

# Kalyani & Meritor celebrate 30 years of successful partnership

## AAL rolls out one-millionth axle produced in India

By K. Gopalakrishnan



**Mr. Chip McClure, Chairman, CEO and President, Meritor, Inc., and Mr. Baba Kalyani, Chairman, AAL., with the newly launched two-speed axle**

Automotive Axles Ltd. (AAL), a joint venture of the Kalyani Group and Meritor Inc., celebrated its 30th anniversary with more than 1,000 customers, suppliers and employees attending the function held at its manufacturing facility in Mysore.

“Because of the trust reposed in us by our customers and the value recognized by our supplier partners, we have been able to achieve more than we anticipated when we began this joint venture 30 years ago, said Mr. Baba Kalyani, Chair-

man, AAL. “This partnership has enabled us to provide evolving drivetrain solutions highly customized for the India landscape. We’ve played an extremely important role in the modernisation of the Indian commercial vehicle industry”.

Established in 1981, AAL, with its manufacturing facilities in Mysore, is the largest independent manufacturer of rear drive axle assemblies in India. The company produces a wide range of rear drive axles for commercial vehicles ranging from six tons to 35 tons GCW; S-Cam

actuated quick change air brakes for commercial vehicles and trailer axles for 10 tons to 13 tons GVW. Marketing and field service support is provided by Meritor HVS (India) Ltd., also a joint venture between Kalyani and Meritor.

“India’s growth in the commercial vehicle and industrial markets has been significant,” said Mr. Chip McClure, Chairman, CEO and President, Meritor, Inc. “The ongoing development of this country and the aspirations of its people provide us with the opportunity to



**Mr. Chris Villavarayan, Managing Director, Meritor HVS (India) Ltd**

serve these markets. We value our relationship with the Kalyani Group and are proud to say it continues to be one of our most successful joint ventures."

As part of the celebration, AAL displayed its 1,000,000<sup>th</sup> "golden axle" produced in India as a symbol of the strength of the partnership. The axle will be retained by the company as a memento.

On the occasion, Mr. Baba Kalyani announced launch of four new products and outlined the company's ambitious growth targets.

#### Two-speed axle

AAL announced launch of the first "green axle", the new two-speed model MS 13 240. The axle is ideal for a range of commercial vehicles, including 4X2 dump applications as well as 4X2, 6X2 and 8X2 haulage vehicles. Full-scale production of the MS 13 240 series will start in mid-2011.

"Using proven drivetrain technology, we've developed a new two-speed axle for India that increases operational efficiency with extreme grade capability," said Mr. Ashok

Rao, President, AAL. "With access to a global network of expertise, we are developing new 'green' products engineered to provide our customers with axle solutions that offer energy efficiency, superior performance, and reliability."

AAL's new two-speed axle is customized for local operating conditions, while using proven technology developed for Meritor axle applications in various regions of the world, providing AAL customers with global quality at a local price. According to Mr. Raghunathan, Vice President, Meritor India, the MS 13 240 axle not only provides increased fuel efficiency but also improves turnaround time.

The MS 13 240 is approximately 6-8 per cent more fuel efficient than a conventional axle configuration and offers traction-on-demand allowing the driver to effectively manage difficult gradients. The

multiple ratio design facilitates fast track road infrastructure and hill climbing. The axle is available in nine ratio sets ranging from 4.10/5.59 to 7.17/9.77.

#### Other new products

AAL is also planning to launch hub-reduction axles which are largely used in heavy duty applications like in mining and construction trucks. The third important new product development has been for Defence applications. AAL is a leading supplier of axles for Defence and military trucks.

Mr. Kalyani said: "We are the largest supplier of axles for the military segment in India. More than 80% of the military vehicles use our axles. Meritor has strong technology and capability on the military and defence applications."

Globally, Meritor is the preferred drivetrain technology partner for major Defence applications worldwide. "Meritor is highly committed to the military business and intends to make a significant investment in engineering and prototype development to support these pro-



**Mr. Ashok Rao, President, AAL**

## AAL's successful partnership with AL



*Mr. Vinod Dasari, Managing Director, Ashok Leyland, along with Mr. Baba Kalyani and Mr. Chip McClure*

Automotive Axles Ltd. (AAL) has enjoyed a very long and successful relationship with Ashok Leyland. There is mutual respect between the two companies.

Mr. Baba Kalyani, AAL Chairman, in his inaugural remarks, made a special mention of Mr. Ram Shahaney, Chairman Emeritus of Ashok Leyland, who was his mentor when he started AAL. "Ashok Leyland gave us tremendous support from the initial years till today, and I am very happy that Mr. Vinod Dasari is here with

us representing Ashok Leyland at the highest level".

Till 1980 AL was manufacturing axles in-house. In 1981, the company launched the first trucks with axles supplied by AAL.

Mr. Vinod Dasari, Managing Director of Ashok Leyland, said: "AL is the largest customer of AAL, and at the same time AAL is the single largest supplier for AL. We have grown together over the last 3 decades. In every single new vehicle that AL has launched, AAL was the first axle of choice and continues to be so. Today, the first of the U-Truck range, all of them, have been launched with Meritor axles".

Mr. Dasari also observed: "In 2007, when AL acquired AVIA in the Czech Republic, we wanted to do so some localisation, and the first thing we did was to change the axle. Today axles are supplied by AAL directly to AVIA. Avia Ashok Leyland also supplies chassis to Smith electric vehicles of the US, the largest manufacturer of electric vehicles, and all these chassis carry a Meritor axle supplied from India".

AL has set an ambitious target of becoming the global top 10 in trucks and buses in the next 5 years. "This requires us to double the number of vehicle we manufacture over the next 5 years, and we expect that a majority of these vehicles will be fitted with AAL axles", he added.

grams," said Carsten Reinhardt, President of Meritor's Commercial Vehicle Systems business. "Our unique capability in developing specialized drivetrain solutions makes Meritor the right partner to deliver the technology required for highly advanced, next generation vehicle platforms."

Finally, the fourth important product launch is axles for off-highway segment. The company is looking at the Indian market for grader axles, loader axles and other products. AAL has started with assembling axles for Caterpillar in India.

In January this year, AAL rolled

back the brake business into the JV. Apart from the facility in Mysore, it has established another facility in Pantnagar for manufacturing brakes systems. The new plant has capacity to manufacture 40,000 brake systems per month. Currently 12 per cent of AAL's total business comes from the brake business, and the target is to increase this further. In the future, the company plans to introduce advanced solutions in drum and disc brakes too.

For the current year, AAL has set a target of Rs. 1,100 crores in turnover and hopes to double it by 2015. The company plans to set

up a greenfield facility for manufacturing axles, and a decision regarding this will be announced soon. The Mysore plant is running at full capacity.

Globally, the trailer axles and aftermarket business are key components of the overall business of Meritor. The company plans to focus on both these segments in India too. It already set up an independent division to handle Commercial Vehicles Aftermarket at Meritor India. A state-of-art warehouse is being built in Pune to handle the aftermarket business.

## SUCCESS STORY

***“Meritor’s vision is to be the recognized leader in providing advanced drivetrain, mobility, braking and aftermarket solutions for the global commercial vehicle and industrial markets. India will play a key role in our achieving that vision”***

- Mr. Chip McClure, Chairman and CEO, Meritor Inc.

At the 30<sup>th</sup> AAL anniversary function, Mr. Chip McClure thanked all the customers and suppliers on behalf of Automotive Axles and on behalf of Meritor for the long association and the mutually beneficial journey. “We have come this far only because of our customers and suppliers and also because of the strength of the partnership we have shared with the Kalyani Group over many years”, he said.

“We value this partnership, and the others that we have around the world, that have enabled Meritor to grow in important markets around the world. We look forward to many more years of association and success in the Indian market and the global market”, Mr. McClure added.

Talking on Meritor’s perspective of India and its long association in this region of the world through joint ventures, Mr. McClure said: “India is one of our most important markets outside of North America. The opportunities arising out the development of this country and the aspirations of its people are significant. We see excellent opportunities in India in all the segments that we present globally. The recognition of India as a key market is not new – it actually dates back to our Rockwell heritage. This recognition drove us to direct resources to this market knowing that some of the investments would not provide immediate results or returns”.

“We are actively working in several segments in India. On-highway is our largest segment and will continue to be so in the days ahead. We have worked over the years to provide platforms that address various price-performance points for truck and bus applications. I am proud to say that at AAL we manufacture the most diverse range of axle platform (from C100 which uses a 12” to 160 which uses 18”) in all of Meritor’s sites”, Mr. McClure added.

He observed: “AAL is an integral part of our global gear engineering network. The engineers from AAL work in close co-operation with our engineers in the US to develop bus application gear sets for India and China. Mysore is the gear manufacturing hub for Europe”.

Talking about the new products, Mr. McClure said: “We are now launching the two-speed axle which has been very successful in Mexico and Brazil. Apart from providing our customers with 6-8% fuel economy, the



India version is fitted with a patented fail-safe shifter mechanism to eliminate the learning curve for drivers. We are also launching the performance heavy duty hub reduction single and tandem axle shortly. For the bus segment, we will launch the 177 axle for the high horse power engines, ideally suited for heavy retarder loads”.

On the brake business, he said: “We have rejuvenated our brakes strategy for India. This has involved the launch of a new facility in Pantnagar which will be followed by others. There will be more to come on new products in drum and air disc brakes. Incidentally, we were the first to launch completely indigenous air disc brakes in India”.

Meritor is aggressively expanding its off-highway business. “We are working to build our presence in the off-highway segment in India. We are in the process of developing drivetrain solutions for rough terrain cranes, all terrain cranes, terminal tractors, fork trucks and motor graders. Finally, in our military business, we have a host of new drivetrain and suspension products in the process of being launched in next 12 to 24 months”, added Mr. McClure.

As part of its business strategy, Meritor plans to continue investing in people, products and processes. Meritor’s vision is to be the recognized leader in providing advanced drivetrain, mobility, braking and aftermarket solutions for the global commercial vehicle and industrial markets. India will play a key role in achieving that vision. ♦