



Rane Engine Valve Ltd.

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" Maithri "
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Chennai 600 086.
India.
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//Online Submission//

REVL / SE / 14 / 2017-18

June 2, 2017

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

Ref: Our letter no. REVL / SE / 11 / 2017-18 dated May 24, 2017: Regulation 30 of SEBI LODR

Sub: Earnings conference call – Audited Financial Results for the year ended March 31, 2017



With reference to our aforementioned letter intimating Earnings conference call scheduled on Monday, June 5, 2017 at 15:00 hours (IST) inter-alia to discuss audited financial results for the year ended March 31, 2017, we enclose herewith copy of the Earnings presentation for the analysts and investors proposed to be made thereat.

The same is also being made available on the website of the company www.ranegroup.com.

Kindly take this disclosure on record as compliance with the relevant provisions of SEBI LODR and acknowledge receipt.

Thanking you.

Yours faithfully
For **Rane Engine Valve Limited**



Siva Chandrasekaran
Executive Vice President – Secretarial & Legal

Encl: a/a

44



Expanding Horizons

Rane Group

Earnings Presentation | FY17



June 2017

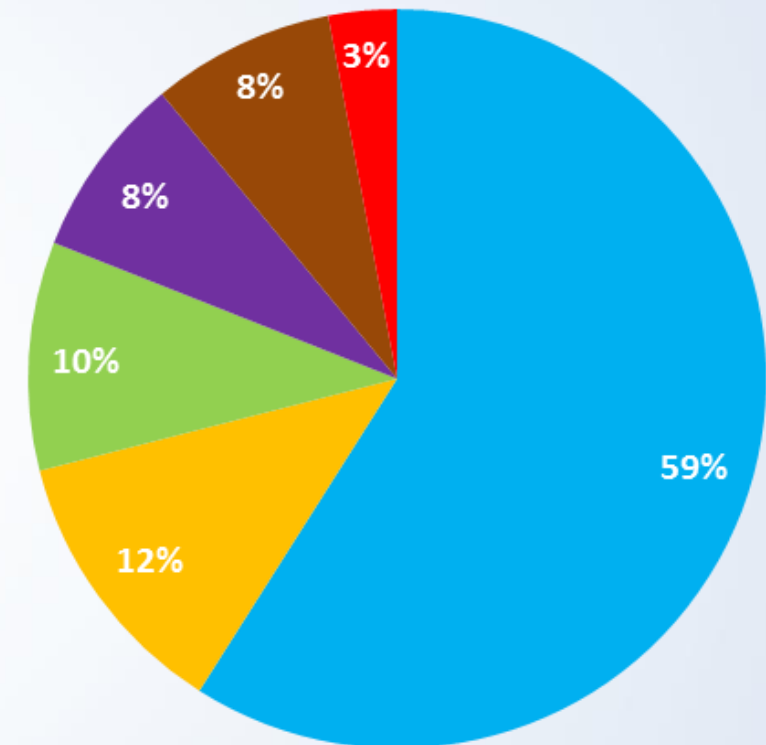
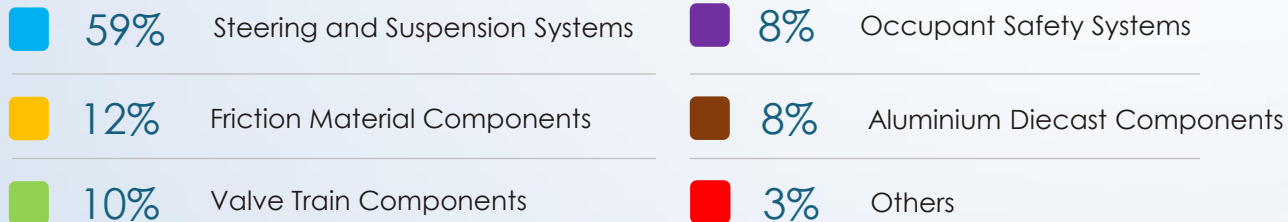
www.ranegroup.com



› Overview

- › Industry Performance Review – FY17
- › Rane Group Performance Review – FY17
- › Group Companies Performance Highlights – FY17

- Founded in 1929 for trading in automobile and automotive parts; Headquartered in Chennai, India.
- Commenced manufacturing operations in 1959.
- Group Sales of **INR 4,400 Cr** (~USD 680 mn)
- Most preferred manufacturer and supplier for global auto majors
- Serves a variety of industry segments: Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationary Engines
- Manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems and Die-casting products.



Revenue by Products

Group Net Sales in 2016-17:

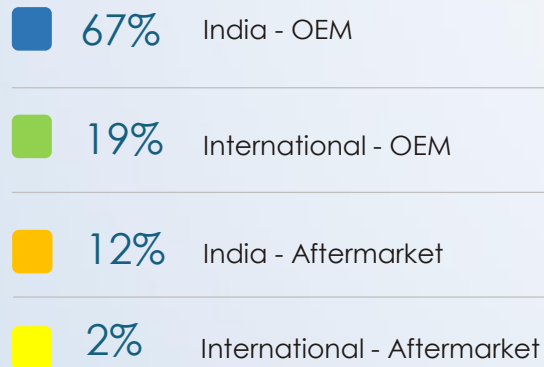
INR 4,032 Cr

(~USD 620 mn)

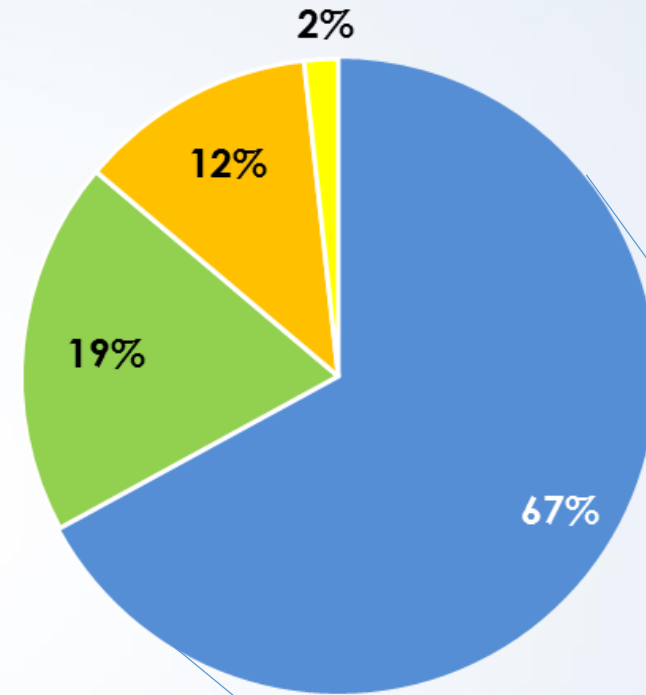
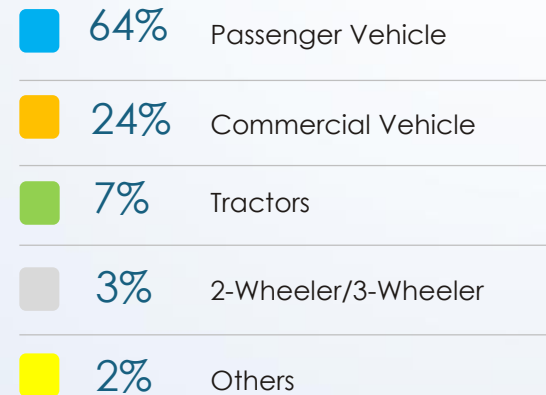
with **21%** from International markets

24% growth over last year; **12%** CAGR over last **10 years**

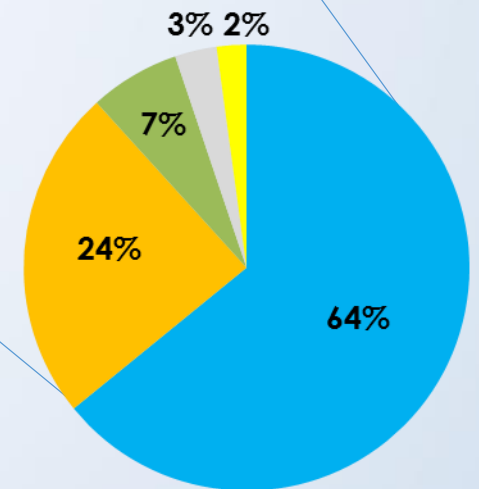
Revenue by Markets



Revenue by Vehicle Segment (India OEM)

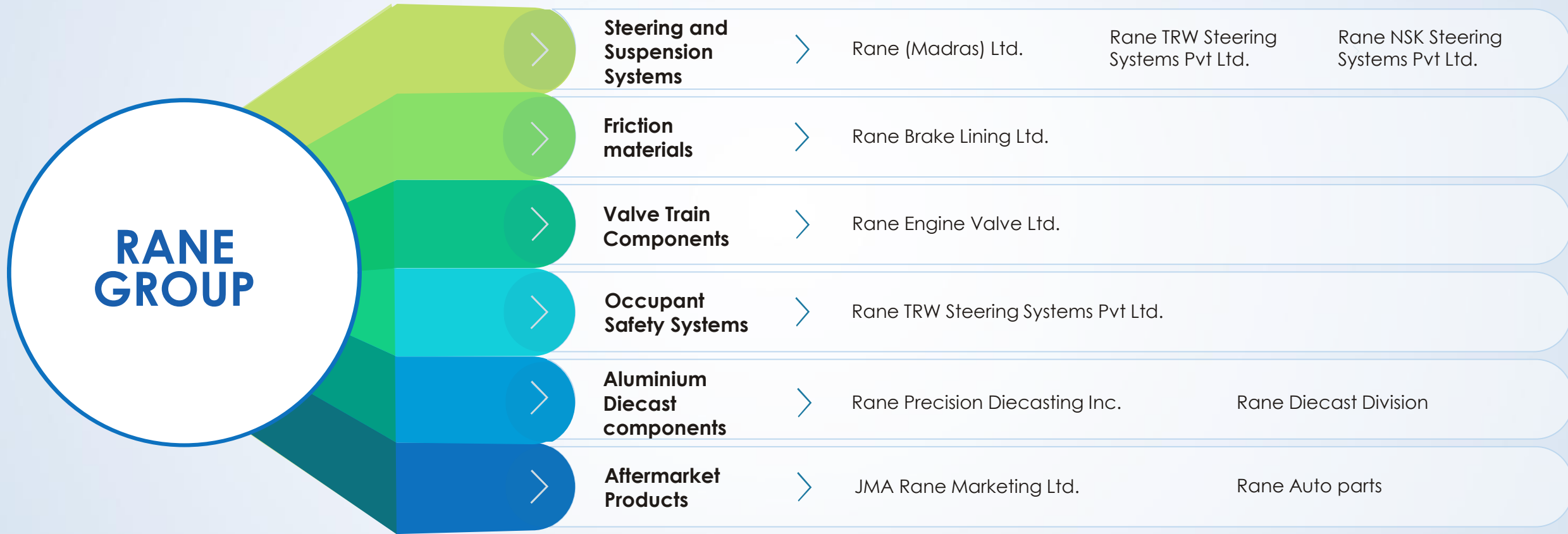


Revenue by Markets

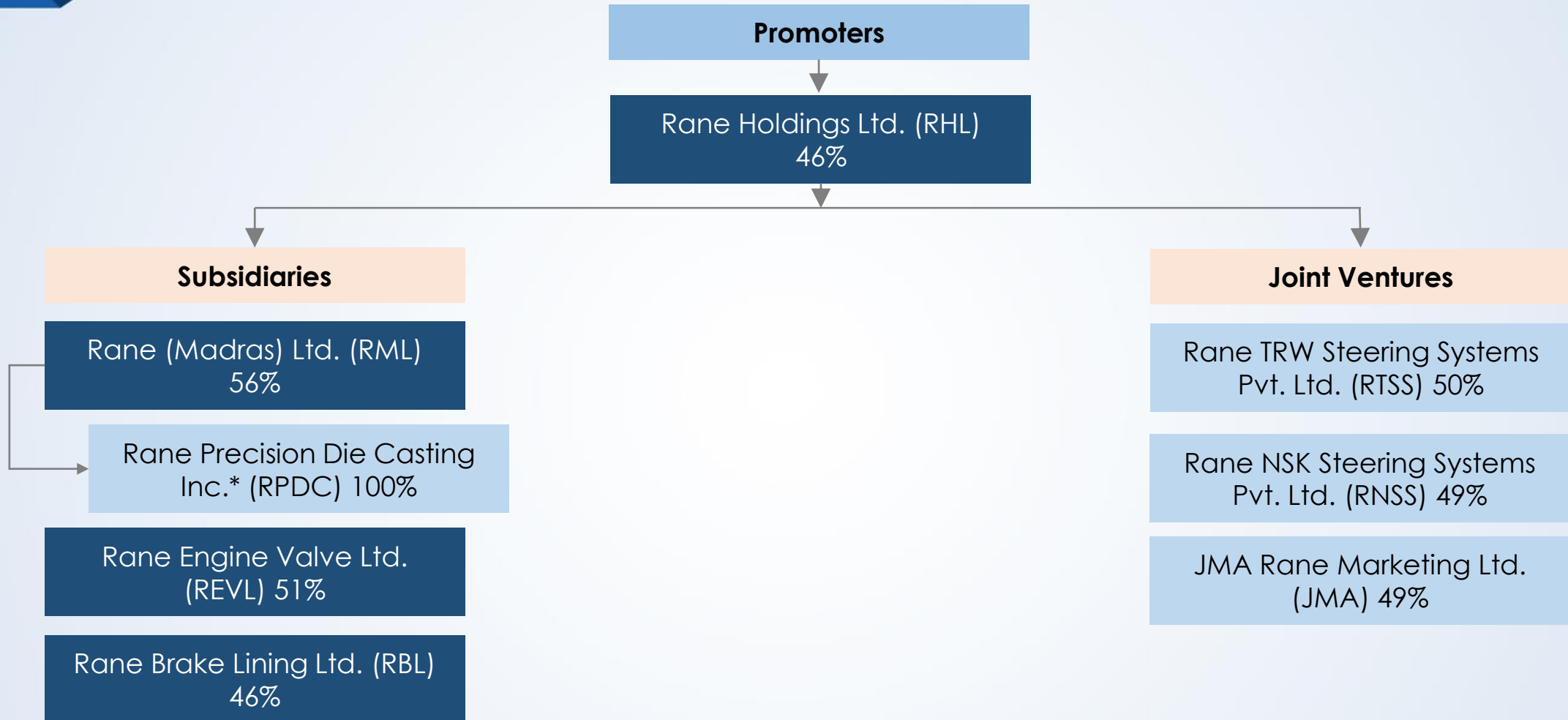


Revenue by Vehicle Segment (India OEM)

Rane Group – Business Structure



Rane Group – Holding Structure



* In FY 16, Rane (Madras) Ltd. acquired Rane Precision Die Casting Inc., the US based aluminium die castings company through its Wholly Owned Subsidiary Rane (Madras) International Holdings B.V, The Netherlands.

 Listed

Share holding as on 31 May 2017

› Overview

› **Industry Performance Review – FY17**

› Rane Group Performance Review – FY17

› Group Companies Performance Highlights – FY17

Industry Performance Review (2016-17)

Vehicle Segment	Production YoY Growth# in %	Rane Group Sales Growth in % (India OEM)	Rane Group Revenue Split *
Passenger Cars (PC)	5%	14%	41%
Utility Vehicles (MUV)	26%	51%	22%
Vans (MPV)	-1%	-26%	1%
Small Commercial Vehicles (SCV)	3%	26%	2%
Light Commercial Vehicles (LCV)	6%	27%	8%
Medium & Heavy Commercial Vehicles (M&HCV)	0.4%	12%	15%
2-Wheeler	6%	11%	3%
Farm Tractors (FT)	21%	6%	7%
Overall	6.6%	20%	

* Negligible presence in 3-wheeler. Other segments such as Rail and Stationary Engines contribute 1%

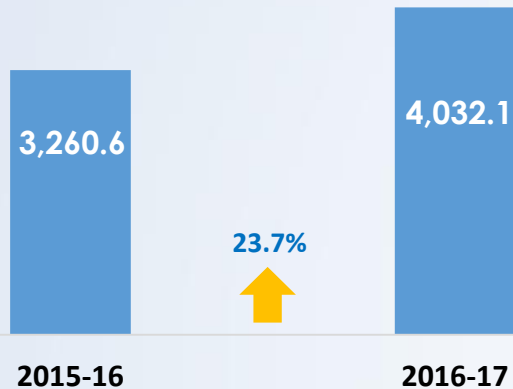
- › Registered superior growth in passenger vehicle segment as we commenced supplies to certain new customer programs
- › Share of business improvement with key customers in CV segment helped beat sluggish demand and post better growth
- › Growth in the Farm Tractors segment is limited mainly due to higher growth in unserved markets
- › Performance in 2-Wheeler segment was helped by share improvements with key customer

Source: SIAM

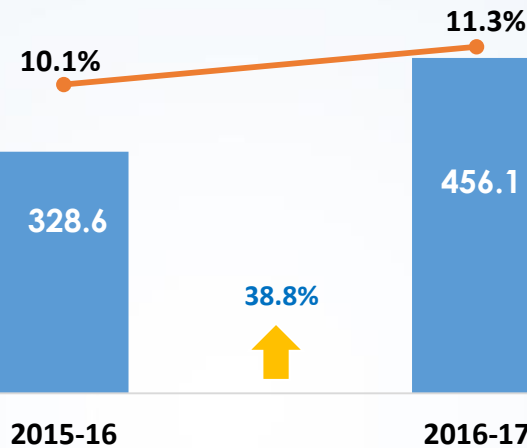
- › Overview
- › Industry Performance Review – FY17
- › **Rane Group Performance Review – FY17**
- › Group Companies Performance Highlights – FY17

Group Aggregate Performance Review

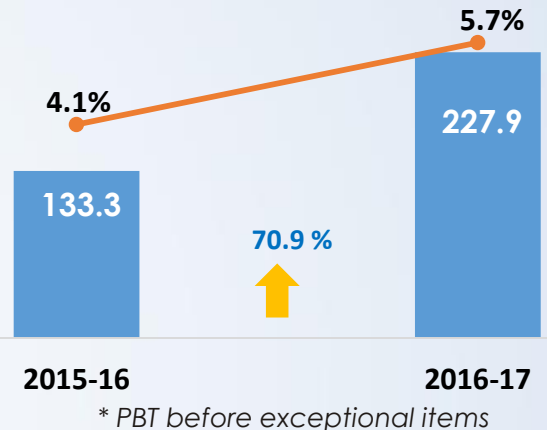
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT before exceptional items

› **Net Sales increased by 23.7% to Rs 4,032.1 Cr in FY17 from Rs 3,260.6 Cr in FY16**

- Revenues from Indian OE customers grew 20% supported by robust supplies to new passenger vehicle models and increased offtake in LCV and SCV segment
- Revenues from International customers grew 59% supported by commencement of new business for Steering and Die-casting products, Occupant safety products. This growth factors the full year impact of overseas acquisition by Rane (Madras) Limited

› **EBITDA increased by 38.8% to Rs 456.1 Cr in FY17 from Rs 328.6 Cr in FY16**

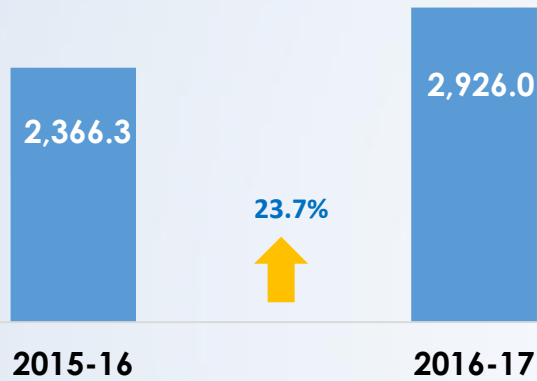
- Various cost control initiatives helped in improving the overall profitability across group companies

› **PBT increased by 70.9% to Rs 227.9 Cr in FY17 from Rs 133.3 Cr in FY16**

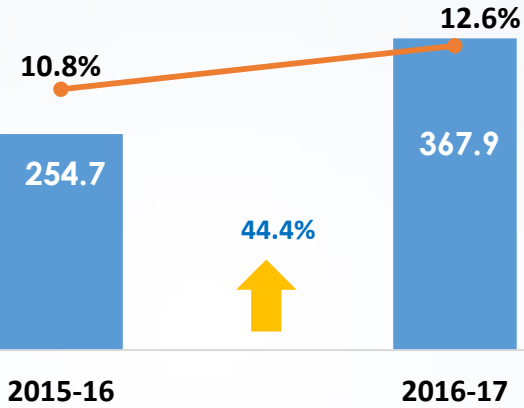
Note: FY17 figures includes the full year effect of acquisition of Rane Precision Die Casting Inc. by Rane (Madras) Limited, hence not comparable with the previous period

RHL Consolidated Performance Review

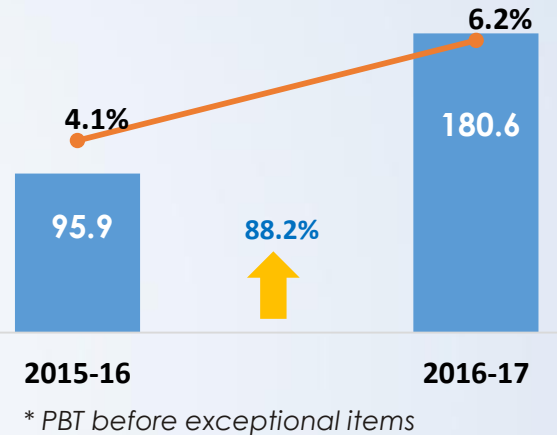
Net Sales (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT before exceptional items

- › Net Sales increased by 23.7% to Rs 2,926.0 Cr in FY17 from Rs 2,366.3 Cr in FY16
- › EBITDA increased by 44.4% to Rs 367.9 Cr in FY17 from Rs 254.7 Cr in FY16
- › PBT (Excluding Exceptional) increased by 88.2% to Rs 180.6 Cr in FY17 from Rs 95.9 Cr in FY16

RHL: (Consolidated) Key Financials

Particulars	(Rs Crs)				
	2013	2014	2015	2016	2017
Net Sales	1,896.6	1,903.3	2,179.2	2,366.3	2,926.0
<i>% growth</i>	3.7%	0.4%	14.5%	8.6%	23.7%
EBITDA	195.7	216.5	243.4	254.7	367.9
<i>% growth</i>	(16.5%)	10.6%	12.4%	4.6%	44.4%
PBT Before Exceptional Items	77.5	89.7	91.6	95.9	180.6
Exceptional (Expenses)/ Income	(0.7)	(52.1)	41.7	13.4	75.5
PBT	76.8	37.6	133.3	109.3	256.1
PAT	48.9	45.0	96.2	77.7	182.7
PAT after MI and P/L from Asso. Cos.	38.4	43.4	70.9	65.5	136.8
<i>% growth</i>	(46.4%)	13.1%	63.3%	(7.6%)	108.8%
EBITDA %	10.3%	11.4%	11.2%	10.8%	12.6%
Net Profit %	2.0%	2.3%	3.3%	2.8%	4.7%

RHL: (Consolidated) Balance Sheet- Highlights

Particulars	(Rs Crs)				
	2013	2014	2015	2016	2017
Net Worth	450.9	478.3	544.1	590.8	722.0
Minority Interest	165.1	158.8	193.0	190.9	236.2
Total Debt	387.9	428.7	469.7	595.7	563.5
Net Block	748.1	774.3	864.4	1,000.7	1,049.6
Investments	16.7	26.5	31.9	28.2	54.7
Debt: Equity	0.86	0.90	0.86	1.01	0.78
Debt/EBITDA	1.97	1.98	1.93	2.34	1.53

RHL: (Consolidated) Ratios and Return

Particulars	2013	2014	2015	2016	2017
RoCE%	11.6%	12.6%	11.9%	10.7%	15.6%
EPS (Rs.)	26.9	30.4	49.7	45.9	95.8
DPS (Rs.)	8.0	6.5	7.5	10.0	8.0
Dividend Payout (%)	51%	50%	50%	48%	51%*
BV (Rs.)	315.8	335.0	381.1	413.8	505.7

* Excluding one off other income

- › Overview
- › Industry Performance Review – FY17
- › Rane Group Performance Review – FY17
- › **Group Companies Performance Highlights – FY17**

Rane (Madras) Ltd.

(RML)

Market Environment

- › Indian industry witnessed a positive growth in most of the segments
- › Higher demand for Die-casting products from both International and Indian customers
- › Performance in the Farm Tractors segment is subdued mainly due to higher growth in unserved markets
- › Indian Aftermarket business was impacted by demonetization

Operational Highlights

- › Capacity creation for Rack and pinion (R&P) steering gears at Varanavasi facility to de-risk.
- › Upgrading the R&D facilities has helped in winning export business with customers like Daimler, Volvo for supply of linkages
- › The second Die casting plant in Hyderabad ramped up production resulting in volume growth
- › Undertook various measures to improve operational performance of overseas subsidiary company, Rane Precision Die Casting Inc. (RPDC)



Rane (Madras)

CUSTOMER

CATEGORY

- | CUSTOMER | CATEGORY |
|------------------|--|
| › M&M | Special Appreciation award for Yuvo project |
| › TAFE | Spare Parts Business Growth Award
Kaizen award for Painting quality |
| › Tata | Best support for New Part Introduction and VOR parts award |

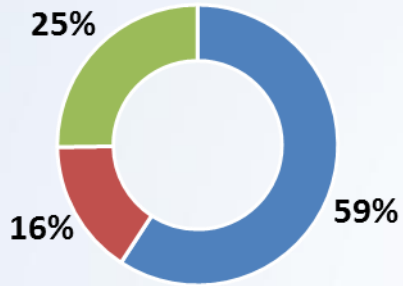
RML Standalone: Sales Summary

FY: 2016-17

FY: 2015-16

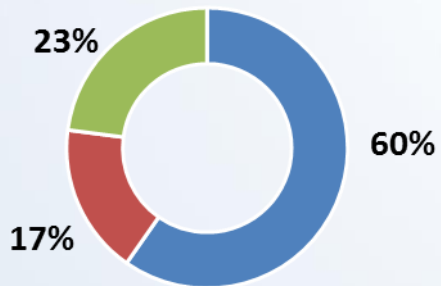
By Market

- India - OEM & OES
- India - Aftermarket
- International - OEM



Net Sales: Rs 965.9 Cr.

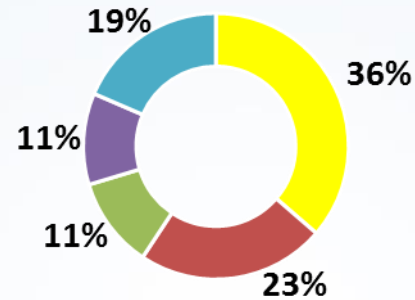
- India - OEM & OES
- India - Aftermarket
- International - OEM



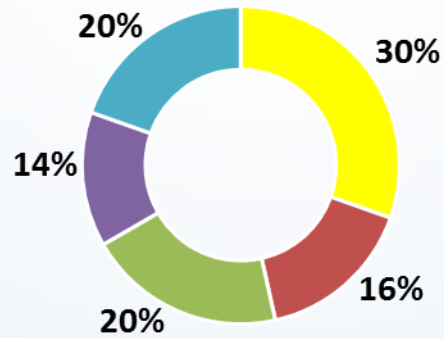
Net Sales: Rs 829.4 Cr.

By Customer Segment

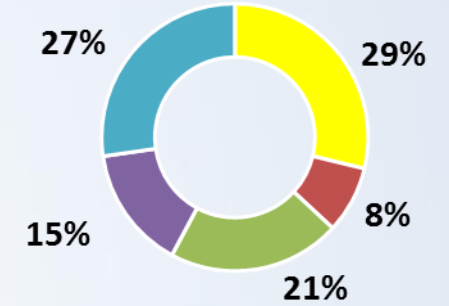
- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- Tractors



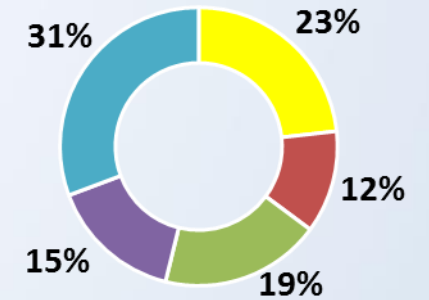
Net Sales: Rs 965.9 Cr.



Net Sales: Rs 829.4 Cr.



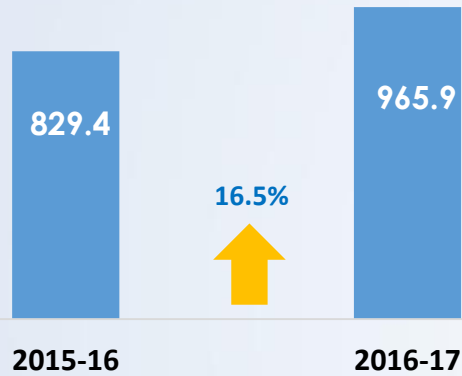
Sales to Domestic OEM: Rs 521.1 Cr.



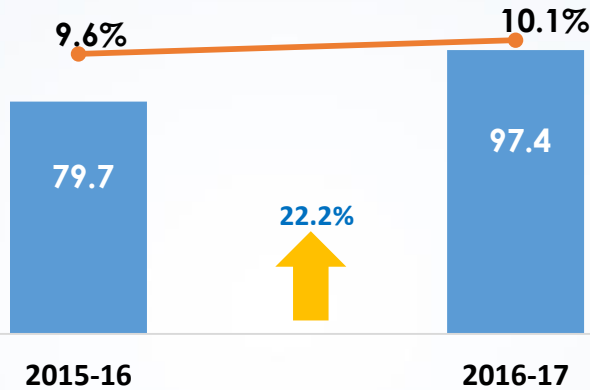
Sales to Domestic OEM: Rs 442.9 Cr.

RML Standalone – Financial Performance Review

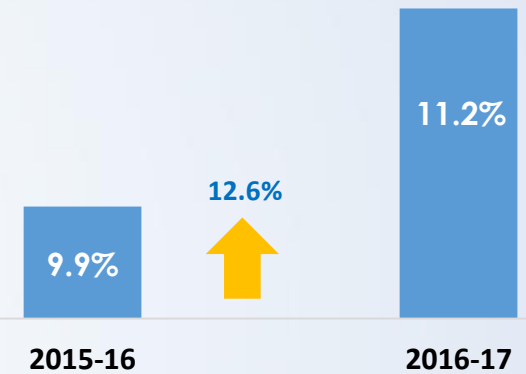
Net Sales (Rs cr.)



EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 16.5% to Rs 965.9 Cr in 2016-17 from Rs 829.4 Cr in 2015-16**

- 13% growth in India sales and 28% growth in International business
- Steering and linkages business grew with strong demand from new customer programs in passenger vehicle segment

› **EBITDA increased by 22.2% to Rs 97.4 Cr in 2016-17 from Rs 79.7 Cr in 2015-16**

- Stringent cost control measures offset the impact of the cost escalation
- The new die casting plant experienced delivery issues and higher rejections in the new program

› **ROCE increased from 9.9% in 2015-16 to 11.2% in 2016-17**

RML Consolidated: Sales Summary

FY: 2016-17

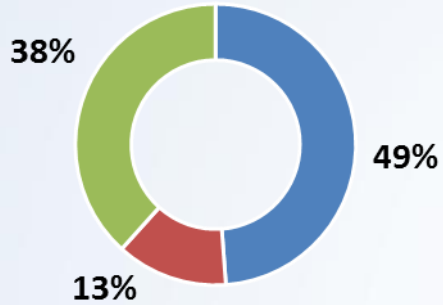
FY: 2015-16

By Market

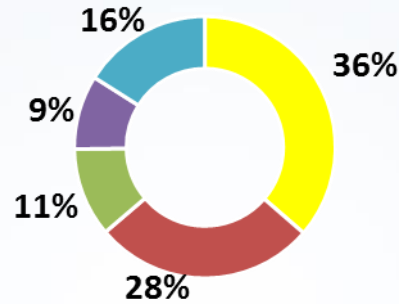
By Customer Segment

- India - OEM & OES
- India - Aftermarket
- International - OEM

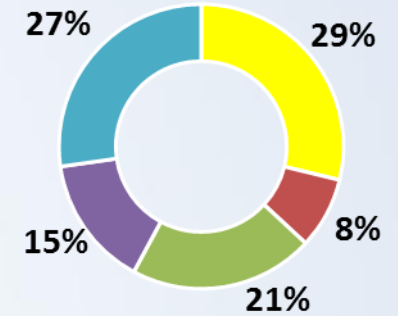
- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- Tractors



Net Sales: Rs 1170.8 Cr.



Net Sales: Rs 1170.8 Cr.

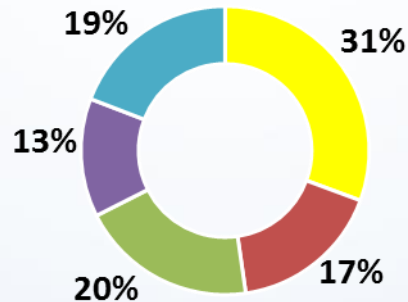


Sales to Domestic OEM: Rs 521.1 Cr.

- India - OEM & OES
- India - Aftermarket
- International - OEM

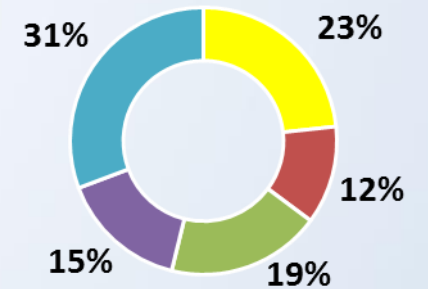


Net Sales: Rs 856.8 Cr.



Net Sales: Rs 856.8 Cr.

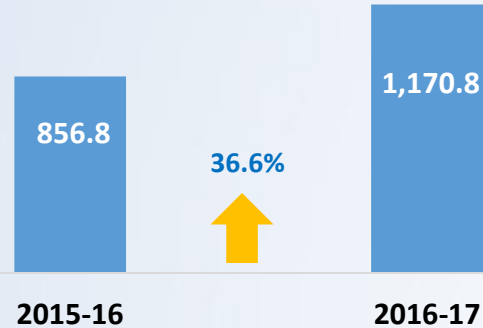
- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- Tractors



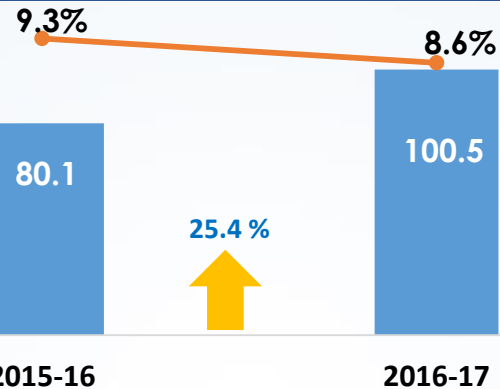
Sales to Domestic OEM: Rs 443.4 Cr.

RML Consolidated – Financial Performance Review

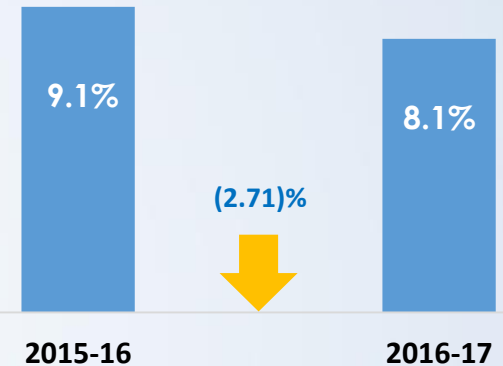
Net Sales (Rs cr.)



EBITDA (Rs cr.)



ROCE



- › **Net Sales increased by 36.6% to Rs 1,170.8 Cr in 2016-17 from Rs 856.8 Cr in 2015-16**
 - 13% growth in India sales and 106% growth in International business (includes full year impact of RPDC acquisition)
- › **EBITDA increased by 25.4% to Rs 100.5 Cr in 2016-17 from Rs 80.1 Cr in 2015-16**
 - RPDC's profitability although in line with plan, impacted the consolidated EBITDA Margin. However the turnaround initiatives are progressing well.
- › **ROCE declined due to lower profitability**

Priorities

› **Domestic-OEM:**

- Achieve growth through the new business in passenger car segment and hydraulics products
- Identifying new Indian customers for Die casting

› **Domestic-Aftermarket:** Continue to introduce new products and expand the product range

› **International:**

- Pursue new customers for steering gears and achieve breakthrough in ball joints
- Expand the die-casting portfolio to Europe
- Operational breakeven in RPDC business

RML: Key Financials

Particulars	(Rs Crs)				
	2013	2014**	2015	2016*	2017*
Net Sales	624.3	709.8	755.3	856.8	1,170.8
<i>% growth</i>	(5.0%)	13.7%	6.4%	13.4%	36.6%
EBITDA	57.8	69.2	69.7	80.1	100.5
<i>% growth</i>	(8.2%)	19.6%	0.7%	15.0%	25.4%
PBT Before Exceptional Items	30.1	29.1	20.0	20.0	12.3
Exceptional (Expenses)/ Income	-	(9.4)#	(3.2)#	(2.7)#	-
PBT	30.1	19.7	16.8	17.3	12.3
PAT	23.4	16.8	12.4	12.7	5.0
<i>% growth</i>	(14.5%)	(28.3%)	(25.9%)	1.8%	(60.9%)
EBITDA %	9.3%	9.7%	9.2%	9.3%	8.6%
PAT%	3.8%	2.4%	1.6%	1.5%	0.4%

* Represents consolidated financials of RML including Rane Precision Die Casting Inc.

** Represents merged financials of RML including Rane Diecast Division.

Amount paid to employees under VRS scheme.

RML: Ratios and Return

Particulars	2013	2014	2015	2016*	2017*
Debt:Equity	0.79	1.25	1.49	2.23	2.35
RoCE%	17.3%	15.8%	10.6%	9.1%	8.1%
EPS (Rs.)	23.0	15.4	11.2	11.4	4.1
DPS (Rs.)	7.0	5.5	4.5	4.5	6.0
Dividend Payout (%)	35%	40%	48%	40%	40%
BV (Rs.)	128.0	133.4	138.4	144.2	147.4

* Represents consolidated financials of RML including Rane Precision Die Casting Inc.

Rane Engine Valve Ltd.

(REVL)

Market Environment

- › Personal transportation segments (PC / UV / 2W) posted growth over last year
- › M&HCV growth affected due to policy uncertainties related to BSIV migration
- › Aftermarket Business & 2W business impacted during Q3 & Q4 due to demonetization
- › Farm Sector revived strongly

Operational Highlights

- › Significant reduction in material costs through cost reduction and product mix improvements
- › Operational efficiency improvements focused on productivity & Quality
- › Interest cost reduction through repayment of debt
- › Various debottlenecking efforts helped to improve capacity utilization
- › Company won several customer recognition / awards during the year for Quality / New Product Development



Rane Engine Valve

CUSTOMER

CATEGORY

› **Cummins**

Category Partner

› **John Deere**

Vendor Quality

› **Tata Motors**

Vendor Quality

› **M&M**

New Product Development

REVL: Sales Summary

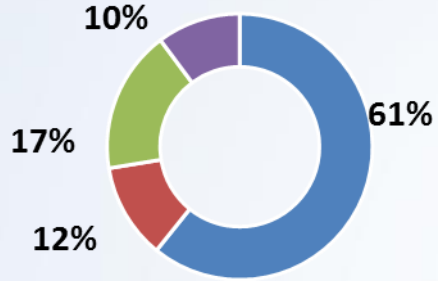
FY: 2016-17

FY: 2015-16

By Market

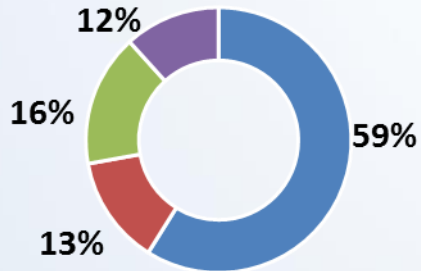
By Customer Segment

- India - OEM & OES
- India - Aftermarket
- International - OEM
- International - Aftermarket

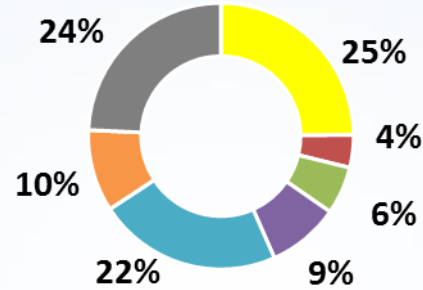


Net Sales: Rs 354.2 Cr.

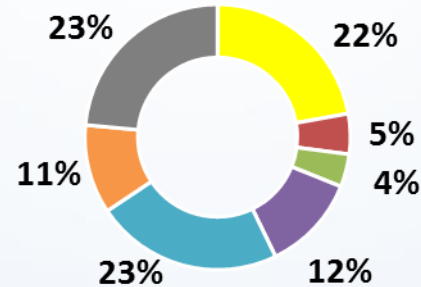
- India - OEM & OES
- India - Aftermarket
- International - OEM
- International - Aftermarket



Net Sales: Rs 342.4 Cr.

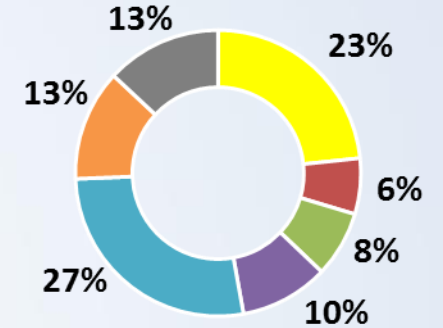


Net Sales: Rs 354.2 Cr.



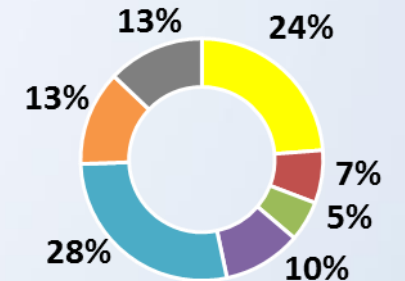
Net Sales: Rs 342.4 Cr.

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- 2W & 3W
- FT
- Rail & Others



Sales to Domestic OEM: Rs 199.5 Cr.

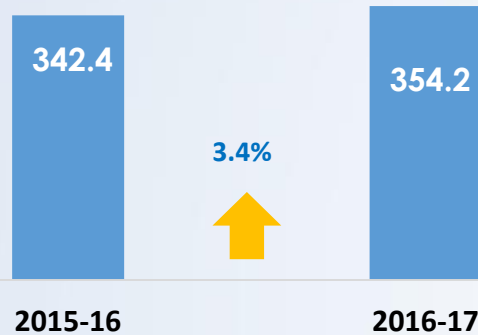
- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- 2W & 3W
- FT
- Rail & Others



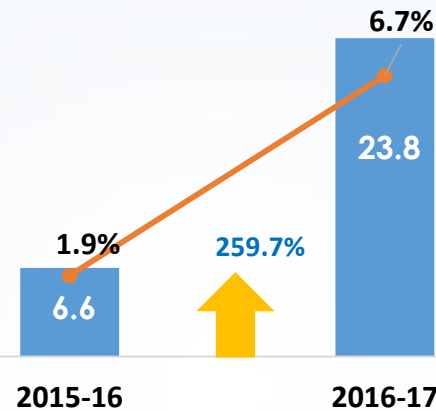
Sales to Domestic OEM: Rs 186.8 Cr.

REVL – Financial Performance Review

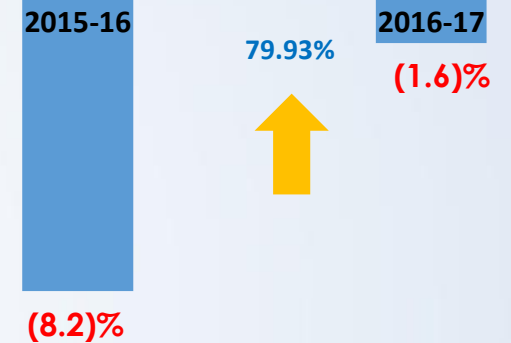
Net Sales (Rs cr.)



EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 3.4% to Rs 354.2 Cr in 2016-17 from Rs 342.4 Cr in 2015-16**

- Domestic OEM business grew by 6% due to increased business share with key customers in Passenger Car and 2W
- Exports sales grew by 2% on account of ramp up in business share with key international customer
- Major improvement in orders from Railways and Defense contributed to growth

› **EBITDA increased by 260% to Rs 23.8 Cr in 2016-17 from Rs 6.6 Cr in 2015-16**

- Initiatives on cost control, delivery improvement, productivity & quality
- The turnaround activities are still underway, higher rejections with new program launches at select plant location

› **Though ROCE improved, it is still negative as it was impacted by Operational loss in 2016-17**

Priorities

- › Continued focus on cost reduction and efficiency improvement initiatives
- › Expand capacity specific to major international customers to realize the targeted share of business in key served platforms
- › Improve capacity realization in existing facilities through productivity & debottlenecking initiatives
- › Expand non-automotive business through enhancing the product range and acquiring new global customers
- › Improve Business share with major customers in Passenger Car and 2W segments

REVL: Key Financials

	(Rs Crs)				
Particulars	2013	2014	2015*	2016*	2017*
Net Sales	254.7	259.1	387.6	342.4	354.2
<i>% growth</i>	(15.7%)	1.8%	49.6%	(11.6%)	3.4%
EBITDA	11.8	31.9	33.7	6.6	23.8
<i>% growth</i>	(72.4%)	169.6%	5.7%	(80.4%)	259.7%
PBT Before Exceptional Items	(18.8)	(3.3)	(13.1)	(35.1)	(13.9)
Exceptional (Expenses)/ Income	(0.1)	(40.3) ⁴	44.6 ³	17.5 ²	90.4 ¹
PBT	(18.9)	(43.6)	31.5	(17.7)	76.6
PAT	(12.6)	(29.1)	23.5	(12.5)	57.1
<i>% growth</i>	(160.7%)	(130.7%)	180.7%	(153.4%)	555.0%
EBITDA %	4.6%	12.3%	8.7%	1.9%	6.6%
PAT%	(5.0%)	(11.2%)	6.1%	(3.7%)	16.1%

* Represents merged financials of REVL including Kar Mobiles Division

1 Includes (i) Income of Rs.94.01 Cr towards profit on sale of land and (ii) Loss on impairment of assets amounting to Rs. 3.57 Cr consequent to the plant consolidation during the previous year

2 Includes Rs. 10.1 Cr of amount paid to employees under VRS scheme and profit on sale of land for Rs 27.5 Cr

3 Profit on sale of company's part land in Alandur, Chennai

4 Includes Rs. 40.8 Cr of amount paid to employees under VRS scheme

REVL: Ratios and Return

Particulars	2013	2014	2015	2016	2017
Debt:Equity	1.20	2.25	1.34	1.39	0.50
RoCE%	(4.4%)	5.6%	2.3%	(8.2%)	(1.6%)
EPS (Rs.)	(24.5)	(56.5)	34.9	(18.7)	84.9
DPS (Rs.)	0.0	0.0	2.5	0.0	2.5
BV (Rs.)	178.6	122.1	171.9	153.2	238.1

Rane Brake Lining Ltd.

(RBL)

Market Environment

- › Strong growth in passenger vehicle and two wheeler driven by specific customer programs.
- › Aftermarket segment affected by demonetization.

Operational Highlights

- › Trichy, Chennai and Hyderabad plants continued to maintain global benchmarks in quality standards.
- › Having won the Deming Grand Prize in 2013, Company undertook and successfully completed post DGP review .
- › Successfully completed installation of 2 MW solar power unit.
- › Continued focus on the 'Business Excellence Model' and adoption of best practices across locations helped RBL win several awards.
 - HR Excellence award in 'Large' category from ACMA
 - Certificate for best Health & Safety award from National Safety Council
 - Award for Energy Excellence from CII
- › Implemented VRS at Chennai and Hyderabad plant.



Rane Brake Lining

CUSTOMER	CATEGORY
› Brakes India	Certification of Performance in Friction Material

RBL: Sales Summary

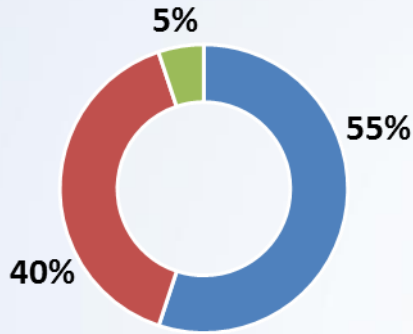
FY: 2016-17

FY: 2015-16

By Market

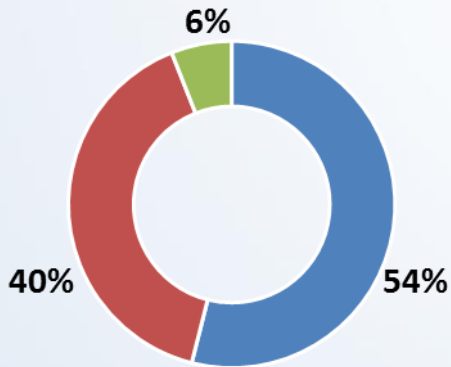
By Customer Segment

- India - OEM & OES
- India - Aftermarket
- International - OEM & Aftermarket

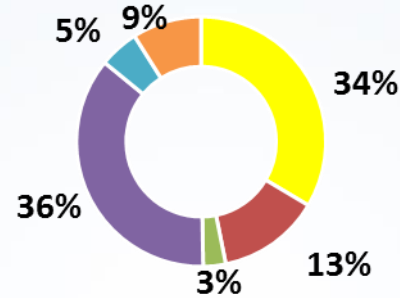


Net Sales: Rs 486.8 Cr.

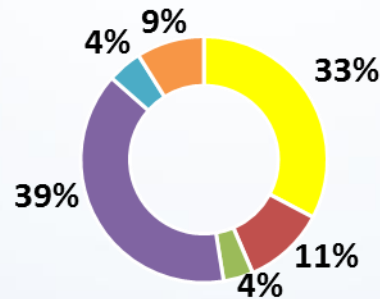
- India - OEM & OES
- India - Aftermarket
- International - OEM & Aftermarket



Net Sales: Rs 447.9 Cr.

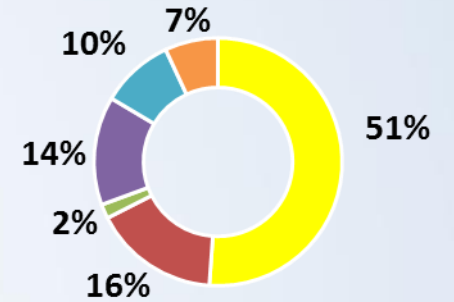


Net Sales: Rs 486.8 Cr.



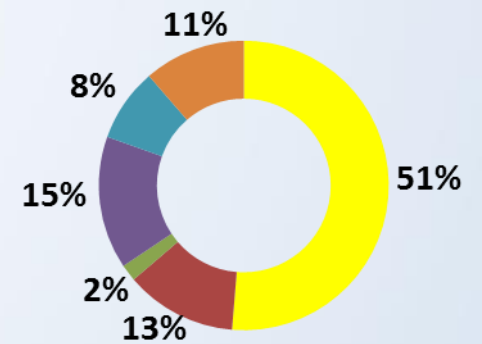
Net Sales: Rs 447.9 Cr.

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- 2W & 3W
- Rail & Others



Sales to Domestic OEM: Rs 255 Cr.

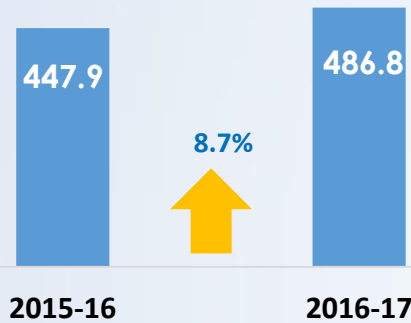
- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- 2W & 3W
- Rail & Others



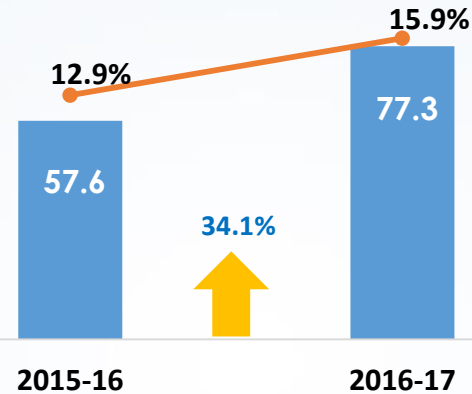
Sales to Domestic OEM: Rs 237.1 Cr.

RBL – Financial Performance Review

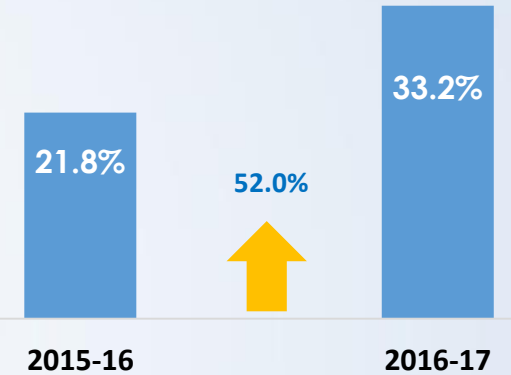
Net Sales (Rs cr.)



EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 8.7% to Rs 486.8 Cr in 2016-17 from Rs 447.9 Cr in 2015-16**

- Healthy growth in the OE segment supported by strong demand from passenger vehicles and Two-wheeler segment
- Navigated challenging time in Aftermarket segment with introduction of new products
- Significant drop in sales to Rail segment; lower offtake from International Aftermarket customers

› **EBITDA increased by 34.1% to Rs 77.3 Cr in 2016-17 from Rs 57.6 Cr in 2015-16**

- Margin improvement was driven by sustained cost reduction initiatives and softening of input material costs

› **ROCE increased from 21.8% in 2015-16 to 33.2% in 2016-17, driven by improved profitability and lower borrowings**

Priorities

- › Enhance R&D capability with the addition of new testing machines having advanced features of hydraulic and pneumatic brake system validation
- › Focus on Export business through enhanced technology collaboration with Nisshinbo and TMD
- › Building capacities to support new and existing OEM customers
- › Launch innovative, cost competitive new products in After markets
- › Continue emphasis on strategic initiatives to drive cost efficiencies and maintain profitability

RBL: Key Financials

	(Rs Crs)				
Particulars	2013	2014	2015	2016	2017
Net Sales	375.9	383.5	415.9	447.9	486.8
<i>% growth</i>	4.9%	2.0%	8.4%	7.7%	8.7%
EBITDA	36.1	42.6	47.6	57.6	77.3
<i>% growth</i>	(17.6%)	18.1%	11.6%	21.2%	34.1%
PBT Before Exceptional Items	10.9	16.7	20.6	35.5	57.1
Exceptional (Expenses)/ Income	-	-	-	-	(14.7) ¹
PBT	10.9	16.7	20.6	35.5	42.4
PAT	9.1	17.2	16.1	25.8	34.7
<i>% growth</i>	(43.8%)	89.1%	(6.4%)	59.9%	34.8%
EBITDA %	9.6%	11.1%	11.4%	12.8%	15.7%
PAT%	2.4%	4.5%	3.9%	5.8%	7.1%

¹ Amount paid to employees towards Voluntary Retirement Scheme.

RBL: Ratios and Return

Particulars	2013	2014	2015	2016	2017
Debt:Equity	0.88	0.72	0.42	0.20	0.04
RoCE%	9.3%	12.1%	13.8%	21.8%	33.2%
EPS (Rs.)	11.5	21.8	20.4	32.5	43.9
DPS (Rs.)	4.0	7.5	7.0	10.0	15.0
Dividend Payout (%)	41%	40%	41%	37%	41%
BV (Rs.)	128.9	141.8	153.8	174.3	210.9

Rane TRW Steering Systems Pvt. Ltd.

(RTSS)

Market Environment

- › Occupant Safety Division: Robust demand for occupant safety products
- › Steering Gear Division
 - Share growth in M&HCV and LCV segment
 - Structural decline in HPS for passenger vehicles

Operational Highlights

- › CV Gear capacity enhanced from 18k to 21k gears per month
- › Two solar plants with 2.4 MW capacity successfully installed during the year totaling to 3.5 MW of solar power
- › Successfully commenced supply of Seatbelts for export customer and also won orders for Airbags from the same customer
- › Expanded capacity for new technology Seatbelts
- › Successful SOP of local sewing for Indian OEM

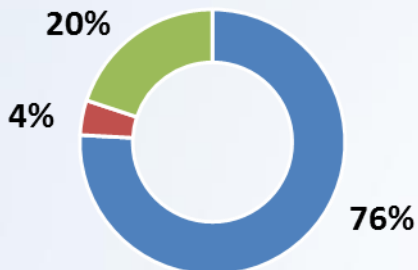
RTSS: Sales Summary

FY: 2016-17

FY: 2015-16

By Market

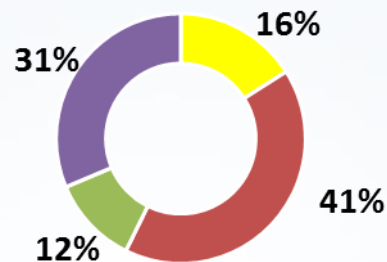
- India - OEM & OES
- India - Aftermarket
- International - OEM



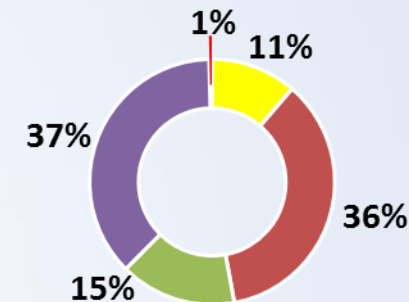
Net Sales: Rs 856.7 Cr.

By Customer Segment

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- FT

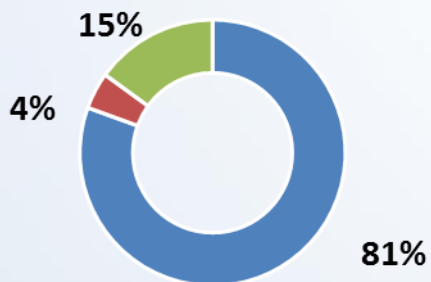


Net Sales: Rs 856.7 Cr.

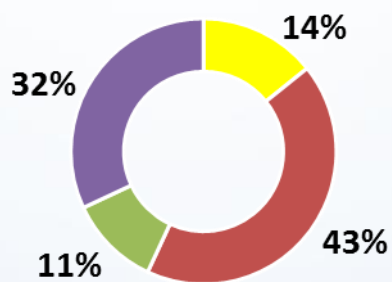


Sales to Domestic OEM: Rs 636.1 Cr.

- India - OEM & OES
- India - Aftermarket
- International - OEM

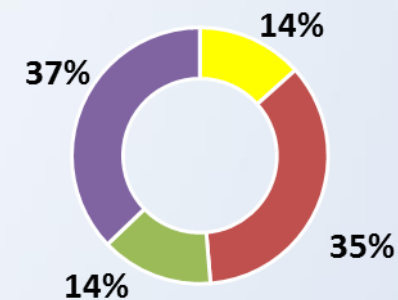


Net Sales: Rs 706.8 Cr.



Net Sales: Rs 706.8 Cr.

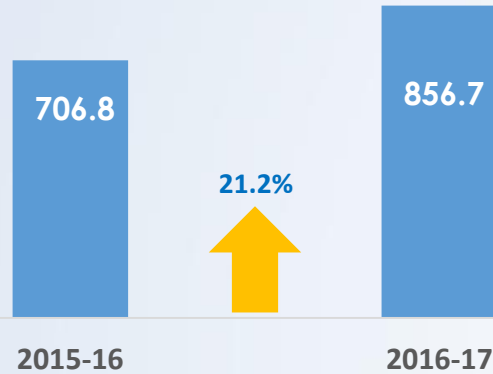
- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV



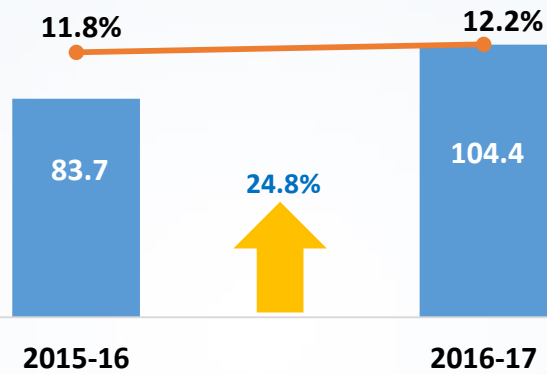
Sales to Domestic OEM: Rs 555.4 Cr.

RTSS – Financial Performance Review

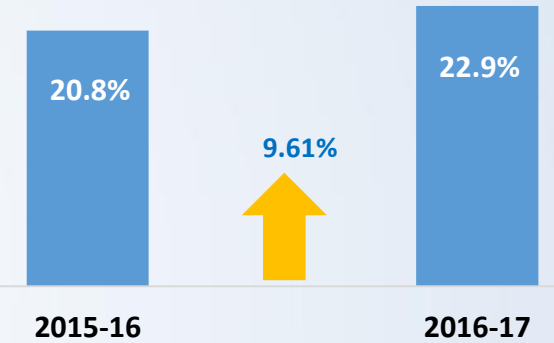
Net Sales (Rs cr.)



EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 21.2% to Rs 856.7 Cr in 2016-17 from Rs 706.8 Cr in 2015-16**

- Growth driven by strong performance of occupant safety division
- In Steering gear division, share improvement helped to overcome sluggishness in M&HCV segment

› **EBITDA increased by 24.8% to Rs 104.4 Cr in 2016-17 from Rs 83.7 Cr in 2015-16**

- Implementation of cost saving initiatives to reduce material cost and stringent fixed cost management helped margin improvement

› **ROCE increased from 20.8% in 2015-16 to 22.9% in 2016-17, driven by improved profitability**

Priorities

- › Steering Gear Division
 - Expanding the business in tractor and small commercial vehicle segment
 - Introduce Pump with weight reduction / design optimization solutions for the M&HCV customers
- › Occupant Safety Division
 - Targeting new business from Indian OEMs for Occupant safety products
 - Successful ramp up and launch of new program secured from International customer

RTSS: Key Financials

	(Rs Crs)				
Particulars	2013	2014	2015	2016	2017
Net Sales	630.9	590.1	625.9	706.8	856.7
<i>% growth</i>	1.8%	(6.5%)	6.1%	12.9%	21.2%
EBITDA	70.3	52.2	70.1	83.7	104.4
<i>% growth</i>	(27.0%)	(25.8%)	34.3%	19.3%	24.8%
PBT Before Exceptional Items	44.3	24.5	41.0	53.6	70.0
Exceptional (Expenses)/ Income	-	-	(0.9)*	(2.1)*	(0.5)*
PBT	44.3	24.5	40.1	51.6	69.5
PAT	33.2	19.8	28.4	35.9	47.8
<i>% growth</i>	(32.0%)	(40.5%)	43.7%	26.2%	33.1%
EBITDA %	11.1%	8.8%	11.2%	11.8%	12.2%
PAT%	5.3%	3.4%	4.5%	5.1%	5.6%

* Amount paid to employees towards Voluntary Retirement Scheme.

RTSS: Ratios and Return

Particulars	2013	2014	2015	2016	2017
Debt: Equity	0.24	0.22	0.20	0.19	0.29
RoCE%	20.8%	11.1%	17.3%	20.8%	22.9%
EPS (Rs.)	38.0	22.6	32.5	41.1	54.7
DPS (Rs.)	20.0	10.0	20.0	20.0	22.5
Dividend Payout (%)	61%	52%	74%	59%	50%
BV (Rs.)	231.8	243.1	248.2	265.2	307.8

Rane NSK Steering Systems Pvt. Ltd.

(RNSS)

Market Environment

- › Strong customer offtake in the served models of Passenger cars and MUV
- › In the Commercial Vehicle segment, muted growth with fluctuating demand in the served models and lower offtake in the new programs

Operational Highlights

- › Quality performance improved through strengthened internal audit and systematic problem solving
- › SOP started for key NPD projects (TATA LCV, Daimler HDT & ISUZU) in MSC
- › Capacity enhancements and expansions are in progress in Pant Nagar plant as part of risk mitigation for natural calamities and to address demand from customers in the vicinity
- › Increased demand for EPS met through additional capacity increase and productivity improvements



Rane NSK Steering Systems

CUSTOMER	CATEGORY
› Volvo Eicher C.V.	Special Contribution in KATA Program
› Maruti Suzuki	Recognition of Special Support
› Tata Motors	Quality: Best outstanding supplier 2nd runner up

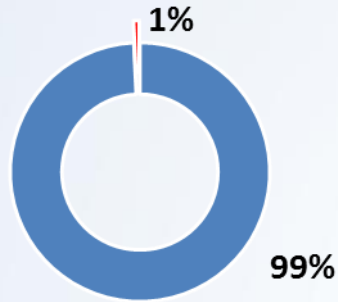
RNSS: Sales Summary

FY: 2016-17

FY: 2015-16

By Market

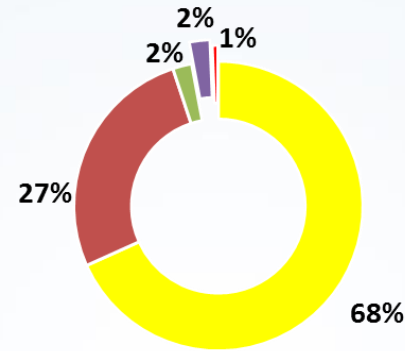
- India - OEM & OES
- International - OEM



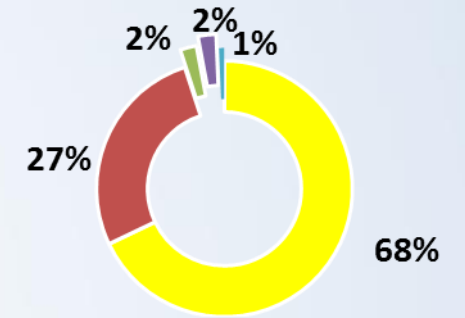
Net Sales: Rs 1000.1 Cr.

By Customer Segment

- Pass Car
- MUV & MPV
- SCV, LCV
- M&HCV
- FT & Others

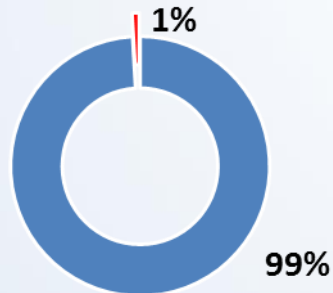


Net Sales: Rs 1000.1 Cr.

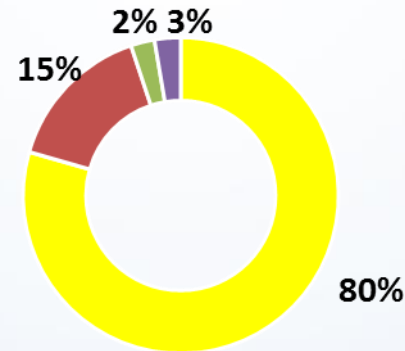


Sales to Domestic OEM: Rs 989 Cr.

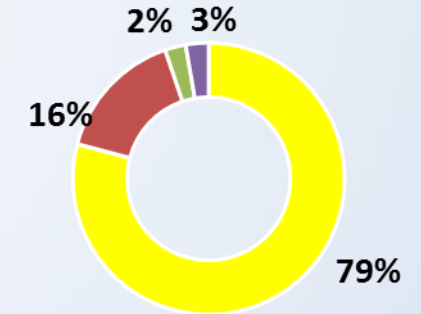
- India - OEM & OES
- International - OEM



Net Sales: Rs 766.4 Cr.



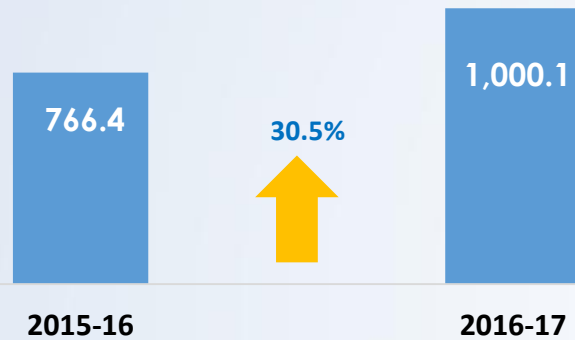
Net Sales: Rs 766.4 Cr.



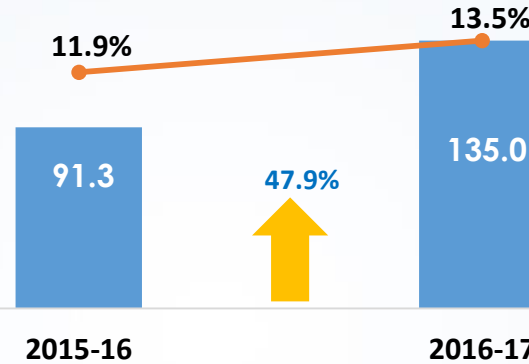
Sales to Domestic OEM: Rs 753.8 Cr.

RNSS – Financial Performance Review

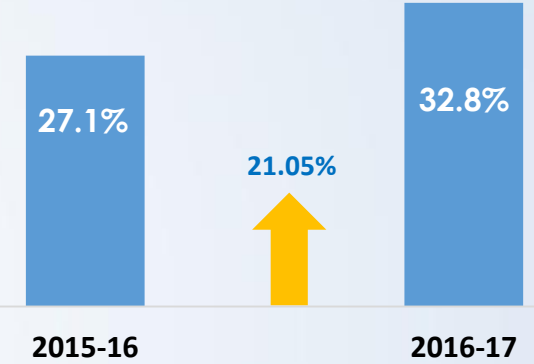
Net Sales (Rs cr.)



EBITDA (Rs cr.)



ROCE



› **Net Sales increased by 30.5% to Rs 1,000.1 Cr in 2016-17 from Rs 766.4 Cr in 2015-16**

— Strong offtake from customer for their successful passenger car and MUV models

› **EBITDA increased by 47.9% to Rs 135.0 Cr in 2016-17 from Rs 91.3 Cr in 2015-16**

— Material cost reduction through source change / Buy-to Make and Fixed cost leverage on higher sales contributed to EBITDA growth

› **Increase in EBIT and tight control on Capex helped to improve ROCE**

Priorities

- › Capacity planning & Management to support new program volume ramp-up and increased demand on existing supplies
- › Strengthen local talent in EPS business – Production and manufacturing engineering
- › Enhance design capability in MSC to win overseas business opportunities
- › Realisation of key re-sourcing opportunities from M&HCV customer's legacy platforms

RNSS: Key Financials

Particulars	(Rs Crs)				
	2013	2014	2015	2016	2017
Net Sales	572.5	523.7	623.0	766.4	1,000.1
<i>% growth</i>	85.8%	(8.5%)	19.0%	23.0%	30.5%
EBITDA	58.7	55.6	73.3	91.3	135.0
<i>% growth</i>	183.8%	(5.2%)	31.7%	24.6%	47.9%
PBT Before Exceptional Items	36.3	27.8	42.8	53.6	90.3
Exceptional (Expenses)/ Income	-	(4.8)**	1.7*	-	-
PBT	36.3	23.0	44.5	53.6	90.3
PAT	24.9	14.1	29.6	39.6	60.8
<i>% growth</i>	361.0%	(43.4%)	109.6%	34.0%	53.4%
EBITDA %	10.2%	10.6%	11.8%	11.9%	13.5%
PAT%	4.4%	2.7%	4.7%	5.2%	6.1%

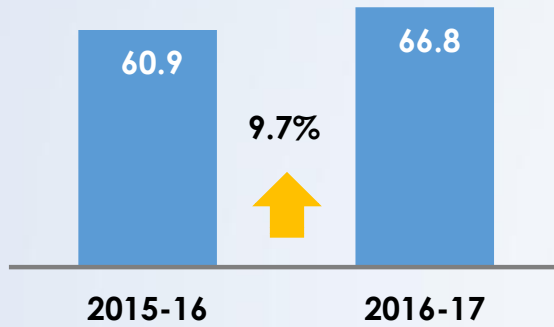
* Insurance claim receivable, reversal of excess provision for product recall and VRS expenses.

** Provision for voluntary recall of products.

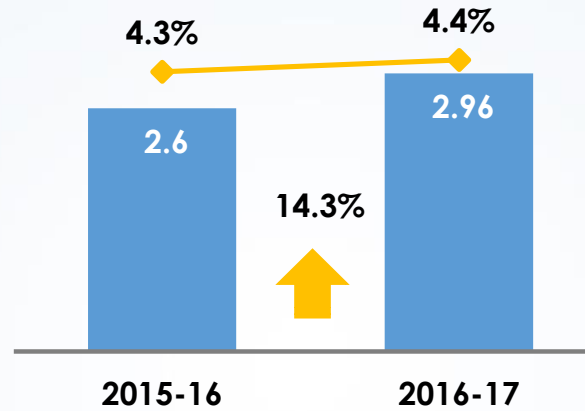
RNSS: Ratios and Return

Particulars	2013	2014	2015	2016	2017
Debt:Equity	0.72	0.86	1.10	0.97	0.82
RoCE%	46.1%	29.0%	29.0%	27.1%	32.8%
EPS (Rs.)	13.9	7.9	16.5	22.1	34.0
DPS (Rs.)	0.0	0.0	2.5	4.0	9.0
Dividend Payout (%)	-	-	18%	22%	32%
BV (Rs.)	33.7	41.6	55.0	72.3	106.3

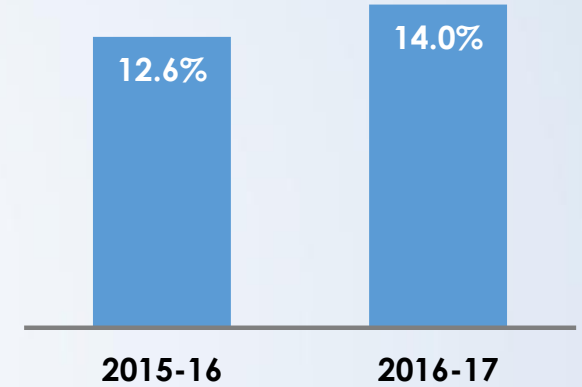
Net Sales (Rs cr.)



EBITDA (Rs cr.)



ROCE



Operational Highlights

- › Sales increased by 9.7% to Rs. 66.8 Cr in 2016-17 from Rs. 60.9 Cr in 2015-16
- › EBITDA increased by 14.3% to Rs. 2.96 Cr in 2016-17 from Rs. 2.6 Crore in 2015-16
- › ROCE increased from 12.6% in 2015-16 to 14.0% in 2016-17

Glossary of Abbreviations

Abbreviation	Expansion
ACMA	Automotive Component Manufacturers Association
BV	Book Value
CAGR	Compound Annual Growth Rate
Capex	Capital Expenditure
CII	Confederation of Indian Industry
CV	Commercial Vehicles
DPS	Dividend Per Share
EPS	Earnings Per Share/Electric Power Steering
FT	Farm Tractors
FY	Financial Year
HCV	Heavy Commercial Vehicles
HDT	Heavy Duty Truck
HPS	Hydraulic Power Steering
INR	Indian Rupee
JV	Joint Venture
LCV	Light Commercial Vehicles
MCV	Medium Commercial Vehicles
MI	Minority Interest
MPV	Multi Purpose Vehicles
MSC	Manual Steering Column
MUV	Multi Utility Vehicles

Abbreviation	Expansion
M&HCV	Medium & Heavy Commercial Vehicles
M&M	Mahindra & Mahindra
NPD	New Product Development
EBITDA	Earnings Before Interest, Tax and Depreciation & Amortisation
OE	Original Equipment
OEM	Original Equipment Manufacturer
OES	Original Equipment Supplier
PAT	Profit After Tax
PBT	Profit Before Tax
PC	Passenger Car
P&L	Profit & Loss
R&D	Research & Development
ROCE	Return on Capital Employed
SCV	Small Commercial Vehicles
SIAM	Society of Indian Automobile Manufacturers
SOP	Standard Operating Procedure
TAFE	Tractors & Farm Equipment Ltd
TMD	TMD Friction GmbH
UV	Utility Vehicles
VRS	Voluntary Retirement Scheme
2W/3W	Two Wheeler/Three Wheeler

This presentation contains certain forward looking statements concerning Rane's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, government policies and action with respect to investments, fiscal deficits, regulations etc., interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statement become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.