

Rane Brake Lining Limited
CIN : L63011TN2004PLC054948
Registered Office : "Maithri", 132 Cathedral Road, Chennai 600 086
Visit us at : <http://www.ranegroup.com>
Statement of unaudited financial results for the quarter and nine months ended December 31, 2022



S. No.	Particulars	Quarter ended			Nine months ended		in INR Crores
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	Year ended
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	Revenue from operations	153.33	141.22	134.47	433.93	351.25	505.55
	Other income	1.30	3.50	2.68	7.31	9.99	12.64
	Total income	154.63	144.72	137.15	441.24	361.24	518.19
2	Expenses						
	Cost of materials consumed	87.25	88.39	68.48	259.31	187.60	271.70
	Purchase of stock-in-trade	-	-	-	-	-	0.05
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2.76)	(10.98)	5.25	(19.15)	(2.63)	(2.83)
	Employee benefits expense	21.00	21.43	20.09	62.67	58.90	78.77
	Finance costs	0.02	-	0.00	0.02	0.00	0.02
	Depreciation and amortisation expense	5.04	4.89	5.34	14.76	15.89	21.42
	Other expenses	31.78	32.11	29.75	94.79	82.50	113.73
	Total expenses	142.33	135.84	128.91	412.40	342.26	482.86
3	Profit before exceptional items and tax (1-2)	12.30	8.88	8.24	28.84	18.98	35.33
4	Exceptional item (Refer note 5)	-	-	-	-	-	0.66
5	Profit before tax (3-4)	12.30	8.88	8.24	28.84	18.98	34.67
6	Tax expense (Refer note 6)						
	(i) Current tax	3.37	2.67	2.58	8.07	5.39	9.52
	(ii) Deferred tax	(0.24)	(0.27)	(1.21)	(0.67)	(0.42)	(1.92)
	Total tax expense	3.13	2.40	1.37	7.40	4.97	7.60
7	Profit for the period (5-6)	9.17	6.48	6.87	21.44	14.01	27.07
8	Other comprehensive income						
	Items that will not be reclassified subsequently to profit or loss						
	(i) Re-measurement (losses) / gains on defined benefit plans	(0.01)	(0.37)	0.29	0.07	(1.47)	(0.44)
	(ii) Income tax effect on above	-	0.09	(0.10)	(0.02)	0.51	0.11
	Total other comprehensive income	(0.01)	(0.28)	0.19	0.05	(0.96)	(0.33)
9	Total comprehensive income for the period (7+8) (Comprising profit and other comprehensive income for the period)	9.16	6.20	7.06	21.49	13.05	26.74
10	Paid-up equity share capital (face value of ₹10/- each fully paid up)	7.73	7.73	7.73	7.73	7.73	7.73
11	Other equity	-	-	-	-	-	235.11
12	Earnings per share (EPS) (face value of ₹10/- each) (not annualised for quarters and year to date periods)						
	(a) Basic (in ₹)	11.87	8.38	8.88	27.74	18.12	35.03
	(b) Diluted (in ₹)	11.87	8.38	8.88	27.74	18.12	35.03

Statement of unaudited financial results for the quarter and nine months ended December 31, 2022

Notes:

1. The above financial results were reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors of Rane Brake Lining Limited ('the Company') at their respective meetings held on February 09, 2023. The Statutory auditors have carried out a limited review for the quarter and nine months ended December 31, 2022.
2. The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
3. The Company is primarily engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks for transportation industry, which in the context of Indian Accounting Standard (Ind AS) 108 Operating Segments, is considered as the only operating segment.
4. The comparative period figures have been regrouped wherever necessary to conform to current period's classification.
5. Exceptional item represents the amount paid to certain employees during the year ended March 31, 2022, who opted for early retirement in terms of a Voluntary retirement scheme introduced by the Company.
6. Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, which is effective from April 01, 2019, domestic companies have the option to apply a lower income tax rate with effect from April 01, 2019 subject to certain conditions specified therein. The Company had exercised the above option during the year ended March 31, 2022 and had recognized provision for income tax and re-measured its deferred tax liabilities for the year ended March 31, 2022 based on the lower income tax rate.
Current tax for the nine months ended December 31, 2021, includes reversal of income tax provision of INR 0.77 crores, being tax related to earlier years, arising out of settlement of pending income tax disputes under the Vivad-Se-Vishwas scheme notified by the Government through "The Direct tax Vivad Se Vishwas Act, 2020"
7. During the nine months ended December 31, 2021, the Company bought back 22,488 equity shares of INR 10/- each for an aggregate amount of INR 1.83 crores. The Company had transferred INR 0.02 crores to the capital redemption reserve during the nine months ended December 31, 2021, representing the face value of equity shares bought back.
8. The Company has considered the possible effects that may result from the continued effect of the COVID-19 pandemic on the carrying amounts of assets, capital and financial resources, profitability, liquidity position, internal financial controls etc. In developing the assumptions relating to the possible future uncertainties, the Company, as at the date of approval of these financial results has used internal and external sources of information and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the financial results may differ from that estimated as at the date of approval of these financial results depending on the circumstances that may evolve in the future. The Company will continue to closely monitor any material changes to future economic conditions.
9. The financial results for the quarter and nine months ended December 31, 2022, are being published in the newspaper as per the format prescribed under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The financial results is being made 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

LAKSHMINARAYAN
GANESH

L Ganesh
Chairman

Place : Chennai
Date : February 09, 2023

B S R & Co. LLP

Chartered Accountants

KRM Tower, 1st & 2nd Floors,
No.1, Harrington Road, Chetpet,
Chennai – 600 031, India

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Limited Review Report on unaudited financial results of Rane Brake Lining Limited for the quarter ended 31 December 2022 and year to date results for the period from 01 April 2022 to 31 December 2022 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Rane Brake Lining Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Rane Brake Lining Limited (hereinafter referred to as "the Company") for the quarter ended 31 December 2022 and year to date results for the period from 01 April 2022 to 31 December 2022 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

B S R & Co. LLP

Limited Review Report (Continued)

Rane Brake Lining Limited

5. The financial results of the Company for the year ended 31 March 2022 were audited by the predecessor auditor whose report dated 18 May 2022 had expressed an unmodified opinion. The financial information of the Company for the corresponding quarter ended 31 December 2021 and the corresponding period from 01 April 2021 to 31 December 2021 were reviewed by the predecessor auditor whose report dated 27 January 2022 had expressed an unmodified conclusion.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

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Partner

Chennai

09 February 2023

Membership No.: 203491

UDIN: 23203491BGYXVU7802



Expanding Horizons

RANE BRAKE LINING LIMITED

Q3 FY23 Earnings Release



Chennai, India, February 09, 2023 – 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 third quarter (Q3FY23) and nine months (9MFY23) ended December 31st, 2022.

Q3 FY23 Performance

- Total Revenue was ₹154.6 Crore for Q3 FY23 compared to ₹137.2 Crore in the Q3 FY22, an increase of 12.7%
- EBITDA stood at ₹17.4 Crore compared to ₹13.6 Crore during Q3 FY22, an increase of 27.9%
- EBITDA Margin at 11.2% for Q3 FY23 against 9.9% in Q3 FY22
- PAT stood at ₹9.2 Crore for Q3 FY23 compared to ₹6.9 Crore in Q3 FY22, an increase of 33.5%

9M FY23 Performance

- Total Revenue was ₹441.2 Crore for 9M FY23 compared to ₹361.2 Crore in the 9M FY22, an increase of 22.1%
- EBITDA stood at ₹43.6 Crore compared to ₹34.9 Crore during 9M FY22, an increase of 25.1%
- EBITDA Margin at 9.9% for 9M FY23 against 9.7% in 9M FY22
- PAT stood at ₹21.4 Crore for 9M FY23 compared to ₹14.0 Crore in 9M FY22, an increase of 53.1%

Operating Performance for Q3 FY23

- Sales to OE customer grew 18% supported by strong demand from passenger vehicle and two wheeler segments
- Sales to Aftermarket customers grew 10%
- EBITDA margin improved 133 bps
 - Higher volume helped to mitigate the material price increases and unfavourable product mix.

MANAGEMENT COMMENT

"RBL had a good quarter supported by favourable demand and improved operational performance. Sustained higher material cost remains a challenge. Management is executing various operational improvement initiatives to mitigate the impact. Though the demand environment in India remains strong, we remain cautious given the evolving economic scenario across major global economies."

– L. Ganesh, Chairman, Rane Group

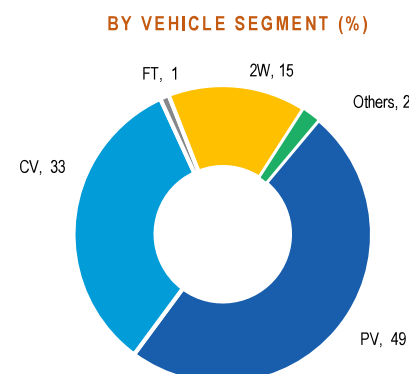
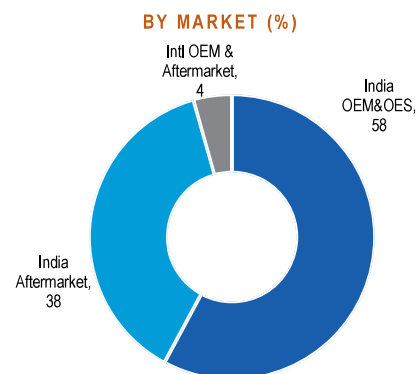
BUSINESS HIGHLIGHTS

Particulars	Q3 FY 23	Q3 FY 22	YOY%
Total Revenue	154.6	137.2	12.7%
EBITDA	17.4	13.6	27.9%
Margin (%)	11.2%	9.9%	133 bps
PAT	9.2	6.9	33.5%

Particulars	9M FY 23	9M FY 22	YOY%
Total Revenue	441.2	361.2	22.1%
EBITDA	43.6	34.9	25.1%
Margin (%)	9.9%	9.7%	23 bps
PAT	21.4	14.0	53.1%

(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q3 FY23)



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PROFIT AND LOSS ACCOUNT

Particulars	Q3FY23	Q2FY23	QoQ%	Q3FY22	YoY%	9MFY23	9MFY22	YoY%
Income from Operations	153.3	141.2	9%	134.5	14%	433.9	351.3	24%
Other Income	1.3	3.5	-63%	2.7	-51%	7.3	10.0	-27%
Total Revenue	154.6	144.7	7%	137.2	13%	441.2	361.2	22%
Expenses								
-Cost of Material Consumed	87.3	88.4	-1%	68.5	27%	259.3	187.6	38%
-Changes in inventories	-2.8	-11.0		5.3		-19.2	-2.6	
-Employee Benefit Expense	21.0	21.4	-2%	20.1	5%	62.7	58.9	6%
-Finance Cost	0.0	-		0.0		0.0	0.0	
-Depreciation & Amortization	5.0	4.9	3%	5.3	-6%	14.8	15.9	-7%
-Other Expenditure	31.8	32.1	-1%	29.8	7%	94.8	82.5	15%
Total Expenses	142.3	135.8	5%	128.9	10%	412.4	342.3	20%
PBT before Exceptional Items	12.3	8.9	39%	8.2	49%	28.8	19.0	52%
Exceptional Item	-	-		-		-	-	
PBT	12.3	8.9	39%	8.2	49%	28.8	19.0	52%
Tax Expense	3.1	2.4	30%	1.4	128%	7.4	5.0	49%
PAT	9.2	6.5	42%	6.9	34%	21.4	14.0	53%

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

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, Light Metal casting components 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 Stationary Engines.

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IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,
PLEASE FEEL FREE TO CONTACT: INVESTORSERVICES@RANEGROUP.COM OR DIWAKAR.PINGLE@IN.EY.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.