



Rane Engine Valve 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.
- Sales were lower by 5% compared to the previous year with aftermarket sales remaining subdued and down by 24%. Exports business grew by 11% compared to the previous year.

Operating Performance Highlights

• Production

Power situation in Tamil Nadu and Andhra Pradesh improved considerably during the period under review thereby giving relief to operational costs and also providing for stable operations. The Company's plants in Andhra Pradesh reduced their power costs by 20% compared to Q4/2012-13.

Rationalization of Alandur Plant in progress, with capacities being redistributed between Trichy and Ponneri plants.

• Human Resources

The company had extended VRS scheme to all the employees of Alandur Plant with a payout Rs.40.76 Crores. This VRS is part rationalisation of plant capacities to become cost-efficient. The benefits of the same will accrue to company in years to come.

• Costs and Capex

The Company had a turnaround in its operations in the second quarter with costs under strict control enabling the Company to make operational profits before exceptional items.

The Company realized savings of 2% on account of localization and alternate sourcing during the period.

• Business Development

The Company has been targeting new customers and markets and have secured new business worth Rs. 43 crore during the period under review.



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Awards & Accolades

Quality and delivery improvement award received from Maruti Suzuki India Limited for 2012-13 in May 2013.

Financial Performance

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

Rs. Crores

Particulars	Half year ended 30 th September, 2013	Half year ended 30 th September, 2012	Growth %
Sales & Other operating income	128.24	134.50	(5)
Profit / (Loss) before Tax	(46.93)*	(7.91)	(494)
Profit / (Loss) After Tax	(31.28)*	(5.39)	(480)
EPS (Rs.) (Not Annualised)	(60.73)	(10.47)	(480)

**Includes exceptional item of Rs.40.76 Crores paid to employees under VRS scheme*

The management is focused on new Business Development and restructuring to reduce costs to enable the company to be in a better position to return to profitable operations in the next financial year 2014-15.

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 & Managing Director

Dated: 19th November, 2013



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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/Income from Operations (net of excise duty)	6,410.53	6,100.55	6,278.61	12,511.08	13,190.94	25,465.34	
(b) Other Operating Income	187.83	124.90	151.15	312.73	259.39	810.90	
Total income from opertions (net)	6,598.36	6,225.45	6,429.76	12,823.81	13,450.33	26,276.24	
2. Expenses							
a. Cost of materials consumed	1,984.40	1,874.44	1,939.71	3,858.84	4,373.24	8,266.58	
b. Purchase of stock-in-trade	139.70	98.63	128.05	238.33	245.11	404.11	
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	(179.44)	(40.04)	189.35	(219.48)	(81.17)	143.09	
d. Employee benefits expenses	1,590.07	1,686.07	1,786.15	3,276.14	3,587.80	7,350.20	
e. Depreciation and amortisation expense	512.91	521.08	526.29	1,033.99	1,025.07	2,118.77	
f. Other expenses	2,303.59	2,294.35	2,227.28	4,597.94	4,722.86	9,108.68	
Total expenses	6,351.23	6,434.53	6,796.83	12,785.76	13,872.91	27,391.43	
3. Profit / (Loss) from Operations before Other Income, finance costs & exceptional Items (1-2)	247.13	(209.08)	(367.07)	38.05	(422.58)	(1,115.19)	
4. Other Income	10.79	19.84	100.66	30.63	127.42	304.45	
5. Profit / (Loss) from ordinary activities before finance costs & exceptional Items (3+4)	257.92	(189.24)	(266.41)	68.68	(295.16)	(810.74)	
6. Finance Costs	375.73	358.80	248.02	734.53	487.33	948.35	
7. Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(117.81)	(548.04)	(514.43)	(665.85)	(782.49)	(1,759.09)	
8. Exceptional Items	48.99	(4,076.37)	-	(4,027.38)	(8.25)	(132.12)	
9. Profit / (Loss) from ordinary activities before tax (7+8)	(68.82)	(4,624.41)	(514.43)	(4,693.23)	(790.74)	(1,891.21)	
10. Tax expense							
a) Current tax (net of MAT credit)	-	-	-	-	-	-	
b) Deferred tax	(19.72)	(1,545.38)	(163.06)	(1,565.10)	(251.30)	(630.63)	
c) Relating to Earlier Years	-	-	-	-	-	-	
11. Net Profit / (Loss) from Ordinary Activities after tax (9-10)	(49.10)	(3,079.03)	(351.37)	(3,128.13)	(539.44)	(1,260.58)	
12. Extraordinary Item (net of tax expense Rs.)	-	-	-	-	-	-	
13. Net Profit / (Loss) for the period (11-12)	(49.10)	(3,079.03)	(351.37)	(3,128.13)	(539.44)	(1,260.58)	
14. Paid-up equity share capital (Face Value of Rs.10/- per share)	515.10	515.10	515.10	515.10	515.10	515.10	
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						8,685.03	
16. Earnings Per Share (of Rs. 10/- each) (not annualised) (Amount in Rs.)							
(a) Basic	(0.95)	(59.78)	(6.82)	(60.73)	(10.47)	(24.47)	
(b) Diluted	(0.95)	(59.78)	(6.82)	(60.73)	(10.47)	(24.47)	
Part - II							
A PARTICULARS OF SHAREHOLDING							
1. Public shareholding							
- Number of shares	23,86,819	23,86,819	23,87,418	23,86,819	23,87,418	23,86,819	
- Percentage of shareholding	46.34%	46.34%	46.35%	46.34%	46.35%	46.34%	
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 capital of the company)	-	-	-	-	-	-	
b) Non - encumbered							
- Number of shares	27,64,173	27,64,173	27,63,574	27,64,173	27,63,574	27,64,173	
- 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 capital of the company)	53.66%	53.66%	53.65%	53.66%	53.65%	53.66%	
Particulars	3 months ended (30/09/2013)						
B INVESTOR COMPLAINTS							
Pending at the beginning of the quarter	Nil						
Received during the quarter	Nil						
Disposed off during the quarter	Nil						
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, 2013

Notes:

1. Statement of Assets and Liabilities

Rs. in lakhs

Particulars	As at	
	30.09.2013	31.03.2013
	Unaudited	Audited
A EQUITY AND LIABILITIES		
1 Shareholder's funds		
(a) Share capital	515.10	515.10
(b) Reserves and surplus	5,556.12	8,685.03
(c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	6,071.22	9,200.13
2 Share application money pending allotment	-	-
3 Non-current liabilities		
(a) Long-term borrowings	9,466.18	5,922.70
(b) Deferred tax liabilities (net)	-	330.36
(c) Other long-term liabilities		
(d) Long-term provisions	343.28	391.54
Sub-total - Non-current liabilities	9,809.46	6,644.60
4 Current liabilities		
(a) Short-term borrowings	2,577.34	2,933.76
(b) Trade payables	2,403.73	2,718.32
(c) Other current liabilities	4,141.19	3,400.93
(d) Short-term provisions	206.67	210.41
Sub-total - Current liabilities	9,328.93	9,263.42
TOTAL EQUITY AND LIABILITIES	25,209.61	25,108.15
B ASSETS		
1 Non-current assets		
(a) Fixed assets	14,986.15	15,667.18
(b) Non-current investments	55.33	-
(c) Deferred tax assets (net)	1,234.74	-
(d) Long-term loans and advances	973.08	1,036.57
(e) Other non-current assets		
Sub-total - Non-current assets	17,249.30	16,703.75
2 Current assets		
(a) Current Investments	-	-
(b) Inventories	3,926.12	3,632.27
(c) Trade receivables	2,949.06	3,142.32
(d) Cash and cash equivalents	235.90	655.39
(e) Short-term loans and advances	655.52	770.34
(f) Other current assets	193.71	204.08
Sub-total - Current assets	7,960.31	8,404.40
TOTAL ASSETS	25,209.61	25,108.15

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 24, 2013. The same were subjected to limited review by the statutory auditors.

3. Exceptional items include the following:

- Voluntary Retirement Scheme (VRS) expenditure of Rs.4,076.37 lakhs for the quarter ended June 30, 2013 and for the half year ended September 30, 2013; Rs.8.25 lakhs for the half year ended September 30, 2012 and year ended March 31, 2013.
- Profit on sale of land of Rs.48.99 lakhs for the quarter and half year ended September 30, 2013.
- Provision towards Fuel Surcharge Adjustment (FSA) of Rs 123.87 Lakhs (net of provision reversed of Rs 45.29 Lakhs made in the earlier year) for the earlier periods – April 2010 to March 2012 in line with the FSA rates approved by Andhra Pradesh Electricity Regulatory Commission (APERC) for the year ended March 31, 2013. The company has filed a suit against the demand raised for the first quarter of 2010-11 and obtained stay in the High Court.

4. Previous year / period figures have been regrouped wherever necessary to conform to current year / periods' presentation.

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

For Rane Engine Valve Limited

Chennai
Dated : October 24, 2013

L Ganesh
Chairman & Managing Director