

7th Foundry CEOs Meet organized by The Institute of Indian Foundrymen (IIF) on 11th Nov., 2016 at Hotel Claridges, New Delhi- Key Highlights



From Left to Right - Dr. Nithyanandan Devaraaj, Hon. Secy-IIF, Mr. Vikas Garg, Chairman Policy Advocacy Committee-IIF, Shri S. N. Tripathi, IAS, Additional Secy. & DC MSME (Chief Guest), Mr. Anil Vaswani, President- IIF, Shri T. S. G. Narayannen, Advisor, DIPP (Guest of Honour) Mr. Amish Panchal, Vice President-IIF, Mr. Sanjay Shroff, Hon. Treasurer-IIF, during the 7th Foundry CEOs Meet at Hotel Claridges, New Delhi

The Institute of Indian Foundrymen (IIF) organized the 7th Foundry CEOs Meet at Hotel Claridges, New Delhi on 11th November, 2016.

Shri S. N. Tripathi, IAS, Additional Secretary & Development Commissioner, Ministry of Micro Small & Medium Enterprises (MSME) graced the event as the Chief Guest & Shri T. S. G. Narayannen, Advisor, Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry was the Guest of Honour for sharing their valuable thoughts with the CEOs and for interaction with the CEOs on the issues, challenges and possible interventions by various stakeholders for sustainable growth of the foundry sector to support domestic manufacturing and increased global market share by promoting competitiveness.

Approx. 80 CEOs from leading companies across India participated in the 7th Foundry CEOs Meet. Some of the leading units included Yamaha Motors, Mahindra & Mahindra Ltd., Bajaj Motors Ltd., Shriniwas Engg. Auto Components Ltd., Oliver Engg. Ltd., Simplex Castings Ltd., SE Forge Ltd., Continental Castings, Starwire India Ltd., Vossloh, Inductotherm India Ltd., Brakes India Ltd., Uttar Pradesh Steel, Texmaco Rail & Engg. Ltd., Sigma Electric Mfg. Co. Ltd., Ammarun Foundries, AIA Engineering, Kores India Ltd., ISGEC Engg. Ltd., Srinathji Ispat Ltd., Synergy Green, Nelcast Ltd., Forace Polymers, Gargi Huttenes Albertus Pvt. Ltd., Ghaziabad Precision Ltd., Ratan Engg. Co. Ltd. etc.

Mr. Vikas Garg, Chairman, Policy Advocacy Committee- IIF, welcomed the CEOs and expressed his happiness in active participation by the CEOs from across the country inspite of recent announcement by the government regarding demonetizing.

Mr. Vikas Garg highlighted that the Foundry Development Council (FDC) constituted under the Chairmanship of Secretary-DIPP and spearheaded by IIF has in the last two years very successfully fulfilled its objective. As a result of the discussions and recommendations of the Council, several important policy changes were notified by the Govt. from time to time to support the growth & competitiveness of the foundry sector. The tenure of the council has expired in Nov. 2016. IIF has already proposed to the Govt. for extending the tenure of the Council and IIF is happy to inform that IIF's proposal has been accepted by the Govt. and notification to this effect will be issued in very near future extending the term of FDC. The detailed outcomes of various policy advocacy initiatives of IIF were circulated to all the CEOs.

He further informed that GST is the major financial Reform in last few decades which will change the way we do business & likely to boost GDP & ultimately help in ease of doing business & the Indian Economy in general. However, there may be certain grey areas as is usual in introducing such reforms. IIF therefore had appointed leading consultants Grant Thornton to study the impact of GST on Foundry sector & propose recommendation. The study has been completed & various recommendations have been submitted to Ministry of Finance for their consideration including lower rate of taxation for foundry sector.

The following were the other major points covered in his address:-

Skill development

- IIF has proposed to Govt. to mandate Foundry technology stream in Govt. Engg. Colleges/ Polytechnics & ITI s near major foundry clusters.
- IIF has constituted a committee headed by Prof. B. Ravi of IIT Mumbai to discuss & review the curriculum & infrastructure of NIFFT which visited NIFFT & held discussions with NIFFT. Report is being prepared by the committee & its recommendations will be taken up with Ministry of HRD.
- IIF has also launched formally its unique in-plant training programme "Yogyata Vikas" on 3rd Aug, 2016 at the Hinduja Foundries. The launch was covered prominently in the press.

Committee on Low Cost Automation was formed by IIF under the Chairmanship Mr. N. Vishwanathan, MD, Ammarun Foundries to take up with CITD, Hyderabad under Ministry of MSME & CMTI, Bangalore under DIPP for initiating projects on low cost automation etc. as discussed earlier with DC MSME, Ministry of MSME & Secretary DIPP.

MEIS Scheme - As proposed by IIF, MEIS scheme for major castings was amended by Govt. to increase the benefit from 2% to 3% & also to include category 'C' Countries (not included earlier).

Centre for Excellence (CoE) – Department of Heavy Industry (DHI), Ministry of Commerce has come up with new Capital Goods Policy which provides for setting up of Centres of Excellence for foundries. Awareness programmes have been conducted in Agra, supported by DHI & Draft proposal submitted by Coimbatore cluster for CoE which was discussed with DHI. Some observations were made by DHI & revised proposal by the Coimbatore cluster will be submitted shortly. IIF will extend all support.

MoU between DHI & Fraunhofer, Germany- A preliminary awareness programme is also being scheduled by IIF Delhi office in Coimbatore & Belgaum for manufacturing competitiveness with the help & support of DHI & Fraunhofer. Based on expression of interest, the DHI will shortlist a few clusters for technical support by Fraunhofer which will be partly funded by DHI.



CEOs from leading companies attending the meet at Hotel Claridges, New Delhi on 11th Nov., 2016



Memento on the occasion being presented to the Chief Guest, Shri S. N. Tripathi, IAS by President-IIF, Mr. Anil Vaswani

Zero Effect & Zero Defect (ZED) Scheme for MSMEs is also being promoted which is financially supported by Ministry of MSME.

Ease of Doing Business proposals were submitted to DIPP which included removal of requirement of PQ certification for import of sand which has been accepted & notified by Govt. which will cut down time for import & transaction costs for foundries.

Categorization on foundry industry- IIF is also pursuing with Chairman, CPCB regarding some amendments in notification regarding categorization on foundry industry for better clarity of all stakeholders.

Power Issues - IIF delegation had in-depth discussions with Jt. Secretary, Ministry of Power (MoP) to highlight the issues of high cost of power to foundries, delay/ non availability of open access to power, issue of increasing cross subsidies adversely affecting the cost competitiveness of Indian Foundries which will also impact "Make in India " Campaign. Jt, Secretary, MoP assured that these issues have been noted & they will address such issues in the proposed amendments to the Electricity Act. However, it will take time as lot of formalities are involved.

Green Foundry Park- Chinese Govt. is planning to promote Green Foundry Parks as reported by Mr. Subodh Panchal, Chairman- International Affairs Committee, IIF after his recent visit to China. IIF is studying the same & we will take help & advise of Ms. Sheela Bhide, Adviser, IIF to study & prepare a suitable proposal for consideration & perusal with the Govt. of India in due course.

Mr. Garg sought guidance, inputs, support from the CEOs to make IIF stronger and help IIF to serve the foundry industry in a better way.

Mr. Anil Vaswani, President IIF in his Presidential address expressed his happiness and gratitude to the CEOs that inspite of the recent challenges as an outcome of recent announcement by the Govt., the CEOs were able to travel from different parts of the country and spare their valuable time to attend and participate in this important event in large numbers. He also mentioned that the Govt. recognizes IIF as the nodal agency for the foundry sector and IIF policy advocacy committee is working very closely with various Govt. departments directly and also through FDC to promote overall competitiveness of the foundry sector.

Mr. Vaswani also briefed the members that in the upcoming 65th IFC and IFEX 2017 being organized at Eco Park, Kolkata, between 3-5 Feb, 2017 special sessions have been organized to focus on requirements of casting by the Railways and Defence sectors and invited all the present to participate and take advantage of this opportunity.

He briefly mentioned about the various initiatives being taken up by IIF to promote skill development and promote competitiveness of the foundries to prepare for supply of castings to meet the stringent requirements to upcoming niche industry sectors like Railways and Defense which will open new avenues for the Indian foundry sector in the coming years.

The Guest of Honour Shri T. S. G. Narayannen, Advisor, Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce & Industry, in his address to the CEOs applauded the achievements of IIF on the policy advocacy front with the government which resulted in several useful outcomes. He mentioned that capital goods industry has drawn ambitious targets for growth, which will open new avenues for the foundry industry. He also mentioned that Indian castings quality is comparable to the quality made in some of the advanced countries. However, the major difference is that developed countries are making high value casings, while small & medium foundries in India are manufacturing mass products of low value.

He further stated that there is wide spectrum of foundries in India, some of them are state of the art and comparable with the best in the world, while large number of foundries needs to upgrade. IIF's aim should be on Zero Effect & Zero Defect (ZED). IIF should motivate atleast 1000 foundries to adopt ZED.

He also stressed the need of increased application of IT for improved quality and lean manufacturing techniques. He also advised the industry to adopt techniques like vacuum pouring for critical items to produce high value added castings for competitiveness and greater market share.

The Chief Guest Shri S. N. Tripathi, IAS, Additional Secretary & Development Commissioner, Ministry of Micro Small & Medium Enterprises (MSME) while addressing the CEOs mentioned that attending the CEOs meet will give him food for thoughts for his work and to frame policies. He also mentioned that technology development center at PPDC Agra can be made more relevant to the industry requirement. He said, "significant investment has been proposed for upgradation and installation of testing and other equipment in PPDC Agra". He sought advice from the industry on this and said the Ministry would like to allocate the resources where it matters the most for the foundry industry.



CEOs interacting with the Chief Guest & Guest of Honour during the meet

He underlined that market understands only quality and appropriate pricing. He mentioned that ZED certification is very important for the foundries. IIF should take it as a challenge to motivate its members to be ZED Certified. He mentioned that certification for industry like foundry would be a milestone & every industry should be producing quality goods but be a responsible manufacturers. He also informed that his office will be willing to consider any tweaking in the CLCSS scheme, CGTI, Delayed Payment Issues in consultation with the industry and offered all support to the foundry sector.

Responding to the proposal made by Dr. S. K. Goel of Star Wire for enhancing cap for definition of MSMEs, Shri Tripathi said that this proposal has already been recommended by the Ministry and will be considered by the Parliament in due course. The proposed amendments are for Micro Enterprises Rs. 25 lacs to 50 lacs, for Small Enterprises from 5.0 cr to 10.0 cr and for Medium Enterprises from 10.0 cr to 30.0 cr (investment in plant and machinery only) as already proposed by IIF. He further informed that they have also sought approval to enhance this cap to 3 times without seeking assent of the Parliament in future. Parliament will take the final view in near future.

Mr. Rajiv Kumar of Simplex Castings said that they are actively engaged with the Railways/ Power and Defence Sector. It is difficult to get through to the suppliers list of Defence.

Shri Tripathi mentioned that for defense procurement the initial entry may be difficult as the requirement is very stringent and approval procedure is very elaborate. However, his ministry has taken up with the concerned Department to enhance the suppliers base and the industry can also consider consortia based supplies to Defence. He also mentioned that list of non sensitive list is being published from time to time by Defence procurement divisions which was also circulated by IIF-FIC earlier.

Mr. I. C. Agarwal of Ghaziabad Precision mentioned that we should have a global outlook. We should not only look at our local customers but also customers around globe where quality is the major consideration. He said, for that we need to invest in testing and Research & Development.

It was also highlighted that the waste sand after several recycling becomes unfit for use in foundries. Some of the foundries are already making productive use of this waste foundry sand by using it for making products like bricks and pavement blocks. IIF will circulate the information for the benefit of the members.

IIF also had discussions with Central Road Research Institute (CRRRI) to formulate voluntary guidelines for use of waste sand for road construction. During the discussion, CRRRI mentioned that it may be possible to use the same, however, before making any guidelines they will have to assess the quality of waste sand from the point of view of life, safety, for use in road construction. CRRRI has made a proposal to IIF to provide sand samples from 10 to 12 different foundries in different locations for evaluation and formulation of guidelines which may take around one year and also has submitted commercial proposal for consideration of IIF. The approximate fee is approx 18.0 lacs.

President-IIF, Mr. Anil Vaswani proposed if the industry is willing to contribute towards 50% of the cost, the balance gap will be made good by IIF.

Grant Thornton (GT) was commissioned by IIF to study the impact of GST on Foundry Industry and they have already submitted their findings and recommendations to IIF. However, this is still a model GST Law and there may be changes from time to time as we proceed. The initial recommendation based on the survey done by the GT with selected foundries has already been submitted by IIF to the Hon'ble Minister of Finance for their consideration. GT made the detailed presentation to the CEOs for their views and very interactive discussion on the topic of the interest took place with the CEOs. IIF will circulate key highlights of the presentation for the information and views of the CEOs immediately.

Dr. Nithyanandan Devaraaj, Hon. Secretary-IIF gave the vote of thanks and requested the CEOs and the distinguished guests to join for the dinner.

Glimpses of the 7th Foundry CEOs Meet in Pictures

