



Controlling Input Cost by Increasing Production



Aditya Mehta
Director, Jaypee India



“Rising in the input cost of raw materials has significantly affected the profit margins for most equipment manufacturers. With such low margins there are very few options available for a manufacturing unit. We are effectively fighting the 'Input Cost' fight by increasing our production”, says Aditya Mehta, Director, Jaypee India.

Jaypee India Ltd is the largest manufacturer of Jaymac range of Bar Bending and Bar Cutting machines. According to Aditya Mehta, Director, “It is a one point solution provider for construction engineering industry. With over 28 years of expertise, we understand the challenges in the manufacturing process and the opportunities to improve Productivity. We have achieved great success by empowering every user in the enterprise with the tools to benchmark, automate and improve performance of their manufacturing tasks”.

Since its inception in 1982, Jaypee India has constantly upgraded its portfolio with diverse offerings, challenging projects and impressive clients. It's reputation is built on technical expertise, professional approach and commercial integrity. Mr. Aditya talks to B2B Purchase about his Company and industry. He also shares his concern about 'Rising Costs'. Excerpts.

Mr. Aditya, what is your opinion about the recent trend in construction equipment business in India? Can you highlight the prime growth drivers for this segment?

Growth of the equipment industry is a threefold result of the rise in



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construction activity. Recent surveys have shown the growth in infrastructure and construction projects in the country to be 12-15% which directly affects the growth of the construction equipment industry to almost 40%. Increased government spending and various PPP projects throughout the country is a major factor driving such growth levels.

How competitive is the Indian construction equipment



market today?

Construction equipment market in the country is broadly classified into organized and unorganized segments. The organized manufacturers are fighting their market share with technological developments and higher productive equipments, whereas the unorganized segment has a price war with the fight up to the last paisa. On the consumer end also, a similar segmentation can be seen with some consumers looking at better equipments whilst others looking at the initial cost of the product.

What are your key products?

Jaypee's wide range of Products includes Bar Bending Machines, Bar Cutting Machines, Bar Shearing Machines, Bar Straightening Machines, Batch Mix Plants, Concrete Mixers, Mini Dumpers, Walk Behind Vibratory Rollers, Tower Cranes, Passenger Hoists, etc.



Do you have any plan to expand your construction equipment segment?

We are looking forward to foraying into the compaction equipment segment. We already hold a strong position into the small compaction equipment, but with newer model launches and developed products we are looking into larger earth moving machinery.

What are the impacts of 'Rising Cost' over construction equipment business?

Rising in the input cost of raw materials has significantly affected the profit margins for most equipment manufacturers. With such low margins there are very few options available for a manufacturing unit. Whilst many stop their investments into R&D, which affects their long term strategy, a number of manufacturers try to achieve profits by increasing their production capacity.

Can you discuss your strategies to counter this challenge?

We at Jaypee are effectively fighting the 'Input Cost' fight by increasing our production. We have invested in a new manufacturing facility, with increased use of robotics and automation which will help us achieve our target of enhancing production, thus spreading our overheads more evenly. ■