

Chennai's auto parts suppliers mull move to Gujarat

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Chennai-based auto parts makers Wheels India and Rane are considering setting up shop in the emerging auto hub of Gujarat.

General Motors was the first mover. Then Tata Motors moved in, in 2010, followed by Ford which is readying its second (the first is near Chennai) India plant at Sanand. Maruti too has confirmed setting up a manufacturing facility in Gujarat. Once all the announced projects go on stream, the region will have the capacity to produce over a million cars.

With the Automotive Component Manufacturers Association of India facilitating land acquisition for its members to set up facilities in Gujarat, an entire ecosystem is fast developing in the region. Now, Wheels India and Rane group from Chennai are exploring options to set up a supply base in Gujarat to "stay close to customers."

"It makes sense to be where the OEMs are. When Maruti moves to Gujarat, we will consider this option, in the long term... although there is no formal proposal by the board as of now," said Srivats Ram, Managing Director, Wheels India.

Wheels India has six plants across the country — Padi, Sriperumbudur (both near Chennai), Pune (Maharashtra), Rampur (Uttar Pradesh), Bawal (Haryana) and Pantnagar (Uttarakhand).

The Rane group has begun preliminary investigations in Gujarat, said its Chairman, L. Ganesh. Rane (Madras), a group company, already has a small plant in Sanand supplying steering gears and 'lower control suspension arm' connected to the wheel, for the Tata Nano.

Rane may expand supplies to Tata Motors by taking up more land adjacent to this plant. "For other OEMs, we may consider a new plant in Gujarat for the long term," said Ganesh. Madhya Pradesh is another option, he said. This could take a couple of years, depending on Maruti's project, said Ganesh. Rane NSK Steering has a plant primarily supplying to Maruti at Bawal, Haryana.

Valeo India, which has its corporate headquarters in Chennai, is setting up a plant in Sanand. The French multinational company will manufacture a range of air-conditioning systems and compressors at this plant, spread over 15 acres. It is expected to be operational by mid-2013.