

Rane-NSK Steering Systems speeding ahead

Aiming for a major share from the CV segment

By R. Natarajan, Managing Editor & Publisher

With a view to attain its vision of leadership position in steering column business in the automotive segment, Rane NSK Steering Systems Ltd. (RNSSL) has strategically entered into the commercial vehicle arena after having established its brand as a quality product in the passenger and multi-utility vehicle segments.

In an exclusive interview to MOTORINDIA, Mr. John Verghese, President, Rane NSK Steering Systems, said basically the company is driven by advanced technology and product reliability which are well-accepted by all the OEMs in the country. With the aggressive marketing approach, RNSSL is now poised to become a market leader as in the case of its other products manufactured by the Rane Group.

Today the company has also become self-sufficient in design and development of new products. Since India has become one of the fastest growing nation in the commercial vehicle sales, the company has decided to expand its market share in the segment by developing various new products. For this pur-



Mr. John Verghese, President, flanked by Mr. R. Govindhoss, General Manager - Marketing, and Mr. S. Sreenivas, General Manager - Operations, Rane NSK Steering Systems

pose, it has already invested Rs. 2 crores for its Chennai facilities and it is aiming for 25 per cent revenue from commercial vehicles segment on a long term basis.

A smooth journey

Rane NSK commenced this journey with Small Commercial Vehicle segment (SCV) where it has successfully captured dominant market share over 60 per cent covering all major players including Tata Motors, Mahindra & Mahindra and Piaggio.

Focus is now on future generation commercial vehicles of the Medium & Heavy Commercial segment (M&HCV) where Rane NSK has developed products for Ashok

Leyland, Mahindra Navistar, Eicher Volvo. Currently it is developing products for Ashok Leyland Nissan and Daimler.

Rane NSK is already in the LCV segment supplying for various models of Tata Motors and Eicher Volvo thereby covering the entire range of commercial vehicle segment.

The differentiator for Rane NSK has been its technology, driven by enhanced inhouse design capability and adequate support from its JV partner NSK, Japan. It has further invested in latest testing facility and by means of which it has had the first mover advantage in the Indian market. They were the first to intro-



The front view of the Chennai plant

duce tilt columns in Indian market way back in 2002 and thereafter introduced various added features like compact noise isolator, coated slider shaft, tilt & telescopic columns.

Recently, the company has also entered the overseas market by exporting its products to Nissan's Micra car plant located at Mexico.

A perfect partnership

Rane NSK Steering Systems is in the business of manufacturing and supply of steering columns for Indian automobiles. The company is a 50:50 joint venture between Rane Group and NSK Ltd., Japan.

The product range includes electric power assisted steering column (EPS), energy absorbing column, solid column with special additional features like tilt, telescopic & sliding columns, collapsible intermediate shafts, etc. Customers portfolio covers major OEMs viz.,

Maruti Suzuki, Tata Motors, Mahindra & Mahindra, Honda, Toyota, Ford, Ashok Leyland, Mahindra Navistar, Volvo Eicher, Piaggio, etc.

The company has comprehensive manufacturing facilities, which includes SPM's like Robo welding machines, injection moulding machines, universal joint machines, high speed cold extrusion machines apart from conventional machines, besides high quality measuring equipments. It has also world-class standardised room and product testing / validation lab. The products developed undergo various rigorous tests in-house, prior to any special tests at NSK Japan.

Besides Chennai (Guduvancherry), the company has plants at Haryana (Bawal) and Uttarakhand (Pantnagar). Business opportunities, proximity to customer and availability of competent resources have been the philosophies of the

company in starting of new plants and enhancing capacities.

Considering the advances in technology of steering columns, the company has enhanced its product range for the manufacture of EPS at Bawal from 2008. This plant has got the state-of-the-art facilities with imported machinery, fully air-conditioned assembly shop, environment-friendly building.

The company is certified for TS 16949, ISO 14001 and received several Awards from valued customers on Quality, Design & Development, Kaizen, Cost, etc.

The company has enhanced its focus to capture steering column business for commercial vehicles apart from new passenger cars rolled out by the OEMs to achieve the vision "Achieve & Sustain Market Leadership Position in Domestic Steering Column Business".

Mr. John Verghese, a Commerce Graduate (Hons.) from St. Xavier's, Kolkata and Chartered Accountant by profession, joined Rane NSK Steering Systems Ltd. as Head of Finance in October '02. He was responsible for successful implementation of SAP system, instrumental in institutionalizing cost reduction initiatives thru CFT approach and played a key role in all strategic decisions and policy making of the



The high quality steering columns

company. He was elevated as the President of the company in April 2009.

In his current role, Mr. John has restructured the organization to meet the future challenges in the competitive market, guiding a team of professionals and achieved 100 per cent sales growth with improved profit margins in FY 2009-10. Now his specific focus is on expansion of company's electric power assisted steering column business, rapid penetration into commercial vehicle segment and challenging the coveted Deming Award for TQM practices.



The inside view of the RNSSL world class facility

DEUTZ's strong growth in unit sales and revenue

DEUTZ can again report full order books. The early indications that emerged in the first quarter have continued with even more momentum in the second quarter, with new orders, unit sales and revenue all continuing to pick up at DEUTZ AG.

The volume of new orders in the second quarter of 2010 was Euro 347.5 million, up by almost three-quarters on the corresponding period last year (Q2 2009: Euro 200 million). With unit sales of 41,781 engines, DEUTZ achieved an increase of 39.7 per cent on the same quarter last year (Q2 2009: 29,908 engines). Revenue also improved significantly, rising from Euro 219.9 million to Euro 298.1 million.

Operating profit before one-off items (EBIT) was significantly higher than in the second quarter of 2009. Having posted a loss of Euro 3.5 million in the second quarter of

2009, DEUTZ had already made a small operating profit of Euro 0.7 million in the first quarter of 2010. The shot up to Euro 12.6 million in the second quarter of 2010, enabling DEUTZ to report a notable operating profit again for the first time since the onset of the crisis.

Overall, the first half of 2010 for DEUTZ reflected the general economic recovery. The company took new orders amounting to Euro 659.5 million in the first six months of the year (H1 2009: Euro 405.9 million). There was therefore a year-on-year increase of 62.5 per cent in demand for engines, services and spare parts.

Unit sales of engines also grew. In the first half of 2010, DEUTZ sold 75,565 engines, around 25 per cent more than a year earlier (H1 2009: 60,497 engines). DEUTZ is also seeing increasingly strong quarter-on-quarter revenue gains. Total revenue for the DEUTZ

Group rose to Euro 534.5 million in the first six months of 2010 (H1 2009: Euro 440.5 million).

Although DEUTZ had recorded a loss of Euro 23.4 million in the first half of 2009, it achieved operating income (EBIT before one-off items) of Euro 13.3 million in the first six months of 2010. The main reason for this extremely encouraging improvement was beside competitive products the MOVE action programme, which impacted positively on both costs and income.

"DEUTZ has successfully overcome the crisis – true to its motto 'New Drive'. There has been dynamic growth in demand for four consecutive quarters and production continues to pick up. We are looking to the future with a great deal of optimism and can say that we have turned the corner", said Dr. Helmut Leube, Chairman of the Board of Management of DEUTZ AG.