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.rane.co.in

REVL /SE/32/ 2016-17

December 7, 2016

BSE Limited (BSE) 25th Floor, P.J. Towers, Dalal Street, Fort, **Mumbai – 400 001**	Listing Department **National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, 5th Floor, Plot No.C/1, 'G' Block, Bandra Kurla Complex Bandra (E), **Mumbai - 400 051.**
Code No. 532988	**Code : RANEENGINE**

Dear Sirs,

Sub: Performance for the half year ended 30th September 2016

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, 2016.

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**

RANE ENGINE VALVE LIMITED
132
CATHEDRAL
ROAD
CHENNAI 600 086

Siva Chandrasekaran
Executive Vice President – Secretarial & Legal

Encl : a/a

RANE ENGINE VALVE LIMITED

Half Yearly Performance Review (H1 FY17)

Expanding Horizons

Dear Shareholders,

On behalf of Rane Engine Valve Limited(REVL), I am pleased to share with you the key highlights of the performance of your Company in the first six months (H1 FY17) of fiscal 2017(April 1, 2016, to September 30, 2016). Let me take you through the highlights of the industry, followed by the Company's performance vis-à-vis industry.

INDUSTRY HIGHLIGHTS

In the first half of the current year, there was broad based growth across vehicle segments. The passenger vehicle segment has registered a healthy growth driven by Utility Vehicles in the first half of the current year, and the commercial vehicle segment continued its positive trend driven by LCV and SCV segment and though overall half year growth for medium and heavy commercial segment is positive, it was volatile during this period. Two wheelers and farm tractors registered good growth with fair monsoon and demand pick-up in the rural economy. Your company could not fully capitalize on the trend as the growth remained weak in the models where we are present. The market conditions were also not accommodating for the aftermarkets business in India as well as the overseas market. From your Company's standpoint, we managed our growth on the back of our supplies to International OEM customers.

KEY OPERATING HIGHLIGHTS

M & M presented Appreciation Award for REVL's contribution in New Engine development – KUV 1OO and Tractor YUVO

Increased daily average production of plants through capacity debottlenecking

Continued focus on operational cost reduction initiatives

SALES PERFORMANCE BY MARKET AND VEHICLE SEGMENT

Sales by Market	Percentage
India- OEM and OES	62%
International- OEM	18%
India-Aftermarket	11%
International-Aftermarket	9%
Total	**100%**

Sales by Vehicle Segment	Percentage
Passenger Car	27%
Two wheelers and three wheelers	24%
M&HCV	13%
SCV,LCV	5%
MUV&MPV	2%
Other Engines	29%

REVL'S STANDALONE H1 FY17 PERFORMANCE

Our total operating income grew 5% to ₹183.0 Crore for H1 FY17 as compared to ₹174.4 Crore in the H1 FY16. A ramp-up in supplies to International OEM customers drove the performance, however, offset by lower offtake on served models to Indian OEMs. We improved our EBITDA margins on account of *planned* cost reduction measures at the plant. These initiatives led to EBITDA growth of 57.8% from ₹5.4 crore in H1 FY16 to ₹8.5 Crore in H1 FY17. There has been a one-off

increase in other expenses factored to asset write-off taken on technical obsolescence and unusable assets arising out of shutting down of Alandur and Peenya plants.

Our losses before tax and exceptional items were at ₹11.7 Crore as compared to ₹15.2 Crore in H1 FY16. However, we reported a net profit of ₹59.3 Crore for H1 FY17 on account of exceptional income of ₹93.9 Crore arising out of profit on the sale of remaining portion of Alandur land.

OUTLOOK FOR H2 FY17

As we entered the 2nd half of the year in early October, we expected the Indian automotive industry to continue its positive growth. This was based on reasonable monsoon and also expected good performance in the medium and heavy commercial vehicles in Q4 of this year. We intend to maintain our focus on improving operational performance through effective implementation of debottlenecking, cost reduction and productivity improvement initiatives and return to profitability. Our focus for the coming period would be on:

- Pursue new business with the major customers in India and Europe
- Enhance plant production to capitalize on increased offtake of OE customers and available orders for Aftermarket customers
- Continued focus on various initiatives to improve operational performance

However, sudden move of the Government on de-monetization has caused a very severe negative impact on sales especially in the aftermarket. It is too early to predict how long this will last. However, we are hoping that it will be purely temporary and business will come back to normal in Q4 of this year.

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

Thanking you,

Sincerely,

L Ganesh

Chairman

November 28th, 2016

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

CIN: L74999TN1972PLC006127

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

visit us at www.rane.co.in

Statement of Unaudited Financial Results for the Quarter and Half Year ended September 30, 2016

Rs. in lakhs

Particulars	Quarter ended			Half Year ended		Financial Year ended
	30.09.2016	30.06.2016	30.09.2015	30.09.2016	30.09.2015	31.03.2016
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Income from Operations						
(a) Net Sales/Income from Operations (net of excise duty)	8,928.00	9,070.49	8,579.85	17,998.49	17,073.99	34,244.20
(b) Other Operating Income	141.63	160.53	181.96	302.16	368.95	715.70
Total income from operations (net)	**9,069.63**	**9,231.02**	**8,761.81**	**18,300.65**	**17,442.94**	**34,959.90**
2. Expenses						
(a)Cost of materials consumed	3,071.79	3,021.57	3,057.64	6,093.36	6,204.94	11,880.53
(b) Purchase of stock-in-trade	213.48	151.09	183.56	364.57	421.42	732.94
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(137.66)	319.07	109.55	181.41	(209.21)	840.66
(d) Employee benefits expenses	2,424.40	2,296.61	2,411.76	4,721.01	4,709.23	9,537.77
(e) Depreciation and amortisation expense	702.30	706.58	679.80	1,408.88	1,346.40	2,753.82
(f) Other Expenses	3,417.43	2,822.43	2,944.74	6,239.86	5,966.62	11,601.83
Total expenses	**9,691.74**	**9,317.35**	**9,387.05**	**19,009.09**	**18,439.40**	**37,347.55**
3. Profit / (Loss) from Operations before Other Income,finance costs & exceptional Items (1-2)	(622.11)	**(86.33)**	(625.24)	(708.44)	(996.46)	**(2,387.65)**
4. Other Income	126.99	21.38	100.99	148.37	187.84	295.02
5. Profit / (Loss) from ordinary activities before finance costs & exceptional Items (3+4)	(495.12)	**(64.95)**	(524.25)	(560.07)	(808.62)	**(2,092.63)**
6. Finance Costs	280.46	332.08	371.67	612.54	716.32	1,422.08
7. Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	(775.58)	**(397.03)**	(895.91)	(1,172.61)	(1,524.94)	**(3,514.71)**
8. Exceptional Items (Refer Note: 4)	9,390.00	-	(764.14)	9,390.00	1,989.79	1,748.71
9. Profit / (Loss) from ordinary activities before tax **(7+8)**	**8,614.42**	**(397.03)**	**(1,660.05)**	**8,217.39**	**464.85**	**(1,766.00)**
10. Tax expense						
(a) Current tax (net of MAT credit)	1,760.14	-	(329.77)	1,760.14	91.48	-
(b) Deferred tax	661.48	(137.40)	(79.17)	524.08	115.68	(511.96)
(c) Relating to Earlier Years	-	(0.48)	-	(0.48)	-	0.43
11. Net Profit / (Loss) from Ordinary Activities after tax **(9-10)**	6,192.80	**(259.15)**	(1,251.11)	5,933.65	257.69	**(1,254.47)**
12. Extraordinary Item (net of tax expense.)	-	-	-	-	-	-
13. Net Profit / (Loss) for the period **(11-12)**	**6,192.80**	**(259.15)**	**(1,251.11)**	**5,933.65**	**257.69**	**(1,254.47)**
14. Paid-up equity share capital (Face Value of Rs.10/- per share)	671.90	671.90	671.90	671.90	671.90	671.90
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						9,622.54
16. Earnings per share (of Rs.10/- each) (not annualised) (in Rs.)						
i. Earnings Per Share before extraordinary items						
(a) Basic	92.17	(3.86)	(18.62)	88.31	3.84	(18.67)
(b) Diluted	92.17	(3.86)	(18.62)	88.31	3.84	(18.67)
ii. Earnings Per Share after extraordinary items						
(a) Basic	92.17	(3.86)	(18.62)	88.31	3.84	(18.67)
(b) Diluted	92.17	(3.86)	(18.62)	88.31	3.84	(18.67)

For Rane Engine Valve Limited

Chennai
Dated : October 21, 2016

L Ganesh
Chairman & Managing Director

Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

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

visit us at www.rane.co.in

Statement of Unaudited Financial Results for the Quarter and Half Year ended September 30, 2016

Notes:

1. Statement of Assets and Liabilities

Rs. in lakhs

Particulars	30.09.2016 Unaudited	31.03.2016 Audited
A EQUITY AND LIABILITIES		
1 Shareholder's funds		
(a) Share capital	671.90	671.90
(b) Reserves and surplus	15,555.71	9,622.54
(c) Money received against share warrants		-
Sub-total - Shareholders' funds	**16,227.61**	**10,294.44**
2 Equty Share Capital pending allotment pursuant to scheme of merger		
3 Non-current liabilities		
(a) Long-term borrowings	3,663.49	6,148.49
(b) Deferred tax liabilities (net)		-
(c) Other long-term liabilities	52.31	52.81
(d) Long-term provisions	781.16	665.95
Sub-total - Non-current liabilities	**4,496.96**	**6,867.25**
4 Current liabilities		
(a) Short-term borrowings	2,748.21	5,506.73
(b) Trade payables	2,706.76	3,663.17
(c) Other current liabilities	3,684.82	4,372.59
(d) Short-term provisions	1,015.78	230.54
Sub-total - Current liabilities	**10,155.57**	**13,773.03**
TOTAL EQUITY AND LIABILITIES	**30,880.14**	**30,934.72**
B ASSETS		
1 Non-current assets		
(a) Fixed assets	14,687.96	16,429.67
(b) Non-current investments	57.73	57.73
(c) Deferred tax assets (net)	161.80	685.88
(d) Long-term loans and advances	1,246.04	1,471.01
(e) Other non-current assets		-
Sub-total - Non-current assets	**16,153.53**	**18,644.29**
2 Current assets		
(a) Current Investments	1,951.05	-
(b) Inventories	4,530.61	4,720.85
(c) Trade receivables	6,482.76	6,028.76
(d) Cash and cash equivalents	335.72	164.22
(e) Short-term loans and advances	855.91	936.08
(f) Other current assets	570.56	440.52
Sub-total - Current assets	**14,726.61**	**12,290.43**
TOTAL ASSETS	**30,880.14**	**30,934.72**

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 21, 2016 and have been subjected to limited review by the statutory auditors.
3. The above results has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards for Interiem Financial Reporting (AS25),prescribed under Section 133 of the Companies Act, 2013 read with relavent rules issued thereunder and other accounting principles generally accepted in India
4. Exceptional items include the following:
   (i) Profit on sale of land of Rs.9,390 lakhs for the quarter ended and half year ended September 30, 2016.
   (ii) Voluntary Retirement Scheme expenditure of Rs 1005.22 lakhs for the year ended March 31,2016.
   (iii) Profit on sale of land of Rs.2,753.93 lakhs for the half year ended September 30, 2015 and for the year ended March 31, 2016.
5. Previous year / period figures have been regrouped wherever necessary to conform to current year / periods' presentation.
6. The Company operates only in one segment, namely, components for transportation industry.
7. The above Financial Results are available on the Stock Exchange websites www.bseindia.com and www.nseindia.com and on the company's website- www.rane.co.in

For Rane Engine Valve Limited

Chennai
Dated: October 21, 2016

L Ganesh
Chairman & Managing Director