PERFORMANCE FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2014

Dear Shareholders,

I am pleased to inform you of the highlights of the operating and financial performance during the half year ended 30th September, 2014.

Market

- The domestic automobile market showed some signs of improvement during the second quarter. For the half year ended September 30, 2014, there was a marginal growth of 2% in the Passenger Car segment, strong growth of 20% and 18% in the MUV and Two Wheeler segments respectively, in comparison to half year ended September 30, 2013. For the same period, M&HCV segment had shown a positive growth of 6% after a long time. However, it is to be seen if this growth trend can be considered as the beginning of an improvement cycle.

- The company's overall sales grew by 10% in the first half year ended September 30,2014 as compared to the corresponding period in the previous year, with sales to Domestic Original Equipment Manufacturers (OEMs), aftermarkets, railways and exports registering a growth of 8%, 14%, 5% and 14% respectively compared to corresponding period in the previous year.

Operating Performance Highlights

- **Production**

  Continuous focus on lean manufacturing and innovation enabled the company to maintain on-time deliveries to customers and global quality levels.

- **Costs and Capex**

  Sustained efforts on strategic savings in raw materials and innovative initiatives in energy savings had enabled the Company to mitigate the impact of increase in costs.

- **Business Development**

  Increased focus on proactive marketing and technology had enabled the Company to secure business in OEM and after market segments.

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Awards & Accolades

- Received awards from customers for performance (Major Proprietary Category) and certificate for best efforts in Kanban implementation.
- Ranked in the auto component industry division of India's Great Place to Work survey for the second year.
  - ✧ Received ACMA Manufacturing excellence – Silver award for Trichy Plant.
  - ✧ Awards from Quality Circle Forum of India – Gold and Silver awards for all plants.

Financial Performance

Summary of the financial performance for the half year ended 30th September 2014 is given below:

Rs. crores

Particulars	Half year ended 30th September, 2014	Half year ended 30th September, 2013	Growth %
Sales & Other operating income	201.62	182.62	10
Profit Before Tax (PBT)	6.90	4.67	48
Profit After Tax (PAT)	5.32	5.24	1
EPS (Rs.) (Not Annualised)	6.72	6.63	1

Detailed results of the company are given overleaf. A copy of the presentation highlighting the half-yearly performance of Rane Group made to investment analysts is available at our website: www.rane.co.in.

I thank you for your support and look forward to our continued relationship.

Yours sincerely

L Ganesh
Chairman

Dated: November 21, 2014.

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Unaudited Financial Results for the quarter and six months ended September 30, 2014

Part I

(Rs. in lakhs)

	Particulars	Quarter Ended			Half Year ended		Financial year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)			(Unaudited)		(Audited)
1	**Income from Operations**						
	(a) Net Sales (Net of excise duty)	9,982.42	10,152.03	8,895.35	20,134.45	18,228.52	38,351.35
	(b) Other Operating Income	15.48	11.98	13.92	27.46	33.04	59.90
	Total Income from operations (net)	**9,997.90**	**10,164.01**	**8,909.27**	**20,161.91**	**18,261.56**	**38,411.25**
2	**Expenses :**						
	a. Cost of materials consumed	5,274.79	4,958.86	4,427.62	10,233.65	9,276.31	19,480.10
	b. Changes in inventories of finished goods,work-in-progress and stock-in-trade	(194.23)	114.25	33.92	(79.98)	(178.83)	(87.63)
	c. Employee benefits expenses	1,469.82	1,504.36	1,305.12	2,974.18	2,643.47	5,252.20
	d. Depreciation and amortisation expense	473.61	475.21	449.09	948.82	898.17	1,821.57
	e. Other expenses	2,668.49	2,524.51	2,399.18	5,193.00	4,896.72	9,744.81
	f Total Expenses	**9,692.48**	**9,577.19**	**8,614.93**	**19,269.67**	**17,535.84**	**36,211.05**
3	Profit (+)/Loss (-) from Operations before Other Income, finance Costs and Exceptional Items (1-2)	305.42	586.82	294.34	892.24	725.72	2,200.20
4	Other Income	107.06	32.33	105.80	139.39	127.81	239.73
5	Profit (+)/Loss (-) from ordinary activities before finance Costs and Exceptional Items (3+4)	**412.48**	**619.15**	**400.14**	**1,031.63**	**853.53**	**2,439.93**
6	Finance costs	157.87	183.30	200.20	341.17	386.28	767.16
7	Profit (+)/Loss (-) from ordinary activities after finance costs but before Exceptional Items (5-6)	**254.61**	**435.85**	**199.94**	**690.46**	**467.25**	**1,672.77**
8	Exceptional Items	-	-	-	-	-	-
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	**254.61**	**435.85**	**199.94**	**690.46**	**467.25**	**1,672.77**
10	Tax expense						
	a) Current Tax	55.94	95.72	45.50	151.66	101.40	360.50
	b) Minimum Alternate Tax Credit	(48.02)	(67.79)	(45.50)	(115.81)	(101.40)	(406.75)
	c) Deferred Tax	36.62	50.01	(80.17)	86.63	(57.19)	(2.45)
	d) Tax relating to earlier year	36.17	-	-	36.17	-	-
11	Net Profit (+) / Loss(-) from Ordinary Activities after tax (9-10)	**173.90**	**357.91**	**280.11**	**531.81**	**524.44**	**1,721.47**
12	Extraordinary Item	-	-	-	-	-	-
13	Net Profit (+) / Loss (-) for the period (11-12)	**173.90**	**357.91**	**280.11**	**531.81**	**524.44**	**1,721.47**
14	Paid-up equity share capital (Face Value of Rs. 10/- per Share)	791.50	791.50	791.50	791.50	791.50	791.50
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						10,435.24
16	Earnings Per Share (EPS) (of Rs.10/- each) (not annualised) (Amount Rs.)						
	(a) Basic	2.20	4.52	3.54	6.72	6.63	21.76
	(b) Diluted	2.20	4.52	3.54	6.72	6.63	21.76
Part II							
A	**Particulars of Shareholding**						
1	Public shareholding						
	- Number of shares	27,20,896	27,20,896	28,61,545	27,20,896	28,61,545	27,22,706
	- Percentage of shareholding	34.38%	34.38%	36.15%	34.38%	36.15%	34.40%
2	Promoters and Promoter Group shareholding						
	(a) Pledged / encumbered						
	- Number of shares	-	-	-	-	-	-
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-	-	-
	- Percentage of shares (as a % of the total share captial of the company)	-	-	-	-	-	-
	(b) Non - encumbered						
	- Number of shares	51,94,084	51,94,084	50,53,435	51,94,084	50,53,435	51,92,274
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share captial of the company)	65.62%	65.62%	63.85%	65.62%	63.85%	65.60%

	Particulars	3 months ended 30.09.2014
B	**INVESTOR COMPLAINTS**	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	1
	Disposed during the quarter	1
	Remaining unresolved at the end of the quarter	Nil

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Unaudited Financial Results for the quarter and six months ended September 30, 2014

Notes:

1. Statement of Assets and Liabilities

(Rs. in lakhs)

	Particulars	As at 30.09.2014 Unaudited	As at 31.03.2014 Audited
A	**EQUITY AND LIABILITIES**		
1	Shareholders' Funds:		
	(a) Share Capital	791.50	791.50
	(b) Reserves & Surplus	10,839.03	10,435.24
	Sub - Total Shareholders funds	**11,630.53**	**11,226.74**
2	**Non-current liabilities**		
	(a) Long-term borrowings	1,743.56	2,749.20
	(b) Deferred tax liabilities(Net)	1,011.45	924.82
	(c) Other Long-term liabilities	40.54	40.54
	(d) Long-term provisons	234.39	201.68
	Sub - Total Non-current liabilities	**3,029.94**	**3,916.24**
3	**Current liabilites**		
	(a) Short-term borowings	3,247.07	3,428.00
	(b) Trade payables	4,560.46	4,823.46
	(c) Other current liabilites	2,699.26	2,515.59
	(d) Short term provisions	224.24	884.05
	Sub - Total -Current liabilities	**10,731.03**	**11,651.10**
	TOTAL - EQUITY AND LIABILITIES	**25,391.50**	**26,794.08**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	(i) Tangible assets	12,473.06	13,274.50
	(ii) Intangible assets	24.53	19.56
	(iii) Capital work-in-progress	83.27	37.89
	(b) Non-current Investment	36.89	36.89
	(c) Long term loans and advances	1,217.43	911.47
	(d) Other non-current assets	31.92	33.23
	Sub - Total - Non-current assets	**13,867.10**	**14,313.54**
2	**Current assets**		
	(a) Inventories	2,959.10	2,793.01
	(b) Trade receivables	7,202.25	8,612.68
	(c) Cash and Bank balances	475.29	327.92
	(d) Short-term loans and advances	871.22	719.48
	(e) Other current assets	16.54	27.45
	Sub - Total - Current assets	**11,524.40**	**12,480.54**
	TOTAL - ASSETS	**25,391.50**	**26,794.08**

2. The above results and the statement of assets and liabilities have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 20, 2014. The same were subjected to limited review by the Statutory Auditors.

3. Consequent to the adoption of the revised estimates of the useful life of the Fixed Assets of the Company as stipulated in Schedule II of the Companies Act, 2013 w.e.f. April 1, 2014, the depreciation for the current quarter / half year is higher by Rs. 20.22 Lakhs / Rs. 54.28 Lakhs as compared to the corresponding period. Further, an amount of Rs. 127.43 Lakhs (net of Deferred Tax Credit of Rs. 65.62 Lakhs) has been adjusted against the opening balance of retained earnings as on April 1, 2014 in respect of the residual value of assets wherein the remaining useful life has become 'NIL'.

4. The Company operates only in one segment, namely, components for transportation industry.

5. Previous period figures have been regrouped wherever necessary to conform to current period's presentation

6. Dividend of Rs.7.50 per equity share declared by the shareholders at the Annual General Meeting held on July 22, 2014 for the year ended March 31, 2014 was paid on July 28, 2014.

For RANE BRAKE LINING LIMITED

Chennai

Dated: October 20, 2014

L. Ganesh
Chairman