

Business Standard AWARDS 2005

Mr B N Kalyani, Chairman & Managing Director, Bharat Forge Business Standard CEO of the Year 2004

Mr B N Kalyani, Chairman & Managing Director, Bharat Forge has been conferred with the Business Standard CEO of the Year 2004.



The criteria for the award was profitable companies with a turnover of Rs 500 crore and more, while the performance yardsticks were growth, both in terms of sales and profits over the mid term period for the last three years, efficient use of capital, return to share holders and prospects of continued growth performance.

The stress therefore was on sustained and sustainable performance.

The award was formally handed over to Mr B N Kalyani, on 24th March 2005 by the Hon'ble Prime Minister of India, Dr Manmohan Singh at a function in New Delhi.



'We dared to dream big'

Business Standard's CEO of the Year

**Bharat Forge chairman and managing director, B N Kalyani
could emerge as the head of the world's largest forging company**



In 1989, Baba N Kalyani, chairman and managing of the Rs 2,500 crore Kalyani group, of which Bharat Forge is a part, decided to invest Rs 100 crore in Bharat Forge's first forging press line at a time when the company's total turnover was only Rs 125 crore. Many close friends and well wishers advised him against doing so. His critics even described the project as a white elephant.

But Kalyani, who describes this as his most significant challenge, soldiered on, banking on the abilities of his employees. Had he not stuck to his decision, the Pune-based axle and engine components company would not have set out to conquer the world.

Today, Bharat Forge is one of the two largest forging companies in the world, supplies engine parts to China and has manufacturing plants in India and Germany (it acquired CDP GmbH and CDP Aluminiumtechnik in Germany). More acquisitions could lie on the horizon.

In a response from Germany to questions emailed to him, Kalyani said: "We will also explore the possibilities of inorganic growth in international markets." Kalyani's company is now the world's lowest cost forgings company, though he himself is quick to suggest that its USP is its technology and not just low cost.

Kalyani is confident that Bharat Forge will become the world's largest forging company by 2008-2010. Once its Rs 350 crore-plus expansion in Pune is over, its forging capacity will increase to 240,000 tonnes per annum and crankshaft machining capacity to 650,000 per annum. It is also investing in capacity expansion at Ennepetal and Daun in Germany.

An international listing too could be on the cards, though Kalyani is circumspect on this. All he says is: "At this stage I can only say that we are considering various options and possibilities. A final decision would take into account the interests of the company and all our valued shareholders."

The 56-year old mechanical engineer from the Birla Institute of Technology, Pilani (Rajasthan),



who acquired a masters degree in science from the Massachusetts Institute of Technology in the US, says that work has always been a passion for him. He spends about 10 hours at the Pune factory every day, a large part of this is on the shopfloor.

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"I like to aim high and am a stickler for perfection," he notes. Yet he describes himself as a family man who looks forward to returning home from trips overseas to spend time with his wife, son, daughter-in-law and one-year-old grandson and occasionally play tennis and ride big motorcycles.

"I do look forward to the day when I can retire and do some of the things that I've always wanted to," he acknowledges. He is actively involved with a non-

governmental organisation, Pratham, which is engaged in primary education for Pune's poor and underprivileged children.

Asked what other companies with global aspirations can learn from Bharat Forge, Kalyani replies: "We dared to dream big and relentlessly pursued our vision.

What of the future? What legacy would Kalyani like to leave behind? His ambition is to see Bharat Forge at the forefront of making "Made in India" a global brand in the automotive industry and the top forging company in the world.