Another European JV

Close on the heels of acquiring a majority stake in Belgium company MSI, the 750-crore RSB Group is all set to ink another joint venture for the manufacture of tanker trailers

Story: Suhrid Barua


RSB Group chairman R.S. Behera

The 750-crore RSB Group will soon sign a joint venture with a European country for manufacture of tankers. Revealing this, RSB Group chairman R.S. Behera said the JV, which took some time in seeing the light of the day, will be in all probability a 51:49 partnership. 'We have been talking to our European partner since the beginning of 2008. But because of the economic slowdown, both of us did not pursue it but now with the economy fast on the recovery path, we decided to go ahead with the JV,' Behera said.

He said the European company would provide complete technical support. 'It will be a board managed company. Both parties would have a representative and we would be appointing a CEO for the same.'

Through the JV, RSB would manufacture tanks (mounted on rigid truck) and tanker trailer (mounted on articulated truck).

The company would be looking at manufacturing tankers at an area adjacent to the existing Jamshedpur plant or at Mumbai. RSB is looking at manufacturing 600 trailers annually from its proposed Mumbai plant. At present, RSB Group makes different types of trailers – skeletal trailer, flat bed, semi-flat bed, coil carrier, cement carrier and trailers with canopy. It also manufactures trailer components like kingpins and couplings.

The RSB Group has also been a prominent player in the manufacture of propeller shafts. The company is a market leader in making propeller shafts for the MCV and HCV segments. It caters to almost 90 percent of the propeller shaft requirements of Tata Motors - the country's largest CV maker. What makes RSB's propeller shafts stand out in the market is the sheer quantum of value-added features.

'Earlier, we used to have the 8-hole frictional face mounting coupling design which was higher in weight and was not able to handle field abuses (like overloading and bad road conditions). In this design, the torque was

transmitted through frictional force generated by bolt tightening and hence the problem of bolt loosening was encountered and necessitated frequent maintenance of the bolts. We replaced it with the serrated face mounting coupling design,' explains Behera.


View of the gear manufacturing

And the new design has worked wonders with customers. 'This new design was lighter than the old design. Only four bolts are used, thereby reducing assembly time and cost of the bolts. Unlike the old design, here torque is not transmitted through frictional force generated by bolt tightening as torque transmission is positive through the serrations. This technology also minimises the hassles of bolt loosening and maintenance,' Behera illustrates.

What is more, the new design ensures lifetime greasing for the propeller shafts. 'It has a sliding joint with metallic dust cover and rilsan coated for higher wear resistance and higher life of the joint. The universal joints are fitted with improved multi lip seals, with synthetic grease for higher life of the propeller shafts. These value additions ensure life time greasing for zero maintenance of the shafts.' The new design was introduced in 2006 and it took two years customer understanding, testing, validation and acceptance of the design – before market acceptance was achieved.

But despite being the market leaders (it has a market share is 60-65 percent) in offering propeller shafts for MCV and HCV segments, RSB is yet to venture into making the same for the LCV segment. 'For now, we would like to focus on our

RSB is the sole supplier of transmission gears and gearshafts for the Tata Fiat project

developmental and research activities on MCV and HCV and consolidate our business. After that, we may think of getting into the LCV space,' he puts things in perspective. The company will start production of MCV and HCV propeller shafts at Lucknow. The plant will commence operations within the next 6-8 months.

A shaft upclose

The RSB Group manufactures only front axles for the Tata Ace and M&M's farm machines – but its bread and butter in the axles business is in axle beams. 'We mostly supply axle beams to Tata Group Company HV Axles Limited for MCV and HCV products. Our company also makes dummy axles for tractors and multi-axle vehicles.' The company's has no immediate plans to venture into the manufacture of complete front axles as this space already sees well-entrenched competition.

As far as rear axles are concerned, the company doesn't see any business sense in venturing into that as most OEMs make their own rear axles. But some time in the future a technological collaboration may make this segment viable for RSB.

'We do not have technological expertise in-house, so strategically we are not pursuing it in the future but we may think of entering this space through technical collaboration or JVs if such an opportunity presents itself in the future,' he states.

And it involves the hot-forming process for manufacturing of axles instead of casting them. 'The hot-forming process creates a more durable axle. At times, casting may cause the axle to become brittle in the face of heavy loads. Fabricated axles can take the load much better on account of superior tensile strength.'

RSB is also a major player in the manufacture of construction equipment aggregates. The company mostly makes machine fabrications like frames, side frames, booms and buckets. Save for the cabin, it also make the fabricated body parts of excavators, front loaders and back loaders. "We have three plants - Jamshedpur, Dharwad and Chennai dedicated to the manufacture of construction equipment aggregates. We supply 100 percent construction equipment aggregates for Tata Hitachi, we also supply loaders for Caterpillar, also export construction equipment aggregates to Terex and Iffco – to parts of Europe and US," he says with pride.

RSB also makes make transmission gearshafts for tractors, commercial vehicles, passenger vehicles as per customer specifications. It is also the sole supplier of transmission gears and gearshafts for the Tata Fiat project.

It has also made its presence felt in making aluminum and ferrous castings. The lighter aluminum castings, though in application in the LCV segment are de-

The company is a market leader in the manufacture of propeller shafts

RSB makes front axles for the Tata Ace

ployed to a greater extent in the passenger vehicle segment. Ferrous castings are used in commercial vehicles - even the cylinder blocks are made of castings.

RSB will also be setting up an iron foundry for which project implementation is in progress. 'We will start an iron foundry in the next financial year. There is a lot of demand for the machine casting and since we have been doing a lot of machining for commercial vehicle manufacturers, setting up of this iron foundry will give us the advantage of getting more business. Once we set up this foundry, we would have control over the raw material and quality and we can supply the complete product to the customer – it will be completely in-house we will be doing casting and machining near our Cuttack plant,'

A cement carrier trailer

A flatbed trailer axle

he detailed.

Even the forging capacity at Cuttack would undergo a ramp up. 'We are expanding the forging facility from the present capacity of 4,000 tonnes to 8,000 tonnes by adding another line.'

The majority stake acquired in Belgium company MSI would further help RSB group to expand its footprint in Europe. 'MSI's manufacturing system, process automation and tool manufacturing would benefit RSB hugely. Until now, we were outsourcing these toolings for Indian operations,' he remarked.

The MSI arrangement would enable RSB to approach customers with whom they are already in a relationship to bag more orders. 'Earlier, customers had reservations because of logistic costs and now we can their business. Not just that, customers will get a front-end manufacturer and will be very comfortable dealing with it. We would be doing the sub-assembly here and the final finished assembly in Belgium,' he says.

The boom in the commercial industry after the lows of 2008-2009 has every one excited, including RSB. 'I think the growth in the commercial vehicle industry would continue for the next 4-5 years. On a low base, the growth maybe as much as 40 percent this year. But on CAGR basis, we may be looking at a 20 percent growth,' Behera explains.

The company's annual turnover last year was Rs 750 crore and is optimistic of crossing Rs 1,000 crore this fiscal. 'If all goes well, we aim at a Rs 3,000 crore turnover over the next three years,' he exudes hope. ■

A trailer fitted with dummy axles