



Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

Regd Office: "Maithri", 132 Cathedral Road, Chennai 600 086
visit us at www.rane.co.in



PERFORMANCE FOR THE HALF YEAR ENDED SEPTEMBER 30, 2015

Dear Shareholders,

I am pleased to inform you of the highlights on the operating and financial performance for the half year ended September 30, 2015.

Market

- For the half year ended September 30, 2015, the Passenger Car and Multi Utility Vehicle segments achieved a positive growth of 7% and 8% respectively, in comparison to half year ended September 30, 2014. For the same period M&HCV (Medium and Heavy Commercial Vehicle) segment registered a strong growth of 31%. However, Farm Tractor and Small Commercial Vehicle segments declined by 13% and 16% respectively. Three Wheeler segment grew by 3% whereas Two Wheeler segment has slightly declined as compared to corresponding period in the previous year.

Sales Performance

- The company registered overall sales of Rs. 170.75 crores for the half year ended September 30, 2015 as compared to Rs. 137.48 crores for the corresponding period in the previous year. Export sales constituted 26% of the total sales during the current half year.

Operating Performance Highlights

Production

The company continued its focus on consolidation of the manufacturing operations. The shifting of capacities of the Alandur Plant to Ponneri Plant was fully completed and ramp up activities started in Ponneri Plant. Similarly shifting of production facilities from Peenya Plant (Bengaluru) to Tumkur Plant is under progress.

Costs and Capex

Further the company had also launched, the Voluntary Retirement Scheme (VRS) at Peenya plant (Bangalore) and Medchal Plant (Hyderabad) to reduce the cost of operations and increase the productivity.

Business Development

The company won two new businesses from Mahindra & Mahindra Limited and VE Power train having an average annual revenue potential of around Rs. 19 crores.

Profitability

Due to drop in export order from European customer and slow down in the domestic business of our two wheeler customers, there was a drop in the capacity utilization of the company. There was also a delay in some new product launches by OEM customers.

Due to the above factors, the company had incurred an operating loss of Rs. 15.25 crores during the first half period ended September 30, 2015.



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Other Highlights

• Alandur Land Sale

Phase II of Land sale in Alandur plant was completed resulting in exceptional income of Rs.27.75 Crores during the current year.

Consequent to the above initiative, the borrowings were reduced by Rs. 48 crores which had resulted in the reduction of Interest Cost as compared to the previous year.

Awards & Accolades

The Company has won seven awards in QCC and one award in Kaizen competition which enhances Total Employee Involvement.

Financial Performance

Summary of the financial performance for the half year ended 30th September 2014 is given below:

Rs. crores

Particulars	Half year ended 30 th September, 2015	Half year ended 30 th September, 2014
Sales & Other operating income	174.43	140.71
Profit Before Tax (PBT)	4.65*	(0.59)
Profit After Tax (PAT)	2.58	(0.39)
EPS (Rs.) (Not Annualised)	3.84	(0.76)

** Includes the effect of merger of Kar Mobiles Limited with the Company, hence not comparable with the previous period.

* Includes exceptional item of Rs. 7.64 crores paid to employees under Voluntary Retirement Scheme (VRS) and gain on sale of land of Rs 27.54 crores.

Detailed results of the company are given overleaf. Further a copy of the presentation highlighting the half-yearly performance of Rane Group made to investors and analysts is available at our website: <http://rane.co.in>

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

Yours sincerely,

L Ganesh
Chairman & Managing Director

Dated: November 20, 2015.



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Unaudited Financial Results for the Quarter and six months ended September 30, 2015

Rs. in lakhs						
Particulars	Quarter ended			Half Year ended		Financial year Ended
	30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
	Unaudited			unaudited		Audited
1. Income from Operations						
(a) Net Sales/Income from Operations (net of excise duty)	8,579.85	8,494.14	6,743.97	17,073.99	13,747.75	38,756.99
(b) Other Operating Income	181.96	186.99	148.30	368.95	323.16	761.45
Total income from operations (net)	8,761.81	8,681.13	6,892.27	17,442.94	14,070.91	39,518.44
2. Expenses						
a. Cost of materials consumed	3,057.64	3,147.30	2,018.52	6,204.94	3,923.94	13,675.08
b. Purchase of stock-in-trade	183.56	237.86	193.88	421.42	403.53	932.81
c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	109.55	(318.76)	(109.62)	(209.21)	128.03	(571.66)
d. Employee benefits expenses	2,411.76	2,297.47	1,611.63	4,709.23	3,194.59	9,558.25
e. Depreciation and amortisation expense	679.80	666.60	495.87	1,346.40	983.72	2,836.11
f. Other expenses	2,944.74	3,021.88	2,445.65	5,966.62	4,898.64	12,957.05
Total expenses	9,387.05	9,052.35	6,655.93	18,439.40	13,532.45	39,387.64
3. Profit / (Loss) from Operations before Other Income, finance costs & exceptional Items (1-2)	(625.24)	(371.22)	236.34	(996.46)	538.46	130.80
4. Other Income	100.99	86.85	85.56	187.84	116.73	404.63
5. Profit / (Loss) from ordinary activities before finance costs & exceptional Items (3+4)	(524.25)	(284.37)	321.90	(808.62)	655.19	535.43
6. Finance Costs	371.66	344.66	364.68	716.32	714.60	1,847.94
7. Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(895.91)	(629.03)	(42.78)	(1,524.94)	(59.41)	(1,312.51)
8. Exceptional Items	(764.14)	2,753.93	-	1,989.79	-	4,458.86
9. Profit / (Loss) from ordinary activities before tax (7+8)	(1,660.05)	2,124.90	(42.78)	464.85	(59.41)	3,146.35
10. Tax expense						
a) Current tax (net of MAT credit)	(329.77)	421.25	-	91.48	-	-
b) Deferred tax	(79.17)	194.85	(14.54)	115.68	(20.19)	798.20
c) Relating to Earlier Years	-	(0.00)	-	-	-	0.64
11. Net Profit / (Loss) from Ordinary Activities after tax (9-10)	(1,251.11)	1,508.80	(28.24)	257.69	(39.22)	2,347.51
12. Extraordinary Item (net of tax expense Rs.)	-	-	-	-	-	-
13. Net Profit / (Loss) for the period (11-12)	(1,251.11)	1,508.80	(28.24)	257.69	(39.22)	2,347.51
14. Paid-up equity share capital (Face Value of Rs.10/- per share)	671.90	671.90	515.10	671.90	515.10	515.10
Add: Equity Shares pending allotment to KML Shareholders pursuant to Merger	-	-	-	-	-	156.80
Total equity share capital	671.90	671.90	515.10	671.90	515.10	671.90
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	10,879.67
16. Earnings Per Share (of Rs.10/- each) (not annualised) (Amount in Rs.)						
(a) Basic	(18.62)	22.46	(0.55)	3.84	(0.76)	34.94
(b) Diluted	(18.62)	22.46	(0.55)	3.84	(0.76)	34.94

Part - II Select information for the Quarter ended September 30, 2015

A PARTICULARS OF SHAREHOLDING						
1. Public shareholding						
- Number of shares	32,83,416	32,83,416	23,36,819	32,83,416	23,36,819	23,36,819
- Percentage of shareholding	48.87%	48.87%	45.37%	48.87%	45.37%	45.37%
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	34,35,576	34,35,576	28,14,173	34,35,576	28,14,173	28,14,173
- 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)	51.13%	51.13%	54.63%	51.13%	54.63%	54.63%

Particulars	3 months ended (30/09/2015)
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, 2015

Rs. in lakhs

Notes:

1. Statement of Assets and Liabilities

Particulars	30.09.2015	31.03.2015
	Unaudited	Audited
A EQUITY AND LIABILITIES		
1 Shareholder's funds		
(a) Share capital	671.90	515.10
(b) Reserves and surplus	11,134.70	10,879.67
(c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	11,806.60	11,394.77
2 Equity Share Capital pending allotment pursuant to scheme of merger	-	156.80
3 Non-current liabilities		
(a) Long-term borrowings	6,893.45	5,815.10
(b) Deferred tax liabilities (net)	-	-
(c) Other long-term liabilities	54.31	54.31
(d) Long-term provisions	761.71	1,019.04
Sub-total - Non-current liabilities	7,709.47	6,888.45
4 Current liabilities		
(a) Short-term borrowings	5,565.05	6,044.00
(b) Trade payables	4,153.14	4,638.52
(c) Other current liabilities	4,289.33	4,828.94
(d) Short-term provisions	131.54	333.97
Sub-total - Current liabilities	14,139.06	15,845.43
TOTAL EQUITY AND LIABILITIES	33,655.13	34,285.45
B ASSETS		
1 Non-current assets		
(a) Fixed assets	17,245.38	17,933.41
(b) Non-current investments	55.33	55.33
(c) Deferred tax assets (net)	58.24	173.92
(d) Long-term loans and advances	1,762.81	1,403.14
(e) Other non-current assets	-	-
Sub-total - Non-current assets	19,121.76	19,565.80
2 Current assets		
(a) Current Investments	-	-
(b) Inventories	6,462.14	5,945.38
(c) Trade receivables	6,018.96	6,809.85
(d) Cash and cash equivalents	228.24	214.21
(e) Short-term loans and advances	1,478.83	1,508.80
(f) Other current assets	345.20	241.41
Sub-total - Current assets	14,533.37	14,719.65
TOTAL ASSETS	33,655.13	34,285.45

- The above unaudited 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 October 26, 2015 and have been subjected to limited review by the statutory auditors"
- Exceptional items include the following:
 - voluntary Retirement Scheme expenditure of Rs 764.14 lakhs for the Quarter ended September 30, 2015 and Half year ended September 30, 2015.
 - Profit on sale of land of Rs.2,753.93 lakhs for the quarter ended June 30, 2015 and Half year ended September 30, 2015.
 - Profit on sale of land of Rs.4,458.86 lakhs for the year ended March 31, 2015.
- Figures for the quarter ended September 30, 2015 and June 30, 2015 and Half year ended September 30, 2015 include those relating to Kar Mobiles Limited, which was amalgamated "with the Company pursuant to the Scheme of Amalgamation with effect from April 1, 2014. Figures for the year ended March 31, 2015 include those relating to the above unit for the " period April 1, 2014 to March 31, 2015. Hence the results for the quarter / Half year ended September 30, 2015 are not comparable with the figures for the quarter ended/Half year ended September, 2014.
- Dividend of Rs.2.50/- per equity share declared by the shareholders at the Annual General Meeting held on July 21, 2015, for the year ended March 31, 2015 was paid on July 28, 2015.
- The Company operates only in one segment, namely, components for transportation industry.
- Previous year / period figures have been regrouped wherever necessary to conform to current year / periods' presentation.

For Rane Engine Valve Limited

Chennai
Dated : October 26, 2015

L. Ganesh
Chairman & Managing Director