

Rane Madras bags Volvo order

■ T Murralli
Chennai

Chennai headquartered Rane (Madras) Ltd (RML), part Rane group, has bagged an order from Volvo to supply hydraulic cylinders. This is the first overseas business for the company after it diversified in to manufacturing hydraulic cylinders. The initial volume will be around 6,000 units per year and the company will cater to Volvo's plants in China and Thailand besides, India. RML makes manual and hydraulic steering systems and supplies to almost all the vehicle manufacturers in the country.

Speaking to *Auto Monitor*, President, Rane (Madras), S Parthasarathy said, "Volvo has chosen RML for the quality systems and engineering capability to understand the requirements and designing products to meet specific requirements in terms of cost, delivery and speed of development." The hydraulic cylinder for Volvo will be manufactured at its plant in Mysore. The mother plant is in Velacherry, Chennai and other plants are located in Puducherry, Varanavasi (near Chennai) and Uttarakhand. The company is setting up a new



S Parthasarathy, President, Rane (Madras) Ltd

factory within the premises of its Mysore plant for its hydraulic business. The new plant will initially have about 30,000 sq ft of space with high levels of automation, cleanliness, inter-linking poke yokes and several unique manufacturing technologies, which will make it cost competitive. The company has earmarked an investment of ₹18 crore to be spent in the next two years. The installed capacity will be 125,000 units per year.

RML is looking at expanding its product portfolio by taking up products in the adjacent space. According to Parthasarathy, the new factory will manufacture hydrostatic units and cylinders.

"We have mapped the entire requirement of the Indian industry and our product range will cover everything," he said. Already about 80 percent of the market requirements is in the development stage. The rest will be developed in the next six months catering to automotive, off-highway and non-automotive segments.

"Currently we are working with almost all the OEMs and the development of products are in different stages," he said. At present, it supplies to Indo Farm, International Tractors and HMT. It is focussing on the domestic market for hydrostatic gears since it is expected to grow by eight folds in the next three years. However, it

will look beyond boundaries for hydraulic cylinders. "We have identified certain specific areas to pursue exports," he said.

The company is also looking at developing electric power steering for non-passenger car applications, where engine power is not available to drive the hydraulics. It sees significant growth in the next five years, primarily due hydraulics business. His first priority is to make RML as a ₹1,000 crore company by 2013-14. In 2010-11 it registered ₹575 crore and it hopes to close the current fiscal with about ₹675 crore. The exports and aftermarket account for about 15 percent each.

When asked how the company plans to accomplish the objective Parthasarathy said, "There are enough programmes we are winning with various customers in both, India and abroad. Besides, hydraulic business will be a huge value addition to us. Also we have some specific strategies to grow in ball-joints."

The company has set-up a plant in Sanand, Gujarat to support Tata Motors. It will start its shipments soon for Nano. "We are well positioned to support other customers also, who are setting up facilities there," he said. 