India has been growing at a healthy pace of 10% per annum. Additionally, during certain financial years, over the last two decades, there were instances where growth of over 20% were seen. Once the Indian economy picks up momentum, especially in the construction and machine tool sectors, the fluid power sector is likely to start growing rapidly again. We can safely say that over the next two decades or so, the Indian fluid power sector will continue to grow at a faster rate than the global average.

HOW DO YOU SEE THE SMEs GROWING IN THIS SECTOR?

In the field of fluid power, there are several SMEs, which are typically involved in manufacturing components and systems. Highly technical and complicated products on a large scale, which require large investments in plant and machinery, would ordinarily be beyond the scope of SMEs in India.

"Technological leadership is the KEY to business growth"

Having an extraordinary track record of entrepreneurship and business leadership, M Seethapathy Rao, President, Fluid Power Society of India (FPSI) & CMD, Hycom Engineering, experienced a unique career in the Indian fluid power sector. His strategic thinking to conceptualise a high-tech business, coupled with apt organisation building policies to create an extremely competitive enterprise is exemplary. During an interaction with Devyani P Korgaonkar, the ace professional explains the current functioning of the Indian fluid power sector. Excerpts...

HOW DO YOU CONSTRUE THE FLUID POWER SCENARIO IN INDIA?

The Indian fluid power market has grown to a substantial size of over ₹5,000 crore with most multinationals like Parker, Eaton and Rexroth, among others, establishing their strong base in India. On the other hand, Indian companies like Wipro and Dynamatic Technologies have grown very well and have ventured into the global marketplace with acquisitions abroad. Though India offers a large manufacturing base for fluid power products, substantial imports for more sophisticated products continue to take place from countries like Japan & Germany.

IS THE INDIAN MARKET GROWING AT PAR WITH THE DEVELOPED COUNTRIES IN THE WORLD?

Except for a dip in the market over the last one or two years based on the general economic stagnation in India, the fluid power market in

AS CMD OF HYCOM ENGINEERING, WHAT KIND OF PRODUCTS DO YOU FOCUS ON? WHO ARE YOUR MAJOR CLIENTS?

HYCOM Engineering currently falls under the small scale sector and has its manufacturing operations in Bengaluru. The business is poised for rapid growth, once the economy picks up. Some of us, who were earlier associated with the founding and growth of Wipro Fluid Power, have, after retirement, started HYCOM

Engineering with an ambition to develop world-class products and grow rapidly. Our aim is to replicate the success of Wipro Fluid Power. Today, it has grown to become one of the largest hydraulic cylinder companies in the world. Currently, HYCOM Engineering is involved in the design and development of hydraulic mobile control valves and rotary couplings. There is considerable headroom for growth in these businesses and we plan to focus on these two areas for a few more years and not get into unnecessary diversification. HYCOM Engineering has a strong customer base. Reputed companies in India like Wipro, JCB, VST Tillers & Tractors, Yuken India Ltd, etc. are our clients.

WHAT KIND OF R&D IS GOING ON IN HYCOM ENGINEERING?

HYCOM Engineering is a technology-focused company. The company is structured on the theory that technological leadership is the key to business growth. Though the company is small at the moment, it has already taken a lead in analytical studies on products that we manufacture. We are recognised by Department of Scientific and Industrial Research (DSIR), Government of India, as an R&D facility.

AS CHAIRMAN OF FPSI, HOW WOULD YOU LIKE TO ENCOURAGE ENTREPRENEURSHIP IN THIS SECTOR? ARE YOU IN TALKS WITH THE GOVERNMENT OF INDIA IN THIS REGARD?

FPSI has always been encouraging the development of this sector. As President of FPSI, it has been customary to participate in the Fluid Power Summit, which is usually held along with Hannover Messe to encourage global companies to come to India. In fact, this practice has been on for more than two decades when this sector used to be very small in India. Today, when most of the big names in the global fluid power sector are already present in India, it is fair to say that FPSI had a small but important role to play.

As far as Indian fluid power players are concerned, FPSI has been essaying the role of a catalyst since its inception. It has been organising technical seminars and exhibitions of fluid power products. More recently, the organisation has collaborated with Hannover Messe to organise annual MDA exhibitions. In this exhibition and seminar, FPSI is the focal point to get the CEOs of Indian fluid power sector to discuss the future scenarios, guiding Indian entrepreneurs towards more ambitious goals. We do not have many interactions with the Government of India, as there are no serious government related issues in our field.

WHAT IS THE AGENDA OF FPSI IN FY2013-14?

FPSI has just taken up a new initiative of 'Sector and Academia Interactions'. It is our objective to introduce 'Fluid Power' in the curriculum of engineering colleges and help prepare 'sector-ready' engineers, who can help this sector develop faster. As a beginning, FPSI has already identified two premium engineering colleges in Bengaluru as future 'centres of excellence' in the fluid power field. FPSI will be working with these institutions in terms of seminars, student curriculum in fluid power as well as developing training access for students in the fluid power sector in and around Bengaluru.

WHERE DO YOU SEE THE INDIAN FLUID POWER SECTOR POSITIONED BY 2020? KINDLY ELUCIDATE THIS WITH YOUR EXPERT OPINIONS AND REASONING.

The fluid power sector is expected to grow continuously at 'better than sector average' rates over the next two decades. It is difficult to project a specific growth rate by 2020, as the slowdown of the Indian economy over the last few years was not at all anticipated. Many believe that this slowdown was not predictable. If India is able to put its policy framework in place and encourage rapid growth, the future of the fluid power sector will be extremely bright. Otherwise, like other sectors in India, the fluid power sector will also have to muddle through some more period of slow growth or even stagnation. ■

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CREDENTIALS

For over 30 years, M Seethapathy Rao has been the Head – Precision Engineering (Fluid Power business), Wipro Corporation. Rao was responsible for the historic decisions of Wipro (when it was still a small company) to get into high-tech businesses and to venture out of its traditional geographic base.

Rao conceptualised the diversification of Wipro into fluid power business. He built the business 'brick by brick' through deep involvement in all facets like market analysis, customer relationships, product development, manufacturing technology, people development and good governance. He steered the business from the position of a 'new arrival' with doubts on survival to a leader in the country in terms of size, growth rate, profitability and reputation. He has extensive international business exposure through interactions on technology transfers, equipment selection and exports.

He provided leadership to the fluid power sector of India for many years as the President, Fluid Power Society of India (FPSI) and Founder & Co-Chairman of the Fluid Power Division of the Confederation of Indian Sector (CII-FPD). He retired as the President & MD, Wipro Fluid Power Ltd.

Rao took over the running business of 'mobile hydraulics' from a global manufacturer, effective April 1, 2009. This is now called HYCOM Engineering India Pvt Ltd of which he is the CMD.