

"Forms & Gears offers a complete solution from design and manufacture to cutting trails and run offs on their in-house machining centres."

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Interface

## Cutting tough trials



The Chennai-based Forms and Gears engaged in manufacturing hydraulic fixtures has come a long way since its inception. The company has three state-of-the-art factories spread over 23,500 ft<sup>2</sup> at the industrial estate in Guindy. Forms and Gears offers a complete solution from design and manufacture to cutting trials and run offs in their in-house machining centres. No wonder, the company has recently bagged orders from companies like Toyota and Marubeni, Japan. **Reji Varghese**, managing director, shares his thoughts and views on the Indian machine tool sector, its prospects and talks about his company's recent success in an interview with **Modern Machine Tools**...

**Q How has the booming machine tool and auto sector impacted you?**

We are growing at a phenomenal rate thanks to the booming automobile and machine tool sectors. Future building is a very specialised line involving accurate and expensive tool room machines. Forms and Gears over the last 35 years have invested in precision machinery and inspection equipment and in the process become one of the largest and best-equipped facilities in Asia for the manufacture of machining centre fixtures. In fact when we have visitors from Europe, Japan and the US they are surprised that such world-class facilities are available in India.

**Q How would you describe the Indian machine tool sector today? How do you visualise the sector a few years from now?**

The Indian machine tool industry is growing and the growth is mainly due to the boom in the auto and the auto component sectors. This sector I feel will continue to grow at a very rapid rate. According to the Prime Minister's vision statement released in January this year for the AMP the output of India's automotive sector will be \$ 145 billion, contributing to more than 10 per cent of India's GDP and providing employment to 25 million people additionally by 2016.

**Q What is your current turnover? How much did you grow over the last year? And what target have you set for the next year?**

Our current turnover is around Rs 15 crore and we grew from the last year by close to a 100 per cent. We are targeting a turnover of Rs 25-30 crore for the year 2008-2009.

**Q Please tell us about the recent orders from Toyota and Marubeni?**

We have recently bagged orders from Japanese companies Toyota and Marubeni.

Both the orders were given to us after auditing of our facilities. In fact we are proud to say that foreign companies visiting us always say that our facilities are world class.

**Q Do you cater to the domestic market only or export market also? If you are into export, what percentage of your turnover goes into exports?**

At present export contributes only 15 per cent in our turnover but we are targeting it in a big way so that export contributes about 30 per cent in our turnover. We have recently received enquiries for export of fixtures from companies like Rolls Royce,

Peugot-Citroen, Renault, etc. We have also recently got an order from Toyota and Marubeni of Japan. For the first time they are sourcing fixtures from India for a trolley project. Our facilities have played key role in getting these orders as foreign companies do a very strict audit of the manufacturing, inspection and design facilities, etc.

**Q What kind of challenge or hurdle is the industry going to face in the near future? Or do you feel the current scenario will continue for another few years?**

I see a tremendous growth opportunity for the automobile and machine tool sectors for the next 10 years at least, provided the Government plays a role of catalyst in infrastructure creation, create a favourable business environment, attract investments and promote R&D.

**“The Indian machine tool industry is growing and the growth is mainly due to the boom in the auto and the auto component sectors.”**

The global auto component industry is estimated to be \$ 1.2 trillion in value and is likely to increase to \$ 1.7 trillion by 2015 as per ACMA. This presents a huge opportunity for the automobile and auto component sector.

**Q How much have you invested in the recent past?**

We have invested around Rs 2 crore recently in a new facility. Our second temperature, dust and humidity controlled inspection facility is equipped with a new CNC CMM with a measuring range of 1,500 x 2,000 mm. We have also imported a brand new large size Mazak machining centre primarily with the purpose of offering the customer in-house trials and run-offs.

**Q Your comments on competition from big companies and the unorganised sector...**

To have a facility like ours a new player would have to invest around Rs 40 to 50 crore. It is really a difficult task for an unorganised player to invest the amount. So, the unorganised sector and the small local manufacturers are not really competitors for us. Our major competition is from foreign machine manufacturers bringing in tooling up machines with fixtures. A lot of the companies are not aware that there is a very cost effective option to going turnkey with the machine builder. Forms and Gears offers the customer a complete solution including cutting trials at our works. ■

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