

Ruia group now picks a French sealing maker

Our Bureau
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The Ruia group has announced the acquisition of fifth automotive sealing manufacturing company headquartered in Europe and the first one based in France.

By an order issued on Monday, May 16, the Commercial Court of Nanterre, France, endorsed Ruia group's take over of Charleval based Sealynx Automotive from the insolvency administrator.

According to a Ruia group communiqué, following the acquisition the company has been renamed Ruia SEALYNX SAS. The cost of the acquisition is not disclosed.

Interestingly, with plants in France, Romania, Morocco and Tunisia, Sealynx will offer Ruia's the first ever entry in African continent. The company has already gained access to Eastern Europe, the US and China through its recent acquisitions of Standard Profil AS of Turkey and Meteor Gummiwerke of Germany.

"With this acquisition the value of our Europe based automotive sealing business reaches €600 million (\$850 million), which is the highest in Europe and the third largest in the world," the Group Chairman, Mr P.K. Ruia, told *Business Line*.

Sealynx has OEM majors such as France's Renault, Peugeot-Citroen and Romanian auto-manufacturer Dacia to the client portfolio.

According to Mr Ruia, apart from the

Ruia group the company was acquired in the face of competition from global automotive sealing major Cooper Standard; the Croatian automotive plastic components maker AD Plastik d.d and listed Polish industrial group Boryszew.

ACQUISITION DETAILS

According to the press release, Sealynx has a total of 981 employees on its roll and grossed a turnover of €68 million in 2010. Since the economic meltdown of 2008 SEALYNX Automotive was suffering from financial uncertainties and in December 2010 the commercial court had appointed administrator to run the company.

Available information suggests that during the bidding process, which ended in March, Ruia kept 380 employees. However, following a five-day strike by the string French union in April, Ruia agreed to retain 480 jobs for a period of five years (up to 2015, "unless exceptional event"). The promise for higher retention of jobs came against a counter promise by the clients like Renault and Peugeot to place higher orders for original equipment.

In addition to automotive sealing Ruia Group has presence in automotive fastener (Ruia Global Fasteners AG) and solid tyre (Gumasol Rubber Tec GmbH) manufacturing in Germany.

In India the Group controls Dunlop India Ltd; two and three-wheeler tyre major Falcon Tyres Ltd and engineering company Jessop & Co Ltd.