

LEARNING THROUGH EXPERIENCES

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TEPL

Some men face challenges right from childhood, but that does not deter them from overcoming them. They come up in life because they believe, for them, there are no limits. They lay a solid technical foundation and subsequently build on it. Instead of mindless expansion, they focus on niche markets and achieve focused growth. They believe in the wholesome growth of their organization, employees, and the society around them.

Take one look at Mr. Nazir Tamboli's workshop - large machines cutting metals for the Aerospace, Railways and Heavy Engineering industry - and one can fathom that Nazir is doing something different - something skillful that requires an engineering intellect. The machines are worth Rs. 50 Crs plus, acquired over the last four decades - placing him in a different league of entrepreneurs.

Shares Mr. Nazir: "I am a first generation entrepreneur and my family was in the traditional business of betel leaves. From early childhood, I had a penchant for machines; to me, the sound emanating from the machines symbolized their raw power. On my way back from school, I would stop by, outside the workshops, and watch the machines running.

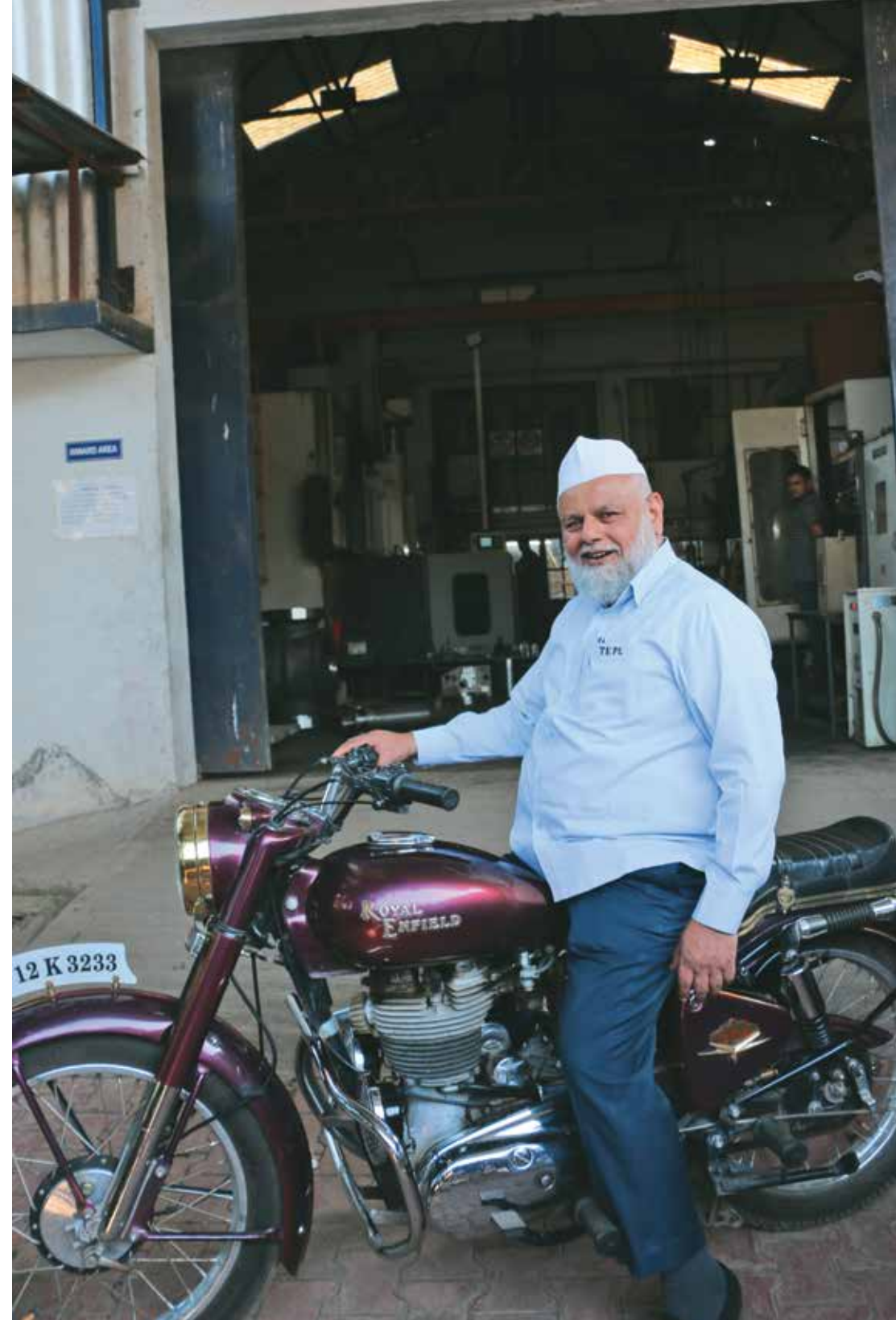
I come from a modest family and I studied in the local corporation school till Class 7. When I reached Class 8, I switched to Shivaji Maratha School in Pune, opting for an additional technical subject. We were taught basic operations of the lathe, welding, and other machinery operations. This technical class fascinated me.

Life was hard; we managed with meager means and I would walk to the school, which was at a fairly large distance of about 5 kilometers from my house. But I remember eagerly waiting for Fridays, when we had the session for technical skills.

But just as things settled, I was struck by typhoid. It ended up making me so weak, I couldn't even sit for the exams. I could not go to school for almost a year and this spelt the end of my formal education.

When I recovered, I picked up a job with an engineering company, Pandit Engineering at Swargate, Pune for Rs. 2.00 per day and simultaneously started attending Jain Vidyalaya. It was a rigorous schedule. During the day, I would be at the factory. In the evenings, I would go for typing from 5.40 pm to 6.20 pm, then finally I would reach Jain Vidyalaya which used to run in the evenings between 7.00 pm and 10.00 pm.

This continued for some time until I got an offer from another company, Desai Engineering, for Rs. 5.00 per day. Here, I could work for two shifts - the first and the third shift, and the rest of the time I spent learning to type, attending Jain Vidyalaya,



travelling to and fro, and of course devoting some time to sleep. However, given the fact that Desai Engineering at Ramvadi in Pune was almost 22 kilometers away from my residence, the torturous daily travel starting taking a toll on my health and I began looking out for an opportunity close by.

I was fortunate to find an opening in another company, Triumph Engineering; it was closer home and I could utilise my time better. I worked at Triumph for 4 years



though initially I had decided to leave after one year to start something of my own at a young age of 19, but I was persuaded and held back by the owners, Deshpande Sahib and Bahlerao Sahib, the promoters of Triumph Engineering, who insisted that I should earn more experience.

Triumph, in the early eighties, was a sub-vendor to KSB Pumps, the leading player in the manufacturing of submersible pumps, and I was handling the entire production to the extreme satisfaction of the owners, who had no experience in machining and also dealing with KSB Pumps officials.

I handled the KSB officials little differently, with a deep sense of honesty and integrity. When the KSB team came for inspection, to inspect 55 to 60 pumps in one go, I would line up the pumps in neat rows and segregate the others which had any little issues and tell them upfront about the minor shortcomings. The KSB Inspector would ask for the marked pumps to be opened up and have a look at the issues pointed out and take a decision on the way forward. Gradually, because of my open and transparent approach, I gained their trust and the entire inspection activity, almost became a self-certified approval. I, for certain, did not let them down at any point of time, for I valued their trust.

Though my assignment was tough, coming early at 8.00 am and leaving past midnight, to be back again in the morning, I enjoyed my responsibilities and the freedom my owners gave me in running the entire operations. There was a lot of learning from KSB officials on quality aspects and this direct access to KSB officials, was what I valued the most.

The factory ran every day of the week, through the year, without any holidays. Though it helped me develop my skills of handling manpower, delegation, interaction with KSB Officials, ordering of raw materials and logistics of the finished goods, it became a very monotonous and routine affair, after the first couple of years.

One day I confided in the Production and Planning Control (PPC) Head of KSB Pumps that I was planning to leave Triumph Engineering. The PPC Head, immediately gave me a counter offer to join KSB Pumps at double the salary, knowing full well that I was not even a matriculate.

I was immensely happy with the offer and the respect that was bestowed upon me - double the salary, free transport, free meals and canteen facilities, plus the social esteem of working with KSB, a renowned multinational company at the time.

But after a couple of days, I turned down the offer politely, reasoning to myself: "Sala, agar join karega, toh comfort zone mein aa jayega. Sala apun sust ho jayega" (If I join KSB Pumps, I will get into a comfort zone and that would kill the entrepreneurial hunger I have in me right now).

Shortly afterwards, I had a discussion with the promoters of Triumph Engineering and bought a second hand lathe for Rs. 5000 from them with deferred payment of one year, and managed to get a shed on hire from them for Rs. 500 per month. I did not leave the job. I was now on my own, but with the additional responsibility of supervising the Triumph Engineering operations.

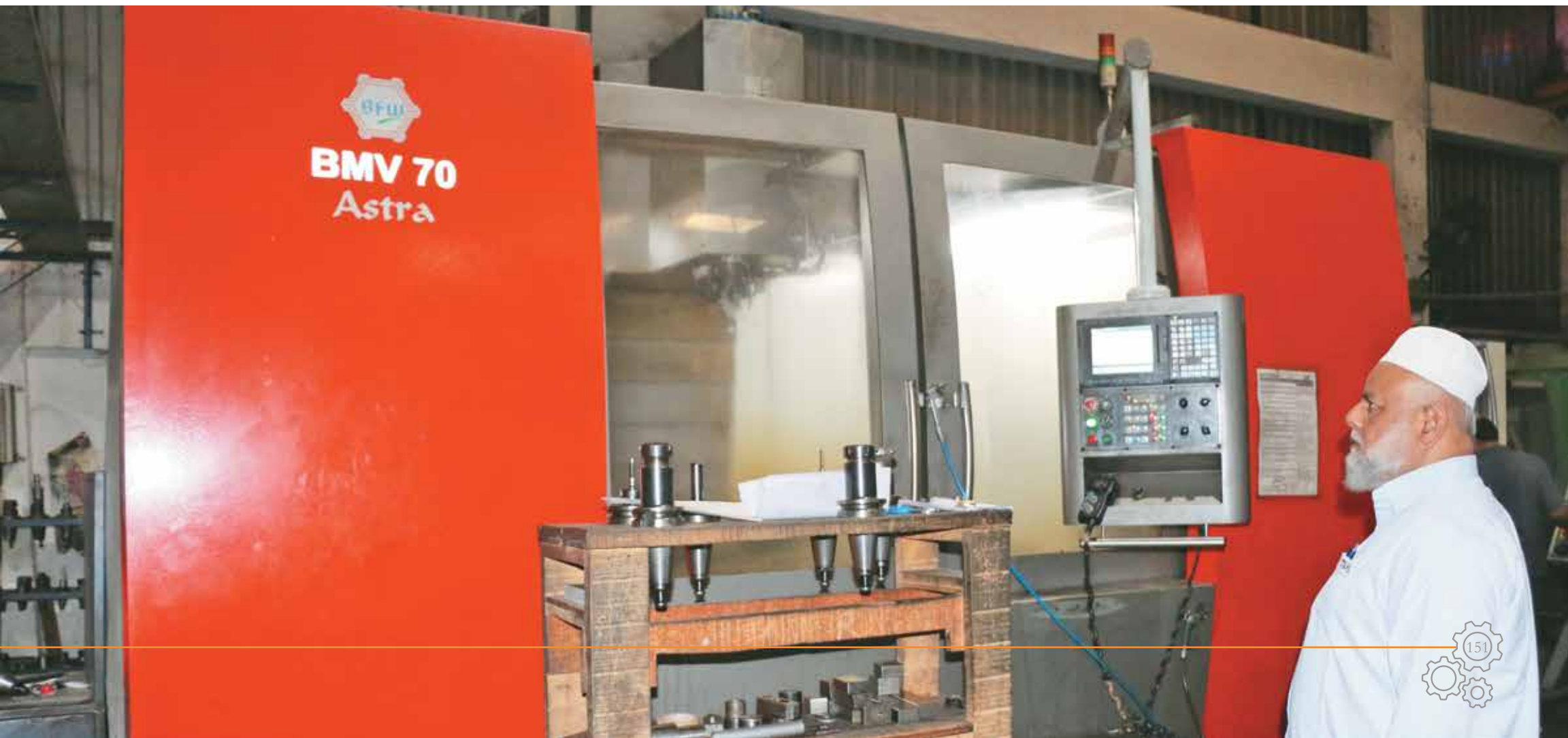
The journey had just begun.

I worked for Triumph during the day, and at night, I would work on my own lathe. I named my small venture Maharashtra Engineers. But success took a while coming, especially so because I was focused on the Triumph job and I could not manage to balance the two. This went on for almost 8 months. Around this time, I got a job of machining the spindles, and I received a lot of appreciation for my work and my business. I travelled on my moped, carrying the spindles and supplying my principals. Seeing my passion, the performance and the finish, they offloaded more

work to me. This brought a lot of cheer to me after a long time, the ability to be independent and available for Maharashtra Engineers, 24 hours a day, 365 days a year. Sure enough, I graduated from a cycle to a Luna Moped and then to a Vijay Super scooter.

I added more lathes, a drill machine and certain instruments. The first loan of Rs. 37,000 from PNB took four months to get sanctioned. I kept on adding machines, wherever the deferred facility was available.

I bought my first milling machine HF2 – a BFW Machine, costing Rs. 3.50 lakhs through Electronica Finance Limited, the private bank, as everybody called them. I had undertaken a job for Prav Electro Spark, a group company of Electronica and had about Rs. 57,000 due from them. Electronica adjusted the same as the margin, of course with a little more contribution from me to bring the amount to a 25% margin, as required by them. Mr. Pophale, the MD (currently the Chairman) of Electronica Finance insisted that, for the milling machine, I should either opt for an HMT or a BFW and not any of the local brands that I was considering. I got to know later that, incidentally, this was the first loan ever given by Electronica Finance Limited for the purchase of machinery.



I worked really hard, making ‘Tool Disc’ (aka Disc Tool) components for the EDM machines, with the newly acquired machine. The machine maintained a good accuracy and we acquired more business.

And then, I installed a DRO on the milling machine. DRO was an advanced technology in 1991, and that investment in newer technology became the foundation of my business. Incidentally, this was also the time I scaled up from my Vijay Super to a Bullet.

“Wobi dukandaari leke baithane ka nabin. Technology main invest karne ka.” (The old shop will not run for long. To keep it going, one must invest in technology.)

My penchant for newer machines became a habit. The moment I had some free cash to spare, I would invest in the machines.

Sometime in 1995, I got a good order from Bharat Forge, which called for more space. I took 2000 sq. ft. on rent initially, and later in 1997 bought a plot of 5000 sq. ft. Today, our present facility extends up to 40,000 sq. ft.

There was an intense competition in the smaller automotive components space, but we positioned ourselves as machinists for larger precision components in the General Engineering space, and subsequently entered the Critical Defense sector

as well. Today, we are critical component suppliers to Aerospace, Defense, Heavy Engineering, Railways and work for Bharat Forge Limited, Siemens Limited, I&T, GE, Ghadge Patil Industries and Hindustan Aeronautics Limited – all four divisions of Nashik, Koraput, Lucknow and Bangalore.

There is a saying in Marathi: *“Androon pahun pay pasaravet”*, which literally translates to: “Check the length of your bed cover before spreading your legs”, or in other words, “One should spend according to one’s means and earnings, not more.”

I have never gone overboard in terms of loans. I was always eager to acquire new machines, but that did not mean that I would go reckless. Never in my journey of 40 years have my outflows exceeded the inflows.

I did, however, come close to making a slight error in judgment once, tempted by a lucrative offer. I was offered double the salary, apart from travel allowance, and a flat to stay in, in Chinchwad, Pune, by a certain gentleman who was in competition with my Seth (owner). He was also a vendor to KSB Pumps. Though I did not fall for the trap exactly, out of sheer curiosity, I went to see the gentleman’s setup. But alas, I was put off by the maintenance standards of the machines, the quality aspect, and how the promoter shouted at the workers during inspection about not maintaining quality – while the workers discussed among themselves how the owner himself had





Mr. Wasim Nazir Tamboli, Executive Director

Mr. Mohsin Nazir Tamboli, Executive Director

okayed the assembly of the pumps. The Company wound up in one year.

As a stickler for good ethics, I have never approached the principals of my earlier promoters, though a few of them like KSB were keen that I work with them. A breach of this principle, in my view, tantamounts to adopting an unethical behavior and unnecessarily being competitive.

We have taken innumerable challenges and risks and this attitude separates us from the others. Siemens, one of the leading multinationals once offered us a rejected machined component, a planetary gear of a windmill. After studying it, we accepted the challenge, and when the time came for inspection, the components were approved by Siemens. Even though we had no machines for machining the component, we had taken on the challenge, looking at the promise of being associated with a company like Siemens. Besides, not many others, were willing to accept the challenge. Today, we have invested close to Rs. 8.00 Crs in the project and this component has significantly helped us increase our top line.

As for the future, my sons have joined me in business and we have been working on enhancing the professionalism within the organization. We have brought in people with a repertoire of rich experiences, who are now spearheading the strategy and direction of the organization. We are not a huge turnover company; but we try to

make every product we develop an engineering marvel in its own right, and always keep the volumes low. Our jobs require an in-depth understanding of engineering drawings and high precision machining of costly metals, because a majority of them serve the critical sectors of Aerospace, Defense and Specialized Engineering.

In the next couple of years, we wish to clock a turnover of Rs. 50 Crs, with renewed focus on the Aerospace and Defense segments.

Business Mantras

Life is not easy. Everything good in life comes with a lot of focus and hard work
 Focus on the cash flows
 Spot the right opportunities and encash them, before others do
 Focus on quality and innovation - business will follow
 Invest in newer technology to stay ahead, always

Value System

High integrity and commitment
 Building durable assets: customers & employees
 One team approach
 Collaborating for sustainable relationships – internally as well as externally
 Compassion and care