

## PANDEMIC EFFECT

External impact of Covid-19 will play a critical role in determining the steel sector's health, says Abhyuday Jindal, MD, Jindal Stainless p4



# We will minimise the impact on our workforce, says Jindal Stainless MD

SURESH P IYENGAR

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Steel companies are the worst affected by the lockdown. With the demand coming to a halt, most value-added steel companies have stopped production. Abhyuday Jindal, Managing Director, Jindal Stainless, shares his view on the current developments with *BusinessLine*. Excerpts:

### Is the government relief package enough to meet the current crisis?

Absolutely. However, implementing these measures in the shortest possible time would be the key, as the on-ground activation of government initiatives take time to materialise. Further, we need banks to immediately pass on interest rate/MCLR reduction and not wait for annual interest reset dates. Similarly, other lending institutions including equity/debt funds should be advised to extend moratorium benefits to borrowers.

### How do you plan to pay employees salary when the plant is shut?

These are surely tough times for us with customers deferring payments, production and logistics disruption adversely impacting sales. Despite this, we have made timely payment towards wages, salaries and MSME vendors, through our efficient cash flow management and proactive back up plan-



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ABHYUDAY JINDAL  
Managing Director, Jindal Stainless

ning. We will minimise impact on our workforce in these extraordinary circumstances.

### When do you see a revival in demand?

The situation is extremely uncertain. We can think of any internal revival only after the flattening of the Covid curve and exiting stage-IV of this crisis. However, external impact of Covid will also play a critical role in determining this sector's

health in India. The epidemic is declining in other stainless steel producing countries such as China, Japan and South Korea. This indicates an immediate recovery for the manufacturing facilities in these countries. They

can naturally enhance production and export to markets like India whenever opportunity presents.

In Indonesia and Taiwan production is still continuing.

The moment Indian borders open up, we can expect a glut of imports when domestic industry will be struggling to cope with Covid aftermath. Incidentally, CVD/ ADD (counter veiling duty and additional) cases have been initiated against these countries.

We feel that given the large and lucrative Indian market, these countries will resort aggressive dumping. The industry fears are further confirmed after China announced an increase in the steel export rebate from 10 per cent to 13 per cent. The direct effect could be a surge in imports from China. Indian export market may be taken over by the China, unless our government provides export incentives.

### Have you chalked out any strategy to stay ahead of market?

We have created few strategic teams who are working on this situation and looking for alternative growth avenues. Our company is completely sensitised with the current situation. Being the market leader, we have adequate capabilities and capacity to overcome this crisis. Our business strategy has been agile and strong fundamentals have kept us afloat even in tough times.

