

# SMOKESTACK LIGHTNING

WHEN A COMPANY'S REVENUES grow at over 30 per cent year-on-year, its investor-friendliness quotient automatically clips. Little wonder then, Pune-based Bharat Forge, which is today the world's second-largest forging company, ranks #1 in our survey this year. There are many factors that make Bharat Forge investor-friendly, but what sums it up is its growth in the topline and bottom line. From a turnover of Rs 689.22 crore in 2002-03, Bharat Forge hit Rs 2001.4 crore as of March 2005.

A key to that growth is the company's global strategy. In November 2003, Bharat Forge acquired Carl Dan Peddinghaus, a euro 116-million or Rs 614.8-crore German forgings company, at a throwaway price of euro 29 million or Rs 153.7 crore. As a result, during FY 2005,

64.2 per cent of the company's revenues came from outside of India, making it a global company of sorts. But the company's global strategy is not at the cost of the domestic market. During the last financial year, Bharat Forge's revenues from the domestic market grew by 42 per cent, and export revenue by 53.3 per cent. The company posted a healthy 29.3 per cent growth in net profit in FY 2005, at Rs 161.3 crore.

After growth comes transparency. Bharat Forge is amongst the few companies that puts its management discussion and analysis in its annual report. "We are transparent in our communication with our investors," says Amit Kalyani, Executive Director, Bharat Forge. The company's website has all you want to know about the company—right from its financials and vision, to its new phone numbers as well as driving directions to get to its plant in Mundhwa, near Pune! Says Kalpesh Parekh, Senior Analyst at ASK Raymond James, Mumbai-based brokerage: "Bharat Forge has set a benchmark amongst ancillary companies for investor-friendliness."

SWATI PRASAD



YUSUF KHAN

**NAME:**

**AMIT KALYANI**  
Executive Director

**COMPANY:**

Bharat Forge

**INDUSTRY:**

Automotive Ancillaries

**MOST INVESTOR-FRIENDLY MOVE:**

**Acquisition of a German forgings company**