

RANE (MADRAS) LIMITED

CIN. L65993TN2004PLC052856

Registered 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's overall sales grew by 13% in the first half year ended September 30, 2015 as compared to the corresponding period in the previous year, with sales to Original Equipment Manufacturers (OEMs), OES and exports registering a growth of 16%, 28% and 10% respectively compared to corresponding period in the previous year. Export sales constituted 25% of the total sales during the current half year.

Operating Performance Highlights

- Production**

Increased volumes in Rack & Pinion due to the new business won last year has ensured better utilisation of capacity at our Puducherry Plant when compared to last year.

The new facility created for manufacture of Hydrostatic Steering Systems in Mysore has become fully functional with the highest production achieved in September 2015.

- Costs & Capex**

The company incurred an exceptional expenditure on account of Voluntary Retirement Scheme (VRS) for the remaining employees in its Velachery Plant amounting to Rs.2.70 crores.

The company has successfully completed the construction of the second Die Casting Plant at Sadashivpet in Medak district, Telangana. Capacity additions at the new Plant is under progress and the same is likely to be operational during the next few months.

- Business Development**

The company is planning to make investment in state of art magnesium die casting facility for steering wheels.

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Awards & Accolades

- Rane Diecast - A division of Rane (Madras) Limited (RML) received two Gold and one Silver Awards from Quality Circle Forum of India.
- RML - Puducherry and Varanavasi Plants won Platinum and Gold Awards respectively in Poka-Yoke competition conducted by ABKAOTS DOSOKAI, Chennai.
- RML Mysore Plant received "Environment Award-2015" by Karnataka State Pollution Control Board in appreciation of the Environmental Protection Measures Implemented in and around the industry.
- RML Mysore Plant received two Gold Awards in QCFI - QCC Convention 2015 held at Mysore.
- RML Puducherry Plant won Platinum & Gold Award in Kaizen Competition conducted by ABK AOTS DOSOKAI, Chennai.

Financial Performance

Summary of the financial performance for the half year ended September 30, 2015 is given below:

Rs. crores

Particulars	Half Year Ended September 30 th , 2015	Half Year Ended September 30 th , 2014	Growth
Sales & Other operating income	419.06	371.48	13%
Profit Before Tax & Exceptional items (VRS)	12.25	10.56	16%
Profit Before Tax & After Exceptional Items (VRS)	9.55	10.56	(10%)
Profit After Tax (PAT)	6.81	7.53	(10%)

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

Dated: November 20, 2015

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015

(Rs. in lakhs)

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR 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)	
PART I	(Refer Notes Below)							
1	Income from Operations							
	(a) Net Sales / Income from operations (Net of excise duty)	21,084.80	19,811.26	18,811.07	40,896.06	35,946.96	75,532.16	
	(b) Other Operating Income	564.90	445.37	684.15	1,010.27	1,201.29	2,356.06	
	Total Income from operations (net)	21,649.70	20,256.63	19,495.22	41,906.33	37,148.25	77,888.22	
2	Expenses:							
	(a) Cost of materials consumed	13,290.40	12,408.82	11,288.43	25,699.22	21,546.81	46,200.30	
	(b) Changes in inventories of finished goods and work-in-progress	(432.62)	(262.74)	102.70	(695.36)	212.22	(537.06)	
	(c) Employee benefits expenses	2,415.60	2,322.61	2,173.99	4,738.21	4,237.54	8,730.62	
	(d) Depreciation and amortisation expense	996.49	888.66	729.96	1,885.15	1,438.46	3,340.50	
	(e) Other expenses	4,280.80	3,989.88	4,282.35	8,270.68	7,926.81	16,636.45	
	Total expenses	20,550.67	19,347.23	18,577.43	39,897.90	35,361.84	74,370.81	
3	Profit from Operations before Other Income, finance costs and Exceptional items (1-2)	1,099.03	909.40	917.79	2,008.43	1,786.41	3,517.41	
4	Other Income	39.92	30.92	19.38	70.84	52.38	108.77	
5	Profit from ordinary activities before finance costs and Exceptional items (3+4)	1,138.95	940.32	937.17	2,079.27	1,838.79	3,626.18	
6	Finance costs	409.67	445.03	383.58	854.70	783.15	1,618.01	
7	Profit from ordinary activities after finance costs but before Exceptional Items (5-6)	729.28	495.29	553.59	1,224.57	1,055.64	2,008.17	
8	Exceptional Items (Refer Note 3)	-	(269.62)	-	(269.62)	-	(323.94)	
9	Profit from ordinary activities before Tax (7+8)	729.28	225.67	553.59	954.95	1,055.64	1,684.23	
10	Tax Expense	213.13	60.59	162.10	273.72	302.89	439.85	
11	Net Profit from ordinary activities after tax (9-10)	516.15	165.08	391.49	681.23	752.75	1,244.38	
12	Extraordinary Item (net of tax expense)	-	-	-	-	-	-	
13	Net Profit for the period (11-12)	516.15	165.08	391.49	681.23	752.75	1,244.38	
14	Paid-up Equity Share Capital (Face Value of Rs.10/- per share)	1,051.06	1,051.06	1,051.06	1,051.06	1,051.06	1,051.06	
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						13,498.93	
16	Earnings per share (EPS) (of Rs.10/- each) (not annualised) (Amount in Rs.)							
	(a) Basic	4.75	1.41	3.56	6.16	6.84	11.20	
	(b) Diluted	4.75	1.41	3.56	6.16	6.84	11.20	

PART II Select information for the half year ended September 30, 2015

A	Particulars of Shareholding						
1	Public shareholding						
	- Number of shares	44,37,476	44,37,476	44,37,476	44,37,476	44,37,476	44,37,476
	- Percentage of shareholding	42.22%	42.22%	42.22%	42.22%	42.22%	42.22%
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	60,73,173	60,73,173	60,73,173	60,73,173	60,73,173	60,73,173
	- 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)	57.78%	57.78%	57.78%	57.78%	57.78%	57.78%
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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Notes:

1. Statement of Assets and Liabilities

(Rs. in lakhs)

Particulars	As at 30.09.2015 (Unaudited)	As at 31.03.2015 (Audited)
I. EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share Capital	1,874.29	1,874.29
(b) Reserves and surplus	14,125.51	13,498.93
Sub-total - Shareholders' funds	15,999.80	15,373.22
Non-current liabilities		
(a) Long-term borrowings	5,418.51	5,096.18
(b) Deferred tax liabilities (Net)	613.02	489.54
(c) Other long term liabilities	14.56	26.47
(d) Long-term provisions	815.29	685.32
Sub-total - Non-current liabilities	6,861.38	6,297.51
Current liabilities		
(a) Short-term borrowings	11,743.56	10,909.72
(b) Trade payables	13,665.85	13,272.27
(c) Other current liabilities	8,615.62	6,683.93
(d) Short-term provisions	199.76	866.96
Sub-total - Current liabilities	34,224.79	31,732.88
TOTAL EQUITY AND LIABILITIES	57,085.97	53,403.61
II. ASSETS		
Non-current assets		
(a) Fixed assets	29,347.31	27,110.13
(b) Long-term loans and advances	3,059.58	2,948.93
Sub-total - Non-current assets	32,406.89	30,059.06
Current assets		
(a) Inventories	9,504.73	8,630.81
(b) Trade receivables	9,928.92	11,467.08
(c) Cash and cash equivalents	612.54	315.97
(d) Short-term loans and advances	3,953.52	2,348.20
(e) Other current assets	679.37	582.49
Sub-total - Current assets	24,679.08	23,344.55
TOTAL ASSETS	57,085.97	53,403.61

- 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 20, 2015 and have been subjected to limited review by the statutory auditors
- Exceptional items represent amount paid to employees who opted for Voluntary Retirement Scheme extended to employees during the quarters ended March 31, 2015 and June 30, 2015.
- Dividend of Rs.4.50 per equity share declared by the shareholders at the Annual General Meeting held on July 31, 2015 for the year ended March 31, 2015 was paid on August 7, 2015.
- The Company operates only in one segment, namely, components for transportation industry.
- Previous period / year figures have been regrouped/rearranged wherever necessary, to conform to the current period/ year presentation.

For Rane (Madras) Limited

Chennai
October 20, 2015

L Ganesh
Chairman