



As we say good bye to 2015, the industry gets ready for a better tomorrow with new plans and great hopes.

By Niranjan Mudholkar

2015. It has been like most of the years in this century so far – turbulent, tantalizing and transformational. Of course, there has also been the hint of growth and policy reforms. And yet, it has also been a different year. The Machinist spoke to representatives from a cross-section of the industry to find out what really sets 2015 apart and what the shape of things in 2016 will be like - both from their company perspective as well as from the industry's point of view.

The year that was

Dr. Andreas Wolf, Executive VP, Manufacturing & Quality, Bosch Ltd., India, shares that in 2015, Bosch in India saw quite a few developments. “There were some positive sentiments in the market as passenger cars and commercial vehicles registered growth on account of new model launches, pick up in replacement demand, currency stabilisation, reduced fuel prices and interest rates. However, there was de-growth in the

tractor segment due to weak rural demand.” In spite of the weak overall situation Bosch India's automotive market grew about 4 percent compared to 2014 and its domestic sales of mobility solutions was at around 9 percent.” We registered a 5.7 percent increase in net sales in Q2 over the comparable period of the previous year,” adds Wolf.

Aravind Melligeri, Chairman & CEO, Aequs, describes 2015 as an excellent for the aerospace vertical where his company grew more than 50 percent YoY. “In our automotive vertical we are seeing steady growth with new part development and adding new customers in our new plant in the Aequs SEZ, Belgaum.” The Oil and Gas industry is going through a severe downturn but Aequs has continued to secure certain level of business due to its unique local-global delivery model. “During this period we have also continued to expand capability in this vertical and prepare ourselves for the inevitable recovery in the industry,” he adds.

Prashant Vatkar, MD, HIL Limited, points out that over-



“What would help immensely is the passage of the GST and Land Acquisition bills, and addressing the NPAs from a wide range of sectors – Infrastructure, Steel – and we hope that these would happen sooner than later.”

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all, the market has been tough. “Our first half results are good, as per our assessment better than competition. Q1 was exceptional but Q2 was not as good though,” he shares. HIL’s Aerocon Business has done very well in the H1 growing rapidly against all odds and head winds. Its relatively new division of Aerocon Pipes and fitting launched in Nov 2013 is doing very well and now is one of the significant players. HIL’s Charminar Business, which is under pressure due to very adverse market conditions and declining demand, has done better than competition in H1 but below the internal expectations. “We are closely monitoring the market situations looking for any bright spot to tap into; we are hopeful that the market demand will improve towards the later part of H2,” Vatar adds.

Hitesh Doshi, CMD, Waaree Energies Ltd. shares that during the FY 2015-16, Waaree has executed some big ticket grid tied EPC contracts such as ‘Waareep’, which is a 50 MW Project in Madhya Pradesh. In fact, Waaree’s total cumulative supplies of solar PV modules has crossed 200MW in this year.

Kaustubh Shukla, Chief Operating Officer, Industrial Products Group, Godrej & Boyce, says that due to the diverse nature of the business at his organisation, the situation in the last year was a mix of challenges and opportunities. “We had excellent outcomes in some sectors and faced challenges in some other businesses and product categories. Liquidity has been little bit challenging with many of our institutional customers. Purchase from individual / retail customers has improved. We are also hoping that new investments from institutional customers will improve with time,” he adds.

Sanjeev Taparia, Senior VP, Sales and Marketing, National Engineering Industries Ltd (NEIL), shares that NEIL’s growth has been at an overall percentage of 17 percent, driven by exports.



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Prashant Vatar, Managing Director, HIL Limited

Atsushi Okiyama, GM, Business Planning, Bridgestone India, says that his company has been making a steady growth in 2015 so far. “We have also launched an innovative product, ECOPIA series, which are fuel-efficient and enable us to embody Bridgestone’s Environmental Mission Statement of



“With interest rates going down and RBI policies in favour of liquidity in the market, more funds would be available.”

Sanjeev Taparia,
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‘To help ensure a healthy environment for current and future generations’.

Keeping the hopes alive

In 2016, Bosch is anticipating two very significant changes. “One with respect to the introduction of the emission legislation and the second, introduction of Goods Service Tax (GST). Introduction of BS4 would be positive for Bosch. We anticipate a moderate growth in 2016. In 2016, as well, our approach will mostly be cautious and reactive,” says Wolf.

Vatkar of HIL Ltd. believes that overall market situation should improve with demand starting to grow. But he also adds that the effect of a not very good monsoon is a concern.

Melligeri shares that Aequus has aggressive growth plans in all verticals, especially Aerospace which is expected to achieve a similar growth rate of more than 50 percent YoY. “We expect our Automotive vertical to deliver forged machine parts from our ecosystem. This is of much significance as we move up in the value chain from being just a machining player to an integrated supplier for our customers. Also, we are hopeful that the Oil & Gas sector will show signs of recovery in the later part of 2016 (Q4). Our new plant dedicated to Deephole Drilling components will be ready by that time. Also, there is a possibility that the Global Supply Chain model addressing the right mix of Delivery and Cost would be re-defined.”

Doshi of Waaree Energies thinks the solar industry will grow further in the next year and the atmosphere will be all the more favourable. An estimated 10.8 GW capacity is expected to be added between April 2016 and March 2017, as per the recently issued document by the Ministry of New & Renewable Energy states. A huge portion of this capacity is expected to be added through central government policies while states would continue to play catchup, Doshi believes.

Shukla is hopeful that 2016 will have lot of opportunities



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for Godrej & Boyce. “The government has kick started the reforms process in the right earnest and effects of this will be seen in the months to come. Improvement in ratings for ease of doing business, improved situation in power sector, improved push in railways and road / infrastructure, encouragement for



“Infrastructure development also presents a great opportunity for growth with the government’s initiative to build 100 smart cities. This commitment toward speeding up the pace of urbanization by investing in smart cities, ports, metros and airports will provide immense growth to our industry.”

Sebi Joseph, MD,
Otis Elevator Company India.



FDI are positive signs. What would help immensely is passage of the GST and Land Acquisition bills, and addressing the NPAs from a wide range of sectors – Infrastructure, Steel and we hope that these would happen sooner than later,” he adds.

Okiyama of Bridgestone India sees things getting better in

“With the launch of ‘Make in India’ campaign, the new government is focusing on physical infrastructure creation and making India a hub for global manufacturing. This is one of the incentives for the revitalization of economic environment of India.”

Atsushi Okiyama, GM, Business Planning, Bridgestone India

Some milestones from 2015

Bosch inaugurated its three manufacturing facilities - one in Gangaikondan, Tamil Nadu for Gasoline systems; the second for Diesel systems in Bidadi, Karnataka and the third for Power tools in Chennai.

HIL Ltd. began commercial production of CPVC and UPVC pipes at its Thimmapur Plant in April 2015, commenced commercial production of coloured steel sheets at its manufacturing facility in Wada in July 2015 and commenced production at the new AAC blocks manufacturing unit at Thimmapur in September 2015.

Aequs launched India’s largest aerospace manufacturing facility covering 100,000 sq. ft. in the Aequs SEZ with an investment of Rs350 crore (over 5 years). This unique facility dedicated for Airbus machined components and sub-assemblies will have an installed capacity of up to 150 CNC machines. Aequs expects to fill about 20 percent of this facility by end of this year.

Aequs also expanded its global delivery ecosystem in the Aerospace vertical with the acquisition of T&K Machine Inc., an aerospace component maker based in Paris, Texas. It also acquired a company located in Besancon, France.

In the Oil and Gas sector, Aequs signed a JV agreement with Precihole Machine Tools to combine technological expertise and infrastructure to manufacture precision machined components for international markets.

2016 and he has a good reason for that. “Acceleration in the automobile sales and demand in replacement market will help in improving the tyre industry. We hope that the sustainable growth in GDP and some reforms will benefit the automobile and ancillary industries.”

Taparia of NEIL say sthat rural demand is expected to pick up from January 2016. “The market was facing a liquidity crunch. With interest rates going down and RBI policies in favour of liquidity in the market, more funds would be available.”

Sebi Joseph, MD, Otis Elevator Company India, too is positive for 2016 and sees potential across residential and commercial buildings as well as infrastructure. Presently, residential real estate accounts for a larger portion of elevators required in the country. Elevators continue to witness growing penetration in mid-rise and high-rise buildings in the residential sector. “The commercial sector is also a significant factor given the urbanization trend that we see across India,” he says.

Strategies for a better tomorrow

Wolf of Bosch thinks that with the Make in India campaign in India, there is an increasing awareness of quality and there is a change in the customer perception of quality. “Future business of any organization would start with perfect quality



today. Bosch will continue to strengthen its focus on Quality. Also, in Bosch, we have a dedicated cross functional team that is working on projects for Connected Industry in India where we look at adapting innovative affordable “Indianised” solutions for manufacturing. We have a formed a team called Simultaneous Engineering Cluster that will help in developing competency for smooth transition between development and production of new products. Another initiative has been the launch of the Fit for future program where we identify the ‘Vital few’ and look at oversteering the Business internally.”

Doshi of Waaree Energies says that there is a need to keep a tab on the cost so that the manufacturing industry solutions could be availed across various sections of the society. “Also, quicker delivery mechanism is very crucial in the solar manufacturing sector,” he says.

Shukla of Godrej & Boyce emphasises that innovation and operational efficiency should be the key focus areas. “Skill Development and adapting to the new wave of sophistication would have to follow,” he adds.

Okiyama of Bridgestone India believes that with the launch of ‘Make in India’ campaign, the new government is focusing on physical infrastructure creation and making India a hub for global manufacturing. “This is one of the incentives for the revitalisation of economic environment of India.”

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More highlights from 2015

Godrej & Boyce achievements in 2015 include the Good Design Award by the Japan Institute of Design Promotion for Godrej Edge Digi refrigerator, India Design Mark Certification of Design Excellence for Appliances, Interio, Storage Solutions and Locking Solutions & Systems, TPM Excellence Award for Tooling, Locking Solutions & Systems, Precision Engineering and Interio, GreenCo rating for four manufacturing units.

At the beginning of 2015 Otis India announced the opening of its expanded factory in Bengaluru. With this, Otis India’s production facility has more than tripled in size and doubled in manufacturing capacity. Co-located with the factory is Otis’ R&D center in India that has also significantly expanded its engineering capacity in recent years.

Otis India also launched the Gen2™ Infinity elevator, which operates at a speed of 1.75 meters per second.

Bridgestone India announced the launch of fuel-efficient tyre series, Ecopia EP150 for passenger car and Ecopia EP850 for SUV this year. Ecopia is a combination of the words ‘Ecology’ and ‘Utopia’.

National Engineering Industries Ltd. became the only bearings company in the world to win the Deming Grand Prize.

Waaree Energies commissioned its Roha Dyechem project, spread over 125 acres, in a record time of 116 days.



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exports---to do that enhanced focus on R&D. “Scaling up talent should be the first driving factor to do well. Once people are well equipped to use the right technology and are motivated enough, optimum productivity is a natural resultant,” he believes.

Vatkar of HIL Ltd. sees opportunity in maximising on the opportunity that should come in with Governmental spending increasing in infrastructure projects. And at the same, he says that organisations must continue to focus on increasing overall efficiency and reduce wastage.

Planning ahead

Wolf assures that Bosch will continue to invest on development of innovative products that is targeted at the Indian market while it also explores the possibility of manufacturing in India for global markets. “Our attention would be directed towards Productivity and ramping up of the new products. For diesel systems, we will be starting the production of high pressure pumps that will satisfy the emission legislations for BS4 and above. In Packaging technology, along with strengthening our business in India, we are extending our business to Africa. In the Brake systems, we will be focusing also on the ABS for 2 wheeler market. We are also looking at various green initiatives within our Plant. In Nashik, we have installed a solar power plant which generates around 3300 MWh of power and has reduced around 2000 tons of CO2 emission. In the second module, we are looking at another power plant generating around 3800 MWh of power. Similarly, we are also working on a similar project in Bidadi in 2016. Overall, we are well prepared for the upcoming legislations and geared for the Indian market in 2016.”

Doshi says that Waaree Energies has a long-term strategy to develop the ecosystem for the growth of solar power. “On a short-term basis, we wish to create the land-bank and infrastructure. Quickly evolving state level policies can pave the



way towards developing the state solar infrastructure. We wish to maximise the localised content which is required in manufacturing the solar modules.” Talking about the future, Doshi wishes to invest in the high efficiency solar panels with the manufacturing capacity of 1000 MW in the next year.

Sebi Joseph says that Otis recognises the opportunity India presents and so an increased presence here is a top priority. Poised for growth that the country offers, the Otis Bengaluru factory was expanded with this endeavor in mind. “Reiterating its commitment to Indian customers, Otis strives to locally design and manufacture quality products for India’s unique needs,” he shares.

“At Godrej we take a long term view of the economy and we share the very enthusiastic assessment of the size and growth rates for our economy,” says Shukla. He points out that globally, there will be challenges to deal with, but the domestic demand can be a great source of opportunity. “So all our plans for expansion, capacity building, New Products Introductions are on track and being pursued enthusiastically. For the short term, we will continue to focus on Innovation and Operational Excellence.”

Vatkar says that HIL Ltd. plans to maximise the opportu-

Strategy for aerospace manufacturing in 2016

“It would be wise to synergise manufacturing capabilities for a high level of utilisation of indigenous resources installed in Aerospace since it is a technology-driven and capital intensive industry. We did this back in 2008 by establishing the first third party surface treatment plant for Aerospace in partnership with Magellan Aerospace.

Another critical area where the manufacturing industry needs to focus is training. This being a technology oriented field, building the right training modules and steadily building a trained workforce will go a long way in sustaining and growing our businesses. This could be done by partnering with local institutes, establishing training centers either within their own facility or at third party sites. The skilled workforce in Western countries have acquired this knowledge more than five decades ago compared to India which has only started capability building process over the past 7 years. So you can see there is a substantial gap we need to address. The challenge is to create an efficient model between high capital, low labour cost, less skilled workforce against western countries’ depreciated capital, high labour cost and highly skilled workforce.

With the opening of the Indian Defence industry to private sector investment, it is imperative for us to build these capabilities. At the end of the day we need to make ‘Make in India’ work if we as a country want to be globally recognised in this industry.”

By Aravind Melligeri, Aequs



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nity in the roofing business and will continue to focus on the Aerocon Brand Range and increasing its proportional contribution to the overall revenue.

Taparia informs that NEIL plans to invest another Rs250 crore in the Savli plant in Gujarat for FY2015-2016 for expanding capacity in order to beat expected demand which will go up in 2016. NEIL also plans to introduce more value-added products such as the third generation products.

Okiyama says that Bridgestone India is monitoring the market condition narrowly and it would expand in line with the market demand. “We will proceed as per the business scenario to address the demand and market share, and will launch new and innovative products to serve a wide variety of customers better.”

Melligeri says that Aequs will continue to expand its capabilities by bringing in new technologies to its global ecosystem. “As part of our 2020 strategy, we are working to bring Castings and Aero-engine component machining capabilities to the Aequs SEZ. We expect our Automotive vertical to deliver forged machine parts from our ecosystem. This is of significance as we move up in the value chain from just being a machining player to integrated supplier for our customer,” he adds. 