

# Rane floats new firm for aftermarket expansion

in **AFTERMARKET** **COMPONENTS** **CORPORATE** by **R.Natarajan** — August 18, 2015 at 12:38 pm |

The Chennai-based Rane, one of India's largest automotive brands with a group turnover of Rs. 2,962 crores, has floated a new firm named Rane Auto Parts in order to strengthen its brand, particularly in the aftermarket segment. The new company, which has already started marketing the Kar valve products under the Rane brand, is expected to add more products in the near future with independent dealer network.



Mr. L. Ganesh, Chairman, Rane Group

This was disclosed by Mr. L. Ganesh, Chairman, Rane Group, in an exclusive interview with MOTORINDIA Managing Editor & Publisher, R. Natarajan. The idea behind establishing a new firm was to expand the company's aftermarket where the group products are highly popular. For the purpose, the company had undertaken a thorough study to identify the right product of top quality.

Referring to the group activities, Mr. Ganesh pointed out that though last year was a challenging one for every company in the automotive field, the Rane Group was able to perform well with a significant contribution of 17 per cent from its exports. The group expects to achieve a minimum of 20 per cent export of its overall turnover in the next two years. Despite several challenges last year, the group could earn a reasonably moderate profit as compared to the previous year.

Answering a question on the benefits flowing out of the new legislations, particularly related to safety, he said the group's youngest company, Rane TRW Steering Systems Ltd., which makes seat belts, is indeed one of the major beneficiaries. The newly set up plant near the existing unit has already started commercial production, and orders have been

received from leading OEMs such as Ford, Renault-Nissan and Mahindra & Mahindra. With the Government's move to make use of airbags mandatory by October 2017, there is greater scope for Rane TRW's growth prospects. The current air bags fitment in the country has covered only 30 per cent.

As for the Steering Division of Rane TRW, the company has been able to maintain its growth with the revival of the commercial vehicle segment in the last six months. Currently the division produces hydraulic steering systems mainly for commercial vehicles and electronic steering systems for passenger cars. Recently, Rane TRW received a major order from Renault for supply of hydraulic steering systems for global production of its world-renowned Duster SUVs.

Referring to Rane Brake Lining Ltd.'s (RBL) prospects, Mr. Ganesh was much delighted to reveal that the company has become a strong player in the OE as well as aftermarket segments. RBL is one among the few companies supplying asbestos-free brakelinings, mainly to OEM customers.

Referring to Rane (Madras) Ltd. (RML), another leading group company, Mr. Ganesh said that it continues maintaining its growth momentum both in the OE and aftermarket segments.

Commenting on Prime Minister Narendra Modi's 'Make in India' initiative, Mr. Ganesh suggested four main criteria to make the dream possible, namely, overall power supply improvement by 24/7, development of world-class road infrastructure, making labour laws more flexible, and simplifying the taxation laws.

### **A visionary leader**

Beginning his career as a Management Trainee at Rane Engine Valve Ltd. (REVL) in 1979, Mr. Ganesh progressively handled various responsibilities and became its Vice Chairman and Managing Director in 1990, Vice Chairman of the group in 1994 and its Chairman in 2006.

Mr. Ganesh is one of the accomplished leaders in the auto component industry. Fondly known as LG, he has been an articulate spokesman for the automotive industry through his involvement with various industry bodies. He was earlier the President of the Automotive Component Manufacturers Association of India (ACMA) and the Madras Management Association (MMA), as well as the Chairman of the Confederation of Indian Industry (CII), Southern Region. He is also the Honorary Consul for New Zealand in South India.

LG, a Chartered Accountant, holds an MBA from the Pennsylvania State University. He is an avid traveller and a keen follower of cricket and tennis. His varied reading interests include Philosophy and General Management.