



Varroc ramps up in expectation of market revival

Story by: Rajesh Rajgor

The auto comp maker has registered a scorching pace of growth thus far. Its diversified portfolio puts it in prime position to benefit from the expected uptick in the auto industry.

Having kicked off supplies of cabin parts for VECV's 'Pro' truck series as well as wheel arch parts and other extruded components for the Ashok Leyland Captain, Varroc Polymers has been working on the development of 20 high value interior cabin components for DICV. The Rs.7,200 crore Varroc Group's polymer division puts out air filters, seating assemblies, interiors, painted plastics and mirrors.

The auto component behemoth's other arm Varroc Engineering encompasses three verticals - Metallics, Electricals and lighting. The Metallic division develops products like engine valves,

transmission assemblies, crank pins, crank shafts, wheel hubs, steering pinions and connecting rods, 'We supply crankshafts as well as engine valves to clients like Tata Motors and Thyssen Krupp India,' states Gill. Sensing a revival in the CV industry, the company has recently increased its engine valves capacity from 26 million units to 43 million units per annum. 'We foresee a lot of orders coming our way both from CV and passenger car manufacturers,' beams Dr. Arvinder Gill, Group Vice President, Business Development. Varroc also plans to ramp up its production of crankshafts over the next six months.



◀ Dr. Arvinder Gill, Group Vice President, Business Development, Varroc

The company undertakes stringent testing at its validation centre.



■ Product development

'We work on a platform instead of offering plug and play solutions,' says Dr. Gill. He adds, 'We design our products to OEM specification and cost.' Presently a team of 350 engineers, with the help of several programs, try out alternate materials, to ensure that the product is not only light weight, but is also easy to assemble. 'We have specific tooling programs which cater to independent requirements like door trims, door panels and lighting solutions,' states Dr. Gill. This set up proves handy for Varroc, when it handles complex tooling programmes, sometime involving up to 40 components. It recently completed a complex tooling program, for VECV's interior elements like door trims and lighting systems in less than seven months.

The Varroc Group will have 25 plants by the end of the year, with 11 being outside India.

To ensure resilient products, the company undertakes stringent testing at its validation centre, 'We are aware of the abuses that a CV has to endure. Hence climatic, texture and size accuracy tests are conducted before the final part is delivered to the OEM for assembly,' Gill explains.

■ Global presence

More than 50 percent of Varroc's revenues come from outside India, with the centre of gravity being the engine valves business. Exports have also been a major contributing factor in the group registering double digit growth. Recent business acquisitions have helped it gain a stronger foothold in the global space, even when the domestic market was grappling

with a slowdown. For instance the acquisition of IMES, maker of large crankshafts helped Varroc establish its presence in Europe, and the takeover of Triom S.p.A and Visteon lighting systems (VSL) business, helped bring in proprietary technology.

'Going global gives us huge strengths in terms of product development and access to technology,' asserts Dr. Gill. The CV business accounts for about 15 percent of the exports pie. The LCV segment promises a more rapid uptake in volumes. It is in this domain that Varroc has been putting in efforts to drive growth. By the end of this year, the Varroc Group will have 25 plants with 11 being outside India. Overall, the Group employs more than 10,500 people.

