

Rane group to invest ₹239 cr

T E NARASIMHAN
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CHENNAI-based Rane Group is planning to invest around ₹239.2 crore during the current financial year. The proposed investment also includes capital work in progress. Last year, the company had lined up investment worth ₹217.3 crore.

The investments would be spread across various verticals, according to a presentation made to group's investors.

The company would invest ₹42 crore (compared with ₹59 crore) in Rane (Madras) Ltd, ₹48.6 crore in Rane Engine (₹24 crore), ₹45.2 crore in Rane Brake Lining Ltd (₹31.1 crore), ₹2.9 crore in Rane Diecast Ltd (₹8.2 crore), ₹50.7 crore in Rane TRW Steering Systems Ltd (₹47.9 crore), ₹36.5 crore in Rane NSK Steering Systems Ltd (₹39.5 crore) and ₹13.3 crore in Kar Mobiles Ltd (₹7.6 crore).

Auto component maker Rane (Madras) currently has manufacturing facilities in

Tamil Nadu, Puducherry, Mysore, Pantnagar, Sanand.

The company has set a target of 18 per cent compound annual growth rate in the next three years. Rane (Madras) gross sales rose 27.68 per cent to ₹631.8 crore during the year ended March 31, 2011, as compared with ₹448.7 crore. Profit after tax increased to ₹24.5 crore from ₹13.8 crore.

Rane Engine Valve Ltd, which produces engine valves, valve guides and tappets, reported a 13.66 per cent in last fiscal to ₹310.2 crore from ₹250.9 crore. PAT rose 121.09 per cent to ₹10.8 crore from ₹4.2 crore.

Considering the company's diversified presence in the domestic market and a good customer base in exports, it is targeting a CAGR of 15 per cent in the next three years. "The main challenges which are being addressed include some product rationalisation, increase of capacity in the lower cost plants and mitigation of foreign currency risks. The

company is working towards improving this to around 20 per cent in the next three years," it said.

Rane Brake Lining Ltd, a manufacturer of brake linings, disc pads, clutch facings among others, has set a target of 18 per cent CARG in the next three years. "With increased cooperation of Nisshinbo, the company has been able to win major businesses in both the above," the presentation said.

Despite improvement in sales, Rane Diecast Ltd, which is into high pressure die casting products, could see capacity utilisation of only 67 per. Although the company could not achieve the turnaround in 2010-11, with sustained export orders it expects to turn profitable in the near term.

The group's sales in 2010-11 stood at ₹2,241.5 crore. Seventy two per cent of the business came from domestic OEMs, 15 per cent from exports and 13 per cent from domestic replacement.