

TRW, Federal-Mogul deal will have no impact on our business: Rane group

G. Balachandar

CHENNAI: The proposed deal between two US auto parts majors TRW Automotive and Federal-Mogul is unlikely to have any impact on the business relationship of the former with the Chennai-based leading auto component house Rane Group.

A few days ago, TRW Automotive, a strong player in car safety products, announced that it would sell its engine valve business to Federal-Mogul for a sum of \$385 million. TRW has a joint venture and an equity investment in Rane group firms.

Rane group said it had a pact with TRW for engine



Harish Lakshman

valves earlier, but not now. "We do not have a JV with TRW for engine valves. We only had a licence arrangement and that also expired several years ago. So, it will

have no impact on Rane Engine Valves Ltd. (REVL) or Kar Mobiles Ltd. TRW holds about four per cent in REVL but it just a shareholding like any other shareholder," Harish Lakshman, Director, Rane Holdings Ltd., holding company of the Rane Group, said.

However Rane Group and TRW have an ongoing 50:50 joint venture, Rane TRW Systems Ltd., for making steering systems, safety belts and airbags.

The JV sees emerging growth opportunities in the safety products such as car airbags. Car airbags were imported in the past in India. The JV has set up an airbag manufacturing near Chennai

with a capacity to make about 3 lakh per annum with a hope that the demand for airbags may surge in India in the coming years.

"We have very good relationship with TRW. Safety systems like airbags will grow significantly in the future," said Mr Lakshman, who is also the Managing Director of Rane TRW.

While airbag business has been identified as a significant part of JV, both the partners are now working to re-align the business focus of the JV in tune with the changing demand pattern in the market place.

They are evaluating potential future growth areas.