

RANE HOLDINGS LIMITED

CIN. L35999TN1936PLC002202

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

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PERFORMANCE FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2014

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, 2014.

Automotive Industry & Economic Scenario

- 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, strong growth of 20% and 18% in the MUV and Two Wheeler segments respectively, 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.
- Exports to U.S markets continue to improve and the European markets were stable during this half year.

Performance by Rane Group Companies

- A majority of the production facilities of Velachery plant of Rane (Madras) Limited (RML) has been shifted to its Varanavasi plant. RML has established a new division viz., Rane Auto Parts, to focus on aftermarket sales of Rane branded products which will offer a steady line of revenue for the Company in future. RML had procured land around 25 acres at Sadasivpet in Medak district, for setting up a new plant for its Diecast division. RML had also established a new Research and Development facility at Puducherry Plant for Rack and Pinion Steering gears.
- The consolidation activity of manufacturing plants, which started during FY 2013-14 in one of the old plant of Rane Engine Valve Ltd., continued during this half year and is expected to be completed during the next three months.
- Rane Engine Valve Limited (REVL) and Kar Mobiles Limited (KML) had received 'no objection' approvals from the respective stock exchanges for the Scheme of merger of KML with REVL. The scheme had been approved by the shareholders of both the Companies and is subject to approval of statutory authorities and the Hon'ble High Court of Madras.
- KML had established a new manufacturing facility at Tumkur Plant to expand the portfolio of Large Valves.
- Restrictions on EB power imposed at Tamil Nadu and Telangana will impact the power cost in the group companies. Group companies are in the process of identifying mitigative measures through alternate sources to contain the overall cost.
- Group companies continued to focus on cost control measures, productivity and efficiency improvement practices. The Group companies had committed Rs.111 crores orders on capital expenditures against a plan of Rs.161 crores.

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Standalone Financials

Operating Income for the half year stood at Rs.31.27 crores as against Rs.31.15 crores during the same period of the previous year. Profit before Tax grew to Rs.19.24 crores from Rs.18.89 crores in the same period of the previous year.

Consolidated Financials

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 %
Consolidated Sales and Operating Income	1,039.02	928.34	12%
Consolidated Net Profit/ (Loss) Before Tax (PBT)	52.08	(17.68)*	395%
Consolidated Net Profit/ (Loss) After Tax (PAT)	31.31	1.20*	
EPS (Rs.) (Not Annualised)	21.93	0.84	

* 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 Rs. 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 available at our website: www.rane.co.in.

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

Yours sincerely

L Lakshman
Executive Chairman

Dated: November 21, 2014

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Statement of Standalone / Consolidated Unaudited Financial Results for the Quarter and Half year ended September 30, 2014

Rs. in lakhs													
Particulars	Standalone						Consolidated						
	Quarter ended			Half-Year ended			Financial year ended	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		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	
	(Unaudited)						(Audited)	(Unaudited)					(Audited)
Part I													
1. Income from Operations													
(a) Net Sales / Income from operations (Net of excise duty)	-	-	-	-	-	-	51,412.72	50,662.58	46,002.33	102,075.30	91,415.74	190,338.52	
(b) Dividend Income	834.47	55.48	800.47	889.95	800.47	1,040.53	-	-	-	-	-	-	
(c) Other Operating Income	1,128.32	1,108.48	1,143.37	2,236.80	2,314.12	4,183.36	1,011.73	814.97	809.27	1,826.70	1,418.42	2,427.30	
Total Income from operations (net)	1,962.79	1,163.96	1,943.84	3,126.75	3,114.59	5,223.89	52,424.45	51,477.55	46,811.60	103,902.00	92,834.16	192,765.82	
2. Expenses													
(a) Cost of materials consumed	-	-	-	-	-	-	29,137.08	28,081.21	25,324.16	57,218.29	51,657.32	105,408.38	
(b) Purchase of stock-in-trade	-	-	-	-	-	-	696.20	471.42	609.31	1,167.62	1,068.20	1,717.18	
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-	(605.06)	396.66	31.03	(208.40)	(1,326.99)	(419.00)	
(d) Employee benefits expense	308.61	238.41	224.25	547.02	444.78	881.87	6,974.14	6,717.57	6,405.00	13,691.71	12,872.20	25,463.99	
(e) Depreciation and amortisation expense (Note 6)	32.58	29.59	23.27	62.17	44.16	92.31	2,264.64	2,216.29	2,096.42	4,480.93	4,068.32	8,414.00	
(f) Professional charges	52.69	55.66	64.36	108.35	112.95	230.36	592.49	536.03	341.71	1,128.52	630.64	1,256.12	
(g) Information Systems expenses	135.17	114.96	102.07	250.13	323.60	539.17	144.43	136.60	107.05	281.03	335.52	851.68	
(h) Other expenses	174.18	141.12	164.87	315.30	334.20	783.10	10,159.25	9,746.49	9,620.37	19,905.74	19,380.29	38,692.00	
Total Expenses	703.23	579.74	578.82	1,282.97	1,259.69	2,526.81	49,363.17	48,302.27	44,535.05	97,665.44	88,685.50	181,384.35	
3. Profit / (Loss) from Operations before Other Income, finance costs and Exceptional items (1-2)	1,259.56	584.22	1,365.02	1,843.78	1,854.90	2,697.08	3,061.28	3,175.28	2,276.55	6,236.56	4,148.66	11,381.47	
4. Other Income	45.83	37.65	33.28	83.48	51.92	125.63	608.38	470.68	609.68	1,079.06	1,134.03	1,852.23	
5. Profit / (Loss) from ordinary activities before finance costs and Exceptional items (3+4)	1,305.39	621.87	1,398.30	1,927.26	1,906.82	2,822.71	3,669.66	3,645.96	2,886.23	7,315.62	5,282.69	13,233.70	
6. Finance costs	3.25	-	8.08	3.25	17.80	28.07	1,036.42	1,070.72	1,050.75	2,107.14	2,080.75	4,268.66	
7. Profit / (Loss) from ordinary activities after finance costs but before Exceptional items (5-6)	1,302.14	621.87	1,390.22	1,924.01	1,889.02	2,794.64	2,633.24	2,575.24	1,835.48	5,208.48	3,201.94	8,965.04	
8. Exceptional Items (Note 5)	-	-	-	-	-	-	-	-	35.40	-	(4,970.02)	(5,205.21)	
9. Profit / (Loss) from ordinary activities before Tax (7+8)	1,302.14	621.87	1,390.22	1,924.01	1,889.02	2,794.64	2,633.24	2,575.24	1,870.88	5,208.48	(1,768.08)	3,759.83	
10. Tax expense	133.75	191.25	206.02	325.00	394.32	622.10	780.41	741.12	285.87	1,521.53	(888.19)	(736.18)	
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	1,168.39	430.62	1,184.20	1,599.01	1,494.70	2,172.54	1,852.83	1,834.12	1,585.01	3,686.95	(899.89)	4,496.01	
12. Extraordinary Item (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-	
13. Net Profit / (Loss) for the period (11+12)	1,168.39	430.62	1,184.20	1,599.01	1,494.70	2,172.54	1,852.83	1,834.12	1,585.01	3,686.95	(899.89)	4,496.01	
14. Share of Profit/(Loss) in Associates	-	-	-	-	-	-	30.10	17.02	23.39	47.12	(0.96)	173.85	
15. Minority Interest	-	-	-	-	-	-	(253.65)	(349.04)	(396.69)	(602.69)	1,021.07	(326.25)	
16. Net Profit / (Loss) after taxes, minority interest and share of profit/(loss) of associates (13+14+15)	1,168.39	430.62	1,184.20	1,599.01	1,494.70	2,172.54	1,629.28	1,502.10	1,211.71	3,131.38	120.22	4,343.61	
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	-	-	-	-	-	25,520.54	-	-	-	-	-	46,405.13	
19. i Earnings per share of Rs.10/- each before extraordinary items (not annualised) (Amount in Rs.)													
(a) Basic	8.18	3.02	8.29	11.20	10.47	15.22	11.41	10.52	8.49	21.93	0.84	30.42	
(b) Diluted	8.18	3.02	8.29	11.20	10.47	15.22	11.41	10.52	8.49	21.93	0.84	30.42	
19. ii. Earnings per share of Rs.10/- each after extraordinary items (not annualised) (Amount in Rs.)													
(a) Basic	8.18	3.02	8.29	11.20	10.47	15.22	11.41	10.52	8.49	21.93	0.84	30.42	
(b) Diluted	8.18	3.02	8.29	11.20	10.47	15.22	11.41	10.52	8.49	21.93	0.84	30.42	
Part II (Select information of the Quarter ended and Half Year Ended September 30, 2014)													
A Particulars of Shareholding	Standalone						Consolidated						
	Quarter ended			Half-Year ended			Financial year ended	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		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	
	(Unaudited)						(Audited)	(Unaudited)					(Audited)
1. Income from Operations													
1. Public shareholding (Stand-alone)													
- Number of shares	76,52,020	76,52,020	76,79,175	76,52,020	76,79,175	76,52,020	76,52,020	76,52,020	76,79,175	76,52,020	76,79,175	76,52,020	
- Percentage of shareholding	53.59%	53.59%	53.78%	53.59%	53.78%	53.59%	53.59%	53.59%	53.78%	53.59%	53.78%	53.59%	
2. Promoters and Promoter Group shareholding (Stand-alone)**													
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	66,25,789	66,25,789	65,98,634	66,25,789	65,98,634	66,25,789	66,25,789	66,25,789	65,98,634	66,25,789	65,98,634	66,25,789	
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)**	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
- Percentage of shares (as a % of the total share capital of the Company)	46.41%	46.41%	46.22%	46.41%	46.22%	46.41%	46.41%	46.41%	46.22%	46.41%	46.22%	46.41%	
B Investor Complaints													
	Quarter ended 30.09.2014												
a) Pending at the beginning of the quarter	NIL												
b) Received during the quarter	3												
c) Disposed of during the quarter	3												
d) Remaining unresolved at the end of the quarter	NILL												

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Statement of Standalone / Consolidated Unaudited Financial Results for the Quarter and Half year ended September 30, 2014

Notes:

1. Statement of Assets and Liabilities

Rs. in lakhs

Particulars	Standalone Financial Statements		Consolidated Financial Statements	
	As at 30.09.2014	As at 31.03.2014	As at 30.09.2014	As at 31.03.2014
	(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	27,175.14	25,520.54	49,101.39	46,405.13
Sub-total - Shareholders' Funds	28,602.92	26,948.32	50,529.17	47,832.91
2) Share Application Money Pending Allotment	-	-	-	-
3) Minority Interest	-	-	15,533.36	15,878.92
4) Non Current Liabilities				
(a) Long Term Borrowings	-	-	14,668.98	17,089.16
(b) Deferred tax liabilities (net)	72.95	84.21	1,873.35	1,635.70
(c) Other Long Term Liabilities	-	-	101.88	105.93
(d) Long Term Provisions	75.84	59.11	1,470.58	1,246.07
Sub-total - Non-current liabilities	148.79	143.32	18,114.79	20,076.86
5) Current Liabilities				
(a) Short Term Borrowings	-	-	19,614.47	17,263.22
(b) Trade Payables	166.05	285.93	25,189.56	26,358.26
(c) Other Current Liabilities	276.02	190.11	17,544.53	15,103.72
(d) Short Term Provisions	61.99	1,153.93	1,447.90	2,241.49
Sub-total - Current liabilities	504.06	1,629.97	63,796.46	60,966.69
TOTAL - EQUITY AND LIABILITIES	29,255.77	28,721.61	147,973.78	144,755.38
B ASSETS				
1) Non Current Assets				
(a) Fixed assets	5,172.92	5,197.54	70,635.08	70,140.43
(b) Goodwill on consolidation	-	-	7,482.96	7,378.45
(c) Non Current Investments	21,007.01	20,834.70	1,967.11	1,915.64
(d) Deferred Tax Assets (net)	-	-	1,205.80	1,116.48
(e) Long Term Loans and Advances	882.85	1,284.06	7,107.64	5,463.75
(f) Other Non Current Assets	-	-	32.00	33.00
Sub-total - Non-current assets	27,062.78	27,316.30	88,430.59	86,047.75
2) Current Assets				
(a) Current Investments	816.59	731.00	816.59	731.00
(b) Inventories	-	-	21,166.71	19,835.31
(c) Trade Receivables	639.26	107.86	28,650.76	29,858.58
(d) Cash and Cash Equivalents	192.87	386.82	1,747.23	2,032.08
(e) Short Term Loans and Advances	520.96	173.42	6,447.23	5,524.56
(f) Other Current Assets	23.31	6.21	714.67	726.10
Sub-total - Current assets	2,192.99	1,405.31	59,543.19	58,707.63
TOTAL - ASSETS	29,255.77	28,721.61	147,973.78	144,755.38

Notes (Contd):

- 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 13, 2014. 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 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:
 - Voluntary Retirement Scheme (VRS) expenditure incurred by the Subsidiary companies amounting to Rs. 4,076.36 lakhs by Rane Engine Valve Ltd. (REVL) and Rs. 942.64 lakhs by Rane (Madras) Ltd. (RML) for the year ended March 31, 2014 and half year ended September 30, 2013; for the quarter ended September 30, 2013, the VRS expenditure incurred was Rs. 13.58 lakhs by RML.
 - Profit on sale of land by REVL of Rs. 48.98 lakhs for the year ended March 31, 2014 and quarter / half year ended September 30, 2013
 - Provision towards voluntary recall of products by Rane NSK Steering Systems Limited (RNSSL), a Joint Venture Company amounting to Rs. 235.19 lakhs for the year ended March 31, 2014.
- Pursuant to the enactment of the Companies Act, 2013 (the 'Act'), effective April 1, 2014, the company has adopted the useful life of its fixed assets as specified in Schedule II to the Act. As a result (after considering the transitional provision of Rs. 1.94 lakhs [net of deferred tax of Rs. 1 lakh] debited to reserves), the Depreciation charge for the current quarter ended September 30, 2014 is higher by Rs. 4.31 lakhs (previous quarter ended June 30, 2014 was higher by Rs. 5.20 lakhs) and for the half year ended September 30, 2014 is higher by Rs. 9.51 lakhs. For the Group, an amount of Rs. 442.72 lakhs (net of Deferred Tax Credit of Rs. 227.74 lakhs) was debited to Reserves and the Depreciation charges for the current quarter ended September 30, 2014 is higher by Rs. 129.01 lakhs (previous quarter ended June 30, 2014 was higher by Rs. 120.53 lakhs) and for the half year ended September 30, 2014 is higher by Rs. 249.54 lakhs.
- During the quarter ended September 30, 2014, both Kar Mobiles Limited (KML) and Rane Engine Valve Limited (REVL) have obtained requisite 'no objection' approvals from their respective stock exchanges for the Scheme of Amalgamation in terms of Sections 391-394 of the Companies Act, 1956 ("Scheme") to merge KML with REVL with the appointed date as April 1, 2014. The above Scheme was approved by the shareholders of both the Companies at their respective Court convened meetings held on November 12, 2014. The scheme is subject to further approvals and consents of the respective Creditors, other regulatory authorities concerned and Honourable High Court of Madras.
- 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., www.rane.co.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		Financial year ended
	30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
			(Unaudited)			(Audited)
Total Income	1,962.79	1,163.96	1,943.84	3,126.75	3,114.59	5,223.89
Profit before tax	1,302.14	621.87	1,390.22	1,924.01	1,889.02	2,794.64
Profit after tax	1,168.39	430.62	1,184.20	1,599.01	1,494.70	2,172.54

- Dividend of Rs. 6.50 per equity share declared by the shareholders at the Annual General Meeting held on August 12, 2014 for the year ended March 31, 2014 was paid on August 20, 2014.

For Rane Holdings Limited

Chennai
November 13, 2014

L Lakshman
Executive Chairman