



## Nissan Copper seeks to increase its market share

**N**issan Copper Ltd. was established during 1989 with an objective to manufacture copper tubes. The company started its first copper pipe unit at Umergaon in September, 1991. As on date, Nissan is manufacturing copper rods/section/flats, copper ingots/billets bars, copper wire bars, copper strips and copper pipes catering to FMCG, OEMs and construction industry. With plans of new manufacturing lines, the company is all set to register a growth of more than 50 percent as compared to the year 2009-10. **Ratan Mardia**, Managing Director of Nissan Copper in an exclusive interview speaks on the company's plans and strategies to **Sanjay Singh**. Excerpts of the interview



Ratan Mardia is the Managing Director of Nissan Copper. The company is engaged in the production of semi-finished copper products. Since becoming part of Nissan Copper Limited, he's been instrumental in running and managing the business. He has been responsible for developing the culture by nurturing creativity and ensuring maximum involvement at every stage. He is accountable for every strategic, commercial and technical aspect of the company as well as providing a broad vision to the organisation as a whole.

Ratan, has been leading the company from the forefront. He has taken a hands-on approach to formulate and implement strategies to meet the emerging needs of the business. He comes with 19 years of experience in the copper industry. Under his leadership, the company has successfully raised an IPO of Rs. 25 crore and has managed to increase Nissan Copper Limited's turnover to 500 times its original size. He has challenged the traditional ways of working and identified opportunities for effective and efficient management. His financial and commercial acumen has enabled him to expand the business with the latest technological advances. His role has been integral in putting systems and processes in place to increase the performance of the business and meet its overall objectives.

Apart from being passionate about his work, he is also passionate about sports and foreign business travel.



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**Q** Nissan Copper's new plant is set to become operational soon. How will it affect the company in terms of revenue?

**Ans** The company has recently announced its financial results. For the financial year 2009-10 the profit after tax is Rs. 9.12 crore registering a growth of 327.60 percent compared to last year.

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**Q** The company is a leading supplier in terms of semi-finished products for the refrigeration industry. In your opinion what is the actual demand for such products and what percentage of share does Nissan Copper have in this segment?

**Ans** In India, there are very few manufacturers of Copper tubes and the ones that are present only use conventional methods of manufacturing i.e. using the extrusion and drawing process. Moreover, none of them manufacture Inner grooved tubes and level wound coils. Since, China has the advantage of using state-of-the-art technology like the cast and roll process, they are able to

meet all the requirements of the ACR manufacturers and also have competitive pricing.

Our tubes go into the AC&R industry for field applications like condenser coils, installation and ducting as well as in the AC&R units and heat exchangers. The total demand for Copper tubes in this sector is around 48,000 MT per annum. At the moment, our market share is around five percent. However, when our new plant commences, our market share is expected to grow up to 25 percent in the subsequent year.

**Q** What is the outlook of copper industry in general in the country in terms of supply and demand?

**Ans** Due to the improvement in the market, globally refined copper utilisation is expected to increase as compared to the last year. Projections suggest that world copper market is likely to remain superfluous in 2010, although at a smaller rate than in the previous year. The copper price on the London Metal Exchange (LME) has generally been stable, though it has witnessed a drop in the last few months due to increased risks.

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impact on the Indian copper market. Refined copper consumption in India has increased 16 percent in Q4 FY10, which is expected to be harsh.

The disparity between the growth capacity in the global copper mining and smelting has resulted in a deficit in the concentrates market.

The demand for Copper tubes is on the rise worldwide and the major markets comprise of the GCC countries and North America. Since there is an increase in new projects for power plants, refineries and desalination plants and the ACR industry, it will lead to great business opportunities if quality products are delivered.

**Q What are the future and expansion plans of Nissan Copper?**

Ans Current expansion plans includes the upcoming plant at Silvassa to manufacture copper tubes for the ACR and plumbing applications. This unit will produce plain and inner grooved Copper tubes in straight lengths, pancake coils and level wound coils, with the latest cast and roll technology. As the demand for these products is always on the rise, we are constantly trying to expand the capacity.

The company also has plans to expand its existing tube plant, with the installation of the proposed imported extrusion press and pilger mill with sophisticated downstream machinery to produce high value copper alloy products. The alloys would be 70/30 and 90/10 Cupro Nickel, Cunifer, Aluminium Brass and Admiralty Brass, various Bronze alloys, Tellurium Copper, Chromium Copper, Sulphur Copper, etc. Additionally manufacturing Cupro Nickel pancake coils, Copper Capillary tubes for the ACR applications and PVC coated copper tubes for plumbing and gas piping application.

**Q Nissan Copper is one of the leading players in the copper industry. What is**



**your take on the copper mining industry in the country?**

Since India, is not rich in copper resources, we have to largely depend on imports mainly from African and South American countries to meet our demands.

**Q From where does Nissan Copper source its raw materials presently?**

Ans Nissan uses virgin copper in form of cathodes. The entire requirement is sourced from Sterlite Copper Ltd.

**Q One of the major cost for copper smelter plant is the refining and treatment charges. Can you give your opinion on the present status of this industry?**

Ans The major smelting units are owned by Hindalco, Sterlite and Hindustan Copper. Since we are a secondary producer, we would not like to go in too many details.

**Q What projection has the company set for itself in terms of turnover and net profit for the coming financial year?**

Ans The company has projected a growth of about 70 percent in top line and about 50 percent in bottom line revenue for the current financial year.



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