Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L744999TN1972PLC006127

Tel : 044 - 2811 2472
Fax : 044 - 2811 2449
URL : www.ranegroup.com

//Online submission//

REVL /SE/41 / 2017-18

January 3, 2018

BSE Limited Listing Centre Scrip Code: **532988**	**National Stock Exchange of India Ltd.** NEAPS Symbol: **RANEENGINE**

Dear Sir / Madam,

Sub: Performance for the half year ended September 30, 2017

We enclose herewith the copy of the communication being sent to shareholders, regarding the performance of the Company for the half year ended September 30, 2017.

Please take this on record as compliance with regulation 27(1) and other relevant regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you.

Yours faithfully,
For **Rane Engine Valve Limited**

Kalidoss S
Secretary

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Encl : a/a

RANE ENGINE VALVE LIMITED

CIN: L74999TN1972PLC006127

Expanding Horizons

Half Yearly Performance Review (H1 FY18)

Dear Shareholders,

On behalf of Rane EngineValve Limited (REVL), I am pleased to share with you the key highlights of the performance of your Company in the first six months (H1 FY18) of fiscal 2018(April 1, 2017, to September 30, 2017). Let me take you through the highlights of the industry, followed by the Company's performance vis-à-vis industry.

INDUSTRY HIGHLIGHTS

Indian automobile industry ended H1FY18 on a positive note supported by robust festive demand, normal monsoon along with increased farm income and new product launches. The passenger vehicles segment experienced decent growth on the back of new launches as well as refreshes and facelifts of existing models. In the passenger vehicles segment, utility vehicles saw the highest demand. The demand in the M&HCV segment was significantly affected in Q1 following the ban on BS 3 vehicles and subsequently in Q2 there was a pick-up in demand. Demand for last-mile connectivity and e-retail goods boosted growth in LCV goods carriers. Two-wheelers experienced low double-digit growth.

KEY OPERATING HIGHLIGHTS

- Demand from Indian OE customers could not be capitalized as certain plants experienced delivery issues
- Experienced lower off take in Indian Aftermarket segment
- Successfully installed new line at Trichy plant for enhanced business volume with International OE customer
- Experienced higher rejections with ramp up of volumes
- Executed cost reduction projects and achieved material cost savings

SALES PERFORMANCE BY MARKET AND VEHICLE SEGMENT

Sales by Market	Percentage
India- OEM and OES	63%
International- OEM	18%
India-Aftermarket	10%
International-Aftermarket	9%

Sales by Vehicle Segment	Percentage
Passenger Car	26%
Two wheelers and three wheelers	23%
Farm Tractors	10%
M&HCV	7%
SCV,LCV	5%
MUV&MPV	4%
Stationary Engine, Rail& Others	25%

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Rane

Expanding Horizons

REVL'S STANDALONE H1 FY18 PERFORMANCE

Our total net revenue grewby 0.6% to ₹183.1crore for H1 FY18 as compared to ₹182.1crore in the H1 FY17.Ongoing cost reduction initiatives improved our EBITDA margins from 4.9% in H1FY17 to 5.4% in H1 FY18. Recorded EBITDA growth of 10.4% from ₹8.9 crore in H1 FY17 to ₹9.8 Crore in H1 FY18. Recorded net loss of ₹5.0 crore for H1FY18 as compared to a profit of ₹59.6 crore in H1 FY17.

OUTLOOK FOR H2 FY18

We expect positive a demand environment in the Indian automotive industry in H2 FY18, mainly due to anticipated increase in government spend, and increase in rural demand and normal monsoon. Passenger vehicles and two-wheelers are likely to continue their growth momentum. Government-led boost for infrastructure is expected to continue aiding demand in commercial vehicles.

We continue to work on improving our operational performance with a focus on cost control measures. We anticipate a strong demand from Indian and International OE customers going forward and as such, we remain optimistic on the growth prospects.

In the end, I would thank you for reposing your faith in the Company and its growth outlook for the future. I attach a copy of the financial results of Rane Engine Valve Limited for your reference. A detailed presentation highlighting the performance of Rane Group made to investors and analysts is available at our website: http://www.ranegroup.com

Thanking you,

Sincerely,

L Ganesh
Chairman

December 8, 2017

Registered Office:
"Maithri", 132, Cathedral Road
Chennai 600 086
www.ranegroup.com

If you have any questions or require further information, please feel free to contact us at investorservices@ranegroup.com

Green initiative: As a part of our efforts in reducing carbon foot print, going forward we intend sending the shareholder and investor related communications only by email to their respective registered email addresses. We encourage your participation and request your support in this regard. To receive further communications from the Company in electronic form, please register your e-mail address with your Depository Participant / Registrar and Share Transfer Agent.

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 hazards, 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.

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Rane Engine Valve Limited

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Part I — Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2017

(Rs. in lakhs)

	Particulars	Quarter Ended			Half Year ended	
		30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
		(Unaudited)			(Unaudited)	
1.	**Income from Operations**					
	(a) Revenue from Operations (Refer note 6)	9,179.76	9,528.79	9,664.29	18,708.55	19,483.35
	(b) Other Operating Income	177.78	143.46	153.34	321.24	329.78
	(c) Other Income	51.23	49.67	119.04	100.90	138.09
	Total Revenue	**9,408.77**	**9,721.92**	**9,936.67**	**19,130.69**	**19,951.22**
2.	**Expenses**					
	(a) Cost of materials consumed	2,996.44	3,051.08	3,071.79	6,047.52	6,093.36
	(b) Purchase of stock-in-trade	195.67	212.49	213.48	408.16	364.57
	(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock -in -Trade	193.58	(196.85)	(137.66)	(3.27)	181.41
	(d) Excise Duty	-	817.51	874.18	817.51	1,745.99
	(e) Employee benefits expenses	2,538.05	2,454.10	2,398.85	4,992.15	4,669.91
	(f) Finance Costs	190.23	171.51	275.17	361.74	607.86
	(g) Depreciation and amortisation expense	688.91	700.89	702.30	1,389.80	1,408.88
	(h) Other Expenses	2,968.20	2,919.00	3,281.29	5,887.21	6,006.96
	Total expenses	**9,771.08**	**10,129.73**	**10,679.40**	**19,900.82**	**21,078.94**
3.	**Profit / (Loss) before Exceptional items (1-2)**	**(362.31)**	**(407.81)**	**(742.73)**	**(770.13)**	**(1,127.72)**
4.	**Exceptional Items (Refer note 7)**	**-**	**-**	**9,390.00**	**-**	**9,390.00**
5.	**Profit / (Loss) before tax (3±4)**	**(362.31)**	**(407.81)**	**8,647.27**	**(770.13)**	**8,262.28**
6.	**Tax expense**					
	(a) Current tax	-	-	1,760.14	-	1,760.14
	(b) Deferred tax	(124.30)	(141.13)	673.33	(265.43)	540.10
	(c) Relating to Earlier Years	-	-	-	-	(0.48)
	Total Tax Expenses	**(124.30)**	**(141.13)**	**2,433.47**	**(265.43)**	**2,299.76**
7.	**Profit / (Loss) for the period (5-6)**	**(238.01)**	**(266.68)**	**6,213.80**	**(504.70)**	**5,962.52**
8.	**Other Comprehensive Income (Net of Tax Expenses)**	**(19.77)**	**(16.71)**	**(16.70)**	**(36.48)**	**(33.41)**
9.	**Total Comprehensive Income for the period (7+8) (Comprising profit / (loss) and other comprehensive income for the period)**	**(257.78)**	**(283.39)**	**6,197.10**	**(541.18)**	**5,929.11**
10.	**Details of equity share capital**					
	Paid-up equity share capital	671.90	671.90	671.90	671.90	671.90
	(Face Value of Rs.10/- per share)	-	-	-	-	-
	Total equity share capital	**671.90**	**671.90**	**671.90**	**671.90**	**671.90**
11.	**Earnings per share (of Rs.10/- each) (not annualised) (in Rs.)**					
	(a) Basic	(3.54)	(3.97)	92.48	(7.51)	88.74
	(b) Diluted	(3.54)	(3.97)	92.48	(7.51)	88.74

Chennai

Dated : November 20, 2017

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

For Rane Engine Valve Limited

L Ganesh

Chairman & Managing Director

Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

Registered Office : "Maithri", 132, Cathedral Road, Chennai-600 086

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Statement of Unaudited Financial Results for the Quarter and Half Year Ended September 30, 2017

Notes:

1. Statement of Assets and Liabilities

(Rs. in lakhs)

	Particulars	As at 30.09.2017 Unaudited
A.	**ASSETS**	
1	**Non-Current Assets**	
	(a) Property, Plant and Equipment	12,777.35
	(b) Capital Work-In-Progress	1,535.17
	(c) Investment property	33.40
	(d) Intangible Assets	21.77
	(e) Financial Assets	
	(i) Investments	59.65
	(ii) Other Financial Assets	470.61
	(f) Deferred tax assets (net)	840.04
	(g) Non-Current Tax Assets	821.90
	(h) Other non-current assets	310.65
	Total Non-Current Assets	**16,870.54**
2.	**Current Assets**	
	(a) Inventories	5,255.36
	(b) Financial Assets	
	(i) Trade Receivables	7,003.26
	(ii) Cash and cash equivalents	125.75
	(iii) Bank balances other than (ii) above	921.23
	(iv) Loans	19.68
	(v) Others	267.54
	(c) Other Current Assets	1,800.17
	Total Current Assets	**15,392.99**
	Assets Held for Sale	**77.47**
	TOTAL ASSETS	32,341.00
B	**EQUITY AND LIABILITIES**	
1	**Equity**	
	(a) Equity Share Capital	671.90
	(b) Other Equity	14,589.44
	Toal Equity	**15,261.34**
2	**Liabilities**	
	(1) Non-Current liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	3,520.21
	(ii) Other financial liabilities	46.91
	(b) Provisions	1,013.81
	(2) Current Liabilities	
	(a) Financial Liabilities	
	(i) Borrowings	5,496.04
	(ii) Trade Payables	4,443.96
	(iii) Other Financial Libilities	2,271.94
	(b) Other Current Liabilities	102.10
	(c) Provisions	99.27
	(d) Current Tax Liabilities (Net)	85.42
	Total Liabilities	**17,079.66**
	TOTAL EQUITY AND LIABILITIES	**32,341.00**

2. The above financial results and the statement of assets and liabilities were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 20, 2017.
3. The company has adopted Indian Accounting Standards ('Ind AS') from April 1, 2017 and these financial results have been prepared in accordance with the recognition and measurement prinicples laid down in the said standards. The date of transition to INDAS is April 1, 2016.
4. In terms of the circular no.CIR/CFD/FAC/62/2016 dated July 05, 2016 issued by the Securities and Exchange Board of India, the IND AS compliant unaudited financial results for the quarter and half year ended September 30, 2016 have not been subjected to limited review by the Statutory Auditors. However, the management has excercised necessary due diligence to ensure that the financial results for the said period provide a true and fair view of its affairs.
5. The Company operates only in one segment, namely, manufacture and marketing of components for Transportation industry.
6. Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, Revenue for the quarter ended 30 September 2017 is presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - "Revenue". The revenue from operations for the quarter ended June 30, 2017, quarter and half year ended September 30, 2016 are inclusive of excise duty, and hence are not comparable with the revenue from operations for the quarter and half year ended September 30, 2017 to that extent.
7. Exceptional item represents Profit on sale of land of Rs.9,390 lakhs for the quarter and half year ended September 30, 2016.
8. Reconciliation of net profit reposted under Indian GAAP for the quarter ended September 30, 2016 with Ind AS is furnished below.

(Rs. in lakhs)

Particulars	Quarter ended 30.09.2016	Half year ended 30.09.2016
Net Profit as per Indian GAAP	**6,192.80**	**5,933.65**
Add:		
Actuarial Loss on employee defined benefit plan recognised in other comprehensive income (net of tax)	16.71	33.41
Deferred tax impact on fair value of financial assets and liabilities	(3.01)	1.67
	6,206.50	5,968.73
Less:		
Increase in Provision for Receivables	2.92	0.61
Fair valuation of financial assets and liabilities	(10.22)	5.60
Net Profit under Ind AS (A)	**6,213.81**	**5,962.52**
Other Comprehensive Income (net of tax)		
- Actuarial Loss on employee defined benefit plans	(16.71)	(33.41)
Other Comprehensive Income, net of income tax (B)	**(16.71)**	**(33.41)**
Total Comprehensive Income for the period under Ind AS (A+B)	**6,197.10**	**5,929.11**

9. The financial results for the quarter and half year ended September 30, 2017 are being published in the newspapers 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.

Chennai

Dated: November 20, 2017

RANE (MADRAS) LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

For Rane Engine Valve Limited

L Ganesh
Chairman & Managing Director