

RSB Transmissions to enter foundry biz with new unit

Alka Kshirsagar
Pune, Jan. 9:

Pune-based maker of components and aggregates for the auto, construction and mining sectors RSB Transmissions is foraying into the foundry business with RSB Castings, a new subsidiary, and is setting up a production facility in Odisha for the purpose.

This is part of a plan to invest approximately an additional Rs 200 crore in its businesses in India and overseas till the end of FY14.

Being set up with an investment of Rs 80 crore, the greenfield foundry at Cuttack, will have an installed capacity of 25,000 tonnes a year and go on stream in the middle of this year, said Rabindra Behera, Chairman and Managing Director, RSB Transmissions.

While initially it will cater to the commercial vehicle segment, the company has plans to supply to the passenger car subsequently, he added.

“On the domestic front, we want to go from the components business to aggregates and systems,” Behera said. RSB, which earns 90 per cent of its revenue in the auto vertical from the commercial vehicle segment, now plans to enhance the focus on passenger cars.

RSB is also expanding operations of its existing facilities in the US and Mexico, and will have invested Rs 80 crore more there by March 2014.

The funds for all its expansion will come through a combination of debt (including foreign currency debt) and internal accruals.

(This article was published in the Business Line print edition dated January 10, 2013)