

Bharat Forge hopes to bag orders worth a minimum of \$100m from Indian Railways

Diversification is the new strategy for Bharat Forge, the flagship company of the \$2.5 billion Kalyani Group. The multinational company is the top steel forging company in the country and is serving sectors including automobile, power, oil & gas, rail & marine, aerospace, construction and mining. Now, the company plans to focus more on its railway business and cash the growing opportunities by manufacturing locomotive components. Talking to *The Pioneer Correspondent* Anchal Kakroo on the sideline of 10th International railway Equipment Exhibition (IEEE), company's Executive Director, Amit B Kalyani discussed the future growth plans.

■ **With Indian Railways planning to spend close to \$20 billion dollars, how many orders are you aiming to bag?**

We are the first Indian company to manufacture crankshafts for locomotive engines. We have been supplying these to our international clients. Indian Railways till now always imported its crankshafts, but have turned to us now. For this purpose only, were worked closely with the Diesel Locomotive Works (DLW) and the Research Design and Standards Organisation (RDSO), who were very supportive in cre-



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ating the crankshafts for the domestic locomotive. In all, we are aiming to bag orders worth atleast \$100 million from the railways and this is the minimum we are targeting. But selling crankshafts alone won't do enough and, hence we also are working on other new products but it is too early to say what they might be.

■ **What kind of growth are you expecting from the railway business?**

Railway is a fast growing sector and we are aiming to tap this opportunity. We are constantly working on new products as per the requirement of our clients. As far as growth of the business goes, I expect it to grow upto 10 times its current stage in the coming five years.

■ **Apart from railway business, what other diversification strategies and the capacity expansion plans of the company?**

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to 6 new sectors in the coming five to seven years. The plan is to establish the new verticals and make them each over \$100 million business. As far as capacity expansion is concerned, we have no plans right now. Our existing capacity is more than sufficient as compared to the orders we have and there is no need to increase the production capacity.

■ **In the recent past, there were reports of Bharat Forge planning to raise funds. Is the company planning to raise any capital?**

No, we have no plans of raising funds. We have ₹1,000 crore cash with the company and do not require any more capital. As far as debt goes, the company is very well placed it terms of debt and there is no burden as such.

■ **The company recently got Foreign Investment Promotion Board's (FIPB) approval for its defence joint venture. What is the next step now?**

The joint venture with our Israeli partners would ensure the best technology with a long term commitment. The plant would be setup in India only and the steel and components would all be manufactured on our steel and component facilities. The final product would be assembled at the joint venture plant.