

## Forging Industry Passing through most challenging phase - Asheet Pasricha



**Asheet Pasricha**  
President, AIFI

Established in 1965, the Association of Indian Forging Industry (AIFI) was formerly known as AIDFASI. It is the spokesman of the Indian Forging Industry, for about the last four decades. For all these years it has been headed by leaders of the industry with great vision. The AIFI is actively involved in trade promotion, technology upgradation, collection and dissemination of information. The role of AIFI is to promote and develop the Indian Forging Industry so as to meet the demands and expectations of forging customers and end users, both domestic and global by improving the business environment for its members and contribute in increasing their competitiveness through mutual co-operation and understanding of all parties concerned and constant updating of information and technology.

Currently Mr. Asheet Pasricha is the President of Association of Indian Forging Industry (AIFI) since 2013. He is also Joint Managing Director at Trinity Engineers Pvt. Ltd. Mr. Pasricha started his career at M/s. Trinity Engineers Pvt. Ltd. as a Management Trainee. After two years of training in Forging Practices & Technology and Marketing and Administration, was appointed as Management Executive in 1987. Subsequently was promoted as Vice-President (Corporate). Since September 1996 Mr. Pasricha is Joint Managing Director overseeing the Manufacturing Operations, Business Development and Customer Service besides assisting to Managing Director in day to day operations.

Ranked amongst the top automobile forging companies in India, Trinity Engineers, exemplifies High Quality, Quest for Perfection and Innovative approach. Over the three decades, the company has forged ahead to become a ONE-STOP SOLUTION PROVIDER, from forging and machined automotive components to production of sub-assemblies as required by the automotive industry.

"The Indian Forging Industry is highly fragmented, with almost 85% of the individual companies having an installed capacity of below 12500 Tons per Annum contributing to less than 40% of the overall production; this has prevented them from keeping pace with the technological innovations that have been taking place periodically", says Asheet Pasricha, President of Association of Indian Forging Industry (AIFI) in an exclusive interview to Steelworld.

### **What are the present activities and objectives of the Association of Indian Forging Industry?**

- The objective of the Association of Indian Forging Industry (AIFI) represents its members with Government and Quasi Government Agencies, besides being the intermediary between the Indian and International Forging Industry through their national associations.

Besides the above, AIFI facilitates the introduction of technology within the Industry and is a platform for enabling the training of professionals as required by the industry.

### **What is the current scenario and future prospects of the Indian Forging Industry?**

- Currently the Indian Forging Industry is passing through one of its most challenging phase, a phase where capacity utilisation on the whole is falling; lower than projected growth

in the Two and Three Wheeler Segment; with stable demand from the Car and Tractor segment over the last couple of years, unfortunately though Tractor sales are weakening at the moment; with steep falls in the entire spectrum of the multipurpose and commercial vehicle segments. Fortunately though there are some indications of revival of volumes in the commercial vehicle segment.

The industry on the whole on account of weak continued demand as weak future outlook has been de-risking itself from the volatility of the Automotive sector by realigning capacities to meet the requirements of the Non-automotive sector. As per the industry survey conducted by AIFI in 2013 – 2014, during the financial year 2012 – 2013 itself it was found that 40% of the overall sales of forging industry was to the Non-Automotive sector against a global accepted general norm of 30%, members of the industry had projected their future growth to come through sales to the Non-Automotive sector, with overall demand from the Automotive sector remaining flat till 2016, no doubt some fluctuations in demand both upward and downward from different segments had been factored in.

### **H**ow has Forging Industry contributed to the growth of automotive sector in India?

- No countries Automotive industry can grow without the growth of the Auto Component Manufactures, they are the backbone of any auto industry, the Forging



Industry therefore has played a pivotal role in the growth of the Indian Automotive Sector, through continuous investments in capacity and technological up gradation keeping up with the evolving requirements of the Auto Industry.

### **W**hat is your comment on the technological upgradation within forging industry?

- The Indian Forging Industry is highly fragmented, with almost 85% of the individual companies having an installed capacity of below 12500 Tons per Annum contributing to less than 40% of the overall production; this has prevented them from keeping pace with the technological innovations that have been taking place periodically. They not only are unable to invest in the evolving technology but also find it difficult to attract the professional talent required to absorb and utilise the technology. The larger units though have by and large been continuously investing in technological up gradation and are on par with global standards.



### **W**hat needs to be done for the further growth of the Forging Industry?

- Globally the forging Industry is dependent on the Automotive Industry of that country, a decade or so back the Government of India had through policy initiatives encouraged the manufacture of small cars for the global market in India, on account of which today Maruti Suzuki and Hyundai amongst other newer entrants in the Indian market, manufacture small cars in India to satisfy a part whole global demand for a particular small car model. Similar policy initiatives to encourage the MNCs to manufacture larger cars and commercial vehicles in India for the global market would enable the growth of the entire Indian Automotive Industry fitting with the Make In India initiative of the Government Of India.

### **W**hat support do you expect from the government?

- The Indian Forging Industry has been steadily losing its export market to Chinese manufacturers as they enjoy a 15% export incentive on the FOB value, this has made Indian manufacturers non-competitive barring a few who enjoy large technological advantages for specific forged products over the Chinese manufacturers and maybe even over other global manufactures, though they too are losing domestic market share to Chinese imports. The Government through policy initiatives could level the playing field for the Indian Forging Industry.

Indian Steel is approximately 10% more expensive than international ex-factory prices. This differential could be bridged by quick resolution of the mining issues being faced by the Iron Ore and Coke mining Industry, as well as resolving the land acquisition issues being faced by new entrants in steel manufacturing, a classical example is the Posco Steel Project planned in Orissa which is stuck for almost what seems like a decade.