

## **Rane (Madras) Limited**



RML /SE/33/ 2016-17

December 7, 2016

|                                                                                                                          |                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>BSE Limited (BSE)</b><br>25 <sup>th</sup> Floor,<br>P.J. Towers,<br>Dalal Street,<br>Fort,<br><b>Mumbai – 400 001</b> | <b>Listing Department</b><br><b>National Stock Exchange of India Ltd. (NSE)</b><br>Exchange Plaza, 5 <sup>th</sup> Floor,<br>Plot No.C/1, 'G' Block,<br>Bandra Kurla Complex<br>Bandra (E), <b>Mumbai - 400 051.</b> |
| <b>Code No. 532661</b>                                                                                                   | <b>Code : RML</b>                                                                                                                                                                                                    |

Dear Sirs,

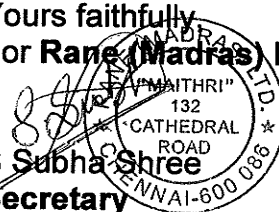
**Sub: Performance for the half year ended 30<sup>th</sup> September 2016**

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 (Madras) Limited**

A circular stamp of Rane (Madras) Limited. The outer ring contains the text "RANE (MADRAS) LTD." at the top and "CHENNAI-600 086" at the bottom, separated by stars. The inner circle contains the text "MAITHRI" at the top, "132" in the middle, and "CATHEDRAL ROAD" at the bottom.  
**S Subha Shree**  
**Secretary**

Encl : a/a

# RANE (MADRAS) LIMITED

Half Yearly Performance Review (H1 FY17)



Expanding Horizons

**Dear Shareholders,**

On behalf of Rane (Madras) Limited, 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. Farm tractors registered good growth with fair monsoon and demand pick-up in the rural economy. The Steering and Linkage division of your Company benefited by the strong performance of Passenger cars, LCVs and SCVs. The company also got benefited by strong demand for the die-casting products from the international customers. Despite these tailwinds, your Company's performance was sluggish in the Tractor segment as the growth remained weak in the segments where we are present.

## KEY OPERATING HIGHLIGHTS

Won the "Best Supplier Award for Spare Parts" from TAFE

Significant ramp up of production in the new die-casting plant

Rack & Pinion gears production at Puducherry plant reached the highest level of 1 lakh gears/month

Won nomination from international tier 1 supplier for supplying Steering Gear

## SALES PERFORMANCE BY MARKET AND VEHICLE SEGMENT

| Sales by Market                  | Percentage  |
|----------------------------------|-------------|
| India- OEM and OES               | 60%         |
| International- OEM & Aftermarket | 26%         |
| India- Aftermarket               | 14%         |
| <b>Total</b>                     | <b>100%</b> |

| Sales by Vehicle Segment | Percentage |
|--------------------------|------------|
| Passenger Car            | 37%        |
| MUV & MPV                | 18%        |
| SCV, LCV                 | 13%        |
| M&HCV                    | 12%        |
| Rail and Others          | 20%        |

## RML'S STANDALONE H1 FY17 PERFORMANCE

During the period, our performance was a combination of factors including the robust performance of the auto industry. We successfully ramped up production to service the high demand from our core customers in die casting division. We also leveraged on the increased demand in various market segments and ensured that the sales growth got complemented by improvement in the overall efficiencies of the business.

From a financial standpoint, we registered a total operating income of ₹485.1 Crore for H1 FY17 as compared to ₹419.1 Crore in H1 FY16. It translates to a growth of 16%, higher than the industry average across the segments. At the operational level, the cost reduction initiatives seem to have played its part as your Company recorded a 22% expansion in total EBITDA from ₹39.6 Crore in H1 FY16 to ₹48.2 Crore in H1 FY17. Our EBITDA margins were at 9.9% as compared to 9.5% in the same period of the previous fiscal. We closed first six months with a net profit of ₹9.3 Crore, up by 37% from H1 FY16.

## OUTLOOK FOR H2 FY17

We are happy to report strong execution in H1 FY17, and we believe that the efforts made over the last couple of months have started reaping results. While we would continue to execute our strategy, the focus in the second half of this fiscal would center around:

- Execution around anticipated growth from Indian auto industry and increased order from international customers
- Establishing Rack & Pinion manufacturing facility at Varanavasi plant to cater to both domestic and export customers
- Stabilize the production and operational performance of new die-casting plant addressing the steep ramp up on customer requirements

As we entered the 2<sup>nd</sup> 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. 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 (Madras) 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 28<sup>th</sup>, 2016

If you have any questions or require further information, please feel free to contact us at [investorservices@ranegroup.com](mailto: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 (MADRAS) LIMITED

CIN. L65993TN2004PLC052856

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

Visit us at : [www.rane.co.in](http://www.rane.co.in)



## Statement of standalone unaudited financial results for the quarter and six months ended september 30, 2016

(Rs. In lakhs)

|      |                                                                                                | Quarter ended    |                  |                  | Six Months ended |                  | Financial year ended |
|------|------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|----------------------|
| S.No | Particulars                                                                                    | 30-Sep-16        | 30-Jun-16        | 30-Sep-15        | 30-Sep-16        | 30-Sep-15        | 31-Mar-16            |
|      | (Refer Notes Below)                                                                            | Unaudited        | Unaudited        | Unaudited        | Unaudited        | Unaudited        | Audited              |
| 1    | Revenue From Operations                                                                        |                  |                  |                  |                  |                  |                      |
| (a)  | Net Sales/Income from Operations (net of excise duty)                                          | 24,228.08        | 22,203.06        | 21,084.80        | 46,431.14        | 40,896.06        | 82,936.72            |
| (b)  | Other operating income                                                                         | 1,523.17         | 553.43           | 564.90           | 2,076.60         | 1,010.27         | 3,154.12             |
|      | <b>Total Income from operations (net)</b>                                                      | <b>25,751.25</b> | <b>22,756.49</b> | <b>21,649.70</b> | <b>48,507.74</b> | <b>41,906.33</b> | <b>86,090.84</b>     |
| 2    | Expenses                                                                                       |                  |                  |                  |                  |                  |                      |
| (a)  | Cost of materials consumed                                                                     | 14,727.66        | 13,806.44        | 13,290.40        | 28,534.10        | 25,699.22        | 51,415.98            |
| (b)  | Changes in inventories of finished goods and work-in-progress                                  | 745.40           | (897.19)         | (432.62)         | (151.79)         | (695.36)         | (740.65)             |
| (c)  | Employee benefit expense                                                                       | 2,862.39         | 2,753.66         | 2,415.60         | 5,616.05         | 4,738.21         | 9,825.22             |
| (d)  | Depreciation and amortisation expense                                                          | 1,150.11         | 1,098.10         | 996.49           | 2,248.21         | 1,885.15         | 3,937.88             |
| (e)  | Other Expenses                                                                                 | 4,767.64         | 4,975.91         | 4,280.80         | 9,743.55         | 8,270.68         | 17,779.09            |
|      | <b>Total expenses</b>                                                                          | <b>24,253.20</b> | <b>21,736.92</b> | <b>20,550.67</b> | <b>45,990.12</b> | <b>39,897.90</b> | <b>82,217.52</b>     |
| 3    | Profit /( loss) from operations before other income, finance costs and exceptional items (1-2) | 1,498.05         | 1,019.57         | 1,099.03         | 2,517.62         | 2,008.43         | 3,873.32             |
| 4    | Other income                                                                                   | 20.03            | 25.49            | 39.92            | 45.52            | 70.84            | 158.10               |
| 5    | Profit / (loss) from ordinary activities before finance costs and exceptional items (3+4)      | 1,518.08         | 1,045.06         | 1,138.95         | 2,563.14         | 2,079.27         | 4,031.42             |
| 6    | Finance costs                                                                                  | 702.95           | 661.73           | 409.67           | 1,364.68         | 854.70           | 1,896.10             |
| 7    | Profit / (loss) from ordinary activities after finance costs but before exceptional items(5-6) | 815.13           | 383.33           | 729.28           | 1,198.46         | 1,224.57         | 2,135.32             |
| 8    | Exceptional items ( Refer note 3)                                                              | -                | -                | -                | -                | (269.62)         | (269.62)             |
| 9    | Profit / (loss) from ordinary activities before tax (7+8)                                      | 815.13           | 383.33           | 729.28           | 1,198.46         | 954.95           | 1,865.70             |
| 10   | Tax Expense                                                                                    | 153.00           | 117.61           | 213.13           | 270.61           | 273.72           | 457.06               |
| 11   | Net Profit /(loss) from ordinary activities after tax (9-10)                                   | 662.13           | 265.72           | 516.15           | 927.85           | 681.23           | 1,408.64             |
| 12   | Extraordinary items (net of tax expense )                                                      | -                | -                | -                | -                | -                | -                    |
| 13   | Net Profit / loss for the period (11-12)                                                       | 662.13           | 265.72           | 516.15           | 927.85           | 681.23           | 1,408.64             |
| 14   | Details of equity share capital                                                                |                  |                  |                  |                  |                  |                      |
|      | Paid-up equity share capital                                                                   |                  |                  |                  |                  |                  |                      |
|      | Face value of Rs.10 per equity share                                                           | 1,051.06         | 1,051.06         | 1,051.06         | 1,051.06         | 1,051.06         | 1,051.06             |
| 15   | Reserves excluding revaluation reserve as per balance sheet of previous accounting year        |                  |                  |                  |                  |                  | 14,187.76            |
| 16   | Earnings per share                                                                             |                  |                  |                  |                  |                  |                      |
| i    | Earnings per share before extraordinary items                                                  |                  |                  |                  |                  |                  |                      |
| (a)  | Basic                                                                                          | 6.30             | 2.53             | 4.75             | 8.83             | 6.16             | 12.77                |
| (b)  | Diluted                                                                                        | 6.30             | 2.53             | 4.75             | 8.83             | 6.16             | 12.77                |
| ii   | Earnings per share after extraordinary items                                                   |                  |                  |                  |                  |                  |                      |
| (a)  | Basic                                                                                          | 6.30             | 2.53             | 4.75             | 8.83             | 6.16             | 12.77                |
| (b)  | Diluted                                                                                        | 6.30             | 2.53             | 4.75             | 8.83             | 6.16             | 12.77                |

**RANE (MADRAS) LIMITED**

CIN. L65993TN2004PLC052856

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

Visit us at : [www.rane.co.in](http://www.rane.co.in)**Statement of standalone unaudited financial results for the quarter and six months ended september 30, 2016**

Notes:

**1. Statement of Assets and Liabilities**

(Rs. In lakhs)

| Particulars                                | Standalone Financial statements |                     |
|--------------------------------------------|---------------------------------|---------------------|
|                                            | As at<br>30.09.2016             | As at<br>31.03.2016 |
|                                            | (Unaudited)                     | (Audited)           |
| <b>I. EQUITY AND LIABILITIES</b>           |                                 |                     |
| <b>Shareholders' funds</b>                 |                                 |                     |
| (a) Share Capital                          | 1,874.29                        | 1,874.29            |
| (b) Reserves and surplus                   | 15,181.07                       | 14,187.76           |
| <b>Sub-total - Shareholders' funds</b>     | <b>17,055.36</b>                | <b>16,062.05</b>    |
| <b>Non-current liabilities</b>             |                                 |                     |
| (a) Long-term borrowings                   | 12,379.06                       | 12,407.27           |
| (b) Deferred tax liabilities (Net)         | 892.44                          | 800.61              |
| (c) Other long term liabilities            | 10.50                           | 14.00               |
| (d) Long-term provisions                   | 832.84                          | 745.21              |
| <b>Sub-total - Non-current liabilities</b> | <b>14,114.84</b>                | <b>13,967.09</b>    |
| <b>Current liabilities</b>                 |                                 |                     |
| (a) Short-term borrowings                  | 14,406.02                       | 11,093.69           |
| (b) Trade payables                         | 13,535.70                       | 12,527.12           |
| (c) Due to Micro and Small Enterprises     | 1,151.09                        | 1,142.01            |
| (d) Other current liabilities              | 6,828.61                        | 6,205.16            |
| (e) Short-term provisions                  | 246.87                          | 298.50              |
| <b>Sub-total - Current liabilities</b>     | <b>36,168.29</b>                | <b>31,266.48</b>    |
| <b>TOTAL EQUITY AND LIABILITIES</b>        | <b>67,338.49</b>                | <b>61,295.62</b>    |
| <b>II. ASSETS</b>                          |                                 |                     |
| <b>Non-current assets</b>                  |                                 |                     |
| (a) Fixed assets                           | 32,024.91                       | 31,347.35           |
| (b) Non current Investment                 | 14.97                           | 15.00               |
| (c) Long-term loans and advances           | 3,564.12                        | 2,983.69            |
| <b>Sub-total - Non-current assets</b>      | <b>35,604.00</b>                | <b>34,346.04</b>    |
| <b>Current assets</b>                      |                                 |                     |
| (a) Inventories                            | 9,977.79                        | 9,335.18            |
| (b) Trade receivables                      | 13,381.16                       | 12,180.10           |
| (c) Cash and cash equivalents              | 671.58                          | 278.17              |
| (d) Short-term loans and advances          | 6,226.88                        | 4,079.18            |
| (e) Other current assets                   | 1,477.08                        | 1,076.95            |
| <b>Sub-total - Current assets</b>          | <b>31,734.49</b>                | <b>26,949.58</b>    |
| <b>TOTAL ASSETS</b>                        | <b>67,338.49</b>                | <b>61,295.62</b>    |

- 2 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 24, 2016 and have been subjected to Limited Review by the statutory auditors.
- 3 Exceptional item represent amount paid to employees who opted for Voluntary Retirement Scheme extended to employees during the year ended March 31, 2016
- 4 The above results have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 5 The Company has opted to publish only Standalone financial results
- 6 The Company operates only in one segment, namely, components for transportation industry.
- 7 Previous period / year figures have been regrouped/rearranged wherever necessary, to conform to the current period/ year presentation.
- 8 The unaudited financial results are available on the website of the company at [www.rane.co.in](http://www.rane.co.in) and the stock exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)

**For Rane (Madras) Limited**

Varanavasi, Kanchipuram  
October 24, 2016

**L Ganesh**  
Chairman