

Jindal Stainless to nearly double its supply for Railway wagons

Stainless steel wagon demand by Indian Railways to grow by 15% annually; over 1,00,000 wagons needed in the next 5 years

Kolkata, August 31, 2018: In view of the Indian Railways' plans to increase and ease wagon manufacturing in the country, Jindal Stainless, India's largest stainless steel maker, has partnered with Railways in a big way. In the *Railway Wagon Manufacturers' Meet* organized by the company here today, **Head Sales, Jindal Stainless, Mr Vijay Sharma** said, **"Jindal Stainless holds a 70% market share in the stainless steel wagon segment. At present, we are supplying 35,000 MT of stainless steel annually to wagon manufacturers, which will nearly double by the end of FY20. Our R&D team, in collaboration with the Railways' Research Designs and Standards Organization (RDSO), is working on developing two new wagon models-BOBRN and BOST, which will be lighter and have greater anti-wear and tear properties."** Presently, the total number of wagons in the country is over 2,00,000. In the next 5 years, Indian Railways will procure 1,00,000 wagons, each needing around 8-10 tonnes of stainless steel, depending on the model and design.

Given its resistance to corrosion, heat, pressure, and ageing, stainless steel was introduced in wagon manufacturing as a preferred alternative to mild steel. In order to boost usage of stainless steel in this segment, the Indian Railways ushered in a policy change in December 2017, wherein wagon manufactures could directly procure raw material from stainless steel manufacturing companies. Another bold move, known as the *Wagon Invest Scheme*, further allows end wagon users to directly own them. Compared to the 15-20 years' life of mild steel wagons, stainless steel wagons last up to 45 years, which turns out to be an economical choice for both, Railways and wagon manufacturers. The metal's fire resistance (ability to withstand temperatures in excess of 900 degrees centigrade), higher impact resistance, improved slide-ability, higher weldability, and corrosion resistance, even in wet abrasive applications, make it an optimum choice for usage in the transport sector.

The revenues from freight traffic account for nearly 65% of the total revenue of Railways. This improved by 4.7% to Rs 1.17 lakh crore in FY18. The national transporter plans to increase its share in the goods movement in the country to 50 per cent from the current 35 per cent approximately. To give this plan a sustainable, practical, and cost-efficient shape, Railways is gunning for greater usage of stainless steel. Earlier, Railways would procure raw materials from steel manufacturers and pass it on to wagon manufacturers, which resulted in cost and time overruns for the private players. As per Ministry of Railways, the overall shortage of wagons in the country aggravated the problem by increasing overall cost for transportation of goods. With the latest initiatives in the pipeline, Railways expects to find a speedy resolution.