

Title of the Document:

“Expression of Interest”

***For the supply of fully finished/Semi Finished
Crankshafts***

Submitted By:

**Dayanand Ganapati Netalkar
Managing Partner & CEO
Srinivas Induction Hardening**



Preamble

The year 2019 has dawned on us with us realising that we have been around in crankshaft machining industry for more than 50 years now. Along with it being a learning journey, it has also been a journey of satisfaction and joy.

It was 2015 a special year for Netalkar Group of Industries when we completed 50 years of existence in Crankshaft machining business coupled with a milestone of crossing 100 crores of annual turn-over combining all units. As growth has become imperative for sustaining in this competitive era, we are in constant endeavour of making ourselves professionally driven and contemporarily aligned organisation. Aforesaid initiative has put us through the rigorous exercise of Strategic Business Planning using tools like 'Strengths-Weaknesses-Opportunities-Threats' (SWOT) & 'Porter's Five Force Analysis'.

As our 'Think Tank' contemplated during such SBP sessions, what came out as a 'must' strategy for us, is to enhance our customer base and get associated with the organisations which has a significant presence in the market, hence this proposal. We have strategized to diversify into various segments with our product as well.

This is our initiative towards embarking on a new business relationship with your esteemed organisation. It would be a matter of pride for us getting associated with your organisation and allow mutually beneficial business tie-up.

Let me request you through this preamble to go through this proposal; the company profile attached along with the same; and also provide us an opportunity to present **Srinivas Induction Hardening's** profile in a personal meeting at your place.

I would also request you to release drawings (if possible) of the crankshafts required by you once we sign Non-Disclosure Agreement (NDA). This would allow us to do the detail Technical feasibility study and compile appropriate Techno-commercial offer.

Banking upon the experience of 'number of years' into crankshaft machining and grinding, we are very much confident in assuring you that you will receive the 'most cost competitive offer' and the 'best quality component' from us.

Dayanand Ganapati Netalkar

**Managing Partner & CEO
Srinivas Induction Hardening**

Company Profile

Netalkar Group of Industries (NGOI) was established in the year 1965 by Late. Ganapati Netalkar with its first unit called “Netalkar Engineering Works” situated at Hubli Dharwad road in Belgaum. He brought in the value of ‘precision’ from his family business of Goldsmith into crankshaft machining business. We at Netalkars’ proudly quote that we consider steel as gold and crankshafts as ornaments. This belief in our workforce helps us to ensure precision in achieving customer specifications. A humble commencement with the single operation, single machine and single operator today we employ 800+ workforce spread over 4 facilities with the combined capacity of 2500+ crankshafts per day. Our values of *pragmatic obedience, precision, integrity and simplicity* has helped us successfully be associated with Mahindra & Mahindra for last 30 years. With new customers like Mitsubishi Heavy Industries, Kirloskar Oil Engines Faively, Mayekawa and John Deere we have expanded our customer base further.

SIH situated at Macche was established in the year 1997 with shop floor area of 4800 Sq. Ft. has now expanded to 50,000 Sq. Ft. area. We at SIH have the facility to produce fully finished crankshafts with 100% in-house machining. 350 satisfied personnel are relentless in ensuring customer satisfaction coupled with many modern and automated machines. Well managed financial health, smooth industrial relations, very low employee attrition, settled, experienced & dedicated senior level employees, modern facility, a quest towards sustainability initiatives are some of the strengths we bank upon. An initiative from Mahindra & Mahindra towards business capability development of vendors saw us achieve 3.5/5 rating across all the pillars in Strategic Business Planning; Managing Growth; People practices and Execution Excellence.

We have distinctly defined the Physical, Intellectual and Emotional infrastructure requirements in the organisation. We have provided prudent attention to all three aforesaid levels of infrastructure @ Srinivas Induction Hardening (SIH), which we believe is the reason for customer satisfaction and performance at SIH. Over the period of last half a decade we have witnessed a considerable change in the organisation with continuous quest for development and acquiring modern technological and management skills. This has reaped us benefits in the form of cost competitiveness, enhanced capacity and improved productivity. We have received accolades from M&M & Mitsubishi Heavy Industries almost consistently in last 5 years.

Now, the time has come for us to look beyond and create a balance customer portfolio. We do want to achieve the product depth by catering to the needs of Automotive as well as non-automotive sector. Further to this would be to create a product portfolio by entering into Camshaft Manufacturing under core diversification. We have diversified into unrelated business as well, by getting into ITES business with incorporation of Srinivas IT Enabled Services.

To be Deployed Facility Profile

We propose to deploy Srinivas Induction Hardening, situated at Macche, Belgaum Karnataka as a facility for machining crankshafts required by you.

Following are the details associated with this facility.

...Technological Prowess

1. Pre-Machining on CNC: Heller, BFW, Mevive Warners Swasi
2. CNC Oil Hole Drilling Machines: BFW
3. Orbital Grinding Machines from Landis (03 Nos) & NTC (02 Nos)
4. VMC HMC for Flange Hole drilling, Tapping and Reaming
5. End operation on Micromatic Angular Grinder
6. Automatic Balancing Machine from Grind Master
7. Standard Room loaded with Adcole, CMM, Contracer & Multi Gauge Inspection System and roughness tester for radius surface checking.
8. Customised Machines for Induction Hardening, Washing, Finish Bore, Key way milling and Oil Hole intersection checking system

...Operational Excellence

1. Complete Development of Crankshaft in less than a period of 50 days.
2. Running capacity of 800 crankshafts per day with prospective Installed capacity of 1000 crankshafts. In addition to this we have full time support from Netalkar Engineering works almost in the capacity of subsidiary organisation with the set-up capable of machining 180 crankshafts a day.
3. We have developed 100% in-house machining ability with systematically developed sub-supplier base. These sub-suppliers are being managed with well thought out vendor policy to ensure quality and at par performance.
4. Systematic identification of critical operations/critical machines and tested contingency plans to fix unseen exigencies.
5. Prudent training & application of 7QC tools to ensure contemporary alignment.
6. Full time Senior Manager for conducting 'dexterity' training for all the blue collared, such trainings are being carried out at augmented frequency.
7. We have commenced a process to set up a Research & Development Centre within our facility, we would establish a 'Laboratory' to enable selected Product Engineers to learn Engine Fundamentals; we would enable a mechanism of **"Form - Fit - Function"** to create an environment conducive for Innovation. We are working on an objective of developing crankshaft design capability.
8. Structured Span of Control and Chain of Command has been devised with Function wise departmental divisions and CFTs for peripheral tasks.
9. Project Management Teams for various production as well as non-production related activities.
10. Full statutory compliance and 100% control through monthly reporting.

...Management Prowess

1. Well settled workforce with No IR issues since inception has helped us maintain less than 2% attrition rate. There aren't any Labour unions/Trade unions in the organisation and recent employee satisfaction survey reveals 89% employees providing 'very good' & 'excellent' in all the sections of questionnaire.
2. Management Control System through "Monthly MRM", Monthly TownHall, and Assessor-Detector-Effector Mechanism with set standards.
3. Relentless strive towards achieving customer satisfaction through 6 months frequency of Customer Satisfaction Survey, Feedback from all the customer representatives who visit our facility.
4. Continuous efforts towards improving the knowledge and application of 7QC measures and tools amongst all the managerial/supervisory level employees.
5. Water Conservation to the tune of 3500 litres per day through STP; Tree plantation on employees birthday, Rain water harvesting, 100% Coolant recirculation System; 100% productive displacement of all the wastes generated through factory operations, sustainability training to all the employees etc.
6. We are certified for IATF for Quality Systems Standard and OHSAS 18001:2009 Certification for Environment, Health and Safety standard.
7. In-house development of Special Purpose machines, which are customised as per the requirement of the customer specification – a process of such development is carried out through Project management tool.
8. A customised 'Enterprise Resource Planning' (ERP) covering all the functions of business through 13 modules will take full effect in next few months.
9. We are into a phase of "Business Process Reengineering" to further strengthen our prowesses through systematic brainstorming and planning.
10. Many new initiatives towards recreation, employee health and welfare are being continuously fine-tuned so as to achieve employee engagement.

Closing remarks

We appreciate the time that you have invested in going through this fairly long document.

We look forward to listen from you on the same.

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