

# THE ECONOMIC TIMES

**Date:**

23 Jan 2009

**Source:**

The Economic Times

Italian co's Indian subsidiary to invest Rs 125 cr in plant

CHENNAI: Italian Fomas group's Indian subsidiary Bay Forge is bullish on scaling up its Indian business of open die forgings and seamless rolled rings for critical applications in sectors such as aerospace, thermal and nuclear power generation, oil and gas and defence.

In 2008, globally, Fomas clocked revenue of Euro 650 million with almost equal share from open die forgings and rings, its two main divisions. Of this, Bay Forge generated Euro 22 million. As part of its strategy to focus on key markets such as India, Fomas has chalked out an investment an investment plan of Euro 250 million between 2008 and 2012.

Bay Forge, based in Chennai, clocked revenue of 140 crore in 2008 and it plans to invest Rs 125 crore till 2012. As part of expansion, on Friday it inaugurated at its plant in Kanchipuram district a 2000 tonne forging press. It will augment capacity for open die forgings. The plant is also equipped with a 3500 tonne press used for making larger forgings and rings.

Speaking to ET, Fomas Group CEO, Jascopo Guzzoni said, "We entered India in 1996 during difficult times. But, we continued to pour investments as we saw huge opportunities. Bay Forge has grown to become an undisputed leader in the realm of open die forgings and large seamless rings in India".

"We are in a niche forging segment and are a pioneer in large-volume critical forgings and ring-rolling in India. We focus on very high levels of quality, high integrity of products and on-time delivery as critical parameters. We consider India and China as two big markets, where we want to expand through Bay Forge," he said.

Mr Guzzini said Bay Forge serves clients like VSSC, BARC, BHEL and Siemens, Alstom power, Vatech, Triveni, Toshiba, DRDL, ASL, RCI and HAL. Its in-house laboratory facilitates quality control tests on samples and test coupons, helping it to meet stringent international quality norms. A ring rolling mill is able to roll out rings of 5.5 m in dia and 20 tonne in weight, one among the most powerful in the world.

Bay Forge has a 19-year sole supplier contract with its most prestigious client Vikram Sarabhai Space Centre. "We have supplied over 1,000 rings for the Chandrayaan space programme. Every space shuttle has our component," said Bay Forge MD Nicola Boletta. Since 2005, it would have executed orders worth Rs 21 crore to VSSC.

Bay Forge has built a land bank of 65 acres at Palayanoor on Vedanthangal road by acquiring an additional 50 acres. This could be a flagship investment by an Italian company in the metro. "We are here on a long-term basis. We intend reaching an overall capacity of 14,000 tonnes for the year with plans to almost double up open die forging and rings capacities," he added.

The Chennai plant, employing 250 plus people, is also emerging an export hub with the company expecting to double earnings this year to 20%, Mr Boletta said, estimating an overall growth of 45% for Bay Forge.

Though financial crisis has impacted all markets world-wide, the group is confident that focus on quality, innovation and technology would assist it to stay ahead. "Worldwide the necessity for energy and power generation is still ever demanding, particularly in India, which is a fast-growing market," said Bay Forge deputy MD Nandan Mehta. He pegged the Indian market for open die forgings to be in excess of 80,000 tonnes.