

INTERVIEW: AMIT B KALYANI

EXECUTIVE DIRECTOR, BHARAT FORGE

We plan to become a zero net debt co in 3 years

With engineering firms facing slow-down in orders due to the downturn in the economy, Pune-based engineering firm Bharat Forge is focusing on debt reduction and completing unfinished projects in its hands. The company's gross debt at the end of June quarter at ₹2,118.9 crore was 13% up than the preceding quarter's ₹1,873.7 crore. Total revenues during the April-June period declined 15% to ₹792 crore compared with the same period last fiscal and net profit declined 13% to ₹91 crore during the same period. The company's executive director Amit B Kalyani in an interview with Subhash Narayan & Rajat Arora exuded confidence that going ahead things would improve. Edited excerpts:

These are tough times, especially for firms in the infrastructure sec-

tor. How are you coping with the current scenario?

Unlike other players, we are not facing much problems since we are not really in the infrastructure space in a big way. In the auto business there is some stress but we are getting our payments on time. Moreover, rupee depreciation has aided our export business. In the past, too, we have emerged stronger after a tough business cycle as it helps us identify new business opportunities and markets, build on new technologies and develop a competitive cost structure.

Do you have a plan to reduce your debt in a phased manner?

We plan to become a zero net debt company over next two to three years. As we are not announcing any fresh



spending on new projects, our efforts to cut net debt would go as per the plan.

Any areas of growth identified by you in near future?

We have identified four new areas.

The plan is to ultimately venture into five or six new sectors in the medium term and establish few strong self sustaining verticals. We are looking at expanding our auto business, oil and gas, railways, power and construction businesses.

Coming to railways, you are supplying parts to diesel loco factories of Indian Railways. Are you also looking at getting into manufacturing locos?

We want to remain a supplier of components and systems to the entire loco market worldwide. We supply to Europe and the US. Our vision is that in next four years we should grow 10 times in this area.

Is there a delay in your plan to commission turbine-generator

producing units at Sanand in Gujarat in JV with Alstom?

No. We hope to start production from the new plant as per schedule during 2015-16 fiscal. We already have orders for five units of 660 MW turbo-generator sets based on super critical technology. Hopefully in the next three to four years, when things improve in India new projects orders would come.

Are you exploring new markets overseas?

We are already big in overseas markets. Only around 26% of our revenue comes from India while 40% is from Europe and about 22-23% is from the US. The rest is spread across the world. I feel that Brazil is emerging as a big market. I am hopeful Africa will also grow in four to five years. Other parts of Asia will also generate as will Russia.