

# Salem Steel Plant – Uniqueness in Stainless Steel

SAIL's Salem Steel Plant has always had a unique place in the steel giant's units, due to its uncompromising quality branded product – Salem Stainless steel. Salem Steel Plant (SSP) is certified to ISO 9001:2000 Quality Assurance



System for the entire unit. The Plant was the first in SAIL to achieve ISO certification for its quality. It has also won several laurels for its quality, the most recent one being the Indian Institute of Metals' Quality Image Award for 2004.

With such assured quality, SSP's products find applications in several sectors viz power plants, consumer durables, elevators, railways, architecture, automobile, etc. apart from the conventional kitchenware and tableware. The Plant's products have been used in the Parliament Library at New Delhi and the roofing of the Koparkhairane railway station in Navi Mumbai, besides several other architectural applications. Abroad, Salem Stainless steel has been used in the world famous twin towers of

Petronas in Malaysia and the roofing of the Melbourne tennis stadium in Australia, to mention a few notable examples. The Plant's customer base spans 30 countries across the globe including the USA and European nations.

While expanding its horizons in all applications, Salem Steel is also remaining focussed on the utensils market, which is predominant in India. The Plant has engaged nine conversion agents in major cities for making kitchenware and tableware from its material. SSP is also providing thrust to promoting sale of utensils to institutional buyers like Indian Airlines, Coal India and NTPC and to the Tamil Nadu government for its noon meal scheme for school children. In addition, the Plant has entered into an agreement with Bharat Petroleum for selling a selected range of branded Salem Stainless kitchenware products through Bharatgas distribution outlets in Tamil Nadu, Kerala, Andhra Pradesh and Karnataka. SSP also plans to launch exclusive Salem Stainless showrooms, beginning with Chennai and Kolkata, to function as a retail network for quality stainless steel kitchen and tableware products.

To serve the market requirement, Salem Steel Plant has the capacity to produce 1,86,200 tonnes of hot rolled steel and 70,000 tonnes of cold rolled

stainless steel per annum. For the current year (2005-'06) the Plant has set a target of a total production of between 2.40 to 2.50 lakh tonnes.

The Plant, which passed through a recessionary period during 2002-'03, turned around and made a net profit of around Rs.2 crores in 2003-'04 and upped the ante to Rs.3.48 crores during 2004-'05. The Plant's turnover was around Rs.970 crores, an increase over the previous year's turnover of Rs.550 crores.

The main challenge faced by SSP is sourcing its input material, viz, stainless and carbon steel slabs. As slabs are an intermediary product, the pricing at which it is available is not competitive. Two methods have been envisaged to overcome these challenges. The first is to produce slabs at SAIL's Alloy Steel Plant for supply to SSP and the second is to set up a steel melting facility at Salem itself for producing slabs.

Despite the challenges, the advantage that SSP continues to enjoy over its competitors is its uncompromising quality. Its branded product, Salem Stainless, has become a household name today. And just like its product, which is an environment friendly, recyclable material with long term cost benefit, the Plant is also certified to ISO 14001 Environment Management System, which is an obligatory requirement for customers and organisations who prefer to deal with environment friendly companies.

Salem Steel Plant is therefore, poised for growth and enhancement in the years to come. The Plant and its greatest asset, its employees, are fully geared to to meet the needs and requirements of its customers and stakeholders in the present and in the brighter horizon of the future.

