

Rane Brake looks to new segments, markets to sustain growth

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Chennai, Dec. 12

Rane Brake Linings Ltd, which makes brake linings and clutch facings, plans to tap emerging segments such as wind mills, focus more on the replacement market, and boost exports in its bid to tide over the effects of a slowdown in the auto sector.

The company's association with Japanese technology partner Nisshinbo, which holds a 20 per cent share in Rane Brake, will hold it in good stead as Japanese automobile manufacturers are increasingly setting up factories here, says Rane Brake's President P.S. Rao.

The company hopes to conclude the current year with a business of Rs 400 crore. This will be a marginal growth over



P.S. Rao, President, Rane Brake Linings

last year, in the backdrop of the slow sales in the commercial and passenger vehicle segments. Sales to automotive original equipment manufacturers and the after-market account for 85 per cent of the

business in nearly equal quantities, while the balance comes from the railways and exports.

NEW BUYERS

In a year's time, the company hopes to start selling brake linings to wind mill makers. Discussions are on in this regard, Rao said.

Rane Brake recently secured an order from the Delhi Metro. With rail-based urban transport projects coming up in at least 16 cities, this will be a growing market, he said.

AFTER MARKET

Replacement market sales have also been hit by the drop in new vehicle sales. Traders have cut down on pipeline stocks as sales fall in tandem with lesser vehicle utilisation.

Latest vehicles sales numbers are "depressing", he said, referring to the Society of Indian Automobile Manufacturers' data. Commercial vehicle sales were down nearly one-fifth to about 4.23 lakh units (5.13 lakh) between April and November, while passenger car sales continued to shrink.

Rane Brakes has a strong presence in the South, and is now expanding its after-market sales to the West and East, Rao said. It also hopes to double exports over the next three years and take export contribution to 15 per cent of its business with new markets such as Africa and Brazil.

The company also hopes to keep costs down by sourcing raw materials locally, Rao said.

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