

Paramount may pick up stake in existing airline

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With mergers and acquisitions on the rise in the aviation sector, the Madurai-based Paramount Airways is also examining a proposal to pick up a stake in an existing airline, the Managing Director, Mr M. Thiagarajan, has said.

“An airline has requested us to become a strategic financial investor and also take part in the management of that airline. At the moment we are examining the proposal. We are ready to buy-out another airline provided the valuation is right and there is synergy in operations,” Mr Thiagarajan told *Business Line*.

He refused to divulge just yet the identity of the airline.

If the proposal goes through, it would see Paramount doing away with the brand that it will acquire. “We have a strong brand and another is not required,” he added.

Paramount maintains that the recent buy-out and mergers in the Indian aviation sector had not forced it to look at growing through acquisition.

“We have a niche product, which has been well received in the market. We are the market leaders in South India, will expand into the western region soon and have an all-India presence by 2010-11,” Mr Thiagarajan said.

GoAir recently announced that it had received proposals from high net individuals and foreign institutional investors wanting to pick up a stake in the carrier.