

## RANE GEARS UP FOR GROWTH



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With the automobile industry starting to regain its momentum, Rane Group is eyeing double-digit growth in its topline over the next three years. The Chennai-based auto component house has chalked out a Rs.790-crore capex programme for this period, essentially intended to serve new order wins and support its growth plans.

The group's vision is to maintain market leadership in its business segments, and achieve total sales of Rs.5,000 crore by 2017-18.

"The Indian economy is now poised to be back on track for a healthy GDP growth. Rane Group is well-positioned to grow both in India and in overseas market," according to

its communication to investors.

The total capex — Rs.790 crore — has been planned by five entities, including three listed companies, of the group over the next three years. Of the five companies, Rane Madras and Rane NSK Steering Systems Pvt. Ltd. will spend Rs.280 crore and Rs.200 crore, respectively. Rane Madras seeks to widen its coverage in the export business by targeting the European market. It will also expand the product range in Rane Auto parts, a new division formed to focus on after-market business. Rane NSK intends to strengthen its electric power steering business due to future growth potential.

Rane Brake Linings and Rane TRW Steering Systems will invest Rs.120 crore and Rs.110 crore, respectively. Rane Brake will focus on localisation of materials, after-market and export businesses. Rane TRW has bagged new orders from Tata and Renault. It is also preparing to seize the growth opportunity in safety product products such as airbags and seatbelts.

Rane Engine Valves will spend Rs.80 crore, mostly on R & D and new product developments. It has won new businesses from Renault, BMW and Volkswagen.

Rane Group ended 2014-15 with a high single-digit growth of nine per cent in its total sales, ending the stagnation in its growth curve. Group's net sales stood at Rs.2,921 crore as against Rs.2,687 crore in the previous year. Exports grew by eight per cent and accounted for 16 per cent of the topline. Its net profit more than doubled to Rs.113 crore from Rs.47 crore.

During 2014-15, the domestic automobile market witnessed signs of growth and turnaround in some of the segments owing to improved market sentiments and stable political environment. Rane Group companies pursued various cost control measures in terms of localisation, alternate sourcing, value engineering and several other initiatives to mitigate the impact of cost inflation and volume fluctuations.