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Viewpoint - Anil Tyagi

“I see a great future for EPC companies from India”

Nuberg Engineering is the global engineering, procurement, construction (EPC), fabrication and project management company specialising in chemical process plant. Today, more than 90 per cent of Nuberg's turnover comes from exports of services, industrial machinery and equipment. The company takes pride in the fact that it is an India born EPC company doing remarkable work worldwide, says **Anil Tyagi**, the Founder and CMD of Nuberg Engineering. In this interaction with **Rakesh Rao**, Tyagi tracks the performance of EPC market, new growth opportunities and the company's growth.

In recent years, Nuberg Engineering has won many EPC contracts for chemical projects in the Gulf Region. What is the significance of these deals to Nuberg?

Traditionally, GCC region has been dependent on oil because of the abundance availability, making related industries flourish for decades. However, uncertainty seen few years back in oil prices has changed market dynamics to some extent. There is strong realisation and focus across the GCC countries to transform their economies from oil dependent industries to non-oil dependent industries. Countries are now building their own capacities instead of importing and diversifying into various industries including manufacturing of specialty chemicals.

The trend is accompanied with organic surge in demand for chemicals. This has resulted in spree of new projects across the entire region. Gulf market, which is largely dominated by US and European companies, is a quality oriented market focused towards high level

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professionalism, timelines and excellent process standards.

With our world-class technology and engineering services, project management methodology and use of high-end software such as PDMS and SAP, we are one of the very few Indian companies who is able to deliver projects with best-in-class quality and meet high level process expectations. Being there for over a decade delivering value to our customers in the region, we are able to win trust in the market and have firmly established our credentials.

Having many references of running plants in the region gives confidence to our customers and elevates our positioning in overall EPC business in the world. We have executed more than 10 greenfield projects and executing about 6 projects at present, in countries

across the region. Projects executed include chlor-alkali, calcium chloride, hydrogen peroxide, sulfuric acid and few other specialty chemicals. We are known to be the leading EPC company for chlor-alkali industry in UAE and among the top 30 EPC companies in Middle East.

What does Nuberg EPC brings to table when it comes to executing projects for chemicals industry?

Nuberg EPC is in the business of making ideas happen for its customers. We work as a single point solution company from concept development to commissioning and beyond. Typically, Nuberg EPC would do projects on turnkey (EPC & LSTK) basis. We offer turnkey project solutions with basic engineering and process know-how either from its own intellectual property or licensed from global technology suppliers.

As an EPC company, we work across wide spectrum of industries. In chemicals, we are a specialist EPC company for chlor-alkali and derivatives. We have proprietary technology for hydrogen peroxide and sulfuric acid. Nuberg EPC has done projects in many other chemicals and today we have come to a level that we have proven capabilities to transform ideas into reality even if we have not ventured into the area before.

We have world class infrastructure to deliver top quality projects. We have in-house engineering set up

with over 300 engineers, construction team with global experience, R&D facility in Sweden and state-of-the-art manufacturing facility with ASME and U stamp certification. In addition, with decades of experience and expertise we have built strong set of our own process best practices and knowledge base. This kind of infrastructure and knowledge base make us agile and help us to maneuver to deliver projects on time, with-in budget and with best quality. Our modern and efficient engineering solutions are recognized world over for safe, reliable and cost effective plants.

In terms of orders, are you seeing a sustained rise in the last few years? Are demands coming mostly from overseas or you also seeing a rise in orders from India?

EPC is a tough business and requires lot of depth and breadth to survive. From Europe to America to Asia, the

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business is going through challenging time, world over companies are downsizing for many years now. It is difficult to sustain in the international market as it requires geography specific initial investment and infrastructure build up. Delivering projects in very demanding and quality conscious international market is not an easy job as the basic requirement is to have local office and alliance to do project and deliver to the high level of expectations. Additionally, human resource required for international

projects are relatively expensive which affect the overall cost factor of the project.

We are able to grow and do well because we belong to niche segment of business. Last few years have been really satisfying for us in terms of new business. We are acknowledged and respected for excellent work that we have been doing for over two decades. Since inception, our main focus has been outside India as EPC mode of doing projects is easily accepted worldwide. International focus is important for our growth and sustainability given the cost and scale of projects which doesn't allow any geography to have many plants of same chemical. We have delivered over 60 greenfield projects in more than 30 countries till date.

In India, companies preferred to work on projects on piecemeal basis where they will manage multiple stakeholders to do the project. However, this trend is changing as the model, most of the time, ends up

Twin/Tri Lobe Roots Blowers

Applications

- Pneumatic Conveying System
- Central Vacuum Cleaning System
- Charging of Kilns in Cement and Steel Plants
- Aeration in Effluent/Water/Sewage Treatment Plants
- Aeration in Storage silos
- Blending
- Dewatering
- Air Drying
- Aquaculture

Features

- Capacities from 20 CMH to 20000 CMH
- Pressures upto 1000 mbar
- Positive displacement type
- Designed for continuous duty
- Vibration free running
- Accurate torque transmission

Industries


- Cement
- Steel
- Pharmaceutical
- Textile
- Food & Dairy

Other Products

- Cement/Fly Ash Feeding Systems
- Dust Collection Systems
- Pneumatic Conveying Systems
- Mechanical Vacuum Boosters
- Gas Boosters
- Dust Collection Systems
- Oil Sealed Vacuum Pumps
- Liquid Ring Vacuum Pumps

Chemical

- Petrochemicals
- Refinery/Oil & Gas
- Power
- Construction
- Sugar
- Fertilizer
- Paper & Pulp



Plot No. 57/3, 4, 5, 'B'-Road, Phase-1, G.I.D.C., Vatva, Ahmedabad-382445 Gujarat, India
 Phone: +91-79-25831985, 25835995, 40265999, Fax: +91-79-25832336, E-mail: info@airequipments.com
 Website: www.airequipments.com, www.airequipments.in, www.acmeairequipments.com

delaying the project which leads to cost overruns. We are proud to be working on many government-controlled projects in nuclear and defense industries in India and have worked with largest Indian PSUs in hydrocarbon and steel industries.

Per capita consumption of key chemicals in India is still in low digits which make the market here quite promising. Because of its demographic and geographic mix, India is a big market that offers lot of potential and going forward there will be plenty of opportunities for us.

What is the current status of chemical process equipment industry in India? Also, kindly highlight some of the key trends observed in this industry?

The dominance of Chinese companies unsettled the pace of chemical process equipment industry few years back. Businesses became unviable because of low prices and lack of demand. However, in the last two years chemical prices have gone up and the trend is expected to grow as the market is witnessing new capacity addition and expansions. Building of new plants and expansions will translate into demand for the chemical process equipment industry. The growth pattern urgently requires to foster a high-end ecosystem and attention to upgrade quality standards that can help Indian companies to go ahead the competition and make them reliable in the global market.

How much does exports account for Nuberg turnover? How do you plan to further expand your overseas business?

More than 90 per cent of our turnover comes from exports of services, industrial machinery and equipment. Growth is a result of right strategy that harnesses company's strength as per changing market dynamics. We have been fairly successful in making our business grow so far. Strategy to grow overseas business is three pronged – open new markets, add new products to the portfolio and offer customised products.

In last few years, we have developed and opened new markets such as North Africa, South America, etc. We have added hydrogen peroxide to our products portfolio in 2009 and calcium chloride in 2015. Testimony to our approach is that we got 6 new turnkey projects for these two chemicals in last two years. In addition, we have executed projects for chemicals such as sulpholane, anisole and sulphure bentonite specific to particular markets.

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What are the challenges faced by EPC companies like Nuberg in India?

In developing and emerging markets like India, EPC opportunities are abound. We take pride in the fact that we are an India born EPC company doing remarkable work worldwide. However, there are challenges that affect the growth of EPC companies in India. Biggest challenge that we face is lack of attention to quality benchmarks and international process standards.

We struggle a lot to find quality vendors for our international projects. Moreover, we need vendors with right balance of cost and quality. Non-availability of right vendors does influence our cost matrix and affect overall business dynamics. Lack of support from government to facilitate conducive ecosystem for EPC business is another concern we wish to be addressed.

These challenges get manifold with the entrance of Chinese EPC companies in India. Chinese EPC companies have introduced new model for doing business in form of EPCF where F stands for financing. They are able to make attractive

proposals to business promoters with an offer to finance to get projects.

Chinese government also plays proactive role in facilitating and promoting EPC business. There are numerous government run institutions that are engaged in developing domain specific technologies and processes. Technologies, solutions and knowledge is further shared with companies in a subsidised manner which adds to cost effectiveness and overall competitiveness of Chinese companies.

In context to India, government support is essential and top on wish list. India can redo IT wonder for EPC business as both industries are fundamentally driven by skilled professionals, which India has in abundance. I see a great future for EPC companies from India.

Raw material prices are witnessing a rise in recent months. Is this a cause of concern?

Raw material prices do not affect our business much since it constitutes small part of the overall project value chain or capex. Majority of our exports is in terms of technology, engineering services and manpower deployment which are unrelated to raw material prices.

What are your growth plans for Nuberg Engineering?

There is no dearth of business, world is full of opportunities. Our core vision has been to offer world class industrial solutions in the most cost effective manner. We are proud of the fact that we are one of the niche Indian EPC companies making mark in the world. I believe we have just scratched the surface and lot more to be achieved. We have grown steadily since our inception. As a business, we focus across three verticals - EPC & LSTK, manufacturing and gas plants. In EPC, we plan to develop and open new markets. In gas plants, we are already among the top companies in India for PSA nitrogen, hydrogen and PSA oxygen gas plants. In manufacturing, we plan to tap large scale, high end industrial equipment and machinery business in India and overseas.