

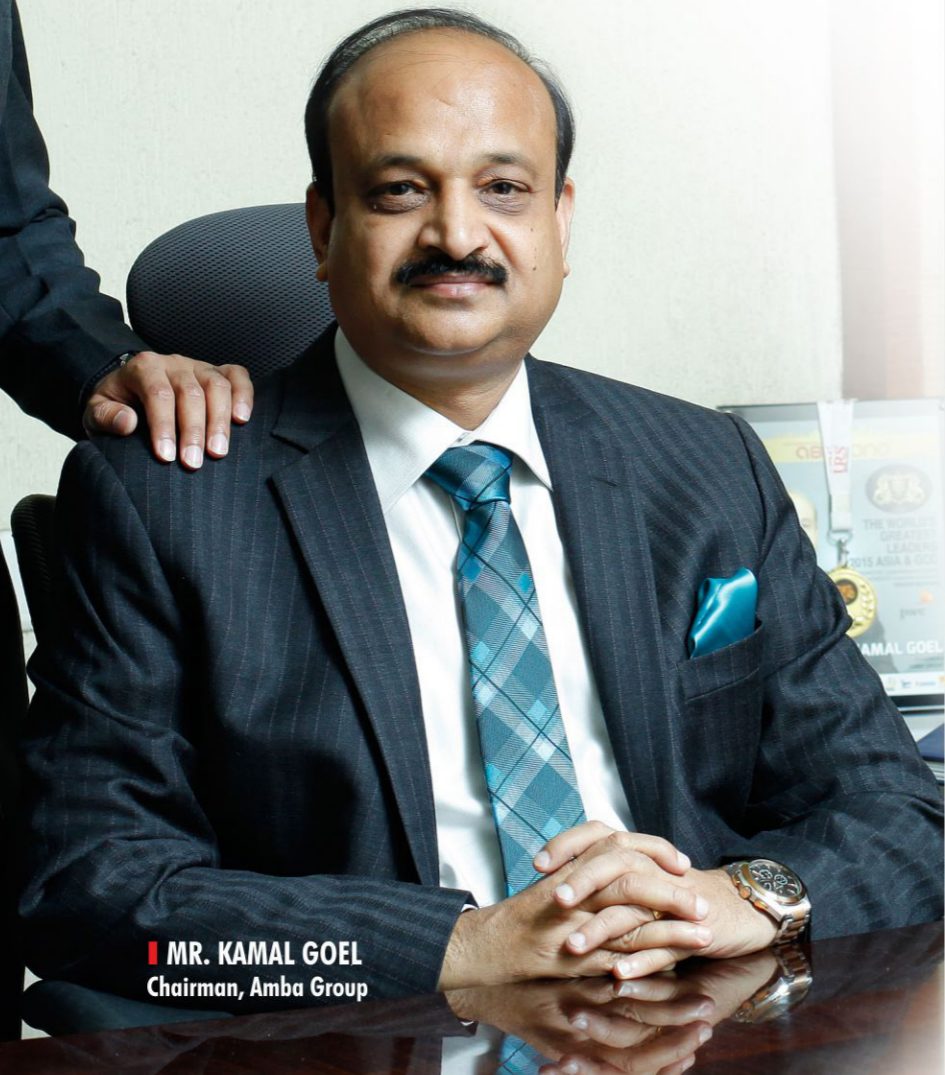


GOING PLACES WITH STEELY DETERMINATION

Mr. Kamal Goel, Chairman, Amba Group, is the revered patriarch of the Rs 1,500 crore worth company which has achieved many milestones since its establishment in 1974. The entity unfolds a saga from the initial single furnace foundry in Muzaffarnagar, Uttar Pradesh, to state-of-the-art factories of global standards pan India having its head office in New Delhi. The passion of the soft-spoken veteran is palpable, who with his vision and trust in the synergy of modern-day technology and irrefutable human capabilities, has passed on the baton to his sons along with rich cultural values to take the group to new glories of achievements.



MR. AKSHAT GOEL
Director, Amba Group



MR. KAMAL GOEL
Chairman, Amba Group

How did the journey begin from your home town Muzaffarnagar to expand pan India?

Coming from a humble background, we have seen our father struggle early in life. He tried out many jobs, ventured into trading, worked at a senior levels in plants in various industries and by dint of his hardwork and calibre eventually became a partner in a steel company and went on to make it our first completely owned setup. Established by the name Durga Ispat in Muzaffarnagar, today it has made a niche for itself as a manufacturer of small angles, channels etc., that very few others can produce. My brother and I, together, built the business into a huge company. Presently, we have 2 plants in Muzaffarnagar, one in Himachal Pradesh, two in Goa and one in Gwalior, Madhya Pradesh and an upcoming one in Secunderabad industrial area, Bulandshahr, Uttar Pradesh which will combine to take the group capacity to more than 1 Million Tons per annum.

How has technology impacted your company?

Now everything is dealt with very professionally, flawless systems are in place, technology and infrastructure is state-of-the-art, enabling precise quality checks, that makes the end product worth the money. PLC based machines, for example, help to avoid any discrepancies in place. Computerised based controlled units are basically for quality checks at source or anywhere along the process to set the right condition for right quality. Now technology is so advanced that products made through secondary route are as good as the primary ones. Quality processes not only saves time and manpower, but also increases efficiency and output other than establishing credibility. Technology coupled with team work has changed the business environment significantly making us easily reachable and better equipped to serve our valued customers.

What prompted you to build a plant in Secunderabad, Bulandshahr?

I would like to share with you an interesting incident that took place last year i.e., 2018 when we ran out of steel because the two furnaces at the Gwalior factory were over worked with production orders for the next two months! It is when I decided that we have to increase production capacity and the need to put up a new plant arose. This is how the factory at Secunderabad Industrial Area, Bulandshahr, Uttar Pradesh became a reality.

What is the USP of the plant in Bulandshahr, west Uttar Pradesh?

In terms of technology, the USP of the plant in Secunderabad, Bulandshahr, is the .5 million tonne capacity Horizontal Vertical TMT rolling Mill, which is a state of the art design, equipped with all the latest technologies like the installation of German thermal quenching technology, the latest variant of thermax, which is the best in the world. It will give strength and durability to the TMT bars which will be made from quality steel. It will be the largest plant in North India

manufacturing TMT bars and wire rods, particularly catering to NCR region where rapid development is taking place. Though thermax technology is being used by other players in the market, none have the new variant, except us. Also, another noteworthy feature of the plant is that it will run only on clean fuel. Even the Gwalior plant runs on clean energy i.e., electricity, because we believe in maintaining the highest standards of air pollution controls in our plants.

Tell us something about your company's Gwalior and Goa plant?

The .36 million tonne capacity Gwalior plant was established four years ago where tempcore technology is in use. The plant, where better control processes are now being installed, will very soon manufacture wire rods, testing for which is under way. Hopefully, in another two months it will be commercially operational. A similar facility is being developed in the Secunderabad plant also.

At Goa we have two independent plant setups. In the first, we have a fully integrated sponge iron making facilities powered by our own power plant. Along with this we have another plant consisting of a steel melting shop and a rolling mill. The advantage of Goa plant is that being located in a coastal area it is ideal in terms of logistics, besides saving time and money.

From where do you procure raw material for your plants?

We have three procurement channels, the first is sponge iron, purchased from primary producers. Second, is scrap purchased from the local markets surrounding the plants but because the required demands are not being met by the locally, we have established a third channel where we have started importing quality scrap from other countries like, Brazil, UK, Scandinavian countries, Europe, Australia, Dubai among others.

What are your plans about going global?

We are not thinking of going global as of now because there is huge demand in India which is witnessing phenomenal all-round development. While most of the players in this industry are running inefficiently or incurring losses leading to closure, we have been able to bring down costs significantly by implementing latest technologies giving us better profit margins, which again is reinvested to build better processes, and sub processes having different quality checks from start to finish, besides ensuring high product quality. This has resulted in production of better steel for giant product sizes that we are launching soon, which are affordably priced and unmatched in quality.

Whom do you credit with the success of your company?

I am fortunate that we enjoy the good will of a strong and trusted network of about 100 distributors and more than 1500 dealers across the country. Also, at each plant we have highly qualified engineers and dedicated staff numbering around 300-400 people apart from contractual labourers. They have helped us to manufacture and deliver quality product at

affordable prices, besides offering prompt services to our esteemed customers.

What is the impact of GST on Indian industry?

GST is a boon for the Indian industry making taxation becoming uniform and seamless across the country. It has accrued many benefits ranging from a single window clearance, giving a level playing field to secondary players in the industry to gradually come on par to bigger stakeholders, thereby breaking monopolies. Its advantages have started to emerge, become visible and very soon mid-cap and small players will be plugged into the mainstream of Indian economy.

In context to strengthening secondary sector, what can be the government's role?

The government under Honorable PM Narendra Modi's leadership, has already done a lot for the steel Market. The implementation of an anti-dumping duty on Chinese materials has given a steel market a much needed boost. That, coupled with the removal of the definition of steel plants, bifurcating them into primary and secondary, has provided a level playing field for the entire Indian steel industry. Saying that, there could be a few areas where the government can help in strengthening the industry more.

One is that, if there is a better transportation infrastructure, it would certainly help the industry. Transportation is a key part of the steel industry. Currently it takes more than a week to transport material from ports to the heartland states. Bettering that would mean savings in time and inventory costs which could profit the industry a lot.

Another is the power tariff varies from state to state and this impacts secondary sector. In fact, most of the cost of manufacturing is spent on power, so if that can be regularised, we can produce even better steel at the cheapest possible rate. With much impetus being given to solar power plants, if plants can procure private power directly from them at nominal rates creating a win-win situation for both the stakeholders. If this happens, I can confidently say that Indian steel will be exported across the world and even to industrial giants like China.

How do you envision the future of the industry and Amba Group's plans?

India is the fastest growing economy in the world, the infrastructure development and the opportunities available here is like nowhere else in the world. It has huge potential in terms of market, manpower and skills and the industry is set to take off in a big way. Given a level playing field, I envision the secondary sector manufacturing world-class quality products besides empowering India by generating employment.

The Amba Group is mulling to open an affordable education institution in the eastern or southern sectors that shall empower the youth of the region and provide them ready jobs in the company on completion of their course.