

INTERVIEW



'India has administrative & infra bottlenecks'

Tushar Mehendale,
Managing Director -
ElectroMech Material
Handling Systems (I)

ElectroMech Material Handling Systems (India) is one of the largest, industrial overhead crane manufacturers in India. The company offers precise solutions for wide ranging applications through a complete range of hoists and cranes.

Tushar Mehendale, Managing Director - ElectroMech Material Handling Systems (I) told **Sandeep Menezes** that the government of India needed to expedite the large scale infrastructure projects. This will change the face of the country.

Q What is Emech's future business and long term growth strategy?

The Indian economy certainly looks to be on the path to recovery and an increase in demand for capital equipment is a natural outcome of a growing economy. As a group, ElectroMech is well placed to handle a diverse range of requirements from a diverse set of clients spread across different industries and geographies. Hence, be it automotive or metals, construction or power, heavy engineering or general engineering, we have products to cater to all their requirements. Our association with ABUS of Germany helps us in providing top quality standardized equipment for blue chip companies.

Our association with Stahl of Germany for the EX ranges of products enables us to offer highly safe and reliable

products for the hazardous area industries like oil & gas. Moreover, our joint venture with Zoomlion for tower cranes gives us a firm footing in the construction equipment industry.

Apart from this, our in-house expertise of crafting solutions and customizing equipment ensures that we can cater to any customer requirement.

The trend of increase in demand is definitely there. This will become more pronounced in the next six months and we are eagerly looking forward to it. At ElectroMech we are poised to handle the growing requirements as we have a world class facility that has an annual manufacturing capacity of more than 1,200 cranes. We have also implemented lean manufacturing systems within our process flow which enables us to reduce the turnaround time for order execution drastically, thus further increasing our capacity within the same facility.

ElectroMech is already the largest manufacturer by volume in India, with over 35 years of experience. Over the next couple of years we hope to build on our core competency of workshop duty cranes, while at the same time establish ourselves within the steel and high capacity crane segment.

Q Does Emech intend to launch any new products in the near future or increase focus on a particular product segment?

At ElectroMech, we are constantly innovating to





upgrade our existing product range and working on bringing new solutions to the market with an aim to cater to our clients' requirements. Yes, we have new product launches lined up for the current financial year. However details will be shared closer to the launch date.

Q Material handling equipment industry is expected to witness steady growth in next five to seven years, mainly driven by investment in manufacturing taken up by various companies. Comment.

As the Indian economy grows, fundamental infrastructure such as roads, bridges, power plants, and urban transportation will be required. While these kinds of projects will require material handling equipment themselves, they will also fuel the growth of several allied industries such as cement, steel, construction equipment etc. Needless to say, the manufacturing sector will also grow to sustain demand from all these sectors. Material handling forms a vital part of any manufacturing process or construction project and is certain to witness steady growth over the next five to seven years.

Q Tell us about the effect of the recently announced union budget on the material handling equipment industry?

The government's push to the infrastructure and manufacturing sectors in the budget has created a

positive sentiment in the industry. However, India has a lot of administrative and infrastructural bottlenecks related to delays in transportation, delays in import and export clearances, complicated administrative process, high taxation limits, high interest rates etc. We believe that some impetus from the government in the above listed areas will certainly benefit the MHE sector.

In addition, the government of India needs to expedite the large scale infrastructure projects that will change the face of the country.

Q Why has the equipment rental segment not reached its true potential in India?

Industrial cranes are usually art of a factory's capital equipment and customized to suit individual clients' applications as well as factory layouts. Hence, there is no rental market for such equipment.

For tower cranes, the rental market in India is at a nascent stage. However, rentals offer a viable option for developers and contractors to use tower cranes without the complexity of managing a fleet of tower cranes. Long-term rentals are likely to grow and gain momentum in the next few years. We estimate that revenue from tower crane rentals will account for 15 percent of the total revenue generated by the tower crane industry in the next three to four years. ■

