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Aero India 2019 : Bengaluru Ready for the Aerial Pageantry

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Bengaluru, the aerospace capital of the country, has geared up to witness the five-day global Aviation event, Aero India 2019, to takeoff at the Air Force Station Yelahanka in the outskirts of the city during February 20-24. The biannual event is considered as one of the major aerospace exhibitions in the world, with eleven successful editions having organised since 1996. Hindustan Aeronautics Limited (HAL) has taken a lead role in organising the twelfth Aero India 2019.

Besides providing huge logistic support, HAL will showcase its prowess in defence and aerospace. Aero India 2019 will provide an ideal platform for bolstering business opportunities in the International aviation and aerospace sector.

A rapidly growing economy and opening up of defence production to private sector, have given a major fillip to the defence industry in India. It has also become a hub for defence businesses in Asia.

More than 400 Indian and foreign exhibitors are participating in Aero India 2019. The latest edition is expected to break the records. Flying display and aerobatics of latest aircraft from various countries is arranged at the venue during each day of the show for the benefit of visitors.

The logo for Aero India 2019 is inspired by the Tejas Light Combat Aircraft (LCA). The Tejas LCA is the smallest and lightest Multi-Role Supersonic Fighter Aircraft of its class. This single engine, Compound-Delta-Wing, Tailless Aircraft is designed and developed to meet diverse needs of the Indian Air Force (IAF) and Indian Navy (IN).

The Showcase Event would provide the perfect platform for interactions between the domestic and international startup community, key policymakers in the Indian Aerospace & Defence sector, and CEOs of leading Indian and Global Companies.

Aequs Aims High for its Business Expansion

Rajeev Kaul
Managing Director, Aerospace & Group CFO, Aequs

"Aequs is aiming at both capability as well as capacity expansion. Customers in this domain have a huge appetite and if we can absorb their orders, they will gladly place more. The future plan for growth is to absorb more orders and increase value for our customers by adopting latest technology. Recently, as a part of our digital transformation journey, we launched a project to adopt SAP S/4 Hana ERP business suite to consolidate our operations across all units in India. This will give us the leverage to streamline processes and make informed decisions using real-time data analytics," said Rajeev Kaul, Managing Director, Aerospace & Group CFO, Aequs. In an interview with Aeromag, he talks about

Where does Aequs stand in the aerospace precision manufacturing industry globally? What are the major achievements over these years?

The aerospace industry spends over USD 20 billion annually on machined parts. This has provided us with ample opportunity to expand our core machining business around the global demand for detailed parts and become an industry leader in this market segment. To meet the demand in our target market, we have scaled up focusing heavily on new machines, equipment, and technology in India. Our dedicated facility for Airbus and the recent Flexible Manufacturing System (FMS) facility are few such examples of our recent growth.

Right from being awarded the largest titanium detailed parts order by Airbus to becoming the tier I supplier to Boeing for critical components, our journey so far has been quite fulfilling. We have increased the in-country value add by 80%~90% with some of the parts we manufacture. Our Forging and Heat Treatment facility (SQuAD) got approved by Safran. Aequs' Assembly unit (AAI) produced and dispatched Door Plug assembly for Airbus 321 NEO aircraft, bagging the title of first Indian private company to work on door packages.

We were awarded the Airbus Innovation Award for our unique aerospace ecosystem at Aequs SEZ that comprise forging, precision machining of components, actuation system parts, sub-assemblies, fabricated steel machine parts and assemblies, build to print aero structures and surface treatment, all in a single location. Recently, we received a high volume order from Bombardier for window frames that are forged, machined and surface treated at our various plants located within Aequs SEZ.

Today, Aequs commands a unique position to make a difference in the civil aerospace industry that no other player has done in India.

Aequs continues to consolidate the supply chain and embrace Aerospace 4.0 by meticulously adding capabilities and cutting-edge technologies. Could you shed more light onto this?

Aequs is the first and only aerospace company in India to invest in Flexible Manufacturing System (FMS) that will enable us to achieve agility through automation, a buzzword for today's manufacturer. We have established a 60,000 SQFT facility within our SEZ in Belagavi that is currently operational for machining high mix, low volume product variety we currently see in Aerospace manufacturing.

Could you talk about how Aequs cater to the demands of changing aerospace manufacturing industry in India? What are the factors that drive demand in the industry?

Globally, the demand for new aircrafts has increased phenomenally. Commercial aircraft sector is expected to see a growth rate of 4.8 percent in FY2018-19. This increased demand in the market, coupled with backlogs and pricing pressure, has led to numerous OEMs (original equipment manufacturers) expanding their supply chain in countries such as India owing to labour arbitrage and easy access to technology as well as skilled engineers and workers. Aequs aerospace has established a one-of-its-kind aerospace manufacturing ecosystem that has vertically integrated the supply chain – right from forging and machining to assemblies and special processing. This has enabled OEMs to speed up time to market and save logistics costs.

There are multiple factors driving demand in the industry. Regions such as Asia-Pacific and Middle-east are witnessing steep rise in passenger traffic resulting in robust demand for new aircrafts. Simultaneously, older fleets are being retired and replaced in mature markets like Europe. Due to such trends globally, the aerospace manufacturing industry has been witnessing a spurt in demand for many years now. In fact, the demand is so robust that if OEMs were to stop placing new orders today, it would still take close to ten years to complete work on pending orders.

Could you talk about the latest operational highlights of Aequs SEZ in Belagavi? Are there any expansion activities?

Aequs has been expanding

its operational capacity and capability as a part of its business expansion and customer requirements. Besides the FMS cell, the SEZ has expanded with the entry of global giants, France-based Latécoère and US-based Purosil, as its latest occupants. The toy manufacturing unit of Aequs Consumer, a division of Aequs, too has moved to a brand new 200,000 SQFT facility in 2018, bringing many capabilities in-house. API (Aerospace Processing India), our JV with Magellan aerospace, has begun setting up another unit at the SEZ to cater to customer demands.

India's aerospace manufacturing is now focusing on indigenisation. How does Aequs support the drive and the government's Make in India initiative?

'Make in India' initiative has brought in changes pertaining to how the private sector is perceived today. It is evident that the government needs to collaborate with private players to make it work further. Innovation, indigenous manufacturing and self-reliance are the key aspects to the success of 'Make in India'. Domestic capabilities, in terms of designing and developing state-of-the-art systems, should also be developed by leveraging cutting-edge technology, besides making the workforce up-to-date with industry requirement.

At Aequs, our business model is not only to manufacture high volume machined parts and assemblies competitive prices, but also to create the manufacturing ecosystem, which consists of several facilities supporting the entire manufacturing cycle from start to end to maximize the in-country value add. We have successfully created a one-of-its kind aerospace ecosystem at our SEZ in Belagavi, Karnataka that has vertically integrated different stages of the supply chain – from forging and precision machining to assembly and surface treatment. We are now able to achieve over 80 percent in-country value add for some of the detailed parts, which was less than 30 percent just a few years ago. Aequs is investing USD 20~30 million per year in India.

Could you shed some light onto Aequs aerospace clientele globally? What are the products you make for them?

Since its inception, Aequs Aerospace has been working closely with Airbus. We are the sole supplier in India to bag the largest titanium machined parts order (over 100,000) from Airbus A320neo in 2016. We are also the single source supplier for delivering Plug door assembly, through AAI (Aerostructure Assemblies India), our JV with Saab, for the same program. We have successfully delivered the first direct order for Boeing 777 program in January 2019. Besides this, Collins Aerospace (formerly UTC Aerospace) and Safran are major customers of Aequs. We are engaged in manufacturing actuation systems for our clients, Honeywell Aerospace and Parker aerospace. While most of the orders are fulfilled from our integrated ecosystem in India, some of them, such as landing gears, are also fulfilled through our offshore plants in France and Texas, US.

Could you share with us vision and priorities for Aequs? What are the major plans for the coming years?

We are aiming at both capability as well as capacity expansion. Customers in this domain have a huge appetite and if we can absorb their orders, they will gladly place more. The future plan for growth is to absorb more orders and increase value for our customers by adopting latest technology. Recently, as a part of our digital transformation journey, we launched a project to adopt SAP S/4 Hana ERP business suite to consolidate our operations across all units in India.

What are the major highlights of Aequs' participation in Aero India 2019? How do you look at the event as a platform to find new business associations?

Aerostructures Assemblies India (AAI), our JV with Saab, has received one of the largest orders for Overwing Exit (OWE) door of Airbus 320. This is by far the largest assembly package Aequs will be delivering from India. The only other supplier in India that delivers door package to Airbus is HAL. Being the top Detailed Parts Partner (D2P) for Airbus, we have the advantage of landing new packages from Airbus, besides reinforcing our business associations with many other industry stalwarts.