

RANE (MADRAS) 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 operating and financial performance during the half year ended 30th September, 2013.

Market

- The domestic automobile market continued to exhibit negative growth in the quarter with the exception of Passenger Cars (PC) and Farm Tractor segments. Even the PC segment growth was due to low base effect of previous year.
- The company's overall sales grew by 3% in the first half of the current financial compared to the previous year, with aftermarkets and exports growth offsetting decline in sales to Original Equipment Manufacturers (OEMs).

Operating Performance Highlights

- **Production**

The power situation improved considerably in Tamil Nadu. Rationalisation of production facilities in progress for operational efficiencies.

- **Human Resources**

VRS scheme had been extended to employees of Velachery Plant. 76 employees opted for the scheme in two batches with a payout of Rs.9.43 Crores.

The company has signed long term labour settlement in the Varanavasi plant.

- **Business Development**

The Company received orders of around Rs. 84 Crores from OEMs and has also launched the new hydraulic steering units in the farm tractor segment.

The Company expects PC segment to be flat compared to 2012-13 while the Commercial Vehicle segment will continue to show significant negative growth against last year. Good monsoon and positive sentiments expected to continue the growth for Farm Tractor segment.

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Amalgamation of RDL

Post-acquisition of 21.25% of equity shares of Rane Diecast Limited (RDL), 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 RDL with the Company with the appointed date as April 1, 2013. The Company has obtained requisite approvals from the National Stock Exchange and BSE Limited for the scheme. Notice for holding the court-convened meeting to approve the merger as per existing regulations have been sent to you. The merger is subject to obtaining approvals and consents of Regulatory authorities concerned and the Hon'ble High Court of Madras.

Financial Performance

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 %
Sales & Other operating income	316.89	309.23	2
Profit Before Tax (PBT)	3.02*	12.11	(75)
Profit After Tax (PAT)	2.92*	9.17	(68)
EPS (Rs.) (Not Annualised)	2.87	9.02	(68)

* Includes an exceptional item of Rs.9.43 Crores paid to employees under VRS scheme

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 Ganesh
Chairman

Dated: 19th November, 2013

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2013 (Rs. in lakhs)

	Particulars	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
		(Unaudited)			(Unaudited)		(Audited)
PART I	(Refer Notes Below)						
1	Income from Operations						
	(a) Net Sales / Income from operations (Net of excise duty)	15,931.51	15,203.48	15,537.68	31,134.99	30,311.29	62,426.93
	(b) Other Operating Income	282.19	272.06	299.12	554.25	611.30	1,559.87
	Total Income from operations (net)	16,213.70	15,475.54	15,836.80	31,689.24	30,922.59	63,986.80
2	Expenses:						
	(a) Cost of materials consumed	9,493.48	10,259.48	9,922.13	19,752.96	21,015.24	41,133.61
	(b) Changes in inventories of finished goods and work-in-progress	613.80	(626.80)	355.18	(13.00)	(1,452.36)	(869.41)
	(c) Employee benefits expense	1,801.88	1,777.76	1,667.41	3,579.64	3,372.68	6,941.61
	(d) Depreciation and amortisation expense	426.88	400.55	392.53	827.43	763.85	1,681.42
	(e) Other expenses	2,990.06	2,856.24	2,383.98	5,846.30	5,480.74	11,145.45
	Total expenses	15,326.10	14,667.23	14,721.23	29,993.33	29,180.15	60,032.68
3	Profit (+) / Loss (-) from Operations before Other Income, finance costs and Exceptional items (1-2)	887.60	808.31	1,115.57	1,695.91	1,742.44	3,954.12
4	Other Income	15.34	19.21	12.52	34.55	52.08	149.14
5	Profit (+) / Loss (-) from ordinary activities before finance costs and Exceptional items (3+4)	902.94	827.52	1,128.09	1,730.46	1,794.52	4,103.26
6	Finance costs	252.15	233.25	288.45	485.40	584.01	1,097.15
7	Profit (+) / Loss (-) from ordinary activities after finance costs but before Exceptional Items (5-6)	650.79	594.27	839.64	1,245.06	1,210.51	3,006.11
8	Exceptional Items (Refer Note 5)	(13.58)	(929.06)	-	(942.64)	-	-
9	Profit (+) / Loss (-) from ordinary activities before Tax (7+8)	637.21	(334.79)	839.64	302.42	1,210.51	3,006.11
10	Tax Expense	68.50	(58.03)	197.20	10.47	293.20	663.98
11	Net Profit (+) / Loss (-) from ordinary activities after tax (9-10)	568.71	(276.76)	642.44	291.95	917.31	2,342.13
12	Extraordinary Item (net of tax expense)	-	-	-	-	-	-
13	Net Profit (+) / Loss (-) for the period (11-12)	568.71	(276.76)	642.44	291.95	917.31	2,342.13
14	Paid-up Equity Share Capital (Face Value of Rs.10/- per share)	1,016.41	1,016.41	1,016.41	1,016.41	1,016.41	1,016.41
15	Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year						11,991.00
16	Earnings per share (EPS) (of Rs.10/- each) (not annualised) (Amount in Rs.)						
	(a) Basic	5.59	(2.72)	6.32	2.87	9.02	23.04
	(b) Diluted	5.59	(2.72)	6.32	2.87	9.02	23.04

PART II Select information for the quarter and Six months ended September 30,2013							
A	Particulars of Shareholding						
1	Public shareholding						
	- Number of shares	45,33,875	45,33,875	45,37,741	45,33,875	45,37,741	45,37,741
	- Percentage of shareholding	44.61%	44.61%	44.64%	44.61%	44.64%	44.64%
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	56,30,270	56,30,270	56,26,404	56,30,270	56,26,404	56,26,404
	- 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)	55.39%	55.39%	55.36%	55.39%	55.36%	55.36%

	Particulars	3 months ended 30.09.2013
B	Investor complaints :	
	Pending at the beginning of the quarter	Nil
	Received during the quarter	Nil
	Disposed off during the quarter	Nil
	Remaining unresolved at the end of the quarter	Nil

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2013

(Rs. in lakhs)

Notes:

1. Statement of Assets and Liabilities

Particulars	As at	As at
	30.09.2013 (Unaudited)	31.03.2013 (Audited)
I. EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share Capital	1,016.41	1,016.41
(b) Reserves and surplus	12,282.95	11,991.00
Sub-total - Shareholders' funds	13,299.36	13,007.41
Non-current liabilities		
(a) Long-term borrowings	4,430.52	2,955.15
(b) Deferred tax liabilities (Net)	677.41	667.00
(c) Other long term liabilities	19.03	32.76
(d) Long-term provisions	379.61	423.88
Sub-total - Non-current liabilities	5,506.57	4,078.79
Current liabilities		
(a) Short-term borrowings	7,655.36	5,990.00
(b) Trade payables	7,957.00	9,969.68
(c) Other current liabilities	2,855.17	2,230.66
(d) Short-term provisions	362.25	832.41
Sub-total - Current liabilities	18,829.78	19,022.75
TOTAL EQUITY AND LIABILITIES	37,635.71	36,108.95
II. ASSETS		
Non-current assets		
(a) Fixed assets	17,683.84	16,484.03
(b) Non current Investment (Refer note 6)	573.68	-
(c) Long-term loans and advances	1,470.80	1,424.84
Sub-total - Non-current assets	19,728.32	17,908.87
Current assets		
(a) Inventories	6,702.14	6,538.42
(b) Trade receivables	8,963.60	9,201.50
(c) Cash and cash equivalents	233.79	1,034.83
(d) Short-term loans and advances	1,634.94	1,218.00
(e) Other current assets	372.92	207.33
Sub-total - Current assets	17,907.39	18,200.08
TOTAL ASSETS	37,635.71	36,108.95

- 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 October 18, 2013. The same were subjected to limited review by the statutory auditors.
- Previous period figures have been regrouped/rearranged wherever necessary to conform to current period's presentation.
- The Company operates only in one segment, namely, components for transportation industry.
- Exceptional items represent amount paid to employees who opted for Voluntary Retirement Scheme extended to employees in the period ended September 30, 2013.
- During the six months ended September 30, 2013, the Company has acquired 21.25% of Equity shares of Rane Diecast Limited (RDL) at a cost of Rs. 573.68 lakhs. The Board of Directors of the Company has approved the Scheme of Amalgamation in terms of Sections 391 - 394 of the Companies Act 1956 ("Scheme") to merge RDL with the Company with the appointed date as April 1, 2013. During the quarter ended September 30, 2013, the Company 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.
- Dividend of Rs. 5/- per equity share declared by the shareholders at the Annual General Meeting held on July 18, 2013 for the year ended March 31, 2013 was paid on July 26, 2013.

For Rane (Madras) Limited

Chennai
October 18, 2013

L Ganesh
Chairman