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**NEW OPPORTUNITIES FOR ONTEX**

**TOSONI GROUP'S TWIN  
TRACK STRATEGY**



**WHAT FUTURE FOR  
EUROPEAN SHIPBUILDING?**





# FORGING AHEAD

The Kalyani Group is a global leader in the supply of forged and machined components for the automotive and non-automotive industries. Philip Yorke talked to Amit Kalyani, the company's executive director, about its ambitious plans for the future and its move into new market sectors.

The \$2.5 billion Kalyani Group is a global leader and a full service supplier of forged and machined components for the automotive and non-automotive sectors. Bharat Forge is the flagship company of the Kalyani Group with manufacturing facilities spread across eleven locations in five countries including India, Europe, the USA and China. The company's customer base includes virtually every automotive

OEM and Tier 1 company in the world, including the world's top five passenger and commercial vehicle manufacturers.

Bharat Forge is one of India's biggest multinationals and since it was established in 1966, has become the most technologically advanced manufacturer of forged and machined components in Asia. Backed by a full service supply capability and a dual-shore manufacturing model, Bharat Forge

provides end-to-end solutions from product conceptualisation to design, and ultimately to manufacturing, testing and validation.

The company is capable of producing complex, large volume parts in both steel and aluminium. Bharat Forge (BFL) also manufactures highly specialised safety and critical components for passenger cars, SUVs, light, medium and heavy commercial vehicles, tractors and diesel engines.



### Investing for the future

Whilst the Kalyani Group has built its business and solid reputation on supplying the automotive industry, it is poised to significantly expand its interests in other market sectors. This is particularly so in the capital goods sector where BFL will focus on technology and its ability to create a cost-competitive differentiated position to drive value across the various business sectors. The company plans to increase the share of its non-automotive revenues from 18 per cent in 2008 to 40 per cent by the year 2012.

Amit Kalyani explains, "Sustainability is the future, and our role in contributing to this will increase dramatically in the years to come. We anticipate a 200 per cent

increase in the use of renewable energy and water treatment facilities in the next five years. Windmills and hydroelectric power are everyone's future. Our expertise in the manufacture of carbon steel and high alloy steels means we are well placed to move into these emerging markets. We are the biggest producer of carbon steel and nickel alloys in Asia. We are not in the gambling business, but we are focused on long-term growth and have a 'sustainable' business model that centres around our customers' needs. We work closely with them in partnership to provide them with optimum solutions. Our investment in the non-automotive side of our business will be over \$120

million this year and all of this money will be invested in our new plant and R&D facilities here in India"

### Power to the people

Global power capacity is expected to double in the next 25 years, which will generate a massive \$5 trillion market by the year 2030. The company believes that the power sector in India must now grow rapidly in order to support its continuing, buoyant growth. Bharat Forge has embarked on a strategy to register its strong presence in the power sector across different fuel types. Mr Kalyani added, "We intend to effect a paradigm shift in the business environment through the use of technology-driven manufacturing and an >







innovative, competitive approach to the setting up of generating capacities.”

The two clear aims of the BFL power sector are: to become a globally competitive manufacturer for advanced generating equipment across the value chain and to set up a large generating capacity for supporting the robust growth of the Indian economy.

Other areas attracting investment for future development are aerospace, railways, oil and gas and marine. During the next decade the Kalyani Group plans to

become one of the world's top three manufacturers of railway wheel sets, truck frames and other key rail components for the Indian market. In aerospace, its new business unit plans to become a leading supplier of airframes, structural parts and engine parts as well as other components for the aviation sector. The company's marine business unit will focus on supplying various products to global shipbuilders. In this sector the main products would be crankshafts, connecting rods and propeller shafts.

### Critical acclaim

Bharat Forge has been a recipient of many national and international awards that recognise its commitment to quality, efficiency and customer service. Forbes Magazine has listed BFL consecutively for the past three years in its global “Best under a Billion” list. In India, the Automotive Component Manufacturers Association (ACMA) has honoured it for the past four years for its outstanding export achievements. ‘Outlook’ recognised BFL as the ‘Best Value Creator’ for



