

# Rane Engine Valve Ltd.

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India.  
CIN : L74999TN1972PLC006127

**//Online Submission//**

REVL/SE/31/2019-20

October 23, 2019

<b>BSE Limited</b> Listing Centre Scrip Code: <b>532988</b>	<b>National Stock Exchange of India Limited</b> NEAPS Symbol: <b>RANEENGINE</b>
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Dear Sir / Madam,

**Sub: Outcome of Board Meeting held on October 23, 2019 - under Regulation 30 of SEBI LODR**

**Ref: Our letter no. REVL/SE/26/2019-20 dated September 30, 2019**

This is to inform that the Board of Directors, inter alia, approved the un-audited financial results for the quarter and half year ended September 30, 2019 along with Cash Flow Statement of the Company for the half year ended September 30, 2019 as recommended by the audit committee at their respective meeting(s) held today (**October 23, 2019**).

The un-audited financial results of the Company for the quarter and half year ended September 30, 2019 is enclosed along with the Limited Review Report issued by M/s. Varma & Varma, Chartered Accountants, Statutory Auditors. (**Regulation 33**).

The unaudited financial results along with cash flow statement will be uploaded on the website of the company at [www.ranegroup.com](http://www.ranegroup.com) and stock exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) (**Regulation 46**). An 'earnings release' for the above results is also enclosed (**Regulation 30**).

The extract of the un-audited financial results will be published in newspapers, i.e., 'Business Standard' and 'Dinamani' in the format prescribed (**Regulation 47**).

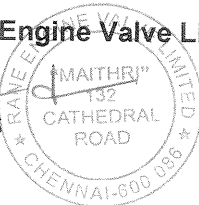
The meeting of the Board of Directors commenced at 11 : 00 hrs (IST) and concluded at 13 : 00hrs (IST).

We request you to take the above on record and note the compliance under above referred regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Thanking you,  
Yours faithfully,

For Rane Engine Valve Limited

  
Kalidoss S  
Secretary



Encl: a/a

1. Un-audited financial results for the quarter and half year ended September 30, 2019.
2. Extract of the un-audited financial results for Newspaper publication.
3. Limited Review Report for the quarter and half year ended September 30, 2019.
4. Earnings release for the quarter and half year ended September 30, 2019



Expanding Horizons

# RANE ENGINE VALVE LIMITED

## Q2FY20 Earnings Release



**Chennai, India, October 23, 2019** – Rane Engine Valve Limited (NSE: RANEENGINE; BSE Code:532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the second quarter (Q2 FY20) and six months (H1 FY20) ended September 30<sup>th</sup>, 2019.

### Q2 FY20 Performance

- Total Net Revenue was ₹94.6 Crore for Q2 FY20 as compared to ₹107.8 Crore in Q2 FY19, a decrease of 12.3%
- EBITDA stood at ₹4.5 Crore for Q2 FY20 as compared to ₹3.4 Crore during Q2 FY19, an increase of 33.6%
- EBITDA Margin at 4.7% for Q2 FY20 as against 3.1% in Q2 FY19
- Net Loss of ₹3.7 Crore for Q2 FY20 as compared to a loss of ₹4.1 Crore in Q2 FY19

### H1 FY20 Performance

- Total Net Revenue was ₹198.6 Crore for H1 FY20 as compared to ₹210.9 Crore in H1 FY19, a decrease of 5.8%
- EBITDA stood at ₹7.8 Crore for H1 FY20 as compared to ₹6.7 Crore during H1 FY19, an increase of 15.4%
- EBITDA Margin at 3.9% for H1 FY20 as against 3.2% in H1 FY19
- Net Loss of ₹7.9 Crore for H1 FY20 as compared to a loss of ₹8.5 Crore in H1 FY19

### Operating Highlights for Q2 FY20

- Sales to Indian OE customers declined 18%. Volume drop across segments.
- Sales to International customers declined 8%.
- EBITDA margin improved by 162 bps
  - Despite lower volume, favourable raw material price and forex movement and operational performance improvement helped to improve EBITDA margins

### MANAGEMENT COMMENT

“REVL had a challenging quarter with significant drop in volumes across segments. The plants continued to improve on operational performance. The unprecedented drop in demand has set us back on the turnaround plan. The team is working to further improve operational performance and reduce costs. We are hopeful that these measures will help REVL to get back to turnaround plan once the demand environment improves.”

**L. Ganesh, Chairman, Rane Group**

### BUSINESS HIGHLIGHTS

#### Financial Performance

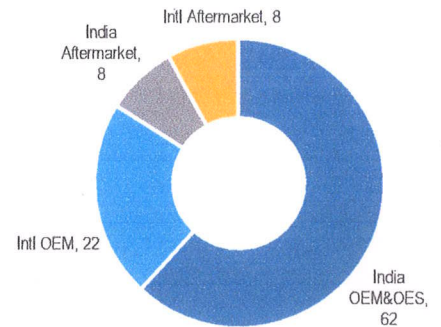
Particulars	Q2 FY 20	Q2 FY 19	YOY%
Total Net Revenue	94.6	107.8	-12.3%
EBITDA	4.5	3.4	33.6%
Margin (%)	4.7%	3.1%	162 bps
PAT	-3.7	-4.1	10.2%

Particulars	H1 FY 20	H1 FY 19	YOY%
Total Net Revenue	198.6	210.9	-5.8%
EBITDA	7.8	6.7	15.4%
Margin (%)	3.9%	3.2%	72 bps
PAT	-7.9	-8.5	6.3%

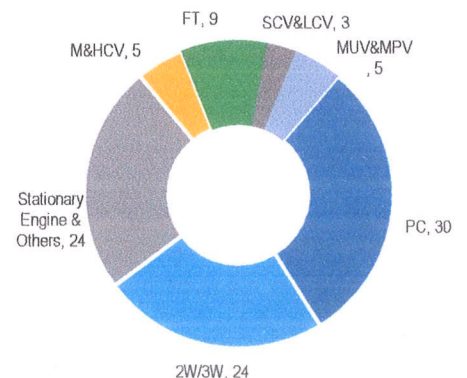
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (Q2 FY20)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)





### PROFIT AND LOSS ACCOUNT

	Q2FY20	Q1FY20	QoQ%	Q2FY19	YoY%	H1FY20	H1FY19	YoY%
Income from Operations	90.3	100.8	-10%	105.2	-14%	191.1	205.9	-7%
Other Operating Income	2.3	2.2	1%	2.4	-7%	4.5	4.3	5%
Other Income	2.0	1.0	95%	0.1	1388%	3.0	0.7	316%
<b>Total Revenue</b>	<b>94.6</b>	<b>104.1</b>	<b>-9%</b>	<b>107.8</b>	<b>-12%</b>	<b>198.6</b>	<b>210.9</b>	<b>-6%</b>
<b>Expenses</b>								
-Cost of Material Consumed	36.2	40.0	-10%	46.6	-22%	76.1	91.1	-16%
-Purchase of stock-in-trade	1.3	2.1	-38%	2.9	-56%	3.4	5.8	-42%
-Changes in inventories	0.3	3.6	-93%	-2.8	110%	3.8	-6.2	
-Employee Benefit Expense	26.9	28.8	-7%	28.7	-6%	55.7	56.5	-1%
-Finance Cost	3.0	2.5	21%	2.1	46%	5.5	4.5	23%
-Depreciation & Amortization	7.1	7.3	-2%	7.6	-7%	14.4	15.2	-5%
-Other Expenditure	25.5	26.4	-3%	29.0	-12%	51.9	56.9	-9%
<b>Total Expenses</b>	<b>100.3</b>	<b>110.6</b>	<b>-9%</b>	<b>114.1</b>	<b>-12%</b>	<b>210.8</b>	<b>223.9</b>	<b>-6%</b>
<b>PBT before Exceptional Items</b>	<b>-5.7</b>	<b>-6.5</b>	<b>13%</b>	<b>-6.4</b>	<b>11%</b>	<b>-12.2</b>	<b>-13.0</b>	<b>6%</b>
Exceptional Item	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>-5.7</b>	<b>-6.5</b>	<b>13%</b>	<b>-6.4</b>	<b>11%</b>	<b>-12.2</b>	<b>-13.0</b>	<b>6%</b>
Tax Expense	-2.0	-2.3	13%	-2.2	12%	-4.3	-4.5	6%
<b>PAT</b>	<b>-3.7</b>	<b>-4.2</b>	<b>13%</b>	<b>-4.1</b>	<b>10%</b>	<b>-7.9</b>	<b>-8.5</b>	<b>6%</b>

### KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2019
<b>Non-current assets</b>	<b>156.4</b>
-Property, Plant and Equipment	117.6
-Financial Assets	5.7
<b>Current assets</b>	<b>171.4</b>
- Inventories	78.1
-Trade receivables	77.7
-Cash and cash equivalents	0.7
<b>Total Assets</b>	<b>327.7</b>
<b>Shareholders Fund</b>	<b>119.5</b>
<b>Non-current liabilities</b>	<b>45.2</b>
-Long-term borrowings	30.9
<b>Current liabilities</b>	<b>163.0</b>
-Short-term borrowings	88.3
-Trade payables	50.8
<b>Total Liabilities</b>	<b>208.3</b>
<b>Total Equity and Liabilities</b>	<b>327.7</b>

(In ₹ Crore, unless otherwise mentioned. The sum of sub-segment amounts may not equal the total amounts due to rounding off)

### ABOUT RANE ENGINE VALVE LIMITED

Established in 1959, Rane Engine Valve Limited (REVL) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. REVL manufactures engine valves, valve guides and tappets for various IC engine applications. REVL is market leader in Indian OEM and replacement markets. REVL caters to all segments of automobile industries such as PV, CV, Tractors, 2W, 3W, stationary engines, railways and marine engines.

### ABOUT RANE GROUP

Headquartered in Chennai, India, Rane Group is engaged primarily in manufacturing auto components for well over five decades. Rane Group is a preferred supplier to major OEMs in India and abroad. Through its group companies, it provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility solutions. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and stationery Engines.

IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,  
PLEASE FEEL FREE TO CONTACT: [INVESTORSERVICES@RANEGROUP.COM](mailto:INVESTORSERVICES@RANEGROUP.COM) OR [DPINGLE@CHRISTENSENIR.COM](mailto:DPINGLE@CHRISTENSENIR.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, and other risks, 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.

