

New Aluminium applications making inroads in India

Sachin Satpute
Chief Marketing Officer - Hindalco Industries Ltd.



With the vision to be a premium metals major; global in size and reach; excelling in everything it does; and creating value for its stakeholders, Hindalco Industries Limited was established in 1958. An industry leader in aluminium and copper, Hindalco Industries Limited, the metals flagship company of the Aditya Birla Group is the world's largest aluminium rolling company and one of the biggest producers of primary aluminium in Asia.

The company commissioned its aluminium facility at Renukoot in Eastern Uttar Pradesh in 1962. Later, acquisitions and mergers with Indal, Birla Copper and the Nifty and Mt. Gordon copper mines in Australia, strengthened its position in value-added alumina, aluminium and copper products. The acquisition of Novelis Inc. in 2007 positioned Hindalco among the top five aluminium majors worldwide and the largest vertically integrated aluminium company in India.

Currently Mr Sachin Satpute is Chief Marketing Officer at Hindalco Industries Ltd. He is Mechanical Engineer and MBA (Marketing) from Mumbai University. Mr Satpute has more than 26 years of industry experience. After the Hindalco acquisition of Novelis, he took Seoul, Korea based assignment with Novelis Asia in 2007 as Director, Business Development & Innovation and then took larger responsibility as Vice President – Sales, Marketing & Technical services. In 2011, he joined ALCOM Malaysia, a public listed company and Novelis subsidiary, as Managing Director. He returned to India in June 2012 to assume larger responsibility and wider role in Hindalco. He is also a director of Hindalco-Almex Aerospace Ltd, a Hindalco subsidiary and a dedicated aerospace facility. Mr Satpute is also the Vice President of Aluminium Association of India.

“The low per capita consumption presents a huge opportunity in a growing economy like India. The annual growth rate of Aluminium consumption in India is growing at high of 9%”, says **Sachin Satpute, Chief Marketing Officer at Hindalco Industries Ltd.** in an exclusive interview to **Metalworld**. Excerpts:

What are your views on Global & Indian Aluminium Industry prospects in the coming years?

Aluminium has been one of the fastest growing metals globally as well as in India in the last few decades. The versatility of Aluminium and its excellent properties have been the drivers of this rapid pace of growth, making it one of the most preferred engineering materials. Aluminium has also gained the title of being a 'green metal' due to its recyclability and its potential to reduce energy consumption of vehicles significantly.

Global consumption of Aluminum has grown at a CAGR of 6% since 2001 and has reached 50 million tons in 2013. In the same period, consumption in India has grown at a CAGR of 15%. In a major shift, Global capacities are moving towards the East from the West.

India's per capita aluminium consumption, which is still significantly lower than most other nations, has increased from 1.1 kg in FY06 to 2.1 kg in FY14. This translates into an average annual growth rate of 9%. The penetration of Aluminium is surely deepening in India—and is ahead of the rate of general economic growth.

You said India has a low per capita consumption of Aluminium Vs Western World and even China. What opportunities does it throw? Please share plans of Hindalco

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towards increasing aluminium consumption in India?

As I had stated per capita consumption of India is still significantly lower at 2.1 kg in comparison to world average of 9 kg and China average of 22 kg. The low per capita consumption presents a huge opportunity in a growing economy like India. The annual growth rate of Aluminium consumption in India is growing at high of 9%. Consumption of steel has grown at CAGR of 7.7%, which indicates Aluminium applications making inroads in India and fuelling Aluminium consumption.

Indian economy is at an inflexion point due to its favourable demographics with rising middle class, working age population and urbanization. Modern high rise commercial buildings and elegant multi storey residential complexes go for good quality Aluminium doors and windows.

Hindalco has been pioneering new products and Applications Development in India over the last decade in all the key growth segments under the various “Market Driving Initiatives”. We have a dedicated market development team which promotes and develops new applications and products in India. The Market development team



works closely with Hindalco R&D and Aditya Birla Science & Technology Centre (ABSTC) to develop new products and applications. These actions are significantly supporting our efforts of “Aluminisation” in India. We are working on various light weighting projects like Aluminium Gas Cylinders, Electric mobility vehicles, Railway Wagon, Speed boats.

For this growth of Aluminium in India do you have plans for more downstream developments?

Yes, very much. Among Domestic Aluminum players, Hindalco has far more balanced portfolio of Primary Metal and Value Added Downstream products. We have already invested in new Rolling Mill complex in Hirakud wherein we have revamped Novelis Hot Mill and new Cold mill and finishing lines. The phase-I capacity for this plant is around 135 ktpa. This rolling facility is Can Stock capable and will also help us to address some of the hard alloy and surface critical specialty product markets. We have also invested in Foil rolling complex in Mouda, which is capable of producing various Light Gauge foil products.

Additionally, we have also invested in larger diameter (CCD) Extrusion presses in our Renukoot plant. When fully commissioned, the incremental capacity will be around 18-20 ktpa. These presses have been commissioned and under stabilization phase. This facility will help us to address the strong alloy and lager

profile requirement.

The above facilities will help us to drive import substitution as large quantities of Rolled products and extrusions are currently being imported. At the same time, we will be able to target high value market segments in the chosen overseas markets.

In addition to the downstream expansions, we have commissioned a smelter at Mahan, Madhya Pradesh and another smelter is under commissioning at Aditya Aluminium, Odisha - each with a capacity of 359ktpa. These smelters will help Hindalco join the 1 million ton club.

Almost 70% of Indians are residing in Rural and Semi-urban markets. What are the key Rural Marketing Initiatives Hindalco has undertaken?

Hindalco's “Everlast” Aluminium roofing sheet is another excellent example of our concentrated efforts in addressing the need of lightweight, durable and corrosion resistant roofing solutions to the rural market segments in India. “Everlast” is fast emerging as the popular choice of roofing for many Tea estates, Hatcheries and rural sheds. In Assam, we support the government initiated “SarvaShikshaAbhiyan” – new school buildings under this scheme. Recently launched “Mid-Day Meal scheme” for school children in Assam uses “Everlast” aluminium roofing sheets for kitchens attached to the school premises.



Innovation is a new buzz word across Industries. Kindly share your views towards Innovations efforts & new product development at Hindalco?

Innovation, New product and Application development is a way of life at Hindalco. We recently launched a web based Innovation Platform for capturing new ideas and monitoring projects to develop Aluminium applications. Hindalco's dedicated team of Market Development, R & D and Innovation centres, work very closely with the End Use Industry and the government to develop new products and applications. Hindalco also actively participates in various Exhibitions, Workshops and Light weighting Seminars to raise the awareness and promote Aluminium in India.