

Samtel to set up JV with Thales

French Giant To Pick Up A 26% Equity Stake In Defence Equipment Venture

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NEW DELHI

DELHI-BASED Samtel Display Systems is setting up a joint venture (JV) with the French defence equipment manufacturer, Thales SA, for manufacturing defence equipment. Thales is picking up a 26% equity stake in the JV.

Samtel group chairman Satish Kaura confirmed that the company has sought government's approval for the proposed JV with Thales. The French company is investing in the venture through its wholly-owned subsidiaries Thales Avionics SA, the avionics system provider and its Indian arm Thales International India, set up in 2007.

"The first tranche of the investment in the JV is about €1 million. Over the next few years, we will scale up the investment to €4 million," Mr Kaura said.

The proposed JV will develop, manufacture and sell helmet mounted sight display (HMSD)—that helps fighter pilots in communications and to obtain situation awareness—in India for ministry of defence and also render after-sales services.

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GROUP CHAIRMAN, SAMTEL



HEAD START

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The company has applied for the Foreign Investment Promotion Board's (FIPB) approval as foreign direct investments (FDI) in the sector is regulated by the government. FDI is capped at 26% for defence production and no foreign investment is allowed in the sector without prior approval of the board.

Thales, a €12.7 billion group, is an international electronics and systems conglomerate, addressing de-

fence, aerospace and security markets worldwide. The French company has operations in more than 50 countries and employs more than 68,000 people worldwide.

Samtel Group is India's integrated manufacturer of electronic displays and their components mainly used in television, avionics and professional applications. The group employs over 6,000 people and has a turnover of Rs 1,200 crore.