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# 'Power'ful Dreams

Toshiba Transmission & Distribution Systems (India) Pvt. Ltd. aims to secure a 20 percent share of the Indian market by 2018, and also reinforce itself as a core T&D production base for other major markets, says **Dr. Katsutoshi Toda**, its Chairman & Managing Director

By Niranjan Mudholkar

**W**hen Toshiba Transmission & Distribution Systems (India) Pvt. Ltd. (TTDI) started its journey in 2013 by acquiring Vijai Electricals Ltd., it was embarking on an ambitious journey in the Indian Transmission & Distribution (T&D) segment specifically as well as in the overall power sector in the country. While Vijai Electricals clocked sales of US\$ 250-million in FY 2013, TTDI targets sales of approximately US\$ 500-million (60 billion yen) in FY

## TTDI - Key highlights

- Currently TTDI has the highest market share in distribution transformers. TTDI has overall market share of 12-13 percent market share in transformers in India and after the GIS offerings in the market up to 800kV, Toda is confident to reach 20 percent of the market share in the T&D Segment.
- The aim is to reinforce Toshiba Transmission & Distribution Systems (India) Pvt. Ltd. as a core T&D production base for other major markets, including Europe, ASEAN, and Africa.
- Toshiba plans to invest a cumulative 10-billion yen (approximately US\$100-million) in its T&D business in India, in the period to FY2016.

"We are also constructing a new factory to manufacture HV Insulators and Surge arrestors up to 800kV. The construction will be completed by December 2015."

2017. Well, it's been only about two years since then and the company has already invested US\$ 230 million (US\$ 200 million for the acquisition and US\$ 30 million in November 2014 for a new production line). And that's just the beginning.

"A new line for large power transformers will come on line soon in 2015, at the same time as the full scale launch of a new line for switchgears up to 800kV from our Indian plant. SIS/GIS

will mitigate the current land availability issue apart from the opportunity to augment the existing substations, which is one of the biggest challenges in the T&D Segment," says Dr. Katsutoshi Toda, Chairman & Managing Director, TTDI.

By utilising these operations as part of an integrated global supply network, plus with the worldwide sales network of Landis+Gyr, a Toshiba Group company, Toshiba aims to achieve global sales of 700-billion yen (approximately US\$ 7,000-million) in the T&D and smart grid business in FY2015. "Last year, we also received an order from Landis+Gyr Oy, our Group company for delivery of 1,500 transformers over three years, produced at TTDI factory at







our Hyderabad plant in India," adds Toda.

#### Dual objectives

The US\$30-million investment in November 2014 is aimed at boosting capacity with new production lines at the Hyderabad facility. "India is a high growth market that Toshiba has positioned as a strategic base for its power-related businesses," says Toda. The purpose is dual: strengthen position in the domestic industry while widening the horizon in the international markets. "We aim to secure a 20 percent share of the Indian market by 2018, and also reinforce Toshiba Transmission & Distribution Systems (India) Pvt. Ltd. as a core T&D production base for other major markets, including Europe, ASEAN, and Africa. To do so, we plan to invest a cumulative 10-billion yen (approximately US\$100-million) in our T&D business in India, in the period to FY2016, including the November 2014 investment," Toda informs.

Toshiba has a long history for T&D business in India. With the acquired local manufacturing capability, it now has additional strength in T&D business in India to expand the business volumes. "We believe that Toshiba (TTDI) can increase the market share by manufacturing and supplying customer focused world class products and services as mentioned above with Japanese quality from the local factory. The knowledge base of Toshiba and the manufacturing capabilities of India will hugely benefit Toshiba in a big way," Toda states.

#### The strategy

TTDI's strategy includes expanding its product portfolio to realise its ambitious plans. "We will enter other growing markets in India, including power electronics systems, such as high voltage direct current (HVDC) power transmission and static VAR compensators for high voltage networks (SVC), and railway power supply systems. We will also be supplying cost effective, safer Gas Insulated Transformers up to 400kV which will reduce the land area required and can be used even underground. With Landis+Gyr in Toshiba's fold we expect to contribute to the SMART GRID and SMART CITY Projects which will further add to the improvement in our market share in the T&D segment," says Toda, explaining the game plan.

Currently, TTDI is the biggest player in the distribution transformers segment in India with an overall market share of 12-13 percent market share. "After the GIS offerings in the market up to 800kV, Toda is confident to reach 20 percent of the market share in the T&D segment.

"We have also established an EPC division with which we shall be able to cater to Turnkey Substation business and expect a sizeable share in the AIS and GIS Substation business," Toda adds.

Toda believes that the contract to supply 1,500 transformers to Landis+Gyr Oy, a Finnish Toshiba Group company will give a big boost to its plans in becoming a core T&D production base for other major markets, including Europe, ASEAN, and Africa. "This is the first significant contract for Toshiba's

"A new line for large power transformers will come on line soon in 2015, at the same time as the full scale launch of a new line for switchgears up to 800kV from our Indian plant."





transmission and distribution business in Finland. We will manufacture 50kVA and 100kVA distribution transformers for Landis+Gyr Oy over the next three years, with options for further deliveries extending into 2021. With Toshiba's decades of experience in the high-end technology, we have plans to introduce certain innovative products to cater to the T&D segment from our existing plant at Hyderabad," he says.

**Relevance of 'Make in India'**

Speaking in the context of the 'Make in India' campaign, Toda says that India has always had the potential and the means to become one of the global manufacturing giants for the world. "The 'Make in India' campaign initiated by the Honourable Prime Minister Narendra Modi is very welcoming for both existing companies who have set up manufacturing base in India and the potential investors as it reinforces the government's commitment to develop industrial corridors and modern infrastructure necessary for proficient operations," he says. Toda also believes that the campaign advocates the ease of doing



**Focus on energy efficient products**

TTDI was selected for the National Energy Conservation Award – 2014 'First Prize' in the Manufacturers of BEE Star Labelled Appliances (Distributions Transformers) Sector. "As you are aware, 'power saved is power generated', and we are constantly undertaking our role in reducing the losses by supplying energy efficient transformers which has culminated in TTDI getting the award," says Toda.

business in India which puts the government more in light of a partner than a regulator, to create conducive business environment.

For Toshiba, India is important not only as a market, but also as a strategic export and development base with highly talented people. "Even before the 'Make in India' campaign was chronicled, Toshiba had announced a comprehensive strategy for expanding its social infrastructure business in Asia and

**"The 'Make in India' campaign is very welcoming as it reinforces the government's commitment to develop industrial corridors and modern infrastructure necessary for proficient operations."**

around the world that positions India as a strategic business hub for its energy transmission and distribution equipment business," Toda says.

He acknowledges that India continues to record high economic growth, and long-term capital investment for infrastructure is expected in key areas such as electricity and transportation. "In T&D, the Indian government is promoting measures to increase the number of 765kV substations, toward increasing the country's transmission capacity five times by 2017. This policy is driving demand for large power transformers and high voltage switchgears," he says, giving reasons for his optimism.

**Leveraging on the strengths**

One of the key strengths for TTDI is having an end-to-end manufacturing infrastructure. Leveraging on this strength will





be pivotal to TTDI's growth plans. "Currently, our existing production line has the capability to manufacture small and medium capacity transformers and low and medium-voltage switchgears. A new line for large power transformers will come on line in spring 2015, at the same time as the full scale launch of a new line for switchgears which will support production of 765kV transformers with a capacity of 500MVA, while the new switchgear line will produce high voltage products," Toda informs. TDDI upgradation of its existing switchgear factory to cater to EHV range of switchgears is also nearing its completion. "By August 2015 we will have the state-of-the-art global manufacturing centre ready to make new range of MV & EHV products. We are also constructing a new factory to manufacture HV Insulators and Surge arrestors up to 800kV. The construction will be completed by December 2015. Since the manufacturing is localised with wide vendor base, the product will be offered at a very competitive prices," Toda adds confidently.

**A new approach to technology**

Globally, Toshiba has shifted its focus from 'Products' to 'Products with Services' focussing on the impact on the lives of people. And it has an interesting name for this approach. Toda explains: "Toshiba India shares its vision to create an ideal Human Smart Community, where people live in safety, security and comfort. Toshiba's vision is backed by a new approach to technology called 'lifenology'," Toda says. Lifenology includes technology and solutions that make peoples' lives more peace-

ful, safer and more comfortable through infrastructure development and provision of innovative digital products. "Our vision and objectives are to bring a superior life to our Indian consumers through our technological innovations; technologies that are in harmony with human lives. And that's why, India has been one of the focus regions for Toshiba in the last few years with large-scale investments and policy making," he says.

"TTDI will enter other growing markets in India, including power electronics systems, such as high voltage direct current (HVDC) power transmission and static VAR compensators for high voltage networks (SVC), and railway power supply systems."

Toda claims that TTDI offers products and services which are energy efficient, reliable and which also ensure that power at different voltages reach the consumers safely. "The products and services offered are with global standards at very competitive prices as they are manufactured locally as per Toshiba's global standards," says Toda.

**Blending cultures**

On a personal note, Toda enjoys his experience of living and working in India, a diversified country with different regional and cultural values. He is happy about the fact that TTDI draws its people from various regions of the country and each employee contributes to the success of the organisation. His formula for success is simple; taking the best of the Indian culture and the Japanese culture to create a winning combination. "I am enjoying blending the Japanese and Indian cultures in my team which creates 'Passion', 'Teamwork' and 'Enjoyment' in the work ultimately resulting in achieving personal and professional satisfaction," he says, as he signs off. 🍵

