

Rane Group scans fresh avenues in aerospace

G. Balachandar

CHENNAI: Even as its auto business is hit by domestic downturn, the Chennai-based \$539 million Rane Group is looking to register a stronger growth in its defence and aerospace business, and charting out organic and inorganic expansion in one of the non-auto segments that it had entered about two-and-half years ago.

The aerospace business of the group is reported to have secured a strong order book, and focussed on developing new products.

"The investment we made in Bangalore-based SasMos HET Technologies Ltd. is turning out to be quite good as the company is doing very well. Their order book is strong, both for the current year as well as next year. It will end up registering good profits this fiscal after doubling its sales," L. Ganesh, Chairman, Rane Group, told *The Hindu*. "With support from Rane, we have been able to stabilise the operations of SasMos, and a major portion of its business (over 70 per

cent) is destined for export markets presently," he added.

Besides organic expansion, the group is looking at a few other business opportunities under SasMos as also outside of it. "We have not finalised anything as we are still engaged in discussion," Mr. Ganesh said.

SasMos, in which Rane picked up 26 per cent stake in September 2011, posted a net sales of Rs.22 crore (Rs.24 crore in 2011-12) and an operating loss of Rs.4 crore (profit of Rs.29 lakh in 2011-12) in 2012-13, mainly due to delay in getting the orders. However, it hopes to end the current year with better growth.

The company, which employs over 170 and owns a manufacturing unit in Bangalore, seeks to partner private and public enterprises in defence and aerospace domains both domestically as well as globally. It sees favourable growth prospects in the domestic market in view of Defence Procurement Procedure (DPP) 2011, which stresses on indigenisation of defence products.