Rane Brake Lining Limited

Regd. Office : "MAITHRI", 132, Cathedral Road, Chennai - 600 086

visit us at : http://rane.in/

PERFORMANCE FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2013

Dear Shareholders,

I am pleased to inform you of the highlights of the operating and financial performance during the half year ended 30th September, 2013.

Market

- The domestic automobile market continued to exhibit negative growth in the quarter with the exception of Passenger Cars (PC) and Farm Tractor segments. Even the PC segment growth was due to low base effect of previous year.

- Your Company could maintain sales at previous year's levels in spite of a very challenging market with drop in OEM demand mainly due to strong demand from Railways and focus on exports.

- Focus on export business development helped the company post a growth of 20% in exports and 33% in institutional sales compared to the previous year's six months.

Operating Performance Highlights

- **Production**

  Company has become completely asbestos-free in the OEM business as a result of continuous environment conservation measures and in-house developmental activities.

- **Costs and Capex**

  Significant savings in Raw material and power costs helped to mitigate loss of contribution due to reduction in OEM sales.

- **Business Development**

  With increased focus on R&D, several new formulations being developed in house for existing and new customers expected to improve sales in the OEM and aftermarkets.

  Railways demand to remain strong for the second half of the year.

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Awards & Accolades

- Your company received the prestigious **Deming Grand Prize** for quality excellence from the Union of Japanese Scientists and Engineers (JUSE). Your company is the first Friction Material Company in the world, 7th Company in India and 26th Company in the world to achieve this coveted quality recognition.
- Apart from the above, your Company has :
  - Stood in the 2nd position in the Auto component industry division of India's Great Place to Work Study 2013.
  - Received award for Best in Class performance in Aftermarket from Ashok Leyland Limited and in Original Equipment from Brakes India.
  - Received ACMA Manufacturing excellence – Silver award for Trichy Plant.

Financial Performance

Summary of the financial performance for the half year ended 30th September 2013 is given below:

Rs. Crores

Particulars	Half year ended 30th September, 2013	Half year ended 30th September, 2012	Growth %
Sales & Other operating income	182.62	182.12	0.3
Profit Before Tax (PBT)	4.67	5.60	(17)
Profit After Tax (PAT)	5.24	4.14	27
EPS (Rs.) (Not Annualised)	6.63	5.21	27

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 also available at our website: http://rane.in/

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

Yours sincerely

L Ganesh
Chairman

Dated: 19th November, 2013

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Statement of Unaudited Financial Results for the Quarter and six months ended September 30, 2013

Part I (Rs. in lakhs)

	Particulars	Quarter Ended			Half Year ended		Financial year ended
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
		(Unaudited)			(Unaudited)		Audited
1	**Income from Operations**						
	(a) Net Sales (Net of excise duty)	8,895.35	9,333.17	8,239.35	18,228.52	18,178.19	37,587.81
	(b) Other Operating Income	13.92	19.12	19.92	33.04	33.63	56.05
	Total Income from operations (net)	**8,909.27**	**9,352.29**	**8,259.27**	**18,261.56**	**18,211.82**	**37,643.86**
2	**Expenses :**						
	a. Cost of materials consumed	4,427.62	4,848.69	4,764.96	9,276.31	10,118.76	20,169.33
	b.Changes in inventories of finished goods,work-in-progress and stock-in-trade	33.92	(212.75)	(300.31)	(178.83)	(557.16)	(400.35)
	c. Employee benefits expenses	1,305.12	1,338.35	1,147.19	2,643.47	2,470.26	4,926.02
	d. Depreciation and amortisation expense	449.09	449.08	420.04	898.17	863.50	1,786.79
	e. Other expenses	2,399.18	2,497.54	2,164.73	4,896.72	4,619.59	9,665.45
	f Total Expenses	**8,614.93**	**8,920.91**	**8,196.61**	**17,535.84**	**17,514.95**	**36,147.24**
3	Profit (+)/Loss (-) from Operations before Other Income, finance Costs and Exceptional Items (1-2)	294.34	431.38	62.66	725.72	696.87	1,496.62
4	Other Income	105.80	22.01	191.85	127.81	246.70	324.22
5	Profit (+)/Loss (-) from ordinary activities before finance Costs and Exceptional Items (3+4)	**400.14**	**453.39**	**254.51**	**853.53**	**943.57**	**1,820.84**
6	Finance costs	200.20	186.08	173.16	386.28	383.32	728.68
7	Profit (+)/Loss (-) from ordinary activities after finance costs but before Exceptional Items (5-6)	**199.94**	**267.31**	**81.35**	**467.25**	**560.25**	**1,092.16**
8	Exceptional Items	-	-	-	-	-	-
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	**199.94**	**267.31**	**81.35**	**467.25**	**560.25**	**1,092.16**
10	Tax expense						
	a) Current Tax	45.50	55.90	16.63	101.40	116.39	251.47
	b) Minimum Alternate Tax Credit	(45.50)	(55.90)	-	(101.40)	-	(59.26)
	c) Deferred Tax	(80.17)	22.98	16.42	(57.19)	29.61	(9.90)
11	Net Profit (+) / Loss(-) from Ordinary Activities after tax (9-10)	**280.11**	**244.33**	**48.30**	**524.44**	**414.25**	**909.85**
12	Extraordinary Item	-	-	-	-	-	-
13	Net Profit (+) / Loss (-) for the period (11-12)	**280.11**	**244.33**	**48.30**	**524.44**	**414.25**	**909.85**
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						9,409.36
16	Earnings Per Share (EPS) (of Rs.10/- each) (not annualised) (Amount Rs.)						
	(a) Basic	3.54	3.09	0.61	6.63	5.21	11.50
	(b) Diluted	3.54	3.09	0.61	6.63	5.21	11.50
Part II							
A	**Particulars of Shareholding**						
1	Public shareholding						
	- Number of shares	28,61,545	29,13,191	30,07,168	28,61,545	30,07,168	29,32,168
	- Percentage of shareholding	36.15%	36.81%	37.99%	36.15%	37.99%	37.05%
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	50,53,435	50,01,789	49,07,812	50,53,435	49,07,812	49,82,812
	- 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)	63.85%	63.19%	62.01%	63.85%	62.01%	62.95%

Particulars	3 months ended 30.09.2013
B INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	1
Disposed off during the quarter	1
Remaining unresolved at the end of the quarter	Nil

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Statement of Unaudited Financial Results for the Quarter and six months ended September 30, 2013

Notes:

1. Statement of Assets and Liabilities

(Rs. in lakhs)

	Particulars	As at 30.09.2013 Unaudited	As at 31.03.2013 Audited
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' Funds:**		
	(a) Share Capital	791.50	791.50
	(b) Reserves & Surplus	9,932.68	9,409.36
	Sub-Total Shareholders funds	**10,723.18**	**10,200.86**
2	**Non-current liabilities**		
	(a) Long-term borrowings	3,852.20	4,527.62
	(b) Deferred tax liabilities(Net)	870.08	927.27
	(c) Other Long-term liabilities	4.00	4.00
	(d) Long-term provisons	200.03	204.42
	Sub-Total Non-current liabilities	**4,926.31**	**5,663.31**
3	**Current liabilites**		
	(a) Short-term borowings	2,630.00	2,867.00
	(b) Trade payables	4,203.73	4,771.73
	(c) Other current liabilites	2,504.74	2,265.37
	(d) Short term provisions	271.60	381.39
	Sub-Total -Current liabilities	**9,609.07**	**10,285.49**
	TOTAL -EQUITY AND LIABILITIES	**25,259.56**	**26,149.66**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets		
	(i) Tangible assets	13,768.22	12,237.76
	(ii) Intangible assets	24.06	30.44
	(iii) Capital work-in-progress	141.92	1,858.06
	(b) Non-current Investment	36.89	-
	(c) Long term loans and advances	641.04	684.36
	(d) Other non-current assets	41.42	33.66
	Sub-total -Non-current assets	**14,653.55**	**14,844.28**
2	**Current assets**		
	(a) Inventories	3,110.01	2,815.55
	(b) Trade receivables	6,808.03	7,515.67
	(c) Cash and Bank balances	272.90	357.58
	(d) Short-term loans and advances	406.56	589.36
	(e) Other current assets	8.51	27.22
	Sub-total -Current assets	**10,606.01**	**11,305.38**
	TOTAL- ASSETS	**25,259.56**	**26,149.66**

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

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

4. 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 22, 2013. The same were subjected to limited review by the statutory auditors.

5. Dividend of Rs. 2/- per equity share declared by the shareholders at the Annual General Meeting held on July 24, 2013 for the year ended March 31, 2013 was paid on July 30, 2013.

For RANE BRAKE LINING LIMITED

Chennai
Dated: October 22, 2013

L. Ganesh
Chairman