



*In the long term, Rane will have to think about buying tech firms as all technologies required for the future may not be home-grown*

Rane Group is set to chalk out a revised long-term strategy. The proposed Vision 2020 plan is intended to help the Chennai-based auto component house to strengthen its existing businesses as also expand into newer areas.

The Rs.2,687-crore group has roped in McKinsey & Co for preparing the Vision 2020 plan. The three-month-long exercise by the consulting major is expected to result in a fresh plan that could provide long-term direction for the group.

“We are revisiting our long-term strategy now, and the exercise is going on in the group. We have engaged McKinsey for this purpose. They are helping us to evolve

a new vision and strategy to achieve the vision. So, we have formally started looking around for opportunities,” L. Ganesh, Chairman of the Rane Group, said.

He didn't rule out the possibilities for acquiring companies either to bring in new technologies or any other business synergy. “I don't believe that all technologies required for the future can be home-grown. We neither have the environment in India conducive for that nor the scale. So, Rane should think about acquiring companies that bring technology muscle to the operations. I do see that happening, but nothing may be imminent today,” he added. The group has chalked out a Rs.467-crore programme for six companies primarily as maintenance capex or to spruce up existing capacity. However, it is expected to take a call on embarking on any new investment or expansion programme only around September under its mid-term business review plans.

“The sentiments have definitely improved, and there is a general euphoria everywhere, especially in the financial community and stock markets. But one has to realistically expect that initiatives by the new government will take time to have effect on the ground,” said Mr. Ganesh.