

Rane Brake Lining Limited



//Online Submission//

RBL / SE / 31 / 2018-19

October 23, 2018

| | |
|---|---|
| BSE Limited Listing Centre Scrip Code: 532987 | National Stock Exchange of India Ltd. NEAPS Symbol: RBL |
|---|---|

Dear Sir / Madam,

Sub: Outcome of Board Meeting held on October 23, 2018 - under Regulation 30 of SEBI LODR

Ref: Our letter no. RBL / SE / 28 / 2018-19 dated September 28, 2018

This is to inform that the Board of Directors, inter alia, approved the un-audited financial results of the Company for the quarter and half year ended September 30, 2018 as recommended by the audit committee at their respective meeting(s) held today (**October 23, 2018**).

The un-audited financial results of the Company for the quarter and half year ended September 30, 2018 is enclosed along with the Limited Review Report issued by M/s. Varma & Varma, Chartered Accountants, Statutory Auditors. (**Regulation 33**).

The financial results will be uploaded on the website of the company at www.ranegroup.com (**Regulation 46**).

The extract of the un-audited financial results will be published in newspapers, i.e., 'Business Standard' and 'Dinamani' in the format prescribed (**Regulation 47**). An 'earnings release' for the above results is also enclosed (**Regulation 30**).

The meeting of the Board of Directors commenced at 11:00 hrs (IST) and concluded at 13:05hrs (IST).

We request you to take the above on record and note the compliance under above referred regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Thanking you.

Yours faithfully

For **Rane Brake Lining Limited**


Venkatraman
Secretary



Encl: a/a

1. Un-audited financial results for the quarter and half year ended September 30, 2018.
2. Extract of the un-audited financial results for Newspaper publication.
3. Limited Review Report for the quarter and half year ended September 30, 2018.
4. Earnings release for the quarter and half year ended September 30, 2018.



| Particulars | Rs. Lakhs | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|----------------------|
| | Quarter ended | | | Half year ended | | Financial Year ended |
| | 30.09.2018 | 30.06.2018 | 30.09.2017 | 30.09.2018 | 30.09.2017 | 31.03.2018 |
| | (Unaudited) | | | (Unaudited) | | (Audited) |
| 1 Revenue | | | | | | |
| (a) Revenue from operations (refer note 5) | 11,974.48 | 12,212.75 | 11,200.45 | 24,187.23 | 22,573.30 | 49,531.93 |
| (b) Other Operating Income | 23.07 | 16.52 | 7.20 | 39.59 | 21.61 | 55.64 |
| (c) Other Income | 129.40 | 87.69 | 25.00 | 217.09 | 72.00 | 474.33 |
| Total Revenue | 12,126.95 | 12,316.96 | 11,232.65 | 24,443.91 | 22,666.91 | 50,061.90 |
| 2 Expenses : | | | | | | |
| (a) Cost of materials consumed | 6,023.77 | 6,560.61 | 5,356.58 | 12,584.38 | 10,801.64 | 23,545.18 |
| (b) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 111.31 | (468.43) | 350.33 | (357.12) | (270.52) | 10.98 |
| (c) Excise duty (refer note 5) | - | - | - | - | 1,341.39 | 1,341.39 |
| (d) Employee benefits expenses | 1,838.76 | 1,830.80 | 1,560.97 | 3,669.56 | 3,121.50 | 6,534.57 |
| (e) Finance costs | 5.23 | 5.14 | 6.99 | 10.37 | 17.93 | 37.13 |
| (f) Depreciation and amortisation expense | 566.58 | 554.48 | 529.01 | 1,121.06 | 1,057.64 | 2,370.95 |
| (g) Other expenses | 2,844.56 | 2,839.39 | 2,056.62 | 5,683.95 | 4,167.91 | 10,569.38 |
| Total Expenses | 11,390.21 | 11,321.99 | 9,860.50 | 22,712.20 | 20,237.49 | 44,409.58 |
| 3 Profit (+)/Loss (-) before Exceptional Items (1-2) | 736.74 | 994.97 | 1,372.15 | 1,731.71 | 2,429.42 | 5,652.32 |
| 4 Exceptional Items (Refer Note 6) | - | - | - | - | - | 163.56 |
| 5 Profit (+)/ Loss (-) before tax (3+4) | 736.74 | 994.97 | 1,372.15 | 1,731.71 | 2,429.42 | 5,488.76 |
| 6 Tax expense | | | | | | |
| Current Tax | 327.44 | 324.82 | 496.00 | 652.26 | 813.00 | 2,305.91 |
| Tax relating to earlier years | - | - | - | - | - | 80.94 |
| Deferred Tax | (121.28) | 12.32 | (57.35) | (108.96) | (49.14) | (472.81) |
| 7 Profit / (Loss) for the period (5-6) | 530.58 | 657.83 | 933.50 | 1,188.41 | 1,665.56 | 3,574.72 |
| 8 Other Comprehensive Income (Net of Tax Expenses) | 35.09 | 1.43 | (17.31) | 36.52 | (16.67) | 45.59 |
| (a) Items that will not be reclassified subsequently to Profit or loss | | | | | | |
| i) Remeasurement of net defined benefit Liability / Asset | 55.12 | 2.20 | (26.48) | 57.32 | (25.50) | 69.72 |
| ii) Income tax relating to items that will not be classified to profit or loss | (20.03) | (0.77) | 9.17 | (20.80) | 8.83 | (24.13) |
| 9 Total Comprehensive Income for the Period (7+8) | 565.67 | 659.26 | 916.19 | 1,224.93 | 1,648.89 | 3,620.31 |
| (Comprising profit / (loss) and other comprehensive income for the period) | | | | | | |
| 10 Details of equity share capital | | | | | | |
| Paid-up equity share capital (Face Value of Rs. 10/- per Share) | 791.50 | 791.50 | 791.50 | 791.50 | 791.50 | 791.50 |
| Other Equity excluding revaluation reserves | | | | | | 18,030.54 |
| 11 Earnings Per Share (EPS) (of Rs.10/- each) (not annualised) (Amount Rs.) | | | | | | |
| (a) Basic | 6.70 | 8.31 | 11.79 | 15.01 | 21.04 | 45.16 |
| (b) Diluted | 6.70 | 8.31 | 11.79 | 15.01 | 21.04 | 45.16 |

Notes:

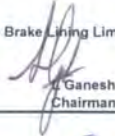
1 Balance Sheet

| Particulars | Rs. Lakhs | |
|---|------------------|------------------|
| | As at | As at |
| | 30.09.2018 | 31.03.2018 |
| | Unaudited | Audited |
| A ASSETS | | |
| 1 Non Current Assets | | |
| (a) Property, Plant and Equipment | 10,945.47 | 10,963.50 |
| (b) Capital Work in Progress | 262.33 | 362.25 |
| (c) Intangible Assets | 390.84 | 452.56 |
| (d) Financial Assets | | |
| (i) Investments | 0.03 | - |
| (ii) Other Financial Assets | 1,196.83 | 1,215.44 |
| (e) Tax assets (Net) | - | - |
| (f) Deferred tax assets (Net) | 138.03 | 49.96 |
| (g) Other Non-Current Assets | 67.70 | 98.25 |
| Total Non-Current Assets | 13,001.23 | 13,141.96 |
| 2 Current Assets | | |
| (a) Inventories | 4,583.68 | 3,604.96 |
| (b) Financial Assets | | |
| (i) Trade Receivables | 9,725.72 | 12,083.15 |
| (ii) Cash and cash equivalents | 2,907.52 | 950.59 |
| (iii) Bank balances other than (ii) above | 333.06 | 12.16 |
| (iv) Other Financial assets | 123.56 | 110.81 |
| (c) Other Current Assets | 857.37 | 1,185.16 |
| Total Current Assets | 18,530.91 | 17,946.83 |
| TOTAL ASSETS | 31,532.14 | 31,088.79 |
| B EQUITY AND LIABILITIES | | |
| 1 Equity | | |
| (a) Equity Share Capital | 791.50 | 791.50 |
| (b) Other Equity | 18,397.26 | 18,030.54 |
| Total Equity | 19,188.76 | 18,822.04 |
| 2 Liabilities | | |
| (1) Non-Current liabilities | | |
| (a) Financial Liabilities | | |
| (i) Other financial liabilities | 5.00 | 5.00 |
| (b) Provisions | 246.75 | 280.24 |
| (c) Deferred tax liabilities (net) | - | - |
| (d) Other non-current liabilities | 11.78 | 21.61 |
| (2) Current Liabilities | | |
| (a) Financial Liabilities | | |
| (i) Borrowings | - | 11.56 |
| (ii) Trade Payables | | |
| (a) Micro and Small enterprises | 490.40 | 511.34 |
| (b) Others | 9,958.84 | 10,113.39 |
| (iii) Other Financial Liabilities | 22.43 | 21.87 |
| (b) Other Current Liabilities | 335.45 | 285.98 |
| (c) Provisions | 1,107.86 | 828.01 |
| (d) Current Tax Liabilities (Net) | 164.87 | 187.75 |
| Total Liabilities | 12,343.38 | 12,266.75 |
| TOTAL EQUITY AND LIABILITIES | 31,532.14 | 31,088.79 |



- 2 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 23, 2018. The Statutory auditors have carried out limited review of these financial results.
- 3 The Company operates only in one segment, namely, manufacture and marketing of components for Transportation industry.
- 4 The previous period figures have been regrouped wherever necessary to conform to current period's presentation.
- The revenue from operations for the half year ended September 30, 2017 and year ended March 31, 2018 are inclusive of excise duty upto the period June 30, 2017 and are therefore not comparable with the revenue from operations of other periods, which are presented net of GST consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, in compliance with relevant Indian Accounting Standards.
- 6 Exceptional item represents the amount paid to 11 employees who have opted for early retirement in terms of a Voluntary Retirement Scheme introduced by the Company during the financial year ended March 31, 2018.
- 7 The financial results for the quarter and half year ended September 30, 2018 are being published in the newspaper as per the format prescribed under Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The financial results are also available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com and on the company's website- www.ranegroup.com.

For Rane Brake Lining Limited


Ganesh
Chairman

Place: Chennai
Date: October 23, 2018







Rane Brake Lining Limited

Regd. Office : " MAITHRI ", 132, Cathedral Road, Chennai - 600 086
visit us at: www.ranegroup.com CIN No.L63011TN2004PLC054948



Extract of Unaudited Financial Results for the Quarter & Half year ended September 30, 2018

Rs. In Lakhs

| S.No | Particulars | Quarter ended | | Half year ended | |
|------|--|---------------|------------|-----------------|------------|
| | | 30.09.2018 | 30.09.2017 | 30.09.2018 | 30.09.2017 |
| | | Unaudited | Unaudited | Unaudited | Unaudited |
| 1 | Total income from operations (net) | 12,126.95 | 11,232.65 | 24,443.91 | 22,666.91 |
| 2 | Net Profit / (Loss) for the period (before Tax and Exceptional items) | 736.74 | 1,372.15 | 1,731.71 | 2,429.42 |
| 3 | Net Profit / (Loss) for the period before tax (after Exceptional items) | 736.74 | 1,372.15 | 1,731.71 | 2,429.42 |
| 4 | Net Profit / (Loss) for the period after tax (after Exceptional items) | 530.58 | 933.50 | 1,188.41 | 1,665.56 |
| 5 | Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | 565.67 | 916.19 | 1,224.93 | 1,648.89 |
| 6 | Equity Share Capital | 791.50 | 791.50 | 791.50 | 791.50 |
| 7 | Earnings Per Share (of Rs.10/- each) | | | | |
| | (a) Basic : | 6.70 | 11.79 | 15.01 | 21.04 |
| | (b) Diluted: | 6.70 | 11.79 | 15.01 | 21.04 |

Note:

1. The above is an extract of the detailed format of Unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Disclosure Requirements) Regulations, 2015. The full format of the Unaudited Financial Results are available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com and on the company's website-www.ranegroup.com
2. The unaudited financial results have been recommended by the Audit committee and approved by the Board of Directors at their respective meetings held on October 23, 2018.
3. The revenue from operations for the half year ended September 30, 2017 and year ended March 31, 2018 are inclusive of excise duty upto the period June 30, 2017 and are therefore not comparable with the revenue from operations of other periods, which are presented net of GST consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, in compliance with relevant Indian Accounting Standards.
4. Exceptional item represents the amount paid to 11 employees who have opted for early retirement in terms of a Voluntary Retirement Scheme introduced by the Company during the financial year ended March 31, 2018

For Rane Brake Lining Limited

Place: Chennai

Date: October 23, 2018




Limited Review Report

To
The Board of Directors
Rane Brake Lining Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Rane Brake Lining Limited ("the Company") for the quarter/half year ended 30th September, 2018, attached herewith being submitted by the company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations,2015"), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on this statement based on our review
3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410,"Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether this statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in all material respects in accordance with Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015,read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Varma & Varma
Chartered Accountants
F.R.N. 004532S


P.R. Prasanna Varma

Partner
M No. 025854

Place: Chennai
Date:23rd Oct, 2018





Expanding Horizons

RANE BRAKE LINING LIMITED

Q2 FY19 Earnings Release



Chennai, India, October 23, 2018 – Rane Brake Lining Limited (NSE: RBL; BSE Code:532987), a leading manufacturer of Brake Linings, Disc Pads and Clutch Facings today announced financial performance for the second quarter (Q2FY19) and six months (H1FY19) ended September 30th, 2018

Q2 FY19 Performance

- Total Net Revenue was ₹121.3 Crore for Q2 FY19 as compared to ₹112.3 Crore in the Q2 FY18, an increase of 8.0%
- EBITDA stood at ₹13.1 Crore as compared to ₹19.1 Crore during Q2 FY18, a decrease of 31.4%
- EBITDA Margin at 10.8% for Q2 FY19 as against 17.0% in Q2 FY18
- Net profit (PAT) stood at ₹5.3 Crore for Q2 FY19 as compared to ₹9.3 Crore in Q2 FY18, a decrease of 43.2%

H1 FY19 Performance

- Total Net Revenue was ₹244.4 Crore for H1 FY19 as compared to ₹213.3 Crore in the H1 FY18, an increase of 14.6%
- EBITDA stood at ₹28.6 Crore as compared to ₹35.0 Crore during H1 FY18, a decrease of 18.3%
- EBITDA Margin at 11.7% for H1 FY19 as against 16.4% in H1 FY18
- Net profit (PAT) stood at ₹11.9 Crore for H1 FY19 as compared to ₹16.7 Crore in H1 FY18, a decrease of 28.6%

Operating Highlights for Q2 FY19

- Strong demand from Indian OE customers particularly Utility Vehicles, M&HCV and Two Wheeler segment
- Sales to Aftermarket registered a drop on the back of high base in Q2FY18 post GST implementation
- EBITDA margin declined by 620 bps
 - Adverse forex movement, unfavourable product mix, increase in raw material / employee cost mainly contributed for the drop in the EBITDA margin
 - There was also an one off reversal of provision for excise duty and bad debts during Q2 FY18

MANAGEMENT COMMENT

"RBL had challenging quarter with drop in sales to Aftermarket customers. The inflationary pressure on raw material and employee cost pulled down the margin. We expect moderate growth in aftermarket sales and demand from OE customers to sustain in the upcoming quarter. Management is focusing on initiatives to mitigate the margin pressure."

– L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

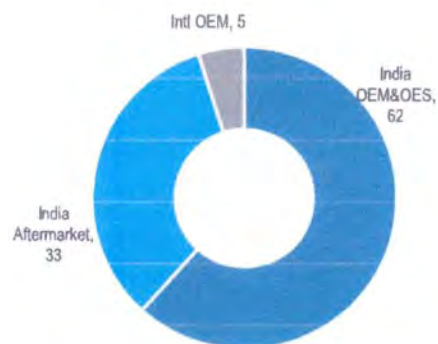
Financial Performance

| Particulars | Q2 FY 19 | Q2 FY 18 | YOY% |
|--------------------|----------|----------|----------|
| Total Net Revenue* | 121.3 | 112.3 | 8.0% |
| EBITDA | 13.1 | 19.1 | -31.4% |
| Margin (%) | 10.8% | 17.0% | -620 bps |
| PAT | 5.3 | 9.3 | -43.2% |

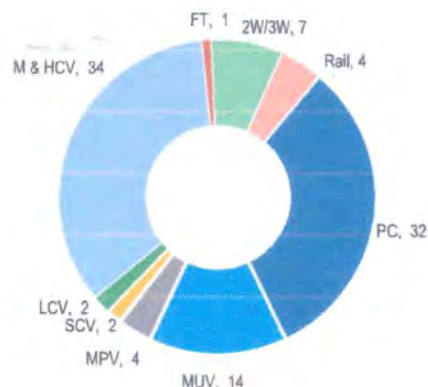
| Particulars | H1 FY 19 | H1 FY 18 | YOY% |
|--------------------|----------|----------|----------|
| Total Net Revenue* | 244.4 | 213.3 | 14.6% |
| EBITDA | 28.6 | 35.0 | -18.3% |
| Margin (%) | 11.7% | 16.4% | -472 bps |
| PAT | 11.9 | 16.7 | -28.6% |

*Revenue excludes excise duty wherever applicable

BUSINESS SPLIT (Q2 FY19)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

| Particulars | Q2FY19 | Q1FY19 | QoQ% | Q2FY18 | YoY% | H1FY19 | H1FY18 | YoY% |
|-------------------------------------|--------------|--------------|-------------|--------------|-------------|--------------|--------------|-------------|
| Income from Operations | 119.7 | 122.1 | -2% | 112.0 | 7% | 241.9 | 225.7 | 7% |
| Other Operating Income | 0.2 | 0.2 | 40% | 0.1 | 220% | 0.4 | 0.2 | 83% |
| Other Income | 1.3 | 0.9 | 48% | 0.3 | 418% | 2.2 | 0.7 | 202% |
| Total Revenue | 121.3 | 123.2 | -2% | 112.3 | 8% | 244.4 | 226.7 | 8% |
| Expenses | | | | | | | | |
| -Cost of Material Consumed | 60.2 | 65.6 | -8% | 53.6 | 12% | 125.8 | 108.0 | 17% |
| -Purchase of stock-in-trade | - | - | - | - | - | - | - | - |
| -Changes in inventories | 1.1 | -4.7 | 124% | 3.5 | -68% | -3.6 | -2.7 | -32% |
| -Excise Duty | - | - | - | - | - | - | 13.4 | - |
| -Employee Benefit Expense | 18.4 | 18.3 | 0% | 15.6 | 18% | 36.7 | 31.2 | 18% |
| -Finance Cost | 0.1 | 0.1 | 2% | 0.1 | -25% | 0.1 | 0.2 | -42% |
| -Depreciation & Amortization | 5.7 | 5.5 | 2% | 5.3 | 7% | 11.2 | 10.6 | 6% |
| -Other Expenditure | 28.4 | 28.4 | 0% | 20.6 | 38% | 56.8 | 41.7 | 36% |
| Total Expenses | 113.9 | 113.2 | 1% | 98.6 | 16% | 227.1 | 202.4 | 12% |
| PBT before Exceptional Items | 7.4 | 9.9 | -26% | 13.7 | -46% | 17.3 | 24.3 | -29% |
| Exceptional Item | - | - | - | - | - | - | - | - |
| PBT | 7.4 | 9.9 | -26% | 13.7 | -46% | 17.3 | 24.3 | -29% |
| Tax Expense | 2.1 | 3.4 | -39% | 4.4 | -53% | 5.4 | 7.6 | -29% |
| PAT | 5.3 | 6.6 | -19% | 9.3 | -43% | 11.9 | 16.7 | -29% |

(In ₹ Crore, unless otherwise mentioned. The sum of the sub-segment amounts may not equal the total amounts due to rounding off)

KEY BALANCE SHEET ITEMS

| Particulars | As at 30.09.2018 |
|-------------------------------------|------------------|
| Non-current assets | 130.0 |
| -Property, Plant and Equipment | 109.5 |
| -Financial Assets | 12.0 |
| Current assets | 185.3 |
| -Inventories | 45.8 |
| -Trade receivables | 97.3 |
| -Cash and cash equivalents | 29.1 |
| Total Assets | 315.3 |
| Shareholders Fund | 191.9 |
| Non-current liabilities | 2.6 |
| -Long-term borrowings | - |
| Current liabilities | 120.8 |
| -Short-term borrowings | - |
| -Trade payables | 104.5 |
| Total Liabilities | 123.4 |
| Total Equity and Liabilities | 315.3 |

(In ₹ Crore)

ABOUT RANE BRAKE LINING LIMITED

Established in 1964, Rane Brake Lining Limited (RBL) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. RBL manufactures friction material products such as Brake linings, Disc pads, Clutch facings, Clutch buttons, Brake Shoes and Railway brake blocks. RBL is market leader in India and global player in friction material. It has technical collaboration with Nisshinbo Brakes Inc., Japan for know-how in brake linings, disc pads & clutch facings. RBL products have application in every segment of automobile industry such as PV, CV and 2W/3W.

ABOUT RANE GROUP

Headquartered in Chennai, India, Rane Group is engaged primarily in manufacturing auto components for well over five decades. Rane Group is a preferred supplier to major OEMs in India and abroad. Through its group companies, it provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility solutions. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationery Engines.

IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,
PLEASE FEEL FREE TO CONTACT: INVESTORSERVICES@RANEGROUP.COM OR DPINGLE@CHRISTENSENIR.COM

Certain statements in this document that are not historical facts are forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.