

Rane Group braces for aerospace foray

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CHENNAI-BASED leading auto component house, Rane Group, is preparing to enter aerospace and defence sectors in view of emerging opportunities on account of privatisation and offset policies of the government. The group will be looking for an acquisition or joint venture to foray into these new business areas.

"We are definitely looking at aerospace and defence segment. Opportunities are opening up in these areas and we feel that it could be an area of future potential where we can enter. We will shortly be taking a call on

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this and might invest in these areas. But not in a significant way initially," L Ganesh, chairman of Rane

Group, told *Financial Chronicle*.

"While our group companies are already exploring individually new business areas as a natural extension of existing product range or competencies, as a group we are looking at new areas in aerospace and defence segments. The group is looking at areas such as electronics and system integration. The focus will mostly be in the future technology areas and not in the mechanical part of the industry," he added.

Rane Group is planning to pick up a stake in an existing company, forge joint venture or buy a company for this foray. But in the first 2-3 years it seeks to take a nomi-

nal position to understand or learn the industry dynamics. "Certainly during this year we will be taking a call on investing in one or two areas," said Ganesh.

The group has been a significant supplier for Tata and Mahindra, which are getting into defence segment in a big way. So Rane is already working with them and exploring newer opportunities to supply some components and sub-assemblies to their defence business as an extension of their existing capabilities.

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