

Think Stainless; Think Chromeni

Chromeni Steels is poised to carry Indian stainless steel—and India itself—into the future. A joint venture between prominent Indian business groups and leading Chinese manufacturer Tsingshan Industries, Chromeni has developed a new DRAP production line that is unlike anything else on the market. A youthful board of directors leads the company, and as Chromeni operations pick up speed, they are eager to put their new products to the test.

By Daniel Sweet

As Mr. Pratik Shah and Mr. Harsh Kotak explained in a recent interview, Chromeni Steels is truly a cooperative enterprise. The company is made up of 5 different entities, including one foreign partner, China's Tsingshan Industries. Tsingshan, founded in 1998, is a leading multi-national manufacturer of stainless steel sheets, plates, bars, rods, wires, pipes, and tubes, with 10 million tons of output at the end of 2018. In addition to stainless, their diversified business operations include nickel ore mining, ferronickel and ferrochrome smelting, hot rolling, and cold rolling with captive supportive power plants and ports.

On the Indian front, Chromeni Steels consists of Sunrise Group, Suncity Group, JP ISCON, and VD Group. Sunrise Group has a long history serving domestic and international stainless steel markets for past four decades, and more can be read about their company in the April/May *Stainless Steel World India* spotlight. Suncity Group brings 25 years of experience in stainless steel to Chromeni, while JP ISCON brings expertise in real estate development in Gujarat and Mumbai. Finally, the VD Group has been active in the diamond industry for a decade and they recently diversified into stainless steel. Together, these five groups make Chromeni the biggest joint venture in the stainless steel industry.

Conception

Recently, Tsingshan Group and their partners have been investing in Indonesia and India, in pursuit of their company goal: "Dare to be the first, incorruptible, and dedicated." Their push for India led Tsingshan to call upon the Shah family, whose 40 years of experience in Indian stainless steel earned them a global reputation. In August 2016, Tsingshan Chairman invited the family to Shanghai. During the visit, the Shah family met the Chairman and discussed the possibility of joining forces. After exploring new avenues for a joint venture, the project was offered to and accepted by the Shah family. In January 2017, a memorandum of understanding was signed in Gujarat, and from there, the project began in earnest.



▲ Tsingshan Chairman, Mr. Xiang Guangda, sharing the dias with PM of India Mr. Narendra Modi at Vibrant Gujarat 2019.

"The first step was to delegate responsibilities," Mr. Shah said. "I dedicated myself fulltime to Chromeni, while my brothers, Mr. Ruchit Shah and Mr. Jignesh Shah, assumed responsibility for the Sunrise Group, which is by design a totally separate entity from Chromeni. During the first year I was doing a lot of traveling back and forth between China and India, but now that the project has matured, I've mostly remained in India to oversee development. The Chromeni facility is located in India, and India is the central focus of Chromeni. The input of Tsingshan comes in manufacturing design, selection of the machines, and production advice. On our end, we are the experts in navigating the local environment. It's an excellent synergy because the Chinese group is able to take care of production & logistics while the Indian group takes care of marketing and finance. For this project, production is a key focus: in fact, we planned from the beginning to break new ground in production, doing something that no one else has done before."

5-stand Tandem DRAP Line

Mr. Shah explained that "Chromeni's production is quite unique. We have set up a DRAP (Direct Rolling Annealing Pickling) line in a 5-stand tandem mill, which is unlike anything else in the world. The production lead time is quick, completing the finishing process in minutes rather than the weeks required



▲ Bird's eye view of Chromeni's manufacturing plant.



by conventional finishing techniques. Full automation ensures that the facility's speed does not compromise on high quality. We are aiming at a production goal of around 1 million ton cold rolled coils by December 2019, and an additional 1 million cold rolled coils by 2022. We are already on target to reach these goals. In regards to hot rolled coils, we are aiming for production of 4 million tons in 200 & 300 series by 2022. In all, our goal is to reach an integrated stainless steel production capacity of around 4 million tons per year by 2022."

Chromeni production takes place at their new facility in Gujarat, one which now ranks

among "only a handful of stainless steel manufacturing plants that produce hot and cold rolled coils at one location. In fact, it's the fourth largest facility with this capability in the world. After incorporating the capacity, construction at the site began in January 2018, and with an investment of more than \$200 million and record-breaking speed, the facility was completed in May 2019. Production began right away to meet our 2019 goal."

Mr. Shah noted that "the facility is completely automated with the help of sophisticated software. The software enables every component of the system to synchronize.



▲ Final stamp of approval for Chromeni Steels - signing of the JV agreement.

This is important for two reasons: it keeps the production line up to a high standard of productivity and a high standard of quality. With such high capacity—one line producing almost 1 million tons of stainless steel annually—standardizing and automation of the process is of the utmost importance."

Strategically located

In addition to its size and capacity, the Chromeni facility is notable for its location. The plant is located "right outside the biggest port of India: Mundra Port. We have such easy access to the port, and in terms of logistics, this gives us a very strong advantage. India has now started using lot of waterways that can be

utilized in shipping, not to mention all the other modes of transport that surround Mundra."

Mr. Shah also commented on the roadways that surrounds the Chromeni facility, noting that one of the "major sales regions, what is known as the 'Northern Belt' is easily accessible from the plant. This access will allow Chromeni to cover the entire belt and thus the entire region. This will be another first for the industry, as we will become the primary company to carry stainless steel coils throughout the entirety of the belt."

Make in India

Discussing Chromeni with Mr. Shah, it becomes quickly apparent that his vision for the



▲ An aerial view of the new Chromeni facility in Gujarat.

company is bound up with his vision for India. "What we see in India is what we at Chromeni like to call the three-Ds: **Democracy, Demography, and Demand.** India is the world's largest democracy, made up with a rich and diverse demography of incredibly young and ambitious citizens. Our large population is hungry for growth, which brings us to demand. With one of the fastest growing economies in the world, there is growing demand. If businesses can supply it, then businesses will succeed."

"With this in mind," Mr. Shah continued, "Chromeni was founded partly in response to Hon'ble Prime Minister of India, Shri Narendra Modi's initiative, Make In India. The initiative calls upon Indian business to reexamine everything the country is importing, and if we can make it ourselves, we should at least try. So it is along these lines that we have set up our manufacturing plant, and because India

is a very big market, in the coming years it will continue to grow. India doesn't have many manufacturers in our sector, but that is all going to change in the future."

When asked how Chromeni would help bring about India's manufacturing future, Mr. Shah said that "With its state of the art manufacturing plant, Chromeni will help the local downstream industries to grow. This will meet the demands of the stainless steel industry in India, and in turn it will meet the demands of the Indian economy. More specifically, because we believe in giving back to society, Chromeni is committed to employment generation and improving social welfare. As the company grows, we hope to provide direct employment to around 12,000-15,000 individuals. Indirectly, that number is closer to 50,000-60,000 individuals. All this together will play a major role in the growth of the country."

Fresh ideas

In keeping with Chromeni's focus on India, Mr. Shah pointed out that the company's leadership reflects the demographics of the country. "The top team of Chromeni, it is worth pointing out, is a very young team. The youngest team member is 28 while the senior-most is 40. This includes our sales team and general company team. Sometimes people ask me why I find young people so vital to growth in business. And I tell them that young people come with fresh ideas, with a hunger and passion that leads to new strategies. Because our company leaders are young, I see this same passion for fresh ideas in Chromeni: we are the largest joint venture that has ever existed in the stainless steel industry. And I see this same passion in India itself. Its what makes us as a company—and as a country—so successful."



▲ Mr. Xiang Jinqiang



▲ Mr. Pratik Shah



▲ Mr. Mahaveer Agarwal



▲ Mr. Harsh Kotak



▲ Mr. Amit Vagharia

