Mi(*n*)das magic!

Here's a billion dollar baby in the making...

It's soon small task to transform a small team of five into a diversified, multi-product organisation with operating facilities in 19 locations in India and Indonesia! But a 'can-do' spirit is what has made it possible for N K Minda Group to become a Rs.5.45 billion revenue churning machine! People and philosophy form the unbending pillars of this leading Indian manufacturer of automotive components. In an exclusive interview with *4Ps B&M*, N. K. Minda, Managing Director, N. K. Minda Group shares with us strategies that ensured that his company becomes a hub of constant innovation & growth...

Excerpts from the interview:

***4Ps B&M*: Can you elaborate on the major challenges that the auto component industry is facing right now, in general with Minda's perspective?**

N. K. Minda (*NKM*): The year has been a bit dull for the industry, particularly because of the sluggish growth in car industry. The expected growth of 15-20% cannot be termed big. But I hope to see it increase in the next 6 months to a year. All this has occurred because of high interest rates otherwise overall it's not too bad. R&D is the biggest concern for almost all in components business. Another major cause of worry has been the depreciating dollar. However, sourcing some of our raw materials from China seems feasible to offset the effect.

***4Ps B&M*: A word on the next big opportunity for Minda...**

NKM: With growing organisations in the sector, batteries are big business. And we are coming up with a 4 million capacity plant in Uttrakhand to tap this opportunity. Moreover, a new plant in Pantnagar for manufacturing of complete Handle Bar assembly is also on rolls. Overall, the group has earmarked Rs.2.5 billion as Capex. This includes setting up of new plants, expansions of existing units & of course M&As!

N. K. Minda, MD, N. K. Minda Group

"Undoubtedly, as far as quality is concerned the industry is far behind. This is one area that surely needs a lot of attention. And for this we really need to focus on R&D..."

***4Ps B&M*: How would you compare the domestic auto component industry *vis-à-vis* the global industry?**

NKM: Well, though at present the domestic industry is small in terms of size, yet we are growing at a fast pace. China & India happen to be two markets that would drive volumes in the future. Undoubtedly, as far as quality is concerned we are far behind. This is one area that surely needs a lot of attention. And for this we really need to focus on R&D... Also, the vehicle manufacturers should involve component manufacturers right from conceptualisation stage of the model as European & Japanese car manufactures do.

***4Ps B&M*: How do the recent JVs support your growth?**

NKM: We have strong tie-ups with leading international automotive component manufacturers like Tokai Rika Co. Ltd. of Japan & Fiamm S. P. A. of Italy. First, they give us an edge over the competition as they bring us customers. Secondly, a support in terms of technology infusion is needed.

***4Ps B&M*: What are your future expansion plans?**

NKM: We are targeting $1 billion in annual turnover by 2010. And it's not difficult as we have been growing at 40% CAGR for the last five years... As far as our product line goes, we are thinking of opening more plants in Indonesia & Uzbekistan. Also, giving importance to financials, we are looking at setting up a manufacturing base where our profits are increasing or wherever there is volume growth. We are also open to acquisitions and are evaluating some big-time opportunities, particularly in Europe and US at the present moment. 4Ps

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