

Rane group eyes buyouts to ramp up businesses

ASHWIN J PUNNEN

Mumbai

THE auto component major Rane group is looking at inorganic growth in domestic and global market to ramp up its auto component and defence sector business. The firm will be looking for opportunity in auto component space in the foreign market.

The company recently acquired the US-based Precision Die Casting (PDC), which makes high pressure aluminium die casting for automotive applications such as steering and compressors.

"There is a clear emphasis on growing international business. One is through exporting out of India using our facilities here specifically targeting both Europe and the US. The other is through selective M&A, says L Ganesh chairman Rane Group.

Last year the company achieved Rs 400 crore exports and it is looking at growing exports aggressively. The group has recently incorporated a company with sales staffs in the US.

"We are going to do the same thing in Europe this year where will be setting

Growth plans

■ The company recently acquired Precision Die Casting, which makes aluminium die casting

■ Last year the company achieved Rs 400 crore exports and it is looking at growing exports

■ The group has lined up an investment of Rs 250cr mainly for brown field projects

up a company and putting up staff there for generating business, says Harish Lakshman vice-chairman Rane Engine Value.

"Clearly there is an emphasis on expanding globally through direct sales and international growth through acquisitions," he added.

"We recently did an acquisition of \$30 million business in North America, which was one of our competitors that was under distress and private equity owner wanted to exit and some of our customers asked us to look at this firm," Lakshman said.

"It was a one dollar acquisition and it is too early to say whether it is a suc-

cess story, he further said.

The group has lined up an investment of Rs 250 crore for this year mainly for brown field projects.

The Rane group is well poised to take advantage of the increased focus on car safety initiatives by the government both in electric steering and airbag segment.

It had recently entered into airbag business and is expecting see huge growth in this segment especially on the back of the government making it mandatory for cars have airbags by 2018.

"We made investment in the airbags and now the regulations have come. So we are well positioned to capitalise on this opportunity," Lakshman said.

"We see a CAGR of 30 per cent in airbag business and with localisation we are expecting to see better margins," he added.

He also said that the company has no plans to raise funds from capital market. Even though it has an aggressive growth, it is planning to fund it through internal accruals and debt.

ashwinpunnen

@mydigitalfc.com

RANE HOLDINGS/BSE Rs 608.05 ▲

NSE Rs 608.65 ▲