

Bharat Forge plans a 10-fold increase in railway business

Expects 60% revenue to come from non-automotive divisions

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Pune-based Bharat Forge, flagship company of the ₹12,000-crore Kalyani Group, is targeting to get 60 per cent of its revenue from the non-automotive business, especially power, oil and gas, and railways.

Amit Kalyani, executive director, Bharat Forge, said the company was in talks with all major foreign players in the railway sector for a possible partnership to tap potential business in Indian Railways.

Amit Kalyani, son of group promoter Baba Kalyani, looks after strategy and finance in the company and is part of the group's core management team. Speaking to *Business Standard*, he said when the company forayed into the non-automotive business about eight years back, it was less than five per cent of the company's sales. But this very same segment gave ₹1,500 crore in revenue last year.

Besides power, oil and gas, and railways, non-automotive business comprises general, marine and aerospace engineering, construction and mining equipment, and defence. It is currently 40 per cent of Bharat Forge's revenue but is expected to grow to 60 per cent. "We understand metallurgy, forging and design engineering and systems and quality and we have used these skills by working with our customers to create products and solutions to meet their needs. And that's how we have grown our business."

The company recently bagged its first railway order of crankshafts for locomotives. These would be manufactured at the Baramati (Maharashtra) plant where between forging and machinery, the company has invested ₹200-250 crore. This facility would be used for manufacturing components for railways as well as big marine engines.

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Railways. We are focusing on creating a technology product solution strategy to support Indian Railways," Kalyani said.

Over the last four-five years, Bharat Forge has exported railway components to Europe and the US. These exports were worth \$15-20 million last year. With Indian Railways expected to make investments of ₹346,000 crore during the Twelfth Plan period ending 2017, the group is looking at strategic tie-ups with foreign partners. Though the company has identified potential partners for aligning in railway business including opportunities that would be thrown open in diesel and electric locomotive factories, Kalyani did not share details citing confidentiality. On the kind of partnership, he said, "It really depends on who comes as a main partner. It depends on their strategy." He said the production of 300 diesel and 700 electric locomotives in a year was a large opportunity.

He said though the automotive business was also growing fast, the opportunity in non-automotive business was larger.