



Expanding into hot and cold rolled flat products

Viraj Profiles Ltd ranks 2nd in the world for stainless steel long products



Neeraj Raja Kochhar is the promoter of the 1 billion US dollar, or Rs45,000m, Viraj Group. Viraj Profiles Ltd is currently ranked No.2 in the world in the stainless steel long products segment. Its products are exported to over 80 countries worldwide, and key markets include Germany, the USA, Turkey and Korea.

Production capacity at the Viraj group is currently 380,000 tonnes. The company started with 100 employees, and today has a human resource capital of more than 9,000 employees. The group's turnover for the financial year 2009-2010 was Rs40,000m.

Viraj is the solution, it says, for all stainless steel engineering needs in a wide range of grades, sizes and lengths for importers and stockists. The group produces more than 50 grades of stainless steel. It is preferred over other international suppliers, it says, because of the availability of such a wide

range of stainless steel products under one roof.

The stainless steel engineering products supplied by Viraj include bright bars, wire rod and wire, fasteners, flanges and profiles. The top management of the company comprises Neeraj Raja Kochhar, the Chairman and Managing Director, and Managing Director Renu Kochhar.

The group has export-centric divisions for the manufacture of stainless steel wire and wire rod, profiles and sections, fasteners and forged flanges.



Wire rod	55%
Rolling mill divisions	17%
Sections & profiles	17%
Flanges & forgings	10%
Bright bars	26%
Wire	12%
Fasteners	17%

Viraj Alloys Ltd is the flagship production company of the group which started in 1991-92. Initially producing utensil grade stainless steel flats for consumption in domestic markets, it subsequently diversified into specialised grades (such as 304 and 316), which were used as inputs by the stand alone companies Viraj Impo Expo Ltd (VIEL) and Viraj Forgings Ltd (VFL). VFL specializes in the manufacture of stainless steel flanges and forged rounds. To generate higher value, Viraj Alloys Ltd expanded its capacity in stages up to 108,000 tpy, and also added continuous casting and rolling facilities to generate higher value. Later two more stand alone companies were formed under the names Viraj Profiles Ltd and Viraj Smelting Ltd.

The stand alone company Viraj Profiles Ltd commenced its operations and industrial activities in the financial year 2000-2001 in the area of stainless steel sections and profiles (angles, flat bars, channels and beams). Viraj Smelting Ltd has been focusing on the production of stainless steel wire since the financial year 2001-2002.

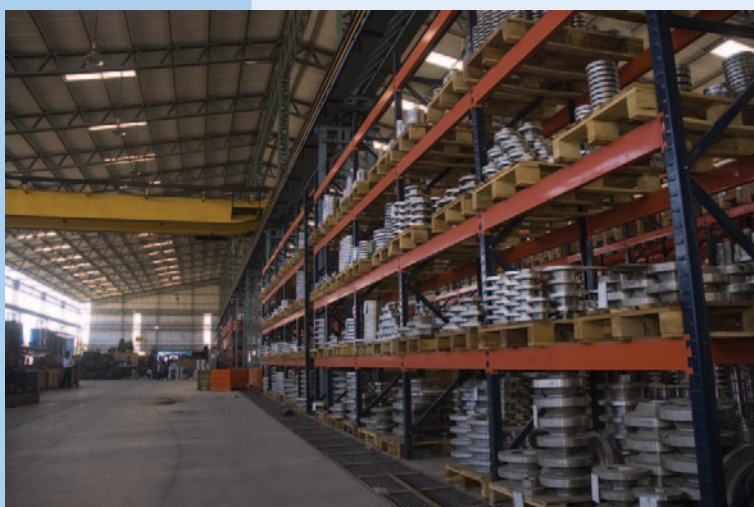
The stainless steel production capacity of Viraj Profiles Limited is fully matched by the capacities of individual units as follows:

Viraj has also diversified into the manufacture of industrial fasteners since the financial year 2006-2007. Thereafter, steps were taken to further harness the potential of increasing the capacity of the unit, with new facilities installed in the melting shop, as well as a scrap shredding unit. As a result, melting shop capacity has risen to 240,000 tpy. In 2006, Viraj Profiles Ltd set up a new 192,000 tpy wire rod mill, and it has also set up a 100,000 tpy annealing and pickling line.

The stand alone companies Viraj Alloys Ltd, Viraj Impo Expo Ltd and Viraj Smelting Ltd were merged into Viraj Profiles Ltd effective April 1, 2007, and now only Viraj Profiles Ltd is functioning as a multi-location EOU.

Logistics and CFS company

Viraj today is almost self-reliant in terms of





its transportation needs. The movement of cargo, both imported and exported, from and to JNPT Nhava Sheva Port in India is handled by its own fleet of trucks. In recent months, Viraj has also started its own Container Freight Station (CFS) which covers a total of 9 acres and has a handling capacity of 6,000 containers per month. The CFS is located just 14km from JNPT Nhava Sheva Port which is India's largest containerised port terminal.

The Container Freight Station, which operates as a division of Viraj Profiles Ltd under the name of Vaishno Logistics CFS, will not only cater to Viraj's own needs but also offer services to other exporters and importers. As well as reducing costs for Viraj, the facility will therefore generate additional revenue for the company.

The whole 9 acre area is enclosed with an 8ft high compound wall, in accordance with the standard norms and requirements of the Customs Dept, and customs officials are posted at the gate of the CFS to check gate-in and gate-out of import and export cargo. The company has its own container handling equipment, which includes two 60-tonne capacity reach stackers, as well as forklifts for cargo up to 3 tonnes in weight.

Stringent quality measures

With a central focus on the customer, Viraj fulfils the requirement of delivery and service with no compromise on quality through rigorous methods such as:

- automatic ECCD detecting machine for surface defects and immersion type ultrasonic test in-line for the bright bar
- tight control of trace elements and non-metallic inclusion for surface quality and internal quality
- 100% inspection for all the products
- monitoring system to evaluate quality related factors for each manufacturing process
- high tech production facilities for austenitic, ferritic, martensitic, duplex and precipitation hardening stainless steel grades

To benchmark ourselves with universal quality standards we are upgrading our operational parameters as follows:

- central Quality Centre to manage areas such as ppm rejection rate
- continuous research and development for refining process, hot workability, cold workability and new products of stainless steel
- installation of an in-line solution annealing treatment and pickling line in the wire rod mill for better surface quality

Their 75+ certifications such as ISO 9001-2008 approved by TÜV NORD, AD 2000 Merkblatt WO approved by TÜV NORD, Pressure Equipment Directive - PED 97/23/EC approved by TÜV NORD and Saudi Aramco - Saudi Arabia, confirm that quality is at the heart of all manufacturing processes.

Financials and growth

During the 2009-2010 financial year, Viraj sold 214,302 tonnes of stainless steel engineering products and for the current year 2010-2011, it estimates sales of 235,000 tonnes. Since prices of stainless steel products vary alongside prices of raw materials such as nickel, chrome, and molybdenum, the sales value of Rs29.4 billion in 2009-2010, is estimated to increase to Rs42 billion in 2010-2011. Over the next three years, starting in the financial year 2011-2012, Viraj expects to register sales volumes of 340,000 tonnes, 398,000 tonnes, and 440,000 tonnes, and sales values of Rs70 billion, 82 billion and 91 billion, respectively. While the average EBIDTA/sales ratio was 10.9% in the last 3 years, the company expects this to increase to 14% in the next 3 years.

The vision

“To be counted amongst the most respected and preferred enterprises globally”

A vision that this expanding organisation will attain through its mission of:

- One stop shop for stainless steel engineering products
- First preference of the global market leaders
- Upgrading and adopting the latest technology
- Product and market development for maximizing value
- Delivering operational excellence
- Continual growth through customer service, innovation, quality and commitment
- Committed to minimum CAGR of 25%
- Plough back income to diversify into stainless steel HR-CR project
- Responsible and abiding corporate citizen
- Committed to a green environment

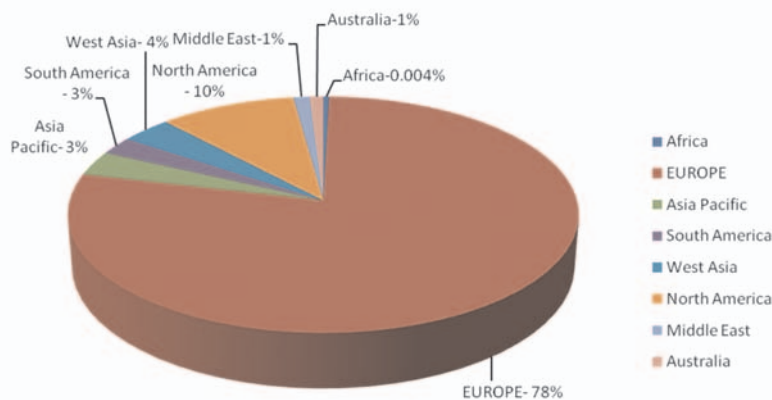
- Creating an ownership based performance culture
- Creating a mix of professionals comprising existing loyal employees and external talent with the aim of building world class systems and processes to take Viraj to new heights
- Developing the internal talent pool through focused talent management practices
- Fostering an enabling culture so as to bring about the potential of each employee
- Creating an employer brand through a high level of employee engagement in the organisation with the aim of becoming an “organization of choice & a great place to work” in the next 2 years.

Behind every successful man there is a woman

On December 25, 2010, the managing director of Viraj Profiles Ltd, Renu Kochhar, was declared “Businesswoman of the year” at the Madhavrao ScIndia Leadership Awards (MSLA) in Kanpur. Dignitaries in attendance were Hon'ble Sri Prakash Jaiswal, MP, Indian National Congress; Hon'ble Sri ArunYadav, Union Minister of State Govt. of India; and Hon'ble Sri Pradeep Mishra, president of Madhavrao ScIndia Leadership Award 2009. Renu Kochhar attributed her success to Neeraj Raja Kochhar who has unconditionally supported her throughout her career, and accepted the award on behalf of her Virajian family without whom such success would not be possible.

Renu Kochhar is Managing Director of Viraj Profiles Limited (VPL). After playing a supportive role in the development of the organization Mrs. Kochhar, joined VPL in 2001 as Director of the Profiles Division. From manufacturing to marketing she was the driving force behind the successful launch of the profile product range internationally. During her term in this position VPL was recognized for achieving “Highest Exports” as an Export Orientated Unit and received an award from SEEPZ in 2009. It is her personal commitment to exceeding expectations that makes her a clear winner in any field. This talent and experience combined with compassion towards the employees, whom she refers to as her Viraj family, has

Regional market share



- First choice of the employees/sought after employer
- Openness to backward and forward integration to sharpen its competitive edge

Internal changes - people and process centric

Considering the vision and mission of the organisation, a people centric strategy has been formulated which is based on the following:

led to her current portfolios of Human Resources, Corporate Communication and Corporate Social Responsibility (CSR). Renu Kochhar has been instrumental in the transformation of the entire organization through HR initiatives. Having played a key role at operational level and been integral to the development of the medium to long-term business plan, she recognizes the correlation between productivity, talent acquisition, internal resource development, and technological advancement, thus aligning it with the overall growth strategy of the organization. She has launched a full 360 degree development programme which has enabled effective initiatives such as implementation of a performance management system, identification of training needs and relevant courses, manpower productivity studies, introduction of reward and recognition policies, enhanced employee benefits and welfare support, strengthened organizational structure and culture, team building events, and leadership workshops.



steners, flanges and forged bars. Adoption of sophisticated technology, automation and de-bottlenecking at all its downstream units is pursued by Viraj on a regular basis, the company says. As a result, its production capacity in the section/profile division will increase by 33%, in bright bars by 37.5%, in wire by 22%, in fasteners by 20%, and in flanges and forged bars by 14%.

HR CR Project

The company is planning to set up a sector specific Special Economic Zone (SEZ) for stainless steel engineering products at Village Wada, Dist. Thane in the Indian state of Maharashtra. In this SEZ, Viraj will be expanding its production capacity as well as its range of products and is setting up an integrated production facility for coils and sheets. Following this diversification, the product range at Viraj will also include:

- Hot rolled stainless steel coils
- Cold rolled stainless steel coils
- Annealed and pickled stainless coils - both hot and cold rolled

The size range will be:

HR Coils:	2.0-12.7mm
CR Coils:	0.3-4.0mm
HRAP:	2.0-7.0mm
CRAP:	0.3-4.0mm

Following commissioning of the new hot and cold rolling facilities in 2014, the total stainless melting capacity at Viraj will be 1.5m tpy, and sales will rise to US\$4 billion, of which exports will account for some \$3 billion.

For further information please contact the Corporate Communication Team at corpcomm@viraj.com or visit www.viraj.com

Expansion plans

At present, Viraj has a stainless steel making capacity of 348,000 tpy, which will rise to 528,000 tpy from October 2011. More than 90% of Viraj's production is austenitic grades. Melt shop output is processed further at the downstream units to make higher value added engineering products, such as wire rod, bright bars (rounds, squares and hexagons), sections and profiles, wire, fa-