

Rane's special focus on innovation to meet challenges ahead

MOTORINDIA's exclusive interview with Mr. L. Ganesh, Chairman, Rane Group

In the Indian automotive components industry, 'Rane' remains the most trusted brand for 75 years, thanks to the group focus on product quality, safety and world standard components and systems not only for OEMs but also for the aftermarket. The \$535 million Rane Group manufactures an array of products such as steering gears, engine valves, brakelinings, hydraulic and electric power steerings, high pressured diecasting products, etc.

The Rane Group comprises a holding company and seven manufacturing companies serving different segments. It also has collaborative agreements with world leaders such as TRW Automotive, US LLC for power steering systems, ball joints and seat belt systems; NSK of Japan for energy absorbing steering columns and electric power steer-



Mr. L. Ganesh, Chairman, Rane Group

ing; and Nisshinbo Ind. of Japan for brake linings, disc pads and clutch facings.

With the Indian automotive industry currently facing a slowdown, the MOTORINDIA Managing Editor & Publisher, R. Natarajan, recently spoke to Mr. L. Ganesh, Chairman of the Rane Group, to find out the special measures initiated by his group to face the challenges ahead.

In his response, Mr. Ganesh explained the overall company strategy and the series of steps taken to tackle the industry slowdown.

management, training of skilled manpower, etc.

According to Mr. Ganesh, the other important aspect of Rane's new initiative is innovation, for which the company has set benchmarks with successful groups like the Tatas and Mahindra & Mahindra, and even invited Mr. R. Gopalakrishnan of Tata Sons to share his experience with the Rane management team. At the same time, the team members were sent to select Tata and Mahindra Group companies to learn about the innovative methods adopted by

has its original plan of investing Rs. 230 crores for capacity expansion this year. However, only a portion of this amount was spent in the first quarter, and the balance would be spent depending upon market demand revival.

Award-winning performance

Mr. Ganesh further observed that the Rane Group companies have received several coveted prizes and Awards, including the Deming Prize for four group companies. Apart from it, the Power Steering Division of Rane TRW won the Japanese Gold Medal last year. This is the third Indian company to receive this Award. The other Awards received were Asia's Best Employer Brand Award for 'Talent Management' from the Employer Branding Institute, at Singapore, and Rane Engine Valve Ltd.'s (REVL) bagging of the elite 4th position in the auto com-

Striking a positive note, Mr. Ganesh said that the year just gone by was pretty good for the Rane Group with around 19 per cent average growth compared to the previous year. The group companies achieved an overall export growth of 17 per cent. They also received encouraging business orders, including a sizeable one from Daimler India Commercial Vehicles as well as a big order for electronic power steering from Maruti for its Swift model cars. Similarly, overseas business was quite good for all the Rane Group companies.



Referring to the current year performance, he said Rane Brake Lining Ltd. (RBL) and Rane NSK Steering Systems Ltd. did fairly well in the first quarter, whereas the other group companies reported a flat business. The Rane Group has now decided to focus on fixed cost

them.

Further, he said, with acute power shortage in different States, the Rane Group has felt constrained to launch its energy conservation drive. It has also decided to go slow on investment in view of the current industry slowdown. Actually, the company

ponent industry division of India's Great Place to Work Study 2012.

Referring to the development of new products, he pointed out that it is always Rane's endeavour to work closely with all OEMs with an innovative approach. For instance, for the first time in India, Rane (Ma-

dras) Ltd. (RML) has developed greaseless, maintenance-free sealing joints for Tata Motors, and now it is also developing more innovative products for other firms. Similarly, RML has won a major order from Volvo Trucks Division for hydraulic cylinders fitted in power steering. This product will also be exported to China and the Asia-Pacific region through Volvo's Indian operations.

On the current year performance of RBL, Mr. Ganesh said that during the first quarter the company achieved a hefty growth of 50 per cent over the previous year. This was attributed to the company's special focus on OEMs such as Maruti. Another major initiative taken by RBL is a gradual switch-over to asbestos-free brakelining which is

more environment-friendly. The company still maintains its market leadership in the commercial vehicle segment.

In order to strengthen its focus on R&D, RBL has already invested on sophisticated equipment such as the dynamo meter with which any product can be tested in any climatic condition.

On Rane NSK, he said the company is currently developing new products indigenously for different automobile manufacturers such as Honda, Volkswagen, Nissan, etc. Rane which has its collaboration with TRW to produce hydraulic power steering systems and seat belts for most of the leading OEMs now contemplates production of air bags also.

As far as the aftermarket is concerned, the Rane Group companies still maintain a good lead in spite of the slow-down. They also maintain their focus on expansion of overseas markets.

Referring to the Chinese threat, Mr. Ganesh admitted that the challenge from the Chinese manufacturers is really hurting the Indian auto component industry. So long as the Chinese Government continues with its subsidiary policy with no proper IPR rules, there is no remedy against imports. Even the TRW-designed steering gears are illegally coming from China, though the supplier does not have any licence to produce it.