

# Rane TRW gears up to ride airbag demand

As awareness of road and in-vehicle safety gradually grows in India and with front airbags to become mandatory fitment for new cars from 2017, airbag manufacturer Rane TRW Steering Systems has set up a new plant and is also expanding production capacity. Kiran Bajad reports.

**F**or India, which has a truly dismal road accident record, an essential life safer like airbags should be critical and necessary in-vehicle equipment. However, a scant percentage of the overall car parc in India is equipped with this key feature. Most entry level and B-segment cars, other than the top-end variant which costs more, do not come equipped with airbags. What's more, in a cost-sensitive market like India, vehicle manufacturers are loathe to add features that hike up the final sticker price.

However, with increased consumer awareness of vehicle safety and sharper social and government focus to reduce the large number of road accidents, fatalities and injuries in India every year, OEMs too are taking steps to make their cars safer, which in turn is leading to positive word of mouth messages in the country. A latest example is the Datsun Go hatchback by Nissan. The car faced strong criticism for its poor performance in a crash test last year. But now it has improved its safety quotient by adding a driver-side airbag and better steel grade for the body. What will provide a huge fillip to car safety in India is the mandatory

Mahindra's new XUV500 has 6 airbags – 2 front airbags (supplied by Rane TRW), 2 side airbags and 2 curtain airbags (supplied by TRW global).



fitment of airbags for frontal impact for all new car programs, starting 2017, and this will be extended to all new cars coming on road by 2020.

With India slated to become the fourth largest car market globally by 2020, demand for airbags will grow substantially. One company which is gearing up to cater to this projected demand is the Chennai-based Rane TRW Steering Systems Ltd (RTSSL), the 50:50 joint venture between the Rane Group and TRW Inc, a world leader in automotive safety products.

## FAST FACTS RANE TRW STEERING SYSTEMS DIVISIONS

	STEERING GEAR DIVISION	OCCUPANT SAFETY DIVISION
Products	Fully integral hydraulic power steering gear, power rack and pinion gear, advance vane pumps and reservoirs and power steering fluid.	Pre-tensioner seatbelts, seat-mounted self-aligning seatbelts and child restraint seatbelts, airbags.
Plants	Plant 1 – Trichy Plants 2 and 3 – Chennai Plant 4 – Rudrapur (Uttarakhand)	Plant 1 – Chennai
Turnover	Rs 500 crore; 2018-19 target: Rs 1,000 crore	Rs 200 crore. 2020 target: Rs 750 crore
Customers	Ashok Leyland, AMW Motors, Daimler India, Ford India, Fiat India, Hyundai, M&M, Nissan Ashok Leyland, Renault India, Tata Motors Vehicle Factory, Volvo Eicher	Ashok Leyland, Daimler, Fiat, Ford, Maruti Suzuki, Mahindra & Mahindra, Renault Nissan, Tata Motors

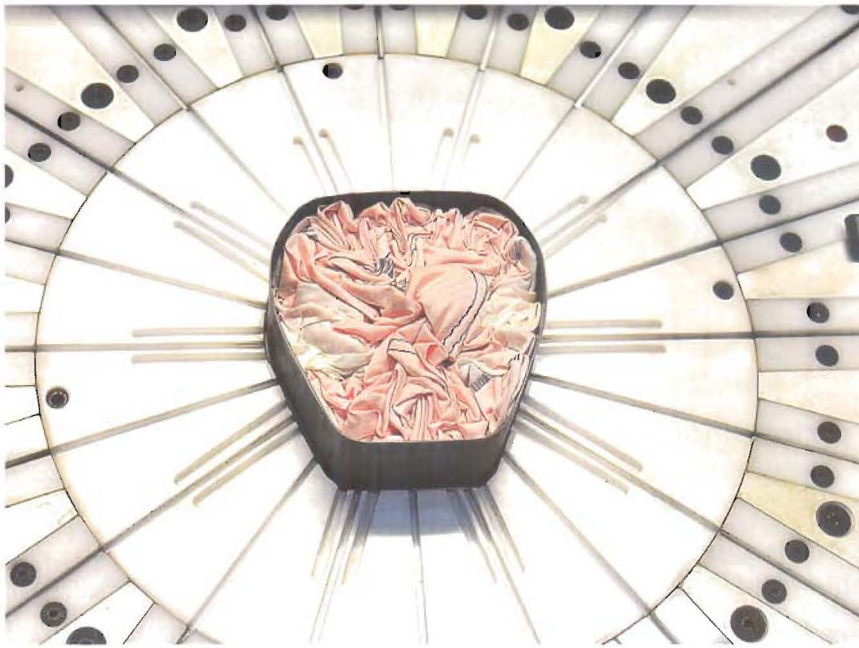
The company operates two business divisions: the Steering Gear Division (SGD) and Occupant Safety Division (OSD). While SGD makes hydraulic steering gear for passenger cars, UVs and commercial vehicles, OSD makes seatbelts and airbags. RTSSL's OSD has notched 35-38 percent growth over the past two years and is optimistic about maintaining double-digit growth in FY16. In 2013, foreseeing the demand for airbags in India, the company began assembling airbags by leveraging technology from TRW. At present, its airbag manufacturing capacity stands at 350,000 units per annum but this number is all set to be more than doubled to 800,000 units with an all-new plant slated to begin operations by August this year. The new plant, which saw an investment of Rs 8 crore, is spread across 18,000 square feet and will have 50 employees working in two shifts. Staffing is expected to touch 180 once peak production is reached.

Mahindra & Mahindra was among RTSSL's first clients for airbags and from 2014, it began supplying to Ford India for the EcoSport SUV. The company has bagged the airbag supply order for Ford's soon-to-be-launched midsize sedan, the Aspire. It has also secured business from Renault in India and is in talks with other OEMs for new business. At present, nearly 75 percent of airbag manufacturing capacity is being utilised.

"The mandatory legislation in 2017 which makes frontal impact mandatory for new car and subsequently all the new cars by 2020 means sudden growth for airbags in India. We are geared to cater to this demand. We expect OSD to record exponential growth, from the current Rs 200 crore to Rs 750 crore in five years' time," says



An operator readies an airbag that will go into the Ford EcoSport SUV.



ADITYA BEDRE

G Parthipan, president, Rane TRW Steering Systems.

### MORE LOCALISATION ON THE ANVIL

Given the high level of technology in airbags, RTSSL imports most of the components (from the TRW plant in Poland) and airbags produced have about 90 percent imported content. But going forward, the company has plans to increase localisation levels as volumes grow in

The folding process for airbags is a specialised, automated function. The Rane TRW plant produces around 1,300 airbags (both driver and passenger) a day.

India. This will also help make the product more price competitive although import content will continue to be high.

"Airbags are a highly technical product and the heart of any airbag is the inflator, which when it gets the signal deploys the airbag. Inflators are manufactured at select locations of TRW globally. We will continue to import the cushion and inflator because nobody makes them in India as of now.

While all other metallic and plastic parts will be sourced locally, imported content will continue to be 70-80 percent," says B Ayyappan, senior vice-president, Occupant Safety Systems.

"At OSD, TRW's involvement from a design perspective is very high and the design responsibility remains with TRW at its European location. Our local design team does local condition fitment with inputs coming from TRW," says Parthipan.

Commenting on the current market scenario, Parthipan says compared to developed markets, India is found lacking in terms of passenger car safety and a lot of it has to do with the need for safety awareness and, importantly, people's attitude towards safety too.

### BELT UP, STAY SAFE

Seatbelts are another safety feature and their fitment and use, which was made mandatory in India over a decade ago, has helped save scores of lives. RTSSL's seatbelts division makes 2.4 million retractor seatbelts, pretensioner seatbelts, seat-mounted self-aligning seatbelts and child restraint seatbelts per annum for supply to local OEMs like Ashok Leyland, Daimler India Commercial Vehicles, Renault Nissan, Ford India, Mahindra & Mahindra, Maruti Suzuki and Tata Motors. It also exports 15 percent of its total volume to Renault in Brazil, Colombia and Thailand.

The seatbelt market in India is highly competitive and to further strengthen its market position, RTSSL is bringing new advanced technology. It has already launched FS1 retractor seatbelts which offer a weight reduction of 25-30 percent, reduced packaging size, and facilitate standard, load limiter and seat-mounted versions being available in the same width. Similarly next year, it will introduce SPR4



L-R: B Ayyappan, senior VP, Occupant Safety Systems, and G Parthipan, president, Rane TRW Steering Systems, are quietly confident that the company will be able to cater to demand.

pre-tensioner seatbelts with efficient, reduced packaging size and weight reduction up to 10 percent. With the new technology products, the company believes volumes will rise to 3 million units annually.

Two months ago, the company bagged a big seatbelt export order from Hyundai Korea for which start of production is planned for end-2016. "The Korean order size is close to Rs 100 crore and it clearly underlines our quality, cost competitiveness, delivery and technology," says Ayyappan.

### STEERING GROWTH

RTSSL's steering gears division products include fully integral hydraulic power steering gear, power rack and pinion gear, advance vane pumps and reservoirs and power steering fluid. It supplies power steering gears, pumps, reservoir both for commercial vehicles and passenger cars.

While the gear for commercial vehicles is produced at the Trichy and Rudrapur plants, power rack and pinion gears and

advance vane pumps for cars are manufactured at two plants in Chennai.

Company officials say that like seatbelts and airbags, till the year 2000, there was not much awareness about the benefits of power steering in India. Subsequently, the government mandated it in 2001-2002 for all M&HCVs, which helped drive demand. Light commercial vehicles do not come under the mandatory regulations but OEMs are offering power steering as an option as customers increasingly see their benefits when it comes to tackling poor road conditions, reducing turnaround time and driver fatigue.

Rane TRW is the biggest supplier of hydraulic power steering for CVs in India and caters to all the leading OEMs including Tata Motors, Ashok Leyland, VE Commercial Vehicles, AMW Motors, Ford India, Fiat India, Hyundai, Renault Nissan, Mahindra & Mahindra and DICV.

In the SCV segment, the market constitutes 40 percent power steering; Rane TRW is a single-



Rane TRW, which supplies hydraulic power steering gear to most M&HCV OEMs in India, also supplies to the Tata Ace, Ashok Leyland Dost and Mahindra Maxximo SCVs.

**RANE TRW IS THE SOLE COMPANY IN INDIA WHICH MAKES STEERING GEAR FOR BOTH COMMERCIAL VEHICLES AND PASSENGER CARS.**

source supplier to the market leader Tata Ace, the Ashok Leyland Dost and the Mahindra Maxximo.

"We are the only company in India that makes steering gear for both commercial vehicles and passenger cars. Most of our competitors either make it for cars or CVs," informs Parthipan.

RTSSL's current CV steering gear capacity is close to 200,000 units and the recent growth in the M&HCV segment has seen capacity utilisation at over 80 percent. This fiscal will see the company invest Rs 20 crore to increase capacity by 10 percent in view of the expected growth in M&HCV sales.

On the passenger car side, capacity is about

600,000 gears and capacity utilisation around 60 percent. "Entry level cars are shifting to electrical power shifting. This is a challenge for us to address. We are looking to address new market and product segments. The UV market, which uses hydraulic gears, is growing quite well. We are a prominent supplier to Mahindra UVs and expect demand to go up as there are several new launches in the pipeline from the company," says Parthipan.

The company also exports 16-17 percent of its total volumes to the Renault Duster in global markets. According to Parthipan, the steering gear division currently records around Rs 500 crore revenues and the aim is to cross the Rs 1,000 crore mark by 2018-19, something which he is quite confident of.

With both RTSSL divisions already executing sizeable business orders and with demand, particularly for products like seatbelts and airbags, set to grow in the near future, the company is well placed to notch consistent double-digit growth. ■

### FACTFILE

RTSSL's Occupant Safety Division was set up in 1997 with independent and comprehensive units to design, test and manufacture a complete range of safety seatbelts systems. 2004 saw commencement of HPS reservoir and four years later installation and SOP of pretensioner seatbelts. In 2009, it introduced child restraint seatbelts and a year later, self-aligning seatbelts. In 2011, it secured the first export business order from Renault Brazil. Driver and passenger airbag manufacturing started in 2013. M&M was the first customer for airbags, followed by Ford India.