr Nitán Chhatwal, have a challenging and ambitious goal for the Viraj Group; to become the largest producer of stainless steel long products in the world.

# Viraj: India's big bang steel long products

More and more suppliers from outside the traditional stainless steel breeding grounds of Europe and the USA are making a significant impact on the stainless steel market. Take India for example. This country has rapidly become one of the major centres of stainless steel production. In order to learn more about the dynamics of stainless steel production in India, Stainless Steel World visited one of India's leading producers of stainless steel long products, the Viraj Group, a young and ambitious company.

At the start of the new millennium the directors of Viraj got together to decide on a strategy for the coming decade. The company was founded in 1992 with a very limited production capacity. The Viraj Group within years became a major player in the stainless steel long products market. Therefore it should not come as a surprise that the strategy formulated in the meeting was built on the success of the company so far and had a challenging and ambitious goal; to become the largest producer of stainless steel long products in the world.

Stainless Steel World spoke to the Chairman of the Viraj Group, Mr Neeraj Kochhar, and Managing Director of Viraj ImpoExpo, Mr Nitán Chhatwal, to hear more about the developments within the group and what consequences these developments will have for the worldwide long products market.

"To some it might be something quite unbelievable that in the future, the largest producer of stainless steel long products will be based in India. Nonetheless, I am confident that within a very limited period of time this will



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# in stainless

be a reality. In order to do so we are implementing an investment programme that will lift our melt capacity from 100,000 tonnes to no less than 250,000 tonnes per annum. It is not only tonnage though that matters to Viraj. We carry an extensive product portfolio that makes us a true stainless steel supermarket. Moreover, we are continuously looking for products that can complement our portfolio. All in all we want to be the largest producer of long products in the world with the most complete product portfolio", Mr Kochhar explains.

## **DOMINANT PLAYER**

Looking at where Viraj started only 13 years ago, the growth of the company has been remarkable. Back in 1992 when the company began manufacturing it only produced flat rolled chrome steel products for the domestic market. However, the decision was soon made to move into stainless steels and in 1996 the first bright bars and flanges were produced. At the same time, Viraj moved away from the domestic market and the core of its business became exporting their products worldwide. Today, no less than 98 per cent of the company's sales are generated outside of India, a truly remarkable percentage for any company in business today. Viraj currently exports to some 80 countries with new countries

being added regularly. The most important regions are Europe and North America with both a share of 15 to 20 per cent. This leaves no less than 60 to 70 per cent to be distributed to other geographical areas such as the Middle East, South East Asia, Australasia and South America to name just a few.

Mr Chhatwal: "We try to distribute our products as widely as possible as this makes us less dependent on a limited number of markets and therefore less vulnerable. In connection to this we also have to take anti-dumping regulations into consideration, because we are a particularly cost efficient producer and our pricing has mistakenly been susceptible to anti-dumping legislation in the past. We have formed our own department dedicated to this issue which has meant we have been able to successfully consolidate our geographical markets." The next step is being implemented now with Viraj's three step 200 million USD investment programme. At present, Phase I is being realized and a new wire rod mill is being installed which is due to be commissioned in September 2005. This new mill marks Viraj's entry into the wire rod market and has the capacity to produce rods with diameters of 5.5 to 34 mm. Together with the installation of the wire rod mill Viraj is expanding its melt capacity to 250,000 tonnes (p.a) which will make the company number one in the world for long products according to Mr Kochhar. Following on from Phase I Viraj plans to add a slab caster. The slab caster will offer Viraj a unique flexibility for supplying a variety of products to the market and is also a response to the great demand. Finally, in phase III,

## Who's who



**Neeraj Kochhar**  
**Title:** Chairman of the Viraj Group  
**Functions as:** Strategist  
**Handles:** Imports and public relations



**Nitin Chhatwal**  
**Title:** Managing Director of Viraj ImpoExpo  
**Functions as:** Co-strategist  
**Handles:** Profiles, smelting, wire rods

Viraj is planning to further expand its melt capacity by 150,000 tonnes per annum. This is a significant addition to its already impressive capacity. Through this investment programme, Viraj plans to be the number one player in the market for long products. It hopes to achieve a market share of no less than 10 per cent of the world's total long products consumption. Moreover, the move into the hot products segment through its diversification into slab casting will enable the company to be extremely flexible and capable of supplying a product mix only very few companies in the world have, according to Mr Chhatwal.

### STAINLESS STEEL SUPERMARKET

It is not only sheer volume that is on Viraj's mind. Mr Kochhar: "Viraj wants to be a true supermarket for stainless steel products and long products in particular. A supermarket in the sense that we want to be very competitive price-wise as well as that we want our customers to be able to procure everything they need from Viraj. Therefore we are constantly monitoring where the needs of our customers lie and where we should add new prod-

ucts to our portfolio. A next step for instance will be I-bar and fastener production and seamless pipe has also caught our eye as a possible range to which we should allocate resources."

According to Mr Chhatwal the group has unique capabilities. It can supply round bars from 2 to 16 inch. Other products supplied by Viraj's Bright Bars Division include round, hexagonal and square bars, again in a particularly wide range of sizes. Viraj Forgings is at present the third largest manufacturer of stainless steel flanges in the world and also supplies pipe fittings, forged bars, butt-weld fittings to name just a few. VSL Wires supplies stainless steel wires and ribbed bars. Sizes range from 0.07 to 12mm for wire, 10 to 20mm for ribbed wire and 0.07 to 0.7mm for fine wire. Finally, its Angle and Flats Division supplies flats and angles in an extensive size range.

Next to its wide product range and competitive prices Viraj's management feels it is the excellent quality of its products that makes the company such an attractive partner. It operates a well-designed, quality system that is ISO 9001:2000, AD Merkblatt 2000, PED 97/23/EC and CSA B-51-97 approved. Furthermore, the company holds a wide range of approvals from end users.

### Facts & Figures

<b>Name:</b>	Viraj Group
<b>Founded:</b>	1992
<b>Number of employees:</b>	5000
<b>Export 2004:</b>	USD 300 million
<b>Products:</b>	Forgings and flanges, angles and flat bars, bright bars, wire rods, wires
<b>Grades:</b>	Austenitic, ferritic, martensitic, austenitic, duplex, precipitation hardening steel

### FULLY INTEGRATED

"The way Viraj works is unique", Mr Chhatwal says. "Combining the requirements regarding quality, the need for an efficient production process and the conditions found here in India mean that we constantly look carefully at how to optimise our plants. Therefore, backward integration has become a very important concept for the company. This means Viraj controls the whole production process in-house. From the actual melting of the material until the final packaging and shipping, everything is done by us. In many cases it is more efficient for us to keep things in our own hands which many other companies would outsource. We have, for instance, our own 15 megawatt power plant which means we can be one hun-

## Who's who



**Hitesh Chhatwal**  
Title: Managing Director Viraj Forgings  
Product: Flanges



**Renu Kochhar**  
Title: Managing Director, Viraj Profiles  
Products: Angles, flats, rounds



**Rahul Suri**  
Title: Managing Director - VSL Wires  
Product: Wires

dred per cent sure our power supply is reliable. We have also invested significantly in ensuring accurate delivery. We have our own fleet of 80 trucks, our own gas stations and even a container depot at Nhava Seva, India's largest port. This gives us one hundred per cent control of the vital steps of production and we can therefore guarantee our customers top products for the best prices and fast delivery times."

"This leaves us with one thing to touch upon; our customers," Mr Kochhar concludes. "Of all the factors contributing to the success of Viraj, the contact with our cus-

tomers is the prime mover. We have a very close-knit relationship with our customers and prefer to deal with them at a personal level. In fact we treat our customers like family, with warmth and respect. Combine this with our performance in delivering goods on time, to the highest quality standards and at the most competitive prices and you will recognise why Viraj's export turnover has doubled every year since 1995. Viraj today has become a supermarket for stockists and dealers of stainless steel long products around the world. With our new rolling mill in place, Viraj will be the key player on the global front." ■

### Flanschenwerk Bebitz GmbH

Flangenwerk Bebitz GmbH is managed by Mr Dhruv Kochhar who explained what made Bebitz so interesting.

"One of the reasons why we chose for Bebitz was the well-established image the company enjoys as a high quality producer of flanges. Moreover, Bebitz through the years had acquired a very impressive number of approvals from end user companies. It was this combination that made the company so attractive and so far I can only say it has been a very positive experience."

For one, Mr Kochhar praises the German work mentality. Even though now and then language problems may crop up this is by far made up for by Bebitz's professional, dedicated and driven staff. Looking at the company itself it is the long-standing tradition and expertise that was gathered since its foundation in 1911 that puts it apart. Needless to say that experience and technical expertise are key to the company.

Today the company produces around 20,000 tonnes of flanges of which approximately 20 per cent is made of stainless steels. These flanges mostly find their way to distributors in Germany, the rest of Europe and the USA. Bebitz's customers comprise of stockholders, master distributors and projects.

At present Bebitz is looking in to further optimising production according to Mr Kochhar. Therefore Bebitz Germany has a subsidiary plant in India, Bebitz Works Private Limited, that will start at the end of June. Mr Kochhar: "Looking at things, quite a lot has happened in the close to one-and-a-half years. Today we are better positioned to satisfy the three points that make the difference. We are more than competitive price-wise, the quality of our flanges equals the best on the market and we can deliver on as short a notice as possible in the world today."

