



Market presence: The Airbus deal shows India is gradually moving up the chain in aerospace manufacturing.

EXPANDING BASE

Airbus in deal with Indian firm for key components

Aircraft maker to purchase flap track beams from Bangalore-based Dynamatic Technologies

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BANGALORE

European aircraft maker Airbus SAS is stepping up sourcing of components from India, having recently begun purchasing a key component for its largest selling civilian aircraft Airbus A320 from Bangalore-based Dynamatic Technologies Ltd.

Dynamatic will make what are known as flap track beams, used to support the wings of the A320 aircraft. It will do this in collaboration with Spirit AeroSystems Holdings Inc. of the UK.

Nearly 30 such parts would be made in a month at the current rate of production, said S. Dwar-

kanath, head of international co-operation, India and East Asia, at Airbus.

The objective of the new agreement is to expand Airbus' manufacturing base into various baskets as its global market grows, he said, adding that the deal shows India is gradually moving up the value chain in aerospace manufacturing.

The flap track beam, earlier made by the UK's BAE Systems Plc, is the second key part of the A320 to be outsourced to India.

As part of India's offset policy, Hindustan Aeronautics Ltd (HAL) produces 34 doors a month for the Airbus A320 aircraft. Every second A320 aircraft door is made in HAL's campus in Bangalore and shipped to Paris.

The country's offset policy requires foreign aerospace and defence firms getting contracts from Indian firms to engage local units for manufacturing.

Dynamatic began with making hydraulic gear pumps before diversifying into automobile and

aerospace components.

"We are now part of every single-aisle aircraft that Airbus makes," said Toby Malhoutra, managing director and chief executive of Dyanamatic.

Malhoutra said his firm expects revenue of about ₹550 crore this fiscal, of which ₹130 crore would come from aerospace manufacturing, about half of this from the Airbus deal.

Dynamatic will bid for making other parts for the A320 as well as for long-range aircraft such as A330 and A350, Malhoutra said.

Airbus also works with Mahindra Satyam on engineering services for Airbus aircraft. The Indian information technology firm has a dedicated team of 250 staffers for this, up from 12 a few years ago.

Airbus has a significant offset obligation as part of a 2006 deal with Air India for 43 A320 aircraft, costing around ₹9,888 crore. Nearly 180 Airbus aircraft are flown by Indian carriers, many of these being A320s.