Kalyani Group to double revenues from India ops in 4 years

N V Vijayakumar

BANGALORE, DHNS: In the wake of the Modi-led government laying full thrust on manufacturing, Chairman of $2.5-billion Kalyani Group Baba N Kalyani has said that he is looking at doubling revenues from the group's Indian entities in four years.

Kalyani said his company is focussing primarily on five new sectors. "We plan to give thrust on power, oil and gas, railways, defence and aerospace. Our company has all along been known as a manufacturing entity with primary focus on automobile and ancillary products," he said.

India's manufacturing sector has shrunk in the last two years from 17 to 14.5 per cent of GDP and the new government has come up with policy formats like industrial corridors, NIMZ, SEZ, clusters and smart cities to revitalise the segment. On the group's investment strategy, Kalyani declined to give numbers. "After Modi's government came to power, we are very excited about the impetus for manufacturing. We feel that it will create huge opportunities for us and others in the manufacturing business," he said. Appreciating Modi for his new manufacturing strategy, Kalyani said the services sector can't create much employment opportunities in India. "Manufacturing is a necessity because India is facing a huge challenge of giving employment to a large number of young people. Here, PM's call for Make in India and Made in India products for the world is very relevant. He wants high quality manufacturing products. Hence, we should not go in for slave manufacturing," he said.

Baba N Kalyani

Pointing out that India's manufacturing sector is currently under intensive care, Kalyani said, "We have become highly depended on imported manufacturing products. In the last 6-7 years, we imported $580 billion in machinery, power plant equipment, transportation equipment, defence hardware and electronics items."

In the 1990s, the Indian manufacturing model was typically low technology, low capital and high manpower intensive. "The reason was very simple: we had everything licenced, everything imported, interest rates very high, capital availability very low and technology was often non-existent," he said.

Kalyani said his group underwent changes long back realising the importance of technology. "We made our company into a high-tech company by introducing voluntary retirement for 2,000 employees in the late 1980s and then appointed 600 engineers. We replaced our plants with automation and robotics," he said.

The future of manufacturing is going to be focussed largely on the ability to built products on digital technology, Kalyani noted.

"Tomorrow's factories do not need workers, but engineers with high levels of computing skills, not IT programmers. Additive manufacturing, a part of digital manufacturing, can result in the making of very complex parts and brings in lots of knowledge on lasers, electron beams, CAEs and melting of powders. Suddenly, multiple technologies are coming together in the manufacturing arena," he said.

To raise the talent pool to meet demand, he said the company is sending workers who have completed masters degrees to do their PhD degrees with the company's projects in various universities.

"They will not only develop technology for us but also become resources for us. In the next five years, we will create 100 PhDs. Each of them will support some 4-5 MTech degree holders. So, put together, we have a total talent pool of 500 people who can support research investment of Rs 500 crore a year. If productive, they can generate ten times higher output with new technology," he said.