



KAR MOBILES LIMITED

CIN.: L85110TN1936PLC071646
Regd. Office: "MAITHRI", 132, Cathedral Road, Chennai - 600 086
Visit us at : www.rane.co.in



PERFORMANCE FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2014

Dear Shareholders,

I am pleased to inform you of the highlights of the operating and financial performance during the half year ended 30th September, 2014.

Market

- The domestic automobile market showed some signs of improvement during the second quarter. For the half year ended September 30, 2014, there was a marginal growth of 2% in the Passenger Car segment and strong growth of 20% in the MUV segment in comparison to half year ended September 30, 2013. For the same period, M&HCV segment had shown a positive growth of 6% after a long time. However, it is to be seen if this growth trend can be considered as the beginning of an improvement cycle.
- The company's overall sales grew by 4% in the first half of the current financial as compared to the corresponding period in the previous year. For the same period the sales to Original Equipment Manufacturers (OEM's), Aftermarket and Export market grew by 3%, 3%, & 13% respectively and the Railways and Defence business declined by 18%.

Operating Performance Highlights

- **Production**
Established a new manufacturing facility at Tumkur Plant to expand the portfolio of Large Valves.
- **Capex**
The Company has placed capex orders around Rs.6 crores to create and upgrade the facilities at Tumkur Plant for meeting its long term plan.
- **Business Development**
The Order flow from US aftermarket accounts has improved compared to previous year.

Merger with Rane Engine Valve Ltd.

- The Board of Directors of the Company has approved a Scheme of Amalgamation in terms of Sections 391 – 394 of the Companies Act, 1956 ("Scheme") to merge the company with Rane Engine Valve Ltd. with the appointed date as April 1, 2014. The Company has obtained requisite approvals from the Bangalore Stock Exchange Limited and Madras Stock Exchange Limited for the scheme. Also the shareholders of the Company had approved the Scheme at the court convened meeting held on November 12, 2014 and also through the postal ballot and e-voting. The merger is subject to obtaining approvals and consents of Regulatory authorities concerned and the Hon'ble High Court of Madras.

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**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, 2014	Half year ended 30 th September, 2013	Growth %
Sales & Other operating income	62.46	60.04	4
Profit Before Tax (PBT)	0.37	(1.50)	125
Profit After Tax (PAT)	0.22	(1.04)	121
EPS (Rs.) (Not Annualised)	0.99	(4.65)	121

Detailed results of the company are given overleaf. A copy of the presentation highlighting the half-yearly performance of Rane Group made to investment analysts is available at our website: www.rane.co.in.

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

Yours sincerely,

L Ganesh
Chairman

Dated: November 21, 2014



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Statement of Unaudited Results for the quarter and six months ended September 30, 2014

Part - I		(Rs. in lakhs)					
Sl No	Particulars	Quarter Ended			Half Year Ended		Financial Year Ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		(Unaudited)			(Unaudited)		(Audited)
1	Income from operations						
	a) Net Sales/ Income from operations (Net of excise duty)	3,266.43	2,877.63	2,968.67	6,144.06	5,888.23	11,762.20
	b) Other Operating Income	54.09	48.10	66.49	102.19	115.33	234.78
	Total Income from operations (Net)	3,320.52	2,925.73	3,035.16	6,246.25	6,003.56	11,996.98
2	Expenses:						
	a) Cost of materials consumed	1,472.74	1,279.14	1,292.39	2,751.88	2,517.91	4,910.84
	b) Changes in inventories of finished goods, work in progress and stock -in-trade	(96.21)	(18.92)	(36.36)	(115.13)	13.13	21.99
	c) Employee benefits expense	773.85	755.38	764.48	1,529.23	1,459.10	2,847.10
	d) Depreciation and amortisation expense	129.20	129.41	92.22	258.61	185.18	380.37
	e) Other expenses	935.52	764.71	985.97	1,700.23	1,853.88	3,376.54
	Total Expenses	3,215.10	2,909.72	3,098.70	6,124.82	6,029.20	11,536.84
3	Profit from operations before other income, finance cost & exceptional items (1 - 2)	105.42	16.01	(63.54)	121.43	(25.64)	460.14
4	Other Income	23.88	38.88	3.57	62.76	6.96	20.12
5	Profit from ordinary activities before finance cost & exceptional items (3 + 4)	129.30	54.89	(59.97)	184.19	(18.68)	480.26
6	Finance cost	80.37	67.02	45.58	147.39	131.11	273.40
7	Profit from ordinary activities after finance cost but before exceptional items (5 - 6)	48.93	(12.13)	(105.55)	36.80	(149.79)	206.86
8	Exceptional items	-	-	-	-	-	-
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	48.93	(12.13)	(105.55)	36.80	(149.79)	206.86
10	Tax expense	18.22	(3.59)	(39.70)	14.63	(45.52)	69.03
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	30.71	(8.54)	(65.85)	22.17	(104.27)	137.83
12	Extraordinary item (net of tax expense Rs. Nil)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 - 12)	30.71	(8.54)	(65.85)	22.17	(104.27)	137.83
14	Paid-up equity share capital (Face value of Rs.10/- per share)	224.00	224.00	224.00	224.00	224.00	224.00
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						2,907.81
16	Earnings per share (of Rs 10/-each) (not annualised) (Amount in Rs.)						
	(a) Basic	1.37	(0.38)	(2.94)	0.99	(4.65)	6.15
	(b) Diluted	1.37	(0.38)	(2.94)	0.99	(4.65)	6.15

Part - II							
A	PARTICULARS OF SHAREHOLDING						
1	Public Shareholding						
	- Number of shares	12,66,847	12,61,213	12,64,013	12,66,847	12,64,013	12,62,013
	- Percentage of Shareholding	56.56%	56.30%	56.43%	56.56%	56.43%	56.34%
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	9,73,153	9,78,787	9,75,987	9,73,153	9,75,987	9,77,987
	- 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)	43.44%	43.70%	43.57%	43.44%	43.57%	43.66%

B INVESTOR COMPLAINTS		3 months ended 30.09.2014 (Nos)
Pending at the beginning of the quarter		NIL
Received during the quarter		NIL
Disposed of during the quarter		NIL
Remaining unresolved at the end of the quarter		NIL



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Notes: (Rs. in lakhs)

1. Statement of Assets and Liabilities

Particulars	As at	As at
	30.09.2014	31.03.2014
	(Unaudited)	(Audited)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	224.00	224.00
(b) Reserves and Surplus	2,876.49	2,907.81
Sub-total - Shareholders' funds	3,100.49	3,131.81
2 Non-current liabilities		
(a) Long-term borrowings	730.35	664.70
(b) Deferred tax liabilities (net)	91.11	144.36
(c) Long term provisions	600.95	586.99
Sub-total - Non current liabilities	1,422.41	1,396.05
3 Current liabilities		
(a) Short term borrowings	1,927.29	1,880.56
(b) Trade payables	1,729.45	1,534.29
(c) Other current liabilities	752.38	794.90
(d) Short-term provisions	55.20	121.80
Sub-total -Current liabilities	4,464.32	4,331.55
TOTAL EQUITY AND LIABILITIES	8,987.22	8,859.41
B ASSETS		
1 Non-current assets		
(a) Fixed assets	3,757.38	3,811.03
(b) Long term loans and advances	291.57	335.36
Sub-total - Non current assets	4,048.95	4,146.39
2 Current assets		
(a) Current investments	-	-
(b) Inventories	1,588.13	1,500.61
(c) Trade receivables	2,887.25	2,722.52
(d) Cash and cash equivalents	31.59	24.31
(e) Short term loans and advances	242.71	173.62
(f) Other current assets	188.59	291.96
Sub-total -Current assets	4,938.27	4,713.02
TOTAL ASSETS	8,987.22	8,859.41

- The above results and statement of assets and liabilities have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on October 24, 2014. The same were subjected to limited review by the Statutory Auditors.
- During the quarter ended September 30, 2014, based on Schedule II of the Companies Act, 2013, the management reassessed the remaining useful life of assets with effect from April 1, 2014. Accordingly, the useful life of certain assets required a change from the previous estimates. If the Company had continued with the previously assessed useful lives, charge for depreciation for the quarter ended and half year ended September 30, 2014 would have been lower by Rs.30.37 Lakhs and Rs.61.26 Lakhs respectively for the assets held as at April 1, 2014. Further, an amount of Rs.30.88 Lakhs has been adjusted against the opening balance of Retained Earnings (net of Deferred Tax Credit of Rs.14.83 Lakhs) as on that date, in respect of the residual value of assets wherein the remaining useful life has become 'NIL'.
- Previous period figures have been regrouped wherever necessary to conform to current period's presentation.
- The company operates only in one segment, namely, components for transportation industry.
- Dividend of Rs.2.50 per equity share declared by the shareholders at the Annual General Meeting on July 25, 2014 for the year ended March 31, 2014 was paid on August 1, 2014.
- During the quarter, the company has received requisite 'no objection' approvals from Madras Stock Exchange Limited and Bangalore Stock Exchange Limited for the scheme of amalgamation to merge the company with Rane Engine Valve Limited with the appointed date as April 1, 2014. The above scheme shall be subject to approvals and consents of the other regulatory authorities concerned, Honourable High Court of Madras and that of the respective Shareholders / Creditors.

For Kar Mobiles Limited

Place: Chennai
 Date: October 24, 2014

L. Ganesh
 Chairman