

RANE HOLDINGS LIMITED

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

visit us at : <http://rane.in/>



PERFORMANCE FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2013

Dear Shareholders,

I am pleased to inform you of the highlights of the financial performance and major developments during the half year ended 30th September, 2013.

Automotive Industry & Economic Scenario

- The automotive Industry continued to be weak during the second quarter, extending tough conditions for a far longer period than industry estimates.
- There were continued weakness in all segments of the domestic industry, with Farm Tractors and passenger cars being the exceptions during the second quarter.
- Export markets continued to be stronger compared to domestic market and the currency depreciation made products competitive.
- European markets continued to be affected by slow down.

Performance by Rane Group Companies

I have great pleasure to inform you that Rane Brake Lining Limited (RBL), our subsidiary, has received the prestigious **Deming Grand Prize** (DGP) for quality excellence from the Union of Japanese Scientists and Engineers (JUSE). RBL has now joined the elite, global club of twenty six DGP companies for this coveted quality recognition.

Rane (Madras) Limited received NOC from BSE Limited and National Stock Exchange for the Scheme of merger of Rane Diecast Limited. The scheme is subject to approval of statutory authorities and the Hon'ble High Court of Madras.

Restructuring in Rane Engine Valve resulted in a VRS outflow of Rs.40.76 Crores with the company engaged in rationalization of production facilities by shifting Alandur capacity to Trichy and Ponneri.

Power situation improved in Andhra Pradesh and Tamil Nadu, with units reducing dependence on DG power.

Group companies continued emphasis on cost control measures, productivity and efficiency improvement practices and Rs.75 Crores orders committed on capital expenditures against a plan of Rs.127 Crores.

The Group companies continue to focus on export customers for new business with deliveries over the next few years.

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Standalone Financials

Operating Income for the half year stood at Rs.31.15 Crores as against Rs.30.84 Crores during the same period of the previous year. Profit before Tax grew to Rs.18.89 Crores from Rs.18.82 Crores in the same period of the previous year.

Consolidated Financials

Summary of the financial performance for the half year ended 30th September 2013 is given below:

Rs. Crores

Particulars	Half year ended 30 th September, 2013	Half year ended 30 th September, 2012	Growth %
Consolidated Sales and Operating Income	928.34	939.30	(1)%
Consolidated Net Profit/ (Loss) Before Tax (PBT)	(17.68)*	36.98	(148)%
Consolidated Net Profit/ (Loss) After Tax (PAT)	1.20*	23.70	(95)%
EPS (Rs.) (Not Annualised)	0.84	16.60	(95)%

* Includes an exceptional item of amount paid to employees under VRS scheme by the Subsidiary companies Rane Engine Valve Ltd. and Rane (Madras) Ltd. of Rs.40.76 Crores and 9.43 Crores respectively.

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 also available at our website: <http://rane.in/>

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

Yours sincerely

L Lakshman
Executive Chairman

Dated: 19th November 2013

Statement of Standalone / Consolidated Unaudited Financial Results for the Quarter and Half Year ended 30th September 2013

Rs. in Lakhs												
Particulars	Standalone						Consolidated					
	Quarter ended			Half-Year ended		Financial year ended	Quarter ended			Half-Year ended		Financial year ended
	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013	30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
	(Unaudited)					(Audited)	(Unaudited)					(Audited)
Part I												
1. Income from Operations												
(a) Net Sales / Income from operations (Net of excise duty)	-	-	-	-	-	-	46,002.33	45,413.41	44,156.47	91,415.74	92,636.02	1,89,667.01
(b) Dividend Income	800.47	-	431.46	800.47	868.37	1,520.23	-	-	-	-	-	-
(c) Other Operating Income	1,143.37	1,170.75	1,080.95	2,314.12	2,216.01	4,158.06	809.27	609.15	758.40	1,418.42	1,353.82	3,928.76
Total Income from operations (net)	1,943.84	1,170.75	1,512.41	3,114.59	3,084.38	5,678.29	46,811.60	46,022.56	44,914.87	92,834.16	93,989.84	1,93,595.77
2. Expenditure												
(a) Cost of materials consumed	-	-	-	-	-	-	25,324.16	26,333.16	27,069.55	51,657.32	55,917.94	1,09,504.46
(b) Purchase of stock-in-trade	-	-	-	-	-	-	609.31	458.89	171.20	1,068.20	291.69	3,166.39
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-	31.03	(1,358.02)	(198.58)	(1,326.99)	(2,225.37)	(1,418.07)
(d) Employee benefits expense	243.75	240.03	231.31	483.78	443.39	936.99	6,424.50	6,486.70	6,119.01	12,911.20	12,486.38	25,282.54
(e) Depreciation and amortisation expense	23.27	20.89	13.36	44.16	23.76	66.61	2,096.42	1,971.90	1,924.30	4,068.32	3,787.74	7,903.00
(f) Professional charges	64.36	48.59	81.14	112.95	145.15	285.86	341.71	288.93	325.10	630.64	557.73	1,399.73
(g) Information Systems expenses	102.07	221.53	112.19	323.60	217.86	429.22	107.05	228.47	129.57	335.52	261.43	448.84
(h) Other expenses	145.37	149.83	180.39	295.20	347.81	672.34	9,600.87	9,740.42	7,553.77	19,341.29	18,879.07	38,156.96
Total Expenses	578.82	680.87	618.39	1,259.69	1,177.97	2,391.02	44,535.05	44,150.45	43,093.92	88,685.50	89,956.61	1,84,443.85
3. Profit / (Loss) from Operations before Other Income, finance costs and Exceptional items (1-2)	1,365.02	489.88	894.02	1,854.90	1,906.41	3,287.27	2,276.55	1,872.11	1,820.95	4,148.66	4,033.23	9,151.92
4. Other Income	33.28	18.64	25.00	51.92	44.37	94.99	609.68	524.35	1,000.09	1,134.03	1,584.83	2,523.82
5. Profit / (Loss) from ordinary activities before finance costs and Exceptional items (3+4)	1,398.30	508.52	919.02	1,906.82	1,950.78	3,382.26	2,886.23	2,396.46	2,821.04	5,282.69	5,618.06	11,675.74
6. Finance costs	8.08	9.72	24.93	17.80	69.03	129.39	1,050.75	1,030.00	918.87	2,080.75	1,911.65	3,925.86
7. Profit / (Loss) from ordinary activities after finance costs but before Exceptional Items (5-6)	1,390.22	498.80	894.09	1,889.02	1,881.75	3,252.87	1,835.48	1,366.46	1,902.17	3,201.94	3,706.41	7,749.88
8. Exceptional Items (Note 5)	-	-	-	-	-	-	35.40	(5,005.42)	-	(4,970.02)	(8.25)	(69.28)
9. Profit / (Loss) from ordinary activities before Tax (7+8)	1,390.22	498.80	894.09	1,889.02	1,881.75	3,252.87	1,870.88	(3,638.96)	1,902.17	(1,768.08)	3,698.16	7,680.60
10. Tax expense	206.02	188.30	149.82	394.32	327.85	658.08	285.87	(1,154.06)	451.46	(868.19)	895.00	2,792.37
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	1,184.20	310.50	744.27	1,494.70	1,553.90	2,594.79	1,585.01	(2,484.90)	1,450.71	(899.89)	2,803.16	4,888.23
12. Extraordinary Item (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-
13. Net Profit (+)/Loss(-) for the period (11+12)	1,184.20	310.50	744.27	1,494.70	1,553.90	2,594.79	1,585.01	(2,484.90)	1,450.71	(899.89)	2,803.16	4,888.23
14. Share of Profit/(Loss) in Associates	-	-	-	-	-	-	23.39	(24.35)	(5.37)	(0.96)	(23.57)	(27.13)
15. Minority Interest	-	-	-	-	-	-	(396.69)	1,417.76	(154.50)	1,021.07	(409.81)	(1,023.14)
16. Net Profit /(Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14+15)	1,184.20	310.50	744.27	1,494.70	1,553.90	2,594.79	1,211.71	(1,091.49)	1,290.84	120.22	2,369.78	3,837.96
17. Paid-up equity share capital (Face Value of Rs. 10 /- per share)	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78	1,427.78
18. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						24,388.37						43,668.26
19. Earnings per share of Rs.10/- each (not annualised) (Amount in Rs.)												
(a) Basic	8.29	2.17	5.21	10.47	10.88	18.17	8.49	(7.64)	9.04	0.84	16.60	26.88
(b) Diluted	8.29	2.17	5.21	10.47	10.88	18.17	8.49	(7.64)	9.04	0.84	16.60	26.88

Part II - Select Information for the Quarter and Half Year Ended September 30, 2013

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Statement of Standalone / Consolidated Unaudited Financial Results for the Quarter and Half Year ended 30th September 2013

Notes:

1. Statement of Assets and Liabilities

Particulars	Rs. in Lakhs			
	Standalone Financial Statements		Consolidated Financial Statements	
	As at 30.09.2013	As at 31.03.2013	As at 30.09.2013	As at 31.03.2013
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
A EQUITY AND LIABILITIES				
1) Shareholders' Funds				
(a) Share Capital	1,427.78	1,427.78	1,427.78	1,427.78
(b) Reserves and Surplus	25,928.59	24,388.37	43,722.97	43,668.26
Sub-total - Shareholders' Funds	27,356.37	25,816.15	45,150.75	45,096.04
2) Deferred grants	-	-	2.60	2.21
3) Minority Interest	-	-	15,023.03	16,514.22
4) Non Current Liabilities				
(a) Long Term Borrowings	25.00	125.00	21,232.74	15,816.95
(b) Deferred tax liabilities (net)	77.56	80.12	2,246.26	2,563.22
(c) Other Long Term Liabilities	-	-	525.18	36.76
(d) Long Term Provisions	12.15	13.23	1,166.50	1,222.04
Sub-total - Non-current liabilities	114.71	218.35	25,170.68	19,638.97
5) Current Liabilities				
(a) Short Term Borrowings	-	-	18,730.97	16,461.01
(b) Trade Payables	143.35	240.25	21,804.59	25,352.73
(c) Other Current Liabilities	443.70	392.07	13,680.43	12,245.98
(d) Short Term Provisions	95.00	839.45	1,565.21	1,802.59
Sub-total - Current liabilities	682.05	1,471.77	55,781.20	55,862.31
TOTAL - EQUITY AND LIABILITIES	28,153.13	27,506.27	1,41,128.26	1,37,113.75

Particulars	Rs. in Lakhs			
	Standalone Financial Statements		Consolidated Financial	
	As at 30.09.2013	As at 31.03.2013	As at 30.09.2013	As at 31.03.2013
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
B ASSETS				
1) Non Current Assets				
(a) Fixed assets	5,218.90	5,165.35	69,524.14	67,042.69
(b) Goodwill on consolidation	-	-	8,335.82	7,762.14
(c) Non Current Investments	20,543.90	20,467.79	1,740.18	1,670.81
(d) Deferred Tax Assets (net)	-	-	1,235.04	-
(e) Long Term Loans and Advances	1,351.71	1,158.93	4,546.27	4,492.53
(f) Other Non Current Assets	-	-	324.03	270.44
Sub-total - Non-current assets	27,114.51	26,792.07	85,705.48	81,238.61
2) Current Assets				
(a) Current Investments	-	-	31.83	-
(b) Inventories	-	-	21,350.76	20,067.07
(c) Trade Receivables	648.13	73.28	26,231.02	27,297.58
(d) Cash and Cash Equivalents	77.94	450.72	1,283.18	3,073.74
(e) Short Term Loans and Advances	312.55	190.20	5,915.32	4,951.46
(f) Other Current Assets	-	-	610.67	485.29
Sub-total - Current assets	1,038.62	714.20	55,422.78	55,875.14
TOTAL - ASSETS	28,153.13	27,506.27	1,41,128.26	1,37,113.75

- The above results and the 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 November 11, 2013. The same were subjected to limited review by the statutory auditors.
- The Company holds strategic investments in subsidiaries, joint ventures and associates (collectively called "the Group"), engaged primarily in manufacturing of components for the transportation industry, mainly the automotive sector, and also provides management, information technology and business development services to the Group.
- The Consolidated Financial Results prepared in accordance with AS 21, AS 23 & AS 27 relate to the Company and its Subsidiaries/ Joint Ventures/ Associates.
- Exceptional items in the consolidated financial results include the following:
 - Rane Engine Valve Limited - Subsidiary Company**
 - Voluntary Retirement Scheme (VRS) expenditure of Rs.4,076.36 lakhs for the quarter ended June 30, 2013 and for the half year ended September 30, 2013; Rs.8.25 lakhs for the half year ended September 30, 2012 and year ended March 31, 2013.
 - Profit on sale of land of Rs.48.98 lakhs for the quarter and half year ended September 30, 2013.
 - Rane (Madras) Limited - Subsidiary Company**
Amount paid to employees under Voluntary Retirement Scheme (VRS) of Rs.13.58 lakhs, Rs.929.06 lakhs and Rs.942.64 lakhs for the quarter ended September 30, 2013, June 30, 2013 and for the half year ended September 30, 2013, respectively.
 - Rane Diecast Limited - Subsidiary Company**
Provision towards fuel surcharge adjustment (FSA) of Rs. 61.03 Lakhs for the year ended March 31, 2013.
- Rane NSK Steering Systems Limited (RNSSL), a joint venture company, has revised the estimated useful life of plant and machinery in the production floor from the then existing rate of 4.75% - 10.34% (21 years to 9.7 years) to 11.11% (9 years) effective April 1, 2013. Consequent to the above change, an amount of Rs.120.21 lakhs has been charged off as additional depreciation by RNSSL in the period under review.
- The Board of Directors of Rane (Madras) Ltd (RML) and Rane Diecast Limited (RDL) have approved a Scheme of Amalgamation in terms of Sections 391-394 of the Companies Act, 1956 ("Scheme") to merge RDL with RML with the appointed date as April 1, 2013. During the quarter ended September 30, 2013, RML has received requisite no objection approvals from BSE Limited and National Stock Exchange of India Limited for the Scheme. 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.
- Previous year/period figures have been regrouped wherever necessary to conform to current year / period's presentation.
- The Company has opted to publish consolidated financial results. The stand-alone financial results are available on the Company's website. Viz., <http://rane.in> and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- Key Stand-alone financial information is given below:

Particulars	Rs. in Lakhs			
	Quarter ended		Half - Year ended	
	30.09.2013	30.06.2013	30.09.2012	30.09.2012
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Total Income	1,943.84	1,170.75	1,512.41	5,678.29
Profit before tax	1,390.22	498.80	894.09	3,252.87
Profit after tax	1,184.20	310.50	744.27	2,594.79

- Dividend of Rs. 4.50 per equity share declared by the shareholders at the Annual General Meeting held on August 12, 2013 for the year ended March 31, 2013 was paid on August 19, 2013.

For Rane Holdings Limited

Varanavasi
November 11, 2013

L. Lakshman
Executive Chairman