

Jindal Stainless to focus on speciality steel

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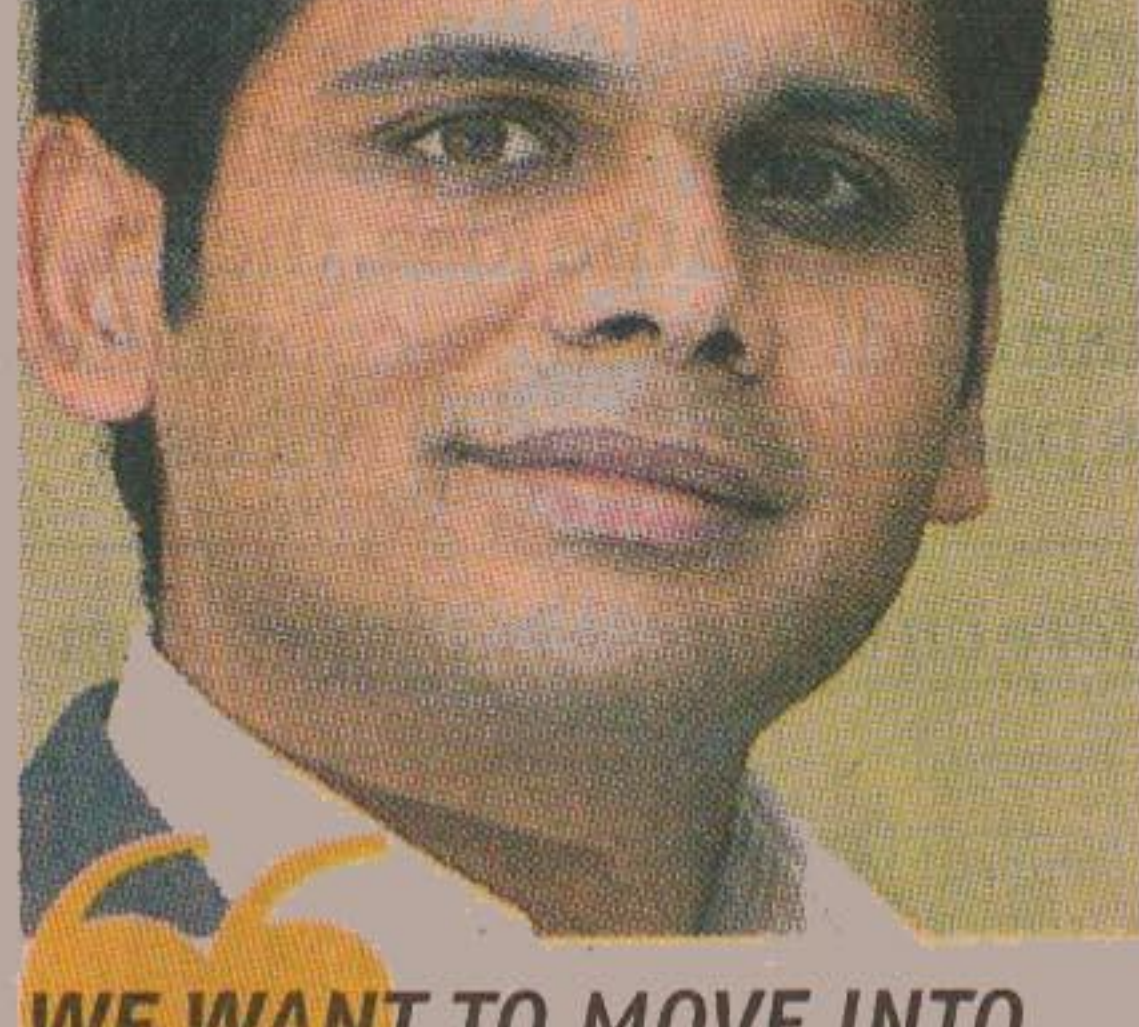
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As part of its expansion strategy, Jindal Stainless plans to enter some unconventional areas of steel use — defence, nuclear energy, aerospace and long products, all high-margin segments.

The current production capacity is 1.6-1.8 million tonnes a year, with a market share of 45 per cent.

“We want to move into the speciality steel segment, which is into defence, supplying raw material and not manufacture equipment as such. We also want to venture into long products and aerospace,” Abhyuday Jindal, vice-chairman, told *Business Standard*.

The company is also supplying steel to an experimental fusion reactor being constructed in the south of France. Jindal conceded the firm would have to meet the stringent quality standards in the defence and aerospace sectors. The firm has a factory each at Hisar in Haryana and Jajpur in Odisha. In March, it signed a licence agreement with the Defence Research & Development Organisation (DRDO) to make high nitrogen steel (HNS) for armour applications, at the Hisar plant. DRDO will transfer the technology.



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ABHYUDAY JINDAL

vice-chairman, Jindal Stainless

HNS resists corrosion and much better ballistic/blast protection, with longevity. This has applications in all armoured vehicles, beside aviation and naval systems. The firm says it is trying to produce additional variants, for niche requirements of the defence sector.

“We have reached 80-85 per cent capacity and should be able to reach 90 per cent by March,” Jindal said, and then full capacity. They’d then look at expansion, first on the cold rolling side of stainless steel. The proposal is at the drawing board stage.

Reduction of debt is another concern area; total debt was ₹8,500 crore in 2015. “We split the firm into two entities and, therefore, reduced the debt to almost ₹2,500 crore in Jindal Stainless and a similar amount in Jindal Stainless (Hisar). Debt structuring would be complete by the end of this fiscal year,” said Jindal. Jindal Stainless (Hisar) had a 73 per cent jump in profit after tax at ₹92 crore for Q2, from the same period a year before.