

Aequs acquires French aerospace firm Sira

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BENGALURU: Aequs, which produces components and systems for some of the world's biggest aerospace companies at its SEZ in Belagavi in Karnataka, has acquired France-based aerospace group Sira.

The deal size was not disclosed. Sira had revenue of \$50 million in 2015 and has 300 employees. Its customers include major aerospace firms including Safran, Thales, Dassault, and United Technologies.

Aequs founder & CEO Aravind Melligeri said Sira brings expertise in engine components and landing gear, which Aequs did not have, and that it would strengthen Aequs' capabilities in actuator systems (motor systems responsible for moving or controlling a mechanism).

"These are capabilities that are not easily available in the world. Aerospace companies want manufacturing at much lower cost structures, and we will combine Sira's expertise with the possibilities that India offers for lower cost manufacturing. We also now get access to Sira's customers, many of which are new to Aequs," he said.

Melligeri said he's funding the deal through his and his family's funds. Melligeri, together with childhood friend Ajit Prabhu, had established the engineering outsourcing services firm Quest in 1997. Quest has attracted significant private equity interest, and in a funding round late last year, it is said to have been valued at close to \$1.5 billion. Melligeri has been periodically diluting his stake in Quest, and some of the funds from those dilutions have gone towards funding Aequs, which is 85% owned by him.

Sira has a 100-year history, having started as Risoud Precision, dedicated to precision machining for industrial machineries, in 1917. Melligeri said about 600,000 euro worth of parts and systems from Sira go into each Rafale fighter jet that India recently agreed to buy from France. Rafale uses Dassault's design and structure, Thales' electronic systems, and Safran's engine, and Sira contributes to each of these suppliers. "Some time in the future, we should be able to do work for Rafale out

of India," Melligeri said.

Alain Blevin, majority shareholder and president of Sira Group, said aerospace is an increasingly globalized industry and Sira will be better able to adapt to its major clients' expectations with the global offering built by Aequus.

Melligeri said he has invested \$100 million in Aequus and is planning another \$100 million investment by 2020. He said the firm will end this fiscal year with revenue of \$50 million, and that this might more than double next year.

In the 250-acre SEZ, Aequus has a machining facility, including a new one dedicated to Airbus, a surface treatment facility in a joint venture with Magellan Aerospace of Canada, a forging facility in a joint venture with two French companies, Albert & Duval and Setforge, and a joint venture with Saab Aerostructures for the manufacture and supply of aerostructure assemblies.