



Indian Foundry to Foresee Positive Prospects

- VIJAY MENON

Vijay Chandran Menon, Chairman & Managing Director of Menon and Menon Ltd. has studied B.E. (Mech.), MBA from Illinois State University, USA. He has 35 years of experience in Menon and Menon Ltd. in various operational and management areas. Involved in the manufacturing activities of the company since 1981. He became Managing Director in March 1994 and Chairman & Managing Director in November 2014.

Menon and Menon Ltd. have achieved Laxmanrao Kirloskar "Best Foundry of the Year" Award from the Institute of Indian Foundrymen for the years 1998 and 2008.

Menon has also achieved award for "Best Engineer of the year 2012" from The Institution of Engineers, Kolhapur in Mechanical Engineers category. He obtained FIE Foundation Award for the year 1997 for the contribution in the field of management.

He acquired University Distinguished Alumni Award from Manipal University in 2011 in appreciation of the contributions to the profession and for the valuable services to the Society.

Menon is also involved in social activities such as:

(1) Industry member under operating Foundry Category of IIF- WR Council for 2016 – 18.

(2) Invitee member of the Executive Committee of Shiroli Manufacturer's Association, Kolhapur for 2014-15.

(3) Executive member on the Governing Body of Govt. Polytechnic, Kolhapur for 2014-15.

(4) Executive member of ACMA (WR) committee for 2014-15 Core Committee member of CII Southern Maharashtra Zone.

"Foundry is a core industry. Whatever happens to automotive technology, foundry products in one form or the other would be required. India has a large market and eventually will be among the top 3 automotive markets in the world." In an exclusive interview with Editorial Assistant, Trupti Jagtap of 'Metalworld', Vijay Menon has mentioned that, all the major auto manufacturing giants will have substantial presence in India to retain their global ranking. Naturally buying locally would be the only way to remain cost competitive. Excerpts

Menon and Menon is rated among the top three foundries in India and it is the only foundry in India capable of casting and machining cylinder blocks and cylinder heads, what are your future plans to expand in this sector?

- We would like to continue our drive to bring modern, global manufacturing technologies and practices to India. Our plan is to position ourselves as a company that can meet the future requirements of the automotive industry. There is an unstated feeling in the minds the auto OEMs, that most Indian component suppliers are cost competitive but nowhere close as far as quality consistency is concerned. We would like to be in the group that has cost competitiveness as well as quality consistency.

Considering grey iron cylinder blocks and cylinder heads are the most complex automotive castings, how are you working on cost effective solutions to meet the requirements of discerning customers?

- The Auto OEMs today are competing in a very mature industry. Cost definitely is a key deciding factor while awarding business to a supplier. While pursuing global manufacturing practices we need to keep Indian costs in mind.



That is where the native cost focus, deeply embedded into every Indian mind becomes useful. Global manufacturing capability at Indian prices would have to be the mantra.

According to you, what is the situation of foundry sector in India as well as globally?

- The foundry industry worldwide including India presently has excess capacity. Capacity utilization is a key factor for profitability. Therefore, there is a downward trend in prices which is affecting the fortunes of this industry.

Another important factor that is changing the contours of the industry is design capability. Hitherto all the foundries made to print with the auto OEM taking responsibility for design. The domain knowledge for components is slowly but steadily shifting to component suppliers. Initially this would be a key differentiator between component manufacturers but over a period of time this would be another hygiene factor.

How are you going to develop technological skills and process skills to gain competitive advantage and how is it going to help Indian industry?

- As I said earlier the auto OEMs require consistent quality at a competitive price. Widespread use of relevant modern technologies and process skills would be necessary to meet these twin requirements. India presently has a cost advantage but a consistency handicap. Inconsistencies creep in

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when the process is operator dependent and the operator does not follow the process diligently. Automating the process is expensive while making the person do his job consistently is time consuming and takes a lot of training, monitoring and mentoring. A judicious blend of these two approaches would be necessary. But once achieved it can form the basis of a sustained, long term competitive advantage.

What are the short term and long term prospects for Indian foundry sector?

- Foundry is a core industry. Whatever happens to automotive technology, foundry products in one form or the other would be required. India has a large market and eventually will be among the top 3 automotive markets in the world. All the major auto

manufacturing giants will have substantial presence in India to retain their global ranking. Naturally buying locally would be the only way to remain cost competitive. I therefore foresee good prospects for the Indian foundry industry in general. Having said that, each and every foundry in the country will have some intrinsic uniqueness which will give the OEMs an economic reason to buy from them. Therefore, prospects, both short term and long term, are good for a good foundry, provided the foundries build up their capabilities and position themselves properly.

With European market getting stagnated, which are the other emerging export destinations for Indian foundries?

- In a stagnating market, gaining market share could be a credible strategy. To do so foundries will have to bring something unique to the table. Initially the benefits offered has to be quite substantial to overcome inhibitions caused by distance, cultural differences, longstanding relations with existing suppliers, ability to work with the OEMs during the vehicle design stage etc. This is a long drawn process which requires consistent effort and substantial initial investment.

Long term overseas strengths can only flow from domestic market strengths. My recommendation would be to focus on the national and international OEMs operating in India. Prove your capabilities to them and then move along with them to other markets. This would be a more prudent strategy.