

DÜRR INDIA



Background

Dürr Group is one of the world's leading suppliers of products, systems, and services for automobile manufacturing plants. The company is headquartered in Stuttgart, Germany and is directly represented in 20 countries with 48 locations & 24 production facilities and over 5990 employees. The Group consists of two divisions - Paint & Assembly systems, Measuring & Process systems. The group generated annual sales revenues of US \$ 1.7 billion in 2005. Approx 60 per cent paint shops & 50 per cent assembly plants in the world are equipped with Dürr technology.

In India, Dürr executes the turnkey projects for paint finishing systems, final assembly systems and paint application technology systems. Most of the operations are turnkey project based. Key clients are mostly automotive players – largely OEMs like Ford, Hyundai, Mahindra & Mahindra (Scorpio plant), and General Motors. The company is currently working on orders from JCB (excavator plant near Pune), M & M for tractor plant in

Rudrapur & Hyundai's second plant in Chennai. The company has 40 employees in India and had an annual turnover of US\$ 11.1 million in 2004.

Market potential attracted Dürr to start operations in India

The large indigenous auto OEM base in India makes it a very attractive market for Dürr. Also the large global auto majors to whom Dürr were supplying – such as Ford, GM, BMW, Hyundai etc., wanted local support in India to set up their paint and assembly shops. Prior to Dürr coming to India, the automotive companies were importing the Paint Shops from Poland and Germany. Every paint shop requires 1000-1200 tons of metal. Sourcing it from countries like India or China can reduce the cost by 30 - 35 per cent.

Keys to success

The parent company has been supporting the Indian subsidiary in technology transfer & training the local employees. Currently the Engineering



team from Durr India is trained in Germany. The installation and commissioning people had been sent to China for training at Durr's China facilities. The Electrical Engineering section resources had been sent to US for training on developing automation software for US requirements. Also 5-6 engineers had been sent to Germany for getting trained on design, fabrication management and procurement. Initially basic engineering as well as detailed engineering was being done in Germany for the projects in India – now these are being done in India.

The company offers products which are innovative, technologically superior and environment friendly. They contribute to lower operating costs, higher product quality levels, and greater flexibility to the customer.

Future plans

The Indian Automotive industry has realised a growth of 15 per cent over the last 4-5 years. This has happened in all the segments - passenger cars, commercial vehicles, 2-3 wheelers etc. The same growth rate is expected to continue over the coming years. The industry is undergoing lot of capacity expansions & new projects. Durr India has an excellent opportunity in participating in this growth by supplying world class innovative and latest technology products and systems.

Durr India is also exploring the possibility to start manufacturing in India. The company is in discussions with a company which has manufacturing facilities in Northern India. This manufacturing facility would be used to provide components for Durr's facilities in other parts of the world.

Globally Durr has "System Centres" – centres from where major projects are controlled. Currently there are two of them – one in Germany and the other in USA. The company is planning one in Asia, and there is a possibility of the third System Centre being set up in India. This "System Centre"

will be the central point for basic design, planning, procurement, negotiations and project monitoring. Durr India also sees a booming business in India on account of new capacities being planned and enhancement in manufacturing of Tractors and Commercial vehicles. To achieve higher growth rates the company is also targeting the two and three wheeler industry in India.

In the case of electrical panel manufacturing the company is now able to deliver qualities that are required globally from India itself. In the near future, it hopes to be in a position to convince the global parent about its capabilities in designing automation software and electrical panels for global requirements.

Durr India: At a glance

- The group generated annual sales revenues of US\$ 1.7 billion worldwide in 2005.
- For Durr, India is: A key growth market.
- Factors for success: Training and technology know how.
- Future plans: Start manufacturing plant and "system center".