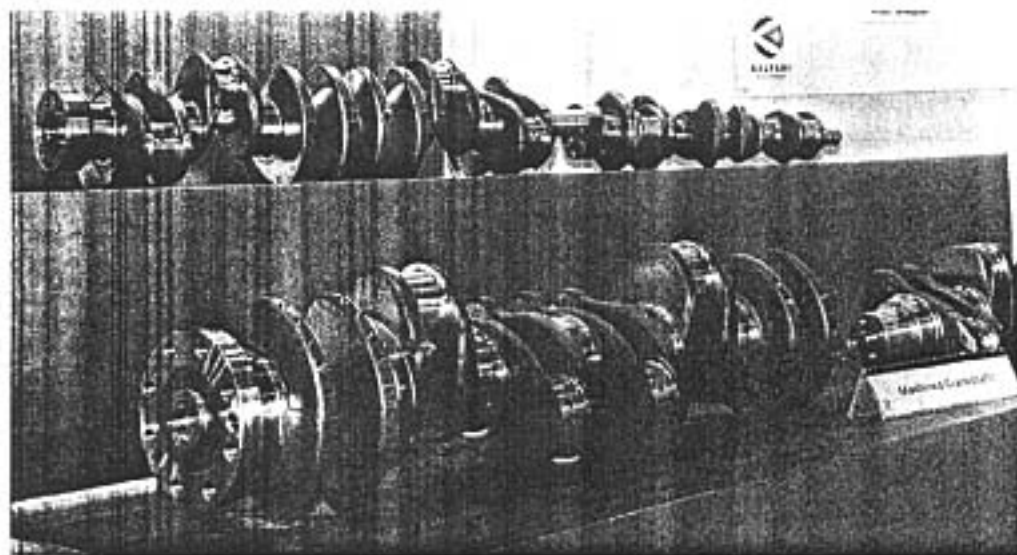


AUTOCAR PROFESSIONAL



Bharat Forge on consolidation drive Eyes new business opportunities in truck, car crankshafts.

BHARAT FORGE, THE flagship company of the \$1.5 billion Kalyani Group, is expected to take a breather from its global acquisitions and concentrate on setting up development centres in Germany, Sweden, North America and China. The company is, however, planning a greenfield facility in India as its Pune plant is operating at maximum capacity.

"We already have a development centre in India which we are expanding. In Germany we will have around eight engineers. China will be similar to India with around 50 engineers," said Baba Kalyani, chairman, Kalyani Group and Bharat Forge.

Kalyani is also betting big on his company's dual-shore manufacturing capability. This refers to its ability to manufacture the same component at two different locations; one at a low-cost location like India or China and one close to the customer wherever he may be.

After acquisitions, Bharat Forge now has 37 customers, and includes all the OEMs in

the world. There are five main commercial vehicle groups in Europe — DaimlerChrysler, Volvo-Benault, Iveco, Scania and MAN, and Bharat Forge supplies to all of them.

"Dual shoring minimises the risk of doing business and it is very important as a strategy. We leave it to the customers to decide what they want to do. My gut feeling is that they will not disturb the process today but as we move into the future and as our business grows, we will see more and more products coming into India and China," said Baba Kalyani.

He said that worldwide acquisitions are part of Bharat Forge's strategy to become the

biggest forging company in the world by 2008. "To achieve this it is essential to have operations in the principal markets of North America, Europe and Asia. New technology in the automotive field really originates from Europe. Having a strong presence in Europe gives us a proximity to technology development in the automotive industry," he said.

Bharat Forge is currently doubling the capacity of its Pune facility. This will be completed by March-April 2006. Baba Kalyani pointed out he is attempting to double over the next three years what it had taken him 31 years to achieve.

The two new product lines the company is focused on are heavy duty machined crankshafts for nine litre to 15-litre engines and crankshafts for passenger cars. This move is spurred by the increased dieselisation of the car market in Europe. Diesel cars use forged crankshafts, and Baba Kalyani is moving quickly to seize this big business opportunity. **AP**

