

Rane bets on exports, new products to spur growth



(From right) Mr L. Ganesh, Chairman, Rane Group; Mr L. Lakshman, Chairman, Rane Holdings Ltd; and Mr Harish Lakshman, Managing Director, Rane TRW Steering Systems Ltd, at a press conference in Chennai on Sunday. — Bijoy Ghosh

Our Bureau

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The Rane Group is betting on exports and new products to help double its Rs 2,200-crore business over the next five years.

The products that will drive growth are the just-launched electric power steering for automobiles and the hydraulic power steering for tractors. And, there are more “under development.”

Currently, exports account for 15 per cent of total sales. “It has the potential to become 20-25 per cent in three years,” said Mr L. Ganesh, Chairman. “We will bolster our association with OEMs and tier 1 partners. Rane also wants to push for after-market exports.”

R&D SPEND

Rane is also looking to bolster R&D spends and build greater intellectual property.

Traditionally, Rane has not been high on R&D spends – it has been at 0.5-1.7 per cent of total sales. “We will improve that to 1.5-2 per cent. We want one or two of our products to be globally significant. We wish to generate more IP in Rane.”

Rane recently entered the defence and aviation business with the acquisition of the Bangalore-based Sasmos. Is Rane looking at buys outside India? “We have evaluated companies overseas but they did not fit our profile,” said Mr Ganesh.

For the last decade or so, Rane has been growing in line with the industry average – at 10-15 per cent. “We now aim to grow faster than that. We started the year with an expectation of 20 per cent growth. But with the slowdown in the passenger car market, we have lost some momentum this year,” said

Mr Ganesh at a press conference to announce the company’s platinum jubilee celebrations. Mr L. Lakshman, Chairman, Rane Holdings, an apex company of the Rane Group, said, despite the softening seen this year, the long-term prospects of the industry look good.

“When we introspect, we sometimes think – could we have grown faster? But there is a certain legacy and track record we have in the group. Going forward, considering market expectations and other factors, the consensus within the organisation is we need to accelerate,” said Mr Ganesh.

The Rane group has several group companies manufacturing auto parts such as steering systems, brake linings, seat belt systems and valve train components. It employs 5,500 people.

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