

Infrastructure & power drive Indian market

This month we have turned our focus on India, a force to be reckoned with on the global market. While local consumption is relatively low on a global scale at 1.8 kg, demand is rising as infrastructure and power projects drive demand. Stainless Steel World met with Mr. Dilip Podar of D.K. Corp. in Mumbai to learn about how the Indian market is evolving.

By Joanne McIntyre

“India’s stainless steel market is sluggish at the moment, as it is all over the world. However once it picks up there are lots of developments in the pipeline.”

Local manufacturers can supply almost all the stainless steels required in India, explained Mr. Podar. “The industry has developed rapidly and it now geared up to meet demand locally, although a small portion of specialized alloys, such as duplex and super duplex, are still imported from overseas.” Mr. Podar explained that the next generation of business in India has evolved such that cooperation with overseas companies is the norm. “There are a great deal of joint ventures and technical licencing agreements between overseas and Indian companies. Indian industry has absorbed the technical expertise from overseas to produce quality goods locally. In return, foreign partners are able to supply lower cost steels to their customers and take advantage of our engineering and labour skills. Indian products are now being manufactured with proven overseas technology, resulting in a good product at a competitive price.”

A power hungry nation

“The construction of conventional power plants is progressing rapidly and it’s a very strong sector for our stainless steel industry. National Thermal Power Corporation (NTPC) is pushing ahead with new power plants, most of which are coal powered.” India’s nuclear energy program is also still developing. Gorakhpur Haryana Anu Vidyut Pariyojana (GHAVP) is a proposed 4 Unit nuclear power plant to be built on a 560 hectares area west of Gorakhpur Village of Fatehabad district of Haryana. The first phase will have an installed capacity of 1400 MW and is expected to be completed by 2021. The second phase will double capacity to 2800 MW. The proposed 700 MW PHWR reactors are indigenous and similar to the ones currently under construction in Kakrapar Atomic Power Station (KAPP-3 & 4) and Rajasthan Atomic Power Station (RAPP-7 & 8).

“Nuclear Power Corporation of India has invited tenders for major components of this project and technical bids have been opened. Local companies such as L&T, Dodsal, Punj Lloyds, Walchandnagar, etc are already quoting and overseas companies are coming forward. However the nuclear civil liability clause in the tender is creating hesitations (see box ‘Liability ...’).”

“Despite the liability debate there are more new build plants on the horizon, including two 700 Mw units in Rajasthan; two 700 MW units in Madhya Pradesh; and four 700 MW units in Haryana. Once the liability issue is solved the industry will rush ahead.”

Leading industries

One of the major applications for stainless steel in India today is infrastructure development. “An enormous amount of infrastructure has been developed in the past five years, particularly in transport: highways, expressways and airports.



Dilip Podar: “Indian producers have a very good technical understanding of specifications, testing- and inspection requirements”

Liability issues halt progress

India’s 1962 Atomic Energy Act says nothing about liability or compensation in the event of an accident. Under existing Indian legislation, foreign suppliers faced potentially unlimited liability, which prevented them from taking insurance cover, though contracts for Kudankulam 1&2 excluded this supplier liability. The 2010 Civil Liability for Nuclear Damage Act places responsibility for any nuclear accident with the operator, as is standard internationally, and limits total liability to 300 million SDR (about USD 450 million). However, after compensation has been paid by the operator (or its insurers), the bill allows the operator to have legal recourse to suppliers for up to 80 years after plant start-up. No limit is set on suppliers’ liability. The supplier community interpreted this provision as rendering it vulnerable to open-ended liability claims.

A second sticking point were concerns among the suppliers that they could be subjected to multiple and concurrent liability claims.

The ongoing discussions are a massive bottleneck for India’s nuclear power industry. Early in 2016 NPCIL faced an equipment sourcing problem for two of its indigenous reactor projects under construction, Kakrapar in Gujarat and Rajasthan in that state, with even domestic supply chain vendors reluctant to provide components.

Source: World Nuclear Association

Bus stops, buildings, bridges, etc also demand a lot of stainless steels. The next challenge is to streamline the railways, which will require a huge investment. India has the biggest railway system in the world but there is a shortage of rolling stock. That will be a great opportunity for stainless steel manufacturers.”

Changing relationships

Mr. Podar believes there has been a shift in the relationship between Indian and foreign stainless steel producers. “European production is either stagnant or reducing slightly while Indian production is on the rise. When I travel to international exhibitions I see far more Indian participants than a decade ago. I visit international events such as Stainless Steel World for two main reasons: to meet existing customers in one location, and to learn about new companies and products. Stainless Steel World events are a great platform for networking; the ‘Who’s Who’ of the stainless steel and special metals world is present at the expo and conference. As part of our expansion strategy we’re always looking to introduce innovative products and solutions for the Indian market!”

“My advice for companies wanting to export to India is to be more competitive. This market demands good prices and excellent customer service. Indians are very service-demanding; they expect suppliers to devote time and service to their customers by way of product information, order progress updates, quick deliveries, and documentation.”

India’s standing in the global market has also changed, says Mr. Podar. “A couple of years ago European companies talked about China and India. Today they say India and China; the balance of power has changed. Indian producers have a very good technical understanding of specifications, testing- and inspection requirements and are reaping the rewards of this.”



Mr. Dilip Podar & Mr. Gaurav Podar addressing a technical seminar hosted by DK Corporation in Mumbai. DK Corporation (part of the Podar Group) is one of India’s leading manufacturer representatives. The company specializes in managing the sales and marketing related interests of global manufacturers in India. The industries it serves are energy and power, oil and gas, petrochemical, fertiliser, process engineering and marine. See www.dkcorp.com for information.

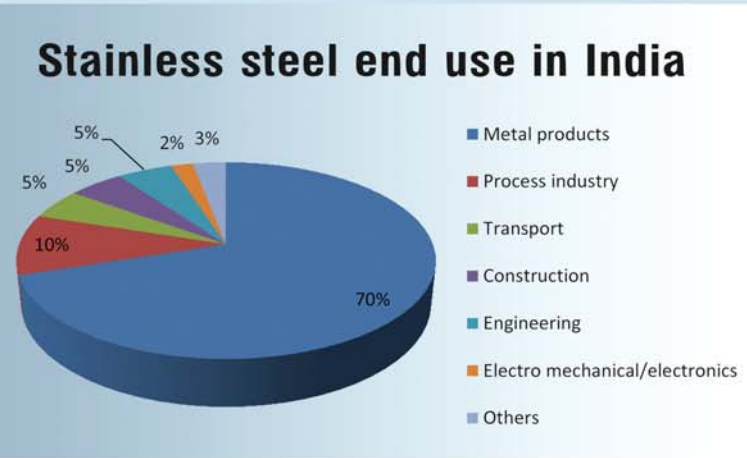
from India

Stainless Steel in India  **WORLD STAINLESS STEEL**

Per capita consumption: 1.8 kg

All three main train manufacturing units - ICF Chennai, RCF Kapurthala and RCF Rae Bareli - are now fully equipped to produce stainless steel carriages for Indian Railways.

Stainless steel consumption will grow by 8–10% in the next 2-3 years



Melt shop production (ingot/slab equivalent) in 1,000 MT.

2,022	2010	2013	2,891
2,163	2011	2014	2,858
2,834	2012	2015	3,060

