

# Kar Mobiles bags DICV valves order

Rane Group company is to be the single-source supplier of 12 lakh engine valves to Daimler India Commercial Vehicles' Bharat Benz trucks. **Karthik H** reports.

**T**he Bangalore-based engine valve manufacturer Kar Mobiles Ltd, part of the Rane Group, has bagged an order from Daimler India Commercial Vehicles (DICV) to supply 12 lakh engine valves for its upcoming Bharat Benz trucks.

While the company has not disclosed the value of the order, Kar Mobiles has been listed as the single supplier to the truck manufacturer and the samples and the pilot lot have been approved by DICV. The company will supply three types of valves - inlet valve, exhaust valve and decompressor valve - by the end of 2015. The company has dedicated the expansion of its Tumkur plant, 50km from Bangalore, for this purpose.

Kar Mobiles' current capacity from its Bangalore plant stands at 60 lakh units per annum. Of this, around 250,000 are supplied to the Indian Railways, 50,000 units go for the Indian Army's Arjun tanks (T90) and industrial and marine engine customers take up around 600,000 units.

Around 55 percent of the production goes to various OEMs like Cummins, John Deere, Maruti Suzuki and Ashok Leyland among others. The remaining 12 lakh units are sold in the aftermarket.



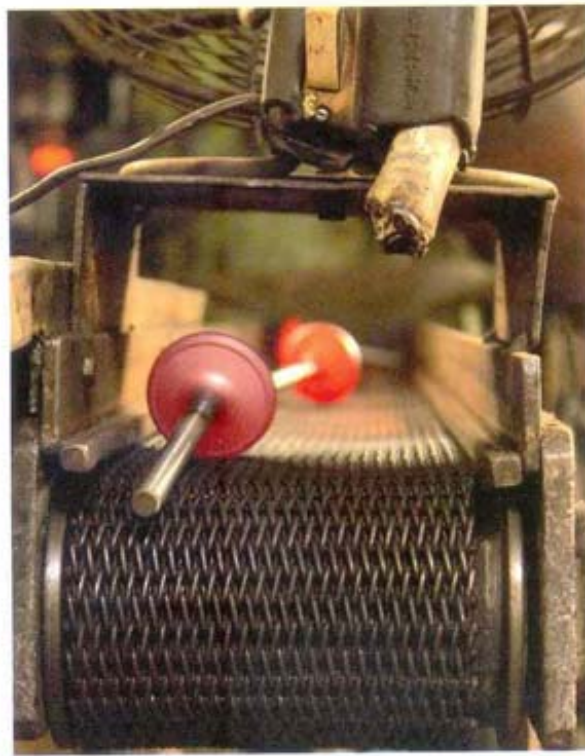
## Expanding capacity

The Rs 15 crore expansion programme at the Tumkur plant, which began in November 2010, was taken up because the company's Bangalore plant had reached saturation point. Current production capacity stands at 33 lakh units per annum from a built-up area of around 5,300 square metres, with another 3,600 square metres all set to be added. With this, production will stand increased to 43 lakh units. The plant currently has a workforce of around 350 with the management and other staff adding

Kar Mobiles makes a wide range of valves for various applications; forged valves ready for heat treatment.



Batches of production-ready valves undergo final checks before despatch to clients.



PHOTOGRAPHY: KARTHIK H

another fifty-five.

Elaborating on the Tumkur expansion programme, company president S Krishnamurthy says, "We expect to add one more line by the end of the year. The first line, which is in final stages of construction, will be commissioned in July and will have a capacity of 12 lakh units. The other line will be up and running by March 2012 with a capacity of 13 lakh units. Rs 10 crore has been invested in a new machine line that is aimed to improve production capacity of large valves. These will be

valves for marine engines and industrial purposes. The main markets for them will be Europe and the US." Given the stiff export targets the company has set, supplies from the Tumkur plant will be dedicated to OEMs like Cummins, Caterpillar and John Deere.

R Radhakrishnan, deputy general manager, engineering, says that Kar Mobiles intends to install new machinery in the near future. "Some of the machines we use are quite old. We have a Rs 3 crore investment programme for the replacement of older machines and



Component testing underway.



L-R: Radhakrishnan R, deputy GM - engineering, Atul Arora, GM - marketing, Krishnamurthy S, president, Vadiraj H K, GM - finance and Ravichandran B, senior manager - HR.

implementation of LPS. Four new CNC machines are also being ordered. Also, our pit furnaces are going to be replaced, but that is a more elaborate process which will take some time to implement."

### Lean production mantra at work

Kar Mobiles' Bangalore facility, located in the densely populated Peenya Industrial estate, produces 60 lakh units per annum. Krishnamurthy says, "We are adopting the Lean Production System (LPS) as part of the TQM overhaul. We are aiming to achieve breakthrough improvement through policy deployment and daily routine management practices to improve everyday production and efficiency."

His main focus, however, is the implementation of the LPS in both the Bangalore and Tumkur plants. "We began work on LPS in September 2010. We are working along with a Japanese consultant. We have a timeline of one year to change the entire layout of the factory floor. The Tumkur plant will follow this system from day one," he adds.

As part of its modernisation plan, Kar Mobiles is also looking at ways to trim its workforce and improve production through mechanisation. The Bangalore unit, which



was set up in 1971, has a number of workers who are there from inception and around 55-odd will retire in another two to three years. According to Krishnamurthy, they will not be replaced. "We will instead concentrate on production improvement with the advent of LPS and new technology," he says.

To handle labour shortage, Kar Mobiles employs two sets of workers - permanent employees and temporary staff supplied by the government. Kar Mobiles has signed up with the government apprenticeship program and this ensures a steady supply of workers in the form of students who are pursuing courses at ITIs. A key programme the company has undertaken is the deskilling of some vital

**The Lean Production System is being implemented at both the Tumkur and Bangalore plant as part of TQM overhaul.**

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### FACTFILE

**Kar Mobiles Ltd** began production of valves for internal combustion engines in 1974 in technical collaboration with TRW Inc of the US. It specialises in supply of valves for applications ranging from 5hp to 4000hp engines in segments such as automotive, agricultural, marine and battle tanks. It is today a preferred supplier to a host of OEMs and has two state-of-the-art plants in Bangalore and Tumkur.

jobs to make them more appealing to freshers. On an average, 150 temporary staff are employed for an eight-month stint and every month, around 15-20 are replaced. "Depending on the performance during this period, we also induct some of them onto our permanent rolls," reveals Ravichandran B, senior manager - HR.

An interesting aspect of the Bangalore plant is that it has only two shifts, the third acting as a buffer to facilitate emergency supplies. This helped the company handle a Maruti supply operation a couple of years ago when the carmaker decided to improve its logistics of components sourcing. "Previously, both Rane Engine Valves and Kar Mobiles were jointly

supplying valves to Maruti. After the announcement of more new models and platforms, the supply of valves for the Maruti 800 was solely dedicated to Kar Mobiles' facility. This sudden surge in demand made us operate the third shift and we slowly stabilised production to accommodate it all in two shifts. We use the third shift as a cushion," says Atul Arora, GM - marketing.

Other than the big-ticket DICV order for engine valves, Kar Mobiles is also pinning future sales potential on the Indian Railways and Cummins. Krishnamurthy says, "The Indian Railways order is 25 percent more in terms of units and value compared to last year. But this is a year-on-year process and doesn't guarantee a long-term relationship. Cummins, on the other hand, is an existing customer and is on the outlook for two new types of valves, which are 100 percent indigenous. We are in talks with the company and the order should be landed by 2011-12," he added.

For 2010-11, Kar Mobiles' sales stood at \$22.26 million. It expects to log growth of 30 percent for 2011-12, translating into sales of \$30.5 million. Projected sales for 2012-13 based on current orders stand at \$38.5 million. ■