

Speaking at Conference on Metal & Metallurgy in New Delhi

February 03, 2017

Thank you Mr Narendran, thank you Dr Aruna Sharma for kind words about the budget and about the way forward, Ms Nita Karmakar, distinguished ladies and gentlemen. In a way, I feel very comfortable coming to a Metal and Metallurgy Conference because I started my career with this industry. Way back in 1981, I was a very young person at that time probably studying in college, 11th or 12th standard if I remember correctly, when the entrepreneurial bug hit me and I started exploring different options of what business to do. And that was just the time when I had moved from the science faculty, I was first thinking to do engineering. I don't know if anybody is from Mumbai, he will know Agarwal Classes in Mumbai. I had registered and I did 6 months of Agarwal Classes in 1979. And it was the way the typical formula of a student – finish your 10th, 11th, go to Jai Hind College, take up Agarwal Classes, sit for the IIT Joint Entrance exam. Probably, I would have been on a different path today. But, somewhere around the time I decided I should move to commerce and then pursue law and chartered accountancy.

But the bug was there and we set up a steel forging unit and I can never forget the grooming and the learnings of being a forge master. We had a very small Drop Forge Hammer made in Ludhiana at that point of time so suddenly, it was at the expansion phase that we had to look at imported equipment and all the, the modern versions of Drop Forge Hammers. But I remember the first hammer we bought, I don't recollect the name. नाम नहीं याद आ रहा | But we brought a hammer from

Ludhiana, one and a half tonne Drop Forge Hammer, that's what I recall and we got into production somewhere in 1984. So really for me the metal and metallurgy industry is not new. My own father has spent 30 years of his career after he did his engineering from BHU, in Mukund, one of your steel makers, at that point of time probably the largest maker of alloy steels when he came.

And I also recall that somewhere in the late 60s, Mukund had started under Papa's leadership a machine building division. I wonder if it still continues, probably does I don't know. But at that point of time I remember often going to the machine building division and seeing large furnaces being manufactured in collaboration with ABB and cranes being manufactured and stuff like that. So today, while they were trying to bring me to the conference, I was a little late, I preferred to take a look around. I just wanted to get a sense of what's happening on the machine front, the new equipment that's coming. It was wonderful to see enthusiastic young boys wanting to show off their new robotics technologies and automation, and that's the way forward.

We had Mr Bill Gates earlier this year coming to us and talk about new transformative ideas and what India should look for in the future. And we can see things like fourth generation technologies, innovation in the way we work. There's a lot being made out soon after the budget that there is nothing for jobs in the budget. And I remember answering my friend from PTI, Mr Shankar, that the future of Indian jobs is going to be significantly different from the traditional job that Tata Steel or SAIL used to provide where getting a job meant getting into a structured organisation, you are going into grade 6 and then all your life progressing to 5,4,3,2,1 hoping to become a manager. Those days are gone. I rarely find a young person today who is looking only for a

government job, looking for a job in a steady state industry, not to say that Tata Steel is not disruptive in its thinking and growth.

But the day and age has changed. You now have entrepreneurs looking at newer and newer thoughts and ideas. Now that enthusiasm that young boy in the robotics stall had, you will not find it in a person who joins a grade-4 or grade-3 job in government today. And that is the spirit of young India that we believe this government is focused on, that spirit, that excitement to do something new, something different. Clearly, when Ola was started by a young, I don't know, 25-27 year old boy, he dreamt big, he dreamt of creating something innovative. And those 100 odd thousand people who worked using Ola vehicles or who planned to become a part of the Ola franchise are all going to look at a new and innovative way of their life going forward.

In fact, this budget has focused on ushering in this age of technology, ushering in entrepreneurship, encouraging people to think innovatively, encouraging people to be bold, startup with new ideas, new thoughts. I know how difficult it was in the 80s when we started business. At that point of time we couldn't even think of going beyond the drudgery of a routine business that was something everybody had done, people had been there, done that and you also just join the bandwagon. I wish I could be 20 again today. And I promise you I wouldn't be looking for a job. I would be looking for or a business in the forging industry alone. I would be looking at doing some research and out coming with a new metal formulation which will transform the way automobiles are made in India. I would be looking at seeing what aluminium, how can we play with aluminium and make something new out of it. Not to say that the position of the steady state industry or the basic industry is compromised. That will always be there. We will need Tata Steel or

NALCO to produce steel and aluminium. But then what we do after that? And while they are producing steel and aluminium, what newer concepts could be introduced in that process that is being followed for centuries or years, that's the future of India today.

In fact, in a way if you see the metals industry is very closely linked with the history of civilization. We moved from the stone age to the bronze age to the iron age. Today, we are in a new age altogether. I don't know whether there is any word, it's the age of innovation, the age of technology, the age of, and this age, age of information technology and as they say now the fourth dimension of technology is coming. But this is an age where you have to be nimble-footed, you have to really be on the move looking at newer thoughts by the hour, by the minute. Because you don't know what somebody else, some other country will do better and faster.

And to my mind, for the growth and the future of any nation, after all, what is GDP? What is growth? What is the resource that helps you create something in society or in your nation? It's either what is below the ground, that's the mineral wealth of the country. It's what is on the ground, which will include agricultural produce or forests or trees, all the living organisms which grow from the earth, it will include the labour that we all put in. Also, obviously, the animal wealth of any nation and if one was to put to good use the mineral resources of a country, the labour that is available, the agricultural and animal wealth of a country intelligently. And that's probably the fourth dimension which we need to ignite in our thinking in the way we work. Then we can transform India rapidly. We can become the world leaders when it comes to technology, when it comes to innovation. And as honorable Prime Minister Mr Modi often tells his colleagues and tells all of us to

encourage us to think differently, it's time now for India to lead the world rather than follow the world.

And Ms Sharma has heard that from him. He is a person very passionate about technology and very passionate about newer ideas, newer concepts, newer way of doing work, which is why I think he also connects with the youth far better than anybody else. And that's the spirit that I believe Conference of Metals and Metallurgy which focuses on the Road to Resurgence, is all about. A resurgent India, a new India, which is looking at becoming a world leader, not a has-been, not somebody who is only looking to clone the world. And that's about everything. It's not only about technology. Even in the sphere of policy, if you will recall, the steel industry in India barely a year ago was under the worst stress and was going through a time which would have probably led to the death knell of every steel manufacturer. Probably, the only one who would have survived would be SAIL and RNIL because the government would have had to keep them going and it would have become another story of huge losses and government feeding from the exchequer, tax-payer money to keep a public sector unit alive. Possibly, Tata Steel with its big strength may have survived. I am not so sure about that also given the situation a year ago. But the whole industry would have been dead.

It was India's proactive stance to bring in the minimum import price on steel. And bear in mind, the leadership that India showed, particularly due to the onslaught of indiscriminate imports from certain countries at ridiculously low prices, unviable, unworkable prices, only to keep their industry going would have not only meant the death knell of India but industry all across the world. But when India took the lead, within 2 days or 3 days, the United States imposed a 250% duty, then Europe

followed suit. And the world was able to save its steel industry. Finally, the dumpers were required to either increase their price or shut down I think some of their capacities.

So India now has to think innovatively. India cannot afford to be sitting on the sidelines and showing weakness when it comes to taking strong policy decisions. And that is the strength of Prime Minister Modi's government. That is the proactive approach of this government which doesn't wait for an industry to die before we act. We act proactively. We act in the interests of India. We act in the interests of Indian workers. We act in the interests of Indian business. Because unless business survives the workers won't have any work to do. If big business doesn't survive, the downstream and all associated and ancillary industry dies. And when that happens, the whole economy of the country can get shattered.

This budget has been all about supporting small and medium enterprises. It's been about reigniting the spirit in the small business and trading community so that they once again become the drivers of job and working opportunity creators, entrepreneurship gets a leg up. And to my mind, when the poor of this country, when the deprived and marginalized sections of this country have more money in their hands that's the time you will have a bounce up effort on the economy. The days when we used to hear the top down impact of growth are over. Now the impact on the big business is going to be from the bottom up when the people of India generate demand, when there is an aspiration for a better quality of life in the people of India. That's when businesses will also succeed, that's when the country will go forward. And that has been the effort of this budget. Sensible economists and

businesspersons understood it well. Which is why I think across the board yesterday, there was huge amount of applause for this budget.

Of course, I have been in opposition so I know when you are in opposition you have to keep picking on some threads and criticizing and opposing everything that happens. But I think, all in all we have a situation now where you have actually positioned your subject very very appropriately today, two days after the budget. India's strong base is going to be protected by this government. This government will ensure every possible support to the Make in India program, will help Indian industry grow, flourish and support the efforts of the policy makers and the government in India to create a strong manufacturing base, a base of innovation, a base which thinks differently, thinks boldly, thinks beautifully and takes this country to newer heights, never before seen heights.

The honorable Prime Minister desires India to be the world's largest steel maker. And I do hope all of you will participate in this mission to truly make India the *sone ki chidiya*, that it was once upon a time. In our own small way, from the government sector we are trying to boost up investments, NALCO is going in for a massive expansion. The aluminium industry has faced a lot of stress in the last few months, maybe over a year now. Of course, some people are not able to think beyond the ordinary, unfortunately. I believe aluminium has huge potential in India. Our neighbouring country is giving a 13% subsidy to downstream aluminium products and helping them to dump those products into India. I have had a conversation with the aluminium industry, the whole value chain. And I found that the import of downstream products in India has gone up which impacts both, the primary manufacturers and the entire industry. So if we can stop the import, indiscriminate dump

imports of downstream products we would be able to give a leg up to all the small and medium enterprises involved in the downstream industry which will automatically give a resurgence to the entire sector.

And I believe it's time that India started taking care of its business and its huge potential. The huge market in India is not left to indiscriminate imports which are irrational. When the imports are rational one can understand, or it's related to technology one can understand but wherever India has the ability we will have to also look at the interests of our people, of our industry. We have large economies now focusing on protecting their own businesses. And I think it's time India also respected the fact that Indian business, Indian entrepreneurs, Indian innovators have the ability to meet the needs of a growing India, of a prosperous India.

Indigenization, import substitution at one point of time had a lot of value. Sadly, over the last 15-20 years and I think it's one of the costs of economic liberalization and so-called globalization has cost India some of its competitive edge in the face of dumping which we need to set right. I am sure all the officials will take note of the need of Indian industry to be on a level playing field. I have madam taken note of all the points you have raised, particularly, about gas-based Cogen being clean energy and also energy efficient, also about affordability of power. In my own small way I have tried to make sure that adequate domestic coal is available for all industry, particularly, the steel industry which has captive generation of power. But any other particular industry-based problems, I would urge you to come with the industry representatives to meet me and I will be delighted to be a part of the resurgence of the metals and the metallurgy sector, a sector with which I identify myself and my family very closely, a sector which the entire

government of India respects and recognizes as the driver of economic growth.

Thank you very much ladies and gentlemen for your support to India and I wish all of you well in this year ahead. Thank you.