

GLOBALISATION IN INDIA-A CHALLENGE CASE STUDY OF VIRAJ PROFILE CO. –(TARAPUR MIDC)

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Abstract :Govt. of India implemented new economic policy in the year 1991 .The essence of New Economic policy is towards creating more competitive environment in economy by improving productivity and efficiency of the system. In the 20 years many opportunities are enjoyed by our economy. With the opportunities there are so many challenges of globalization. . With the bright side there is also a dark side of globalisation. For removing the dark side of globalization, Indian economy has to face the challenges of globalization effectively.

Keywords: Globalisation, Economic policy, MIDC.

INTRODUCTION

Globalisation has created more competitive environment in India. Knowing the need of this modern era most of our companies are prepared their strategy to face &enjoy global market. Viraj Co. one of major Steel Co. located in Tarapur MIDC (Tal. & Dist. Palghar) in the year 1991 and presently enjoying good success in global market. This research paper with the study of positive and negative impact of globalization and challenges of globalization also conducted case study of Viraj Profile Co. for studying how this company is facing Challenges of Globalisation.

OBJECTIVE OF THE STUDY

- 1)To study positive & negative impact of Globalisation on Indian economy.
- 2)To find out the Challenges created by Globalisation.
- 3)To study whether Indian Companies are in position to face challenge of globalization.

HYPOTHESIS OF THE STUDY:

- 1)There is Positive as well as Negative impact of Globalisation.
- 2)Indian Industries have potential to face challenges of Globalisation successfully.

RESEARCH METHODOLOGY-

The present study is explorative research, based on secondary and primary data. For study of Viraj Profile Co. with the secondary data , Interview technique is also used.

Positive Impact of Globalisation--

- 1)The rate of growth of the Gross Domestic Product of India has been on the increase from 5.6 % during 1980-90 to 7% in the 1993-2001 periods. In the last four years, the annual growth rate of the GDP was impressive at 7.5 % (2003-04), 8.5 % (2004-05), 9% (2005-06) and 9.2 % (2006-07).



2) The foreign exchange reserves (as at the end of the financial year) were \$ 39 billion (2000-01), \$ 107 billion (2003-04), \$ 145 billion (2005-06) and \$ 180 billion (in February 2007). It is expected that India will cross the \$ 200 billion.

3) The cumulative FDI inflows from 1991 to September 2006 were Rs.1, 81,566 cr. (US \$ 43.29 billion), etc. In the inflow of FDI, India has surpassed South Korea to become the fourth largest recipient.

4) India controls at the present 45 % of the global outsourcing market with an estimated income of \$ 50 billion.

5) As per the Forbes list for 2007, the number of billionaires of India has risen to 40 (from 36 last year) more than those of Japan (24), China (17), France (14) and Italy (14) this year.

6) The services sector acts as the engine of growth of the economy with a contribution of more than 60 % of GDP. India is ranked 18th among the world's leading exporters of services with a share of 1.3% in world exports. (Source: Economic Survey 2000& 2005).

Negative Impact of Globalisation

- Exploitation of Underdeveloped Countries: Multinational Corporations (MNCs), based in developed countries, purchase at lower rates the raw materials from backward countries, process them in their own countries and sell the manufactured goods with big profit in backward countries.
- Increase in Unemployment: The MNCs employ machines to reduce the number of employees: they are capital intensive rather labor. Widening of Rich-poor Gap: Globalisation brings benefits to the rich who are small in number and keeps the vast majority of people in poverty.
- Harmful Effects on Small Industries and Small Business: In the free economy, the big fish has got license to eat the small fish. Small-scale and cottage industries cannot grow in competition with big ones.
- Destruction of Environment: Globalisation would destroy environment. In the name of economic development, environment is getting affected.

Challenges of Globalisation

- 1) To ensure that the benefits of globalisation extend to all countries.
- 2) To ensure that the benefits of globalisation extend to all parts of the country.
- 3) To tackle the increased global competition.
- 4) To protect labor rights, employment practices, and the environment.

Case study of Viraj Profiles Limited

Viraj Profiles Limited founded by Mr Neeraj Raja Kochher (Chairman & Managing Director) in the year 1991 in Tarapur MIDC (Tal. & Dist. Palghar).It was started as a small induction furnace to manufacture utensil grade steel for domestic markets with employee strength of 150 people. Over the years the company expanded its operations across the globe, increased its product portfolio and today the company boasts of employee strength of 9000.

Under the leadership of Mr. Neeraj Kochher , Viraj has expanded its foot prints across 6

continents, more than 90 countries and is currently serving to more than 1300 satisfied customers. Now it is the second largest manufacturer of stainless steel long products in the world and is ranked number one in stainless steel flanges.

Fundamental in ensuring the continuous growth of the organisation, Mr Neeraj Raja Kochhar has transformed the company into, one of the fastest growing business houses in India, is currently a major player in the global stainless steel market with a capacity of 528,000 tonnes per annum and with an annual turnover of over US \$ 1.5 billion.

Over the last 20 years the Co. has achieved over 90 product certifications and approvals in the petrochemical, food and beverage, construction, pharmaceutical, defence and marine industries.

Vision of the Company:

- To be counted amongst the most respected and preferred enterprises globally.

Mission of the Company:

- To be one stop shop for stainless steel engineering products.
- To be the first preference of the global market leaders.
- Up gradation and adaption of latest technology.
- Product and market development for maximizing value.
- Delivering operational excellence.
- Continual growth through customer service, innovation, quality& commitment.
- Plough back income to diversify into stainless steel projects.
- To be a responsible & abiding Corporate Citizen.
- Committed for a greener environment.
- To be the organization of choice & a great place to work.
- Openness to backward & forward integration to sharpen.

Viraj Profiles specializes into the production of –

- Stainless Steel Wire Rods
- Stainless Steel Wires
- Stainless Steel Fasteners
- Stainless Steel Bright Bars
- Stainless Steel Profiles
- Stainless Steel Flanges

Viraj has recently commissioned its fully automatic Section Rolling Mill with an annual capacity of 180,000 tons per annum.

Other than the manufacturing facilities based in Tarapur, Viraj Profiles Limited also encompasses its own Logistics Division known as Vaishno Logistics CFS. With its main fleet of trucks and container yard close to manufacturing facilities and a Container Freight Station at JNPT NhavaSheva port, the company is almost self-reliant in terms of transportation. The division also offers services to other exporters and importers.

Mrs. Renu Kochhar, Managing Director

Mrs. Renu Kochhar joined Viraj Profiles Ltd in 2001 as Director of the Profiles Division, A clear achiever with the desire to absorb and develop new skills, Mrs Kochhar left no stone unturned whilst learning and implementing production processes; researching market demand; understanding and attaining worldwide quality standards; developing strategies; integrating new technology and personally visiting customers abroad. Apart from these key responsibilities, Mrs Kochhar also leads various other functions like Corporate Communication, Corporate Social Responsibility and Human Resources. A very compassionate woman at heart, Mrs Renu Kochhar pays special attention to the activities related to CSR wing of the company. It is her deep interest in the activities which saw the establishment of Viraj Shri Ram Centennial School at Boisar. In the year 2010, she was declared the “BUSINESS WOMAN OF THE YEAR” at the Madhavrao Scindia Leadership Awards (MSLA) in Kanpur.

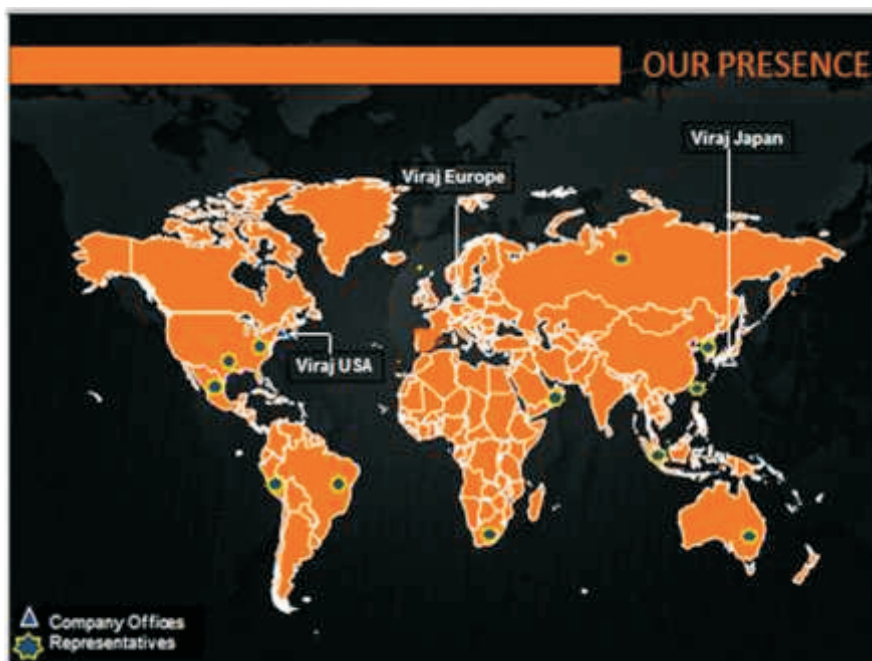
Journey of the Company



Global Network of the company

Viraj enjoys a strong global foot print which is spread across 6 continents, more than 90 countries and serving around 1300 customers globally. Today Viraj is one of the largest exporters of Stainless Steel Long Products in India and it exports nearly 90 percent of its production. A very dominant player in export market, the company has its own offices in some of the main business towns in different countries and has a strong network of Agents and Sales Representatives catering to the rising demand of its products. A thrust on international business over the years has seen export growing steadily.

Global Network of the Company



The Company has felicitated with the following Awards:

- 1) Viraj Profiles Limited was recognized for achieving "Highest Exports" as an Export Orientated Unit and received an award by SEEPZ in 2009.
- 2) Viraj has been awarded with Top Exporter Award, Silver Trophy in the year 2013 and 2014.
- 3) EPC India Regional Award: On 29th September 2010, Viraj Profiles Limited received the SEEPZ-SEZ Highest Exporter Award among EOU's.
- 4) In April 2010 Viraj Profiles Limited was announced as the winner of the SEEPZ Highest Exporter Award.
- 5) All manufacturing facilities of Viraj are ISO certified and have the latest machineries and technologies in place to offer the best quality products to their customers.
- 6) Regional Highest Exporters Trophy 2003-2004.
- 7) Co. have won over 90 product certifications and approvals in the petrochemical, food and beverage, construction, pharmaceutical, defense and marine industries.

CONCLUSION

In this challenging environment Viraj Profile Co. is continuously making growth because of some following reasons:-

Its performance oriented culture, qualified and experienced HR professionals, aims to encourage employees to perform beyond their roles and responsibilities, upgradation and adaption of latest technology, product and market development for maximizing value, Delivering operational excellence, Continual growth through customer service, innovation, quality and commitment. Their safety and well-being facilities for employees such as Medical Insurance, Pick up and Drop facility, periodic health camps, Doctor on campus, hostel facilities etc, Professional Growth, Adequate well trained and motivated manpower, Adequate container/cargo handling equipment, M&R Facility, World Class Fire Fighting equipments etc.

Suggestions to make Globalisation successful

- 1) The globalisation has brought exceptional opportunities for human development for all, in developing as well as developed countries. Under the commercial marketing forces, globalisation has to be used more to promote economic growth to yield profits.
- 2) India should pay immediate attention to ensure rapid development in education, health, water and sanitation, labor and employment so that under time-bound programmes the targets are completed without delay.
- 3) A strong foundation of human development of all people is essential for the social, political and economic development of the country.
- 4) Initiative by government for training to small scale entrepreneurs.
- 5) The government should take immediate steps to increase and create additional employment opportunities in the rural parts, to reduce the growing inequality.
- 6) There should be perfect strategy for a sustainable and productive growth.
- 7) Mere growth of the GDP and others at the macro level in billions does not solve the chronic (unending) poverty and backward level of living norms of the people at the micro level. The growth should be sustainable with human development and decent employment potential. The welfare of a country does not percolate from the top, but should be built upon development from the bottom.

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