

Rane Group eyes acquisitions in defence, aerospace

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The Rane Group is scouting for acquisitions in defence and aerospace.

Rane is eyeing domestic companies in the "Rs 30-50 crore turnover size but with significant growth potential," says Mr L. Ganesh, Chairman of the group.

The company is particularly looking for companies operating in the areas of mechanical and electronic systems.

The group, which primarily manufactures automobile components, diversified into the defence sector last year with the acquisition of 26 per cent stake in Bangalore-based SasMos HET Technologies.

SasMos manufactures wiring harness, cable assemblies and panel boxes used in defence and aerospace. It is at present developing control systems; this involves lot of electronics.

PARTNERSHIP WITH SASMOS

The SasMos partnership with Rane has just completed a year. Sales at Rs 25 crore have been "marginally lower than planned," says Mr Ganesh.

"But the business is close to break even. This year we are planning Rs 35 crore."

The SasMos business has



Mr L. Ganesh, Chairman, Rane Group.

the potential to ramp up significantly to Rs 130-150 crore in 3-5 years, says Mr Ganesh.

SasMos supplies to integrators such as BEML, BEL and Israeli defence companies. Exports account for 60 per cent of its business currently.

"The company has also bagged a few new contracts post acquisition."

The Rane Group has the option to increase stake in SasMos, but Mr Ganesh ruled out any such move now.

Rane is eyeing defence business from both export and domestic markets.

India is the third largest country worldwide in defence spending and the defence offset policy will open up big opportunities, Mr Ganesh noted.