



GDC Industry going through a Consolidation Phase



ANIL KULKARNI

Anil Kulkarni is a Graduate Mechanical Engineer from RIT (now NIT) Jamshedpur of 1967 Batch. He is having an experience of 42 years in Non-ferrous Foundry Industry, majority of which is in the field of Aluminium Gravity Die Castings.

He started his own industry in the year 1987 by name Jayshree Diecastings Pvt. Ltd. with a seed capital of mere Rs.10, 000/- with Tata Motors Ltd. (earlier TELCO) as a single customer. That year company did a business of Rs.3.00 lacs and from there on sales kept growing and reached to a level of Rs.50.00 crores by FY2014-15.

He started as Job Worker for TELCO wherein Aluminium Alloys and Dies were provided by TELCO to Jayshree Diecastings and now with own alloy manufacturing and tooling manufacturing, machining, Finishing

and Product testing for functional requirement.

He himself worked in various areas of manufacturing like Design, Tooling manufacturing, Production, Quality, Sales and Admin etc. He has always believed in the fact that, business is only on team building. So he kept on developing people within the organization and on good relationship with customers, suppliers, bankers and employees families too. Now has a Professional Core Team with functional experts at the helm of such activity of manufacturing, finance and commerce.

He is presently in Aluminium Die Castings and having 2500 Tons per annum capacity, in Pune, by various processes like Gravity Die Castings (GDC), High Pressure Die Castings (HPDC), Sand Castings and Piston Castings.

“Indian GDC industry is going through a consolidation phase and many foundries currently are closing down for various reasons. GDC industry caters to various fields like Automobile Sector, Electrical Sector, Consumer Goods Sector, Construction Industry etc. Of these, majority of volumes come from Automobile Sector and Electrical Sector. Total current production of GDC castings in India is Rs.2.00 lacs Ton in FY2014-15” says **Anil Kulkarni, Chairman & Managing Director, Jayshree Group of Industries** in an exclusive interview with **Metalworld**. Excerpts

What is the present situation of Indian Gravity Die Castings (GDC) Industry?

- Indian GDC industry is going through a consolidation phase and many foundries currently are closing down for various reasons. GDC industry caters to various fields like Automobile Sector, Electrical Sector, Consumer Goods Sector, Construction Industry etc. Of these, majority of volumes come from Automobile Sector and Electrical Sector. Total current production of GDC castings in India is Rs.2.00 lacs Ton in FY2014-15.

What is the Size of Aluminium Gravity Die Castings industry in India?

- India is producing 1 million Tons of aluminium die castings per annum of which HPDC accounts for 60% while GDC constitutes 20% of tonnage.

There are small companies who are producing as low as 10 Tons per annum of GDC Castings. There are big players too who are producing as high as 15000 Tons per annum of GDC Castings. Of these, 50% of tonnage comes from SMEs.

What are the advantages of GDC Castings?

- Intricate shapes, high strength parts which can be further enhanced by heat treatment, hollow intricate profiles, and low tooling costs compared to HPDC etc. are some of the advantages of GDC Castings.

What are the problems in GDC Industries?

- Size of the companies operating varies from tiny industries manufacturing as low as 10 Tons per annum to as high as 15,000 Tons Per annum. This is the major root cause of all problems in GDC industry. The operations

look deceptively simple, but practically they aren't. Cost structure achieved by SSI is not possible in organized sector while quality achieved in organized company is a challenge for SSI.

Customer's expectations in terms of quality, finish, accuracies, repeatability etc. from GDC Castings is similar to that of HPDC Castings. But at the same time cost expectations too. HPDC being more automated process has much higher productivity and hence costs are lower. Also unit consumption of HPDC components is higher which gives economy of scale.

Because of poor economy of scale except for 2 wheeler components investment has not gone into gravity die casting industry. This has affected the industry badly. Obsolete technology, unskilled workforce, and non-professional management, low automation level, scarce availability of technical and engineering professionals etc. These problems have led to entrepreneur dominance in GDC industry. In fact it is an industry driven by

passionate entrepreneurs only. Cheap imports from China for 2 wheeler components pose a big challenge for domestic GDC suppliers.

What is your view on Technological Up-gradation problems in GDC Industry?

- Majority of Small and Medium Scale foundries are seen struggling to upgrade technologies due to lack of investment and non-availability of low cost capital goods manufacturer for automation. With support of more automation in HPDC industries and rising man-power costs, path is getting set for Technological Up-gradation for survival and preparing for future challenges of GDC industries.

With OEMs focusing more and more on World Class Quality (WCQ), safety, Green Work Practices at supplier end, foundries have no choice left but to invest in technology.

Investment in latest technology will bring these industries at par for quality, productivity, and cost competitiveness. This also helps them

newer technology, new generation of entrepreneurs will get attracted into the industry with better work environment. Those who will not upgrade will not be able to survive in future.

Tell us about your Future Strategy and Expansion Plans.

- With cyclic nature of auto component industries, we are diversifying to non-auto GDC component industry as well from last 2 years. We have got initial success in same. In FY2016-17 almost 20% of business will come from Non-Auto Sector.

With improving technologies our working conditions are getting better and we are able to attract new generation talent. However, more need to be done, on the same to bridge the gap requirement of technical personnel. For these we are planning to give internship programs i.e. practical training to young engineers who want to join Core Manufacturing Industries, in future.

We will be focusing more on Value Added activities and export markets.



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