

Rane Group to invest Rs 260 cr for expansion

SWARAJ BAGGONKAR

Mumbai, 26 June

Chennai-based auto component maker Rane Group is investing Rs 260 crore to augment capacity in the current financial year. The aim is to meet the rising demand from vehicle manufacturers.

The company, which makes power steering systems, steering columns and suspension systems, among other products, for Hero Honda, Maruti Suzuki, M&M and Tata Motors, is going for a brownfield expansion of its plant in Trichy.

L Ganesh, chairman, Rane Group, said, "We are increasing production for engine valve and brake lining as supply of these products is lower than what is required. The demand for components has increased tremendously and we are running our plants at full capacity."

The group, which has eight companies under its fold, with four of them listed on stock exchanges, plans to fund the expansion through internal accruals and short-term debt.

Some of the group companies are Rane (Madras), Rane Engine Valve, Rane Brake Lining, Rane TRW Steering Systems and Rane Diecast. The group, which recorded top-line growth of 30 per cent at Rs 1,709 crore last financial year, expects to end the year at Rs 2,000 crore. The group has manufacturing facilities in Chennai, Puducherry, Mysore and Pantnagar.

The revival in the Rs 165,000-crore Indian automobile sector has spurred auto component players, who have lined up multi-crore investments in the next few years.