**Sectoral Overview**

1. **Snapshot of the Sector**
2. **Key Metrics**
3. Growth rates- 2017-18: 7%
4. Employment: about 100,000 people
5. Exports: 25% of total production valued at INR 7,797 Crore in FY 2016-17
6. **Key players**

* Bharat Forge Ltd – Pune
* Kalyani Carpenter Ltd- Pune
* GNA Axles Ltd- Mehtiana
* Super Auto Forge Pvt Ltd – Chennai
* MM Forgings Ltd- Chennai
* Echjay Industries Ltd- Rajkot
* Western India Forgings Pvt Ltd- Pune

1. **Investment (trends + opportunities)**

* Forging industry is planning to invest INR 1480-1570 Crore in the next 3 years, out of which INR 1065-1110 Crore would be in the expansion of forging process.

1. **Key Government Initiatives for the sector**

* Indian Govt is planning to introduce 100% subsidy on interest rate on loans to forging companies. Currently, Government is providing loan up to 70% of the total capital investment. There are plans to give subsidy on land prices to set up new plants. Presently, subsidy given on the prices of forging machineries is approximately 15%.

1. **Future Outlook**  
   The projected demand for the forging industry is expected to grow at a compound annual growth rate of 7% for the period of FY 2017-20. Lot of Indian Forging companies has successfully developed major product lines for the global market, like, front axle beam, crank shaft, critical engine components and transmission components.

With the Government’s increasing focus on emission norms and safety standards the Indian automotive industry is likely to experience significant technological upgrade in next four to five years, which will show a promising growth for the forging industry. Indian railways have been one of the biggest contributors to the ‘Make in India’ initiative and has undertaken various initiatives to provide impetus to the program. The Government is investing heavily in building rail infrastructure in the country.

Oil exploration and production spend in the country has doubled in the last five years and is expected to be robust in the future. With the Government’s agenda to reduce import dependence in defence by 35-40% it is actively promoting indigenous defence manufacturing units. The aim of increasing growth of the manufacturing sector by 12-14% per annum and increase of its share to GDP to 25% by 2025, the forging industry in India is likely to witness an optimistic growth in the near future.

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2. **Source**

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