

A yellow speech bubble with a grey outline and a tail pointing towards the top-left. The background of the entire page is a stylized, abstract illustration of a person's face in profile, composed of various colored shapes (olive green, dark red, brown, blue, orange) with thick grey outlines.A yellow speech bubble with a grey outline and a tail pointing towards the bottom-right.



Mission & Value

Provide superior products and services to our customers and maintain market leadership

Evolve as an institution that serves the best interests of all stakeholders

Pursue excellence through total quality management

Ensure the highest standards of ethics and integrity in all our actions

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75 years! 3 quarters of a century or a quarter to the century. A momentous milestone tends to turn one nostalgic. Progressive point of view, however, keeps one moving and improving. Celebrating our Platinum Jubilee in 2011, we chose to script our future plans by realigning our priorities and refining our growth strategy.

At Rane, we stand at an important juncture of our growth path. We have, over the last two decades, moved deftly to add strengths after strengths. Empowered by 'excellence in everything we do', we have consistently grown our manufacturing capabilities, product offerings, customer base, design capabilities, addressable markets, employee skills and productivity. In doing so, we have transformed ourselves from being a supplier to becoming a preferred partner for our customers and help them shape the future of automobile.

In the ensuing decade, India's share in the world automobile market is slated to multiply. Vehicle penetration, vehicle production, vehicle exports, vehicle design and vehicle innovation – there will be more of India, more from India and more for India than ever before.

At Rane, we are ready with our entire wherewithal to participate in and benefit from unfolding opportunities. We are into our decade of profitable growth.



What are we seeing unfold in near term?

A decade of profitable growth!

A Decade of Profitable Growth

The recent economic slowdown has augmented deep structural changes in the global automotive landscape, setting the stage for its sustained growth. High-cost exporting countries are slated to increasingly give way to lower-cost centers with vehicle production continuing to migrate to the 'new detroits' in emerging markets including those of India and China. By 2020, as few as ten volume OEMs groups based in six major markets – India, China, Western Europe, Japan, United States, and Korea – are estimated to account for 90 percent of global automobile sales.

The ensuing decade is likely to witness structural recasting of priorities in the light of changing consumer preferences, future urban challenges, deepening environmental concerns, and convergence of IT, mobility and automobile. The period of 2011-20 is bound to witness the widespread adoption of cars that are fuel efficient, based on alternate energy sources.

In India, car ownership will continue to become more widespread. With just 11 cars per 1000 population, India offers tremendous headroom for domestic growth with consistent improvement in various socio-economic indicators through 2020.

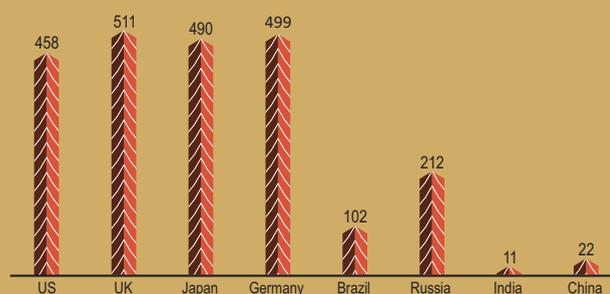
Having actively participated in the shaping of many generations of automobile in the last 75 years, we have what it takes to aggressively and proactively participate in multiplying automotive opportunities that will unfold in

We have what it takes to aggressively and proactively participate in multiplying automotive opportunities that will unfold in India through 2011-20.

India through 2011-20. We are geared up to leverage our experience, value-engineering and new product development capabilities, significant scale of lean manufacturing, strategic long-term technological alliances, vast talent pool, ingrained culture of excellence, and last but not the least an appetite to accept and respond to every customer challenge to great advantages.

It is in this direction we are significantly increasing our R&D investments from traditional 0.5 percent of group revenues to 1.5 percent, going forward.

CAR OWNERSHIP (Per 1,000 People)



Source: A New Era Accelerating Towards 2020 - Deloitte



*How are we
adding newness
to our
business?*

*By exploring
beyond organic,
venturing beyond
automotive!*

Beyond Organic, Beyond Automotive

Keep adding newness is vital in reinventing oneself. In the fast changing world of today, it also helps in keeping pace with time and remaining contemporary. Over the last 75 years, we have reinvented ourselves many a times. At Rane, we remain proactive rather than reactive to change.

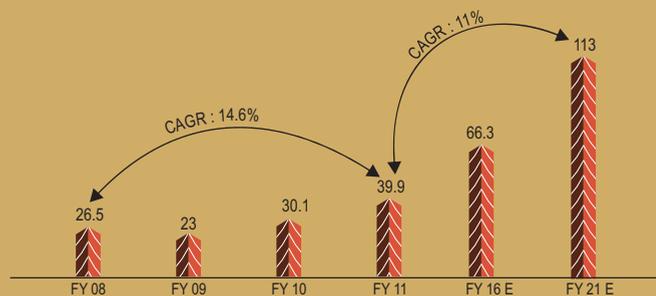
In shaping our business strategy for the next 25 years, we lay significant importance to striking the intricate balance amongst the expectations of all our stakeholders and providing for incidental downturns in the auto industry. In existing businesses, we are aggressively exploring the adjacent product lines as well as new markets for accelerated growth. The development of Hydraulic Products for Commercial Vehicles by our group Company, Rane (Madras) Ltd. was one such recent initiative. With an assertive mindset, we are exploring investment opportunities for both – existing products in new geographies as well as new products in existing geographies – in order to further leverage our established automotive prowess.

Moving beyond our age old domain of automotive, we will astutely spot and pursue prudent growth opportunities in new areas. We have identified 'Defence and Aerospace' as the first non-automotive sector for diversification and

made a strategic investment in SasMos HET Technologies Pvt. Ltd. in the fiscal year 2011-12. SasMos is active in designing and prototyping of customized electronic solutions including wiring harness and motor control systems for defence and aerospace applications. We are looking to grow our non-auto business segment to contribute about 10-15 percent of our group revenues by 2020. We are actively exploring few more opportunities in coming years in the field of defence, aerospace, shipping, railways, renewable energy and other domains of high utility values.

Rane is looking to take its non-auto business to contribute about 10-15% of its group revenues by 2020.

INDIAN AUTO-COMPONENT INDUSTRY (Size, USD billion)



Source: ACMA



*What is
being done to
accelerate
our growth?*

*Optimise
what we have,
focus on new
markets and
products!*

Optimise Existing, Focus on New

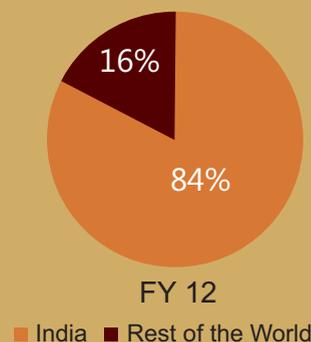
At Rane, we stand mindful of our capabilities, which have grown manifold and all-round over the last couple of years. The time has come for us to aggressively unleash our true potential. Vehicle production in India is poised to rise at a faster pace, duly augmented by steady rise in domestic demand for passenger cars and commercial vehicles as well as rapid growth in light passenger vehicle exports from the country. Having deeper engagement with all our customers, we are ready to be part of this growth and expect to grow in tandem with industry's pace of growth through this decade.

We are aiming to further accelerate our growth momentum by rapidly increasing exports with a slew of new products. Exports' contribution to our revenue stands at 16% currently. We are poised to grow the revenue contribution from exports to the tune of 20-25 percent of our group revenues over next three-four years. To achieve this, we are increasing our supply base to the OEMs, besides augmenting direct supplies through distributors and aftermarket sales in overseas markets. With Germany and USA as our established export destinations, we have made successful inroads into South America by bagging new business in the

fiscal year 2011-12. We are aggressively conducting market study in other parts of the world to ascertain our growth prospects and formulate right business strategies.

With automotive business becoming increasingly global, the products have to be designed to work in multiple markets. At Rane, we are taking this new challenge as a big future opportunity and are identifying three-four products that can be taken globally. We are working with a definitive result-oriented strategy on this aspect and hope to develop at least one product in which we emerge to be a significant player globally.

REVENUE MIX





With TQM ingrained, what is next on the agenda?

Enhanced employee involvement, a well-aligned organization!

A Well-aligned Organization

At Rane, TQM forms the backbone of our future success prospects. Our consistent pursuit of excellence from as early as year 2000 has brought deep dividends. With four of our group companies already bestowed with coveted Deming Application Prize, fiscal year 2011-12 witnessed quality being taken to next level. By winning 'Japan Quality Medal' in the year under review, our joint venture company, Rane TRW Steering Systems Limited, went on to join the ever prestigious club of privileged far and few companies globally with this highest global award on quality.

TQM, by becoming a way of life at Rane, helped us transcend customer satisfaction and attain next benchmark of total customer confidence. With India poised to gain greater significance in the new automotive world order and also to witness rapid evolution of its domestic market, our customers would need to redraw their priorities. They would seek new products and solutions in order to stay ahead of their competition and make the most of unfolding opportunities. A well-aligned Rane is the right partner for our customers when they confront their critical business challenges.

At Rane, we have been consistently upgrading our talent

management principles and practices in order to provide an ever challenging, collaborative, productive and satisfying work place to all our employees. At Rane, we believe that business results are natural outcome of our success in attracting, inspiring and retaining the right talent. Creating leaders from within, deploying internal and external mentoring, and a superior talent management system that includes a four level Professional Development Architecture and the 3P initiative (People, Performance and Potential) are the hallmarks of our HR practices. We have rolled out a more comprehensive, robust, and individual development focused Performance Assessment & Development System (PADS).



Deming Prize Recipients:
Rane Brake Lining Ltd.
Rane Engine Valve Ltd.
Rane TRW Steering System Ltd.
Rane (Madras) Ltd.

*We endeavour to
be a socially and
environmentally
responsible
corporate citizen!*



Corporate Social Responsibility

Sustainable development is sharp becoming a business focus worldwide. Having undertaken CSR activities under the aegis of Rane Foundation for 45 years, Rane Group has moved towards Triple bottom line (Planet, People, Profit) approach in its business activities in the recent years.

In the context of a developing country like India, Rane advocates for a greater participation of the private sector in achieving the economic growth in a more equitable and sustainable manner.

Rane's intervention in community development is focused on key areas of Education and Healthcare. It supports various community health service providers in and around its manufacturing units in Tamilnadu, Andhra Pradesh and Karnataka. During the year under review, books and school uniforms were distributed amongst students while schools were supported with furniture and other amenities in adjoining areas of our various manufacturing centers.

A recent initiative of Rane Foundation has been the establishment of Rane Polytechnic Technical Campus, a self financed Polytechnic College in Sethurapatti Village, Tiruchirapalli. Having received approvals from the All India Council of Technical Education (AICTE) and the Directorate of Technical Education, Tamilnadu, the



Rane Polytechnic Technical Campus, Tiruchirapalli.

Polytechnic has started courses in Civil Engineering and Mechanical Engineering in the academic year 2011-12. Its vision is to empower students with technical knowledge and industry-specific skills and make them industry ready when they pass out.

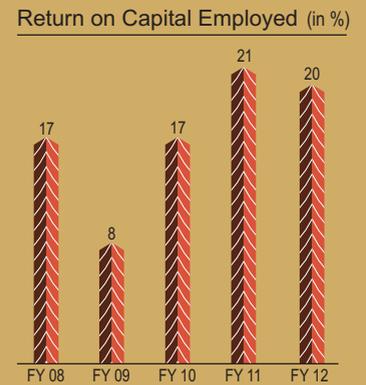
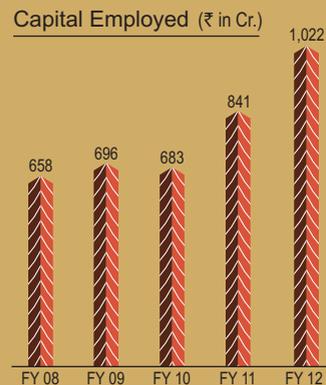
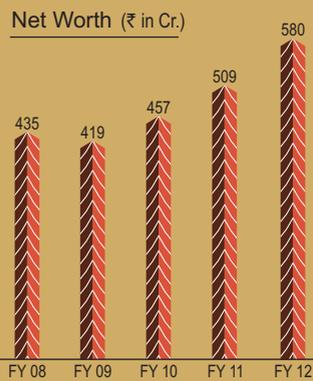
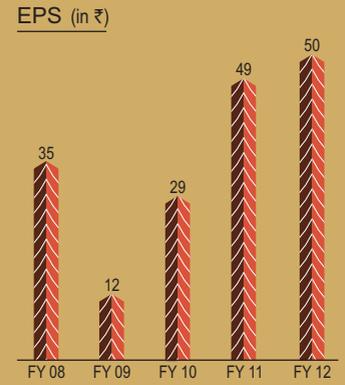
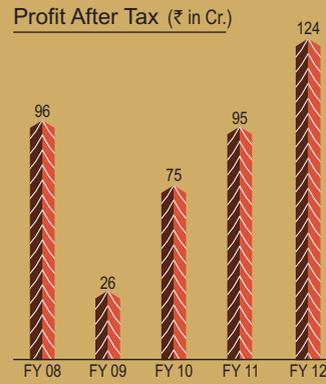
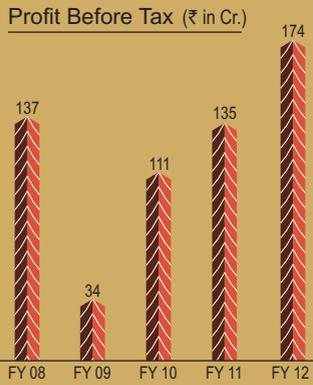
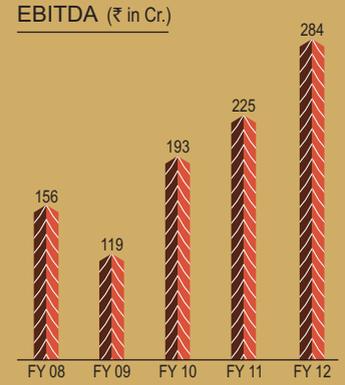
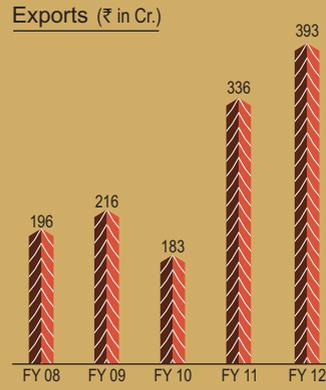
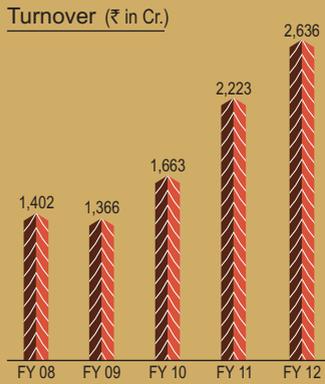
Sustainability

Conserving environment and natural resources is key to Rane's sustainable economic growth. The Group lays emphasis on conservation of energy and water. It has deployed eco-friendly waste management systems. Around 30% of power requirement for its manufacturing units in Tamilnadu is met through wind power.

Financial Highlights

*Our continuous
journey towards
infinite!*





Key Events

June, 2011

- Rane Engine Valve Limited bagged Excellent Supplier Award at Cummins Vendor Meet.

July, 2011

- Rane Group won the second Asia's Best Employer Brand Award 2011 for Excellence in Training from the Employer Branding Institute at Singapore.
- Rane NSK Steering Systems Limited received Best Supplier award for the superior performance in the Vehicle Proprietary category from M&MAuto division.

August, 2011

- Rane TRW Steering Systems Limited - SGD won the first prize at the ACMA's sixth National QC Competition.

September, 2011

- Rane Group diversifies into Defence and Aerospace sector by acquiring 26% equity shares in Bengaluru based SasMos HET Technologies Pvt. Ltd.

October, 2011

- Rane TRW Steering Systems Ltd. won the prestigious Japan Quality Medal (JQM).

November, 2011

- Rane TRW Steering Systems Ltd. commissioned new line for manufacturing steering gear valves at its Viralimalai plant.

February, 2012

- Rane (Madras) Limited won the Best supplier performance award from TAFE.
- Rane (Madras) Limited won first prize in the SMED competition.



Platinum Jubilee Celebrations

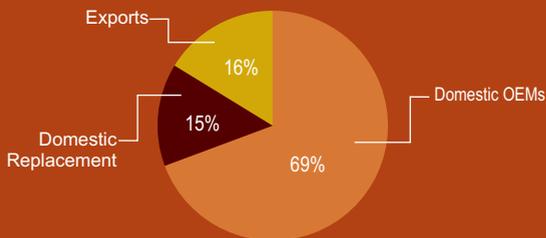
The Rane Group celebrated its Platinum Jubilee at Chennai in December, 2011. Celebrations included felicitation of well-known business stalwarts - Mr. B. Muthuraman of Tata Steel and Mr. Suresh Krishna of TVS, followed by the launch of the book, "The Rane Story-A Journey of Excellence" by Mr. V. Sriram.

The Rane Group

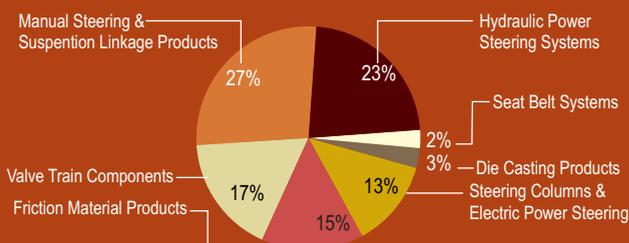
Rane Group is a leading Indian name in manufacturing and developing futuristic components for the range of passenger and commercial automobile. Headquartered at Chennai in India, the Group is structured under a holding company, Rane Holdings Limited controlling five subsidiary companies, three joint venture companies and two associate companies. With combined annual turnover of USD 500 million for fiscal year 2011-12, 75 year old Rane Group is embarking upon its next phase of growth journey. Standing tall on the business foundations of integrity, goodwill, value engineering, innovation and TQM; the Group is exploring organic and inorganic growth opportunities with an aim to multiply its revenues manifold and develop a sizeable proportion of non-automotive revenues by 2020.

Rane's 25 manufacturing locations enable it to sell a range of components to almost all the automobile manufactures in India and export them to 25 countries. Pursuing TQM as the means to attain customers' confidence, the Group companies have bagged 4 Deming Application Prizes and 1 Japan Quality Medal for their operational excellence. The group deploys a strong talent pool of over 5000 employees.

Sales by Markets



Sales by Product Lines



Kar Mobile Limited: An associate company of RHL, it is a global supplier of quality valves for internal combustion engines. A market leader in its product segments in India, it deploys 2 manufacturing units.

SasMos HET Technologies Private Limited: As an associate company, it signifies RHL's diversification into Defence and Aerospace segment. It is engaged in designing and prototyping of customized electronic solutions and electronic system design and integration for Defence and Aerospace applications.



Rane Holdings Limited (RHL): It is the holding company of the group. As strategic investor with management control in the group companies, it earns its revenues from the group companies in form of dividend, license fee against use of Rane trademark and service fee for offering management services.

Rane TRW Steering Systems Limited: It is a JV company of RHL and TRW Automotive, USA. It deploys 5 manufacturing units in India to produce range of steering and safety products. Having the coveted Deming Application Prize in hand, the Company took its operational excellence to an even higher pedestal by winning Japan Quality Medal in fiscal year 2011- 12.

Rane NSK Steering Systems Limited: It is a JV company of RHL and NSK, Japan. It manufactures a range of Electric Power Steering (EPS) and Manual Steering Column (MSC) for passenger cars and commercial vehicles.

JMA Rane Marketing Limited: It is a JV company engaged in trading of automobile components.

The World of RANE

Rane (Madras) Limited: It is a subsidiary company of RHL. Deploying a network of 5 strategically located plants. It manufactures a range of Steering and Suspension Linkage Products. A Deming Application Prize endowed company.

Rane Engine Valve Limited: It is a subsidiary company of RHL. Another Deming Application Prize winner in the group, its 5 manufacturing units produce Engine Valves, Valve Guides and Mechanical Tappets.

Rane Brake Lining Limited: It is another RHL subsidiary to have won the coveted Deming Application Prize. With 4 manufacturing locations, it manufactures Brake Linings, Disc Pads, Railway Brake Blocks, Clutch Facings, Commercial Vehicle Brake Pads and Sintered Brake Pads range.

Rane Diecast Limited: As an RHL subsidiary, it manufactures aluminium pressure diecast and alloy based die-cast products. Exports form a major part of its revenue.

Rane Holdings America, Inc.: It is a RHL subsidiary formed in fiscal year 2011-12 with a focus on customer relations and business promotion services in North America and Latin American countries.

Corporate Information

Board of Directors

L Lakshman, *Executive Chairman*
L Ganesh, *Vice-Chairman*
V Narayanan
Harish Lakshman
Krishnan S Waran
Shujaat Khan
Ravi Vira Gupta
Anjanikumar Choudhari

Audit Committee

Krishnan S Waran, *Chairman*
V Narayanan
L Ganesh
Ravi Vira Gupta

Investors' Service Committee

Harish Lakshman, *Chairman*
L Ganesh
L Lakshman

Secretary

C Siva

Executive Vice President-Corporate Finance & Business Development

S Sethuraman

Auditors

Deloitte Haskins & Sells
Chartered Accountants
Chennai 600 017

Listing of shares with

Bombay Stock Exchange Ltd., Mumbai
National Stock Exchange of India Ltd.,
Mumbai

Bankers

HDFC Bank Ltd., Chennai 600 004
YES Bank Ltd., Chennai 600 034
Citibank, N.A., Chennai 600 002

Registered Office

"Maithri", 132 Cathedral Road
Chennai 600 086
Phone : 044-28112472
Fax: 044-28112449
E-mail : investorservices@rane.co.in

Registrar and Transfer Agents

Integrated Enterprises (India) Ltd.
II Floor, Kences Towers No.1,
Ramakrishna Street
North Usman Road, T Nagar
Chennai 600 017
Phone : 044-28140801-03
Fax: 044-28142479
E-mail: corpsev@iepindia.com

Going Green the Rane Way

The Rane Institute of Employee Development (RIED) building received the Green Building certification from the US Green Building Council. We adhere to the eco-friendly norms as set by council and score high on energy efficiency, sustainability and conserve more natural resources. This honour further cements our will to continue to work towards the preservation of our environment.



RIED, Chennai - Green Building

Message from the Chairman



L. Lakshman
Executive Chairman

Dear Shareholders,

The year gone by proved to be a testing year for the world economy. While growth recorded in the US was encouraging; the troubled Euro Zone and high inflation leading to tightening of liquidity and increasing capital cost in major developing economies spelt its cast on global GDP growth. In the backdrop of these challenges, I hold International Monetary Fund's estimation of global GDP growth of 3.9% for 2011 as encouraging. India countered the challenge of balancing inflationary pressure with growth aspirations in the fiscal year 2011-12. As per Central Statistical Office, Indian economy has grown by 6.5% this year.

As an organization with a rich legacy of 75 years, our strategies and goals continue to be aimed at terms much longer than a year. Courtesy our deeper internalization of the principle of 'Customer Satisfaction through Total Quality Management', we have already built strong foundations of sustained growth and profitability in the first decade of 21st century. We are now geared up to transform ourselves from a manufacturer of world class automotive products to emerge as world class player in

automotive products. In addition, we are geared up to build a strong non-automotive business portfolio through thoughtful acquisitions and diversifications by the end of ensuing decade.

I believe this decade to be a decade of profitable growth for Rane Group. My belief stems from following factors. Firstly, automobile manufacturing in India is bound to attain global scale, the early signs of which are already visible. Accelerated growth in domestic market coupled with business advantages of manufacturing in India, even for overseas sales, will influence many more manufacturers to shift their base from developed countries. Secondly, Rane Group is poised to meticulously increase its revenue share from both its high margin segments namely aftermarkets and exports. Thirdly, its increased R&D investments are bound to enhance breakthrough developments leading to better monetization of those gains. And lastly, as a Group we will continue spotting and pursuing profitable business opportunities – organic and inorganic – and leverage our sound financial position to attain significant non-automotive revenue share by 2020.

The new world order of 21st century will continue to emerge fast. Asia, with a significant contribution from India, has fueled and will continue to fuel the world output growth. At Rane Group, we remain thankful to our customers, technology partners, investors, suppliers and other stakeholders for their continued trust in our business ethics and capabilities. I am glad to place on record our sincere appreciation of the efforts put in by the management and staff members in taking Rane Brand to greater heights. As we move ahead in our decade of profitable growth, I am privileged to invite each one of you to accompany us.

Sincerely yours,

L. Lakshman

Session with the Vice Chairman



L. Ganesh
Vice Chairman

How do you view the performance of Indian automotive industry and various companies of Rane Group in the fiscal year 2011-12?

Growth of Indian automotive industry including the component manufacturing sector was quite satisfactory in the year gone by. The expectations, though, were somewhat higher at the beginning of the year. It will be prudent to view industry's performance in the light of slowdown in GDP growth of India, which came down to 6.5% in fiscal year 2011-12 from a much healthy 8.4% in fiscal year 2010-11. The unabated increase in the interest rates through the year also deterred the demand growth for new vehicles considerably. Despite these challenges, the industry recorded an overall growth of 14%.

All companies in the Rane Group – subsidiaries, joint ventures and associates – performed ahead of the economy and their respective industry verticals. The volume growths were lower in case of most of the companies than the optimistic targets aimed at for the year. Despite that, the Rane Group recorded an encouraging revenue growth of 19%.

How has your foray in Defence and Aerospace fared during the year? How do you view it pan out over next two-three years?

Our strategic investment in SasMos HET Technologies is a baby step towards diversification into adjacent spaces. In terms of realisation of our foray, we still are into early days as SasMos has just completed its first full fiscal year after Rane's investment. The fact that the company is closer to breaking even is an encouraging sign. The company is exploring many new opportunities and response of its customers to Rane's entry as an investor has been very good. We expect accelerated improvement in revenues and profitability of SasMos over coming 2-3 years.

What are your plans to increase exports in coming times?

The markets in the US have improved reasonably well, though it is still far from peaking. The slowdown in Germany did pose a cause for concern. Here too, revival in demand growth is not far away. We are expanding our geographies by adding many new countries and regions.

Exports currently contribute about 16% to our group revenues. We aim to increase exports' contribution to above 20% level in coming 3-4 years. We are exploring multiple options that include increasing direct exports to OEMs, taking partner route, and selling to global replacement markets under Rane brand. We are intensifying our efforts toward introducing new products. We plan to optimise latent opportunities from our existing geographies and customers at one hand and continue adding new geographies and customers for range of our products.

What key aspects would guide your growth strategy, going forward?

With integrity being one of our core values, Brand Rane stands for 'trust and reliability' today. We have raised our operational excellence throughout the past decade to create manufacturing and innovation capabilities that

compare with the best in the world. The time has come for us, at Rane, to seek aggressive growth in the ensuing decade.

A key aspect of our growth strategy is to create a work environment that fosters innovation and research. We are taking a slew of measures to make Rane an exciting Company to work with, a Company where employees find greater opportunities to learn and grow. TQM has helped us achieve total employee engagement. The next level for us is to generate

intellectual properties. Realising that our investment on Research and Development (R&D) has been somewhat lower, we plan to gradually increase R&D spends to 1.5-2% of our group revenues.

Another aspect is to keep judiciously expanding installed capacities at all the plants in line with demand growth in the respective product lines. To spot and pursue inorganic growth opportunities of synergistic as well as diversified nature will be a hallmark of Rane's growth in the ensuing decade.



Mr. Harish Lakshman received the Japanese Quality Medal (JQM) award for Rane TRW Steering Systems Limited (RTSSL) SGD from Chairman of Deming Prize Committee, on 9th November 2011 at Japan. The award is the highest honour for Business excellence through best quality of management by the company. RTSSL was 21st Company globally to receive this award since the inception in 1970; 3rd in India & First in Rane Group.

Board of Directors



L. Lakshman, Executive Chairman

Serving Rane Group for over 41 years, L Lakshman has steered it through many exciting as well as challenging phases of evolution of Indian automobile industry. He currently serves Rane Holdings Limited as Executive Chairman. Joining as a management trainee in 1970, he rose to serve as the Chairman of the Rane Group companies from 1992 to 2006 in the past. With People and Processes as his passion, he has enabled 4 of the group companies to win coveted Deming Application Prize. He continues to mentor the HR, TQM and IT leaders in the group.

L Lakshman holds a degree in mechanical engineering from University of Madras and is an alumnus of London Business School, UK. Besides serving on the board of several listed companies, he has been active in various industry forums. Currently he is holding the position of President of ACMA, Madras Chamber of Commerce & Industry and ASSOCHAM. He is a keen sportsman, a voracious reader and an ardent follower of Indian classical music.



L. Ganesh, Vice Chairman & Audit Committee Member

Besides serving as Vice Chairman on the Board of Rane Holdings Limited, L Ganesh is the Chairman of the constituent companies of Rane Group. He began his career as a Management Trainee in Rane Engine Valves Limited in 1979. Having assumed the executive leadership as the Chairman of Rane group of companies in 2006, he has steered the group through testing times of recent economic downturn. Utilizing the period of economic slowdown towards strengthening management and leadership capabilities, he carved out a leaner, stronger and nimbler Rane Group. He is focused on leveraging the strong foundation of operational excellence towards driving growth.

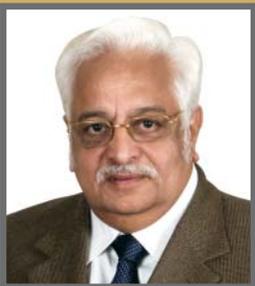
A qualified Chartered Accountant, he holds a masters degree in business administration from the Pennsylvania State University, USA. He has held several positions of high responsibilities with various industry forums and had been the President of ACMA and Madras Management Association, and Chairman of the Confederation of Indian Industry, Southern Region. Currently, he is Honorary Consul for New Zealand in South India.



Harish Lakshman, Non-Executive Director

Having joined Rane Group in 1998, Harish Lakshman has held different positions across Marketing, Operations and Business Development Overseas. Prior to joining Rane Group, he worked with TRW Automotive Inc., USA for 2 years. He holds additional responsibilities as the Vice Chairman for Rane Engine Valve Ltd. and Managing Director of Rane TRW Steering Systems Ltd. Besides serving on the board of Rane Holdings, Harish Lakshman is spearheading the future growth plan for the group companies.

Harish holds a masters degree in management from Purdue University, USA and a bachelors degree in Mechanical Engineering from BITS, Pilani. He has held several key positions at various industry forums in the past including Chairman of ACMA – Southern Region and Chairman of CII Young Indians – Chennai Chapter.



Krishnan S. Waran, Independent Director & Audit Committee Chairman

Having practiced as an international banker for long, Krishnan S Waran is an established Financial Consultant. He brings his rich professional experience of over 40 years to the board of Rane Holdings Limited. He is also the Chairman of the Audit Committee of Rane Holdings.

He holds a masters degree in commerce and financial management. He is also on the board of Goa Glass Fibre Limited and Gitanjali Gems Limited.



V. Narayanan, Independent Director & Audit Committee Member

As a non-executive Independent Director, V Narayanan has served on the Board of many Indian companies like Hindustan Lever, LaFarge India, Bata India, Fosters India, Facit Asia etc. He is also serving the board of Glaxo SmithKline, Sundram Fasteners, Tamilnadu Newsprint & Papers, Sanmar Group, CAMS and Rane (Madras) Limited besides holding position of the Chairman of MM Forgings. Having begun his career as a management trainee with then Hindustan Lever Ltd., he held several senior management positions in India and the UK in his 10 year tenure with them. He has served as Chairman and Managing Director of Ponds India Ltd. in past.

A pass out of the Lawrence School, he holds a masters degree in Chemistry from Loyola College, Madras University. Previously, he had been a Director of IIM Bangalore; Honorary Chairman of the Academy of Management Excellence, Chennai; a member of Governing Council of the AIMA as well as Madras Management Association; and President of the Madras Cricket Club and Tamilnadu Tennis Association.



Ravi Vira Gupta, Independent Director & Audit Committee Member

Having joined the Indian Administrative Services in 1962, Ravi Vira Gupta rose to become the Deputy Governor of Reserve Bank of India. During his illustrious career, he was associated with various critical aspects relating to cooperatives as well as agriculture. He was closely associated with the economic reforms at the level of Additional Secretary and Secretary with various ministries including Fertilizer, Food and Finance of Government of India.

Ravi Vira Gupta is on the board of several companies besides being actively associated with many educational and cultural organisations. Ravi Vira Gupta holds a bachelors degree in Economics.



Anjanikumar Choudhari, Independent Director

Anjanikumar Choudhari joined Mahindra & Mahindra in 1999 and has held many responsible positions including serving the Boards of many of their group companies. He is also the Director of Mahindra Institute of Quality and gives guest lecturer at IIM Calcutta and Bangalore. Previously, he has served Hindustan Unilever Ltd. for 30 years including a 5-year stint in China.

He has served as marketing advisor to the Ministry of Industries and as part-time advisor to Ministry of Health, Government of India. He has been President of Tractor Manufacturers Association of India and member of CII National Council on Agriculture. He has won several awards including Rotary International in 1995 and Udyog Rattan in 2007. He is the founder President of the Shanghai Indian Business Association. He holds a bachelors degree in Mathematics & Statistics and a master's degree in Management Studies.



Shujaat Khan, Independent Director

Shujaat Khan is a co-founder and Managing Director of Blue River Capital Advisors (India) Pvt. Ltd., a private equity firm investing in emerging leaders in India. Prior to his entrepreneurial stint, he has served as the Managing Director and Investment Committee Member at Chryscapital, one of India's largest private equity firms. He has also worked as an investment banker with Merrill Lynch International, during this tenure he was based at Singapore and worked on mergers and acquisitions and corporate finance transactions across Asia, including India. He has also worked for Travellers Group (now Citigroup) in various capacities in the United States.

Shujaat Khan is a B.A., magna cum laude, from University of Rochester and an M.B.A. from Harvard University Graduate School of Business Administration, USA.

Key Leadership Team



S Parthasarathy
President,
Rane (Madras) Limited



P S Rao
President,
Rane Brake Lining Limited



G Parthipan
President,
Rane TRW Steering
Systems Limited



S Krishnamurthy
President,
Kar Mobiles Limited



S Mohan
President,
Rane Engine Valve Limited



A Rajasekaran
President,
Rane NSK Steering Systems
Limited



D Sundar
President,
Rane Diecast Limited



R Venkatanarayanan
*President - Corporate
Services,*
Rane Holdings Limited



P D Leelaram
Advisor - TQM & LPS,
Rane Holdings Limited



S Sethuraman
*Executive Vice President-
Corporate Finance &
Business Development,*
Rane Holdings Limited



C Siva
*Executive Vice President -
Secretarial & Legal,*
Rane Holdings Limited

Management Discussion & Analysis

Overview

The Company holds strategic investments in subsidiaries, joint ventures and associate companies (collectively called as “the Group”) engaged primarily in manufacturing of components for the transportation industry, mainly the automotive sector. In addition to holding strategic investments, the Company provides management, information technology and business development services to the Group.

Industry Structure and Developments

Domestic automobile market had a mixed year in 2011-12 with only select vehicle categories reaching the expected industry growth estimates. Overall the market grew by 14%. Though the Passenger Car and Medium & Heavy Commercial Vehicles markets showed sluggish growth during the year due to continuous increase in the interest rates, the gap was made up by the growth in Small Commercial Vehicles and Light Commercial Vehicles.

Industry Growth

Year on Year growth in automotive industry is given below:-

Vehicle Categories	Volume Growth in %	
	FY 12	FY 11
Passenger Cars	2	27
Utility Vehicles	17	17
Small Commercial Vehicles	27	36
Light Commercial Vehicles	28	22
Medium & Heavy Commercial Vehicles	11	38
Three Wheelers	10	29
Two Wheelers	16	27
Farm Tractors	12	22

Source: Society of Indian Automobile Manufacturers

Group Overview

The Group optimized and scaled up capacities to meet sustained customer demand in domestic market and achieved an overall growth of 19% over the previous year.

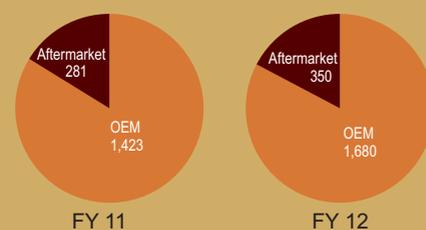
Group Sales	₹ in crores		
	FY 12	FY 11	Growth in %
Domestic Market	2,030.66	1,703.96	19

Domestic OEM & Aftermarket:

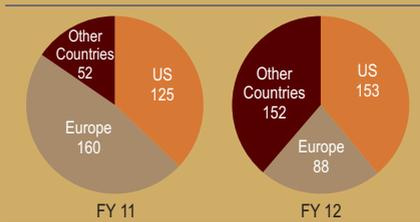
The OEM and aftermarket sales registered robust growth in the fiscal year 2011-12 with OEM contributing 84% of the Group Revenues. Rane Group companies have met the increasing demand from OEM. Focus on customer demand and continuous introduction of new products enabled the achievement of 18% growth in OEM over the previous year. The diversified aftermarket product portfolio lead to a growth of 25% in aftermarket.

Group Revenues	OEM Segment			Aftermarket Segment		
	FY 12	FY 11	Growth in%	FY12	FY 11	Growth in %
	1,680.27	1,423.44	18	350.39	280.52	25

Group Revenues (₹ in crores)



Group Export Sales (₹ in crores)



Exports

The economic activity marginally improved in the US in the year 2011 resulting in an overall increase in export volumes.

The export sales of Group was ₹393.45 crores representing a growth of 17% over the previous year. The region wise break-up of export sales are given below:

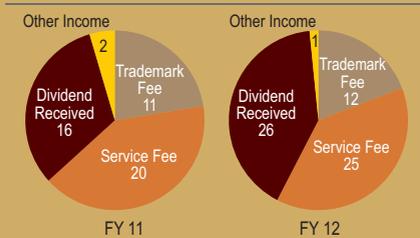
₹ in crores			
Group Export Sales			
Region	FY 12	FY 11	Growth in %
US	153.30	124.86	23
Europe	87.77	159.62	-45
Other Countries	152.42	51.77	194
Total	393.45	336.24	17

The exchange rate for United States Dollar (USD), the currency which the group companies generally use in overseas transactions was volatile during the year and USD gained substantially against Rupee. The impact of volatility and weak Rupee was mitigated with robust forex hedging policy.

Performance of Group companies

Rane group companies operate in a single segment of manufacturing and marketing of variety of automotive components. An overview of performance of each of the Rane group companies during the fiscal year 2011-12 is presented below:

RANE HOLDINGS LIMITED
Revenue (₹ in crores)



RANE HOLDINGS LIMITED

Standalone Financial Performance of RHL

The total income of RHL for the year ended March 31, 2012 was ₹63.92 crores, a growth of 32% over the previous year. The sustained growth in the earnings of the Group companies resulted in higher revenues to RHL in terms of increased trademark fee and dividend income.

₹ in crores			
Revenue	FY 12	FY 11	Growth in %
Trademark Fee	12.24	10.87	13
Service Fee	24.56	19.75	25
Dividend Received (from group companies)	26.10	15.60	67
Other Income	1.01	2.20	-54
Total	63.91	48.42	32

The profit after tax for the year under review was ₹34.25 crores compared with ₹40.03 crores of the previous year. The earning per share for the current year was ₹23.99 compared with ₹28.04 of the past year. The profit on sale of land contributed to the higher PAT and EPS in the previous year.

Subsidiary Companies

RANE (MADRAS) LIMITED (RML)

Products: RML manufactures and markets Steering & Suspension Linkage Products (SSLP) and Steering Gear Products (SGP) to commercial vehicles.

Plants: RML operates 5 plants located at Velachery and Varanavasi in Tamilnadu, Thirubhuvanai in Puducherry, Mysore in Karnataka and Pant Nagar at Uttarakhand, employing 1070 persons.



Rane Corporate Centre

Performance: In the year ended March 2012, combined revenues from the SSLP and SGP businesses stood at ₹657.22 crores, a growth of 14% from the previous year.

₹ in crores			
Product Lines	FY 12	FY 11	Growth in %
Steering & Suspension Linkage Products	347.64	318.77	9
Steering Gear Products	309.58	255.61	21
Total	657.22	574.38	14

The revenue from domestic sales for the year was ₹576.15 crores, an increase of 19% compared with the previous year sales of ₹481.18 crores. The export sales decreased by 12% over previous year to ₹81.07 crores due to reduction in customer programs. Profit Before Tax was ₹37.17 crores, an increase of 21% over the previous year. This was possible due to persistent focus on improving manufacturing efficiencies and continuous cost control measures. The earning per share for the current year 2011-12 rose to ₹26.95 from ₹24.18 during the previous year.

Prospects: RML will undertake market development efforts to identify new customers in domestic and export markets for its existing range of products.

New products generated 15% of the revenues. The product portfolio would be diversified by adding more products from the hydraulics group. Hydraulic cylinders for applications in tractors & commercial vehicles and hydrostatic units in tractors are targeted to be the major growth areas. The opportunities from the adjacent markets and product space would be pursued to sustain the growth.

The demand for steering gears is expected to grow. RML has the distinct competitive advantage to manufacture different components of multiple lot sizes all at the same time and is fully capable of scaling up operations to fulfill volumes.

RANE ENGINE VALVE LIMITED (REVL)

Products: REVL is engaged in the manufacture and marketing of engine valves, guides and tappets for automobiles.

Plants: REVL operates 5 plants located at Alandur, Ponneri and Viralimalai in Tamilnadu, Medchal and Aziz Nagar in Andhra Pradesh, employing 1354 persons.

Performance: In the year ended March 2012, net sales of REVL was ₹302.23 crores, a growth of 6% over the previous year.

₹ in crores			
Product Lines	FY 12	FY 11	Growth in %
Engine Valves	268.48	254.93	5
Other Engine Components	33.75	30.92	9
Total	302.23	285.85	6

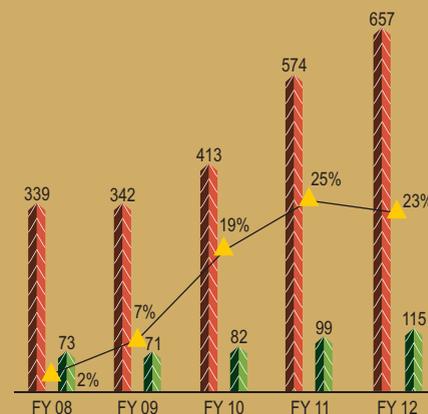
The revenue from domestic sales was ₹211.38 crores, an increase of 5% over last year sales of ₹201.20 crores. The export revenue was ₹90.85 crores as against ₹84.65 crores in the previous year registering a growth of 7% over previous year. Profit Before Tax was ₹28.72 crores as against ₹16.12 crores, an increase of 78% over the previous year. This includes an exceptional income of ₹16.27 crores from sale of land and an exceptional expense of ₹4.06 crores incurred towards a voluntary retirement scheme availed by a group of employees. The earning per share for the fiscal year, 2011-12 was ₹40.32 as against ₹20.97 for the previous year.

Prospects: REVL is concentrating on product development for key customers to increase market share and earn higher revenue. REVL has excellent co-designing capabilities enabling it to pro-actively design valves. "Growing with the Customer" is adopted as another growth driver to increase profitability and also to establish synergy with customer.

The sustained growth in the automotive industry will increase the demand for valves and guides. REVL is well positioned to add capacity and meet market demand.

RANE (MADRAS) LIMITED

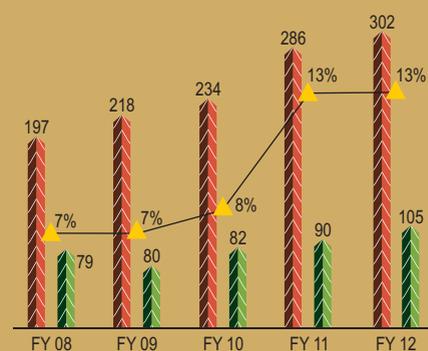
▲ Net Sales (₹ in Cr.) ▲ Net Worth (₹ in Cr.) - ROCE (in %)



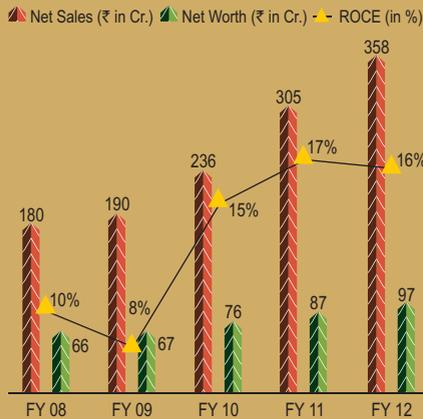
Best Supplier Award for Overall Performance by TAFE, won by RML

RANE ENGINE VALVE LIMITED

▲ Net Sales (₹ in Cr.) ▲ Net Worth (₹ in Cr.) - ROCE (in %)



RANE BRAKE LINING LIMITED



Kaizen-Excellent Award by Quality Circle Forum of India, won by RBL

RANE DIECAST LIMITED



RANE BRAKE LINING LIMITED (RBL)

Products: RBL is engaged in the manufacture and marketing of brake linings, disc pads, clutch facing, clutch buttons, brake shoes and railway brake blocks for passenger cars, utility vehicles, commercial vehicles, two wheelers and railway coaches.

Plants: RBL operates 4 plants located at Ambattur and Trichy in Tamilnadu, Thirubhuvanai in Puducherry and Medak in Andhra Pradesh, employing 935 persons.

Performance: The net sales grew by ₹53.50 crores recording a growth of 18% over the previous year.

₹ in crores			
Product Lines	FY 12	FY 11	Growth in %
Brake Linings	194.10	152.18	27
Disc Pads	129.26	114.86	12
Other Products	34.87	37.69	-7
Total	358.23	304.73	18

The revenue from domestic sales for the year was ₹338.21 crores as against ₹288.85 crores in the previous year, registering a growth of 18% over the previous year. The exports grew by 26% to ₹20.02 crores from ₹15.88 crores in the previous year. Profit Before Tax was ₹21.90 crores as against ₹19.67 crores in the previous year, an increase of 11%. The earning per share for the fiscal year 2011-12 rose to ₹20.45 from ₹19.31 during the previous year.

Prospects: Demand for asbestos free braking products across all vehicle categories in automotive industry is expected to grow. RBL is well positioned to meet the demand from OEM and aftermarket for asbestos free products. The export of railway brake blocks to overseas markets is expected to grow. RBL is conducting field performance studies on passenger cars to analyze customer preferences and develop customized products. RBL is taking rigorous efforts to continue the market leadership in spite of stiff competition.

New formulations and new friction materials are developed for use in new generation automobiles. RBL is continuously improving "formulation library", to minimize the time-to-market new products and remain competitive.

RANE DIECAST LIMITED (RDL)

Products: RDL is engaged in manufacture, marketing of aluminium alloy based pressure die-casting products primarily for passenger cars, utility vehicles and light commercial vehicles. RDL exports most of its production.

Plant: RDL operates one plant located at Medak in Andhra Pradesh and employs 103 persons.

Performance: During the year under review, RDL turned operationally profitable and the credit for this turnaround goes to the employees of RDL. In the year ended March 2012, RDL reported net sales of ₹63.25 crores as against ₹36.53 crores registering a growth of 73%. The Profit Before Tax was ₹0.34 crores as against the loss of ₹5.39 crores in the previous year. The benefit of Electrical Power Steering (EPS) Pinion Housing products launched in the last quarter of 2010-11 was realized in the current year. The export sales of EPS Pinion Housing products to TRW USA generated ₹28.26 crores.

Prospects: The export market for hi-pressure die-casting products is expected to grow with improvements in the automotive market in the US. RDL needs to address capacity constraints at its present location.

RANE HOLDINGS AMERICA, INC. (RHA)

The Group has been, over the last several years exporting auto component products to customers in North America and Latin American countries. During the year under review sales to North America was ₹153.30 crores. The Company considered it appropriate to establish its presence in these growing markets. During the year, Rane Holdings America,

Inc., (RHA1) was established in the State of Delaware, USA. RHA1 would focus on customer relations and business promotion services in these regions on behalf of the Group Companies.

RHA1 is expected to play a vital role in expanding opportunities for Rane Group in this geography in the automotive component space.

Joint Venture Companies

RANE TRW STEERING SYSTEMS LIMITED (RTSSL)

Products: RTSSL is engaged in the manufacture and marketing of fully integrated hydraulic steering gears, hydraulic pumps, power-rack and pinion through Steering Gear Division (SGD) and safety seat belts through Seat Belt Division (SBD).

Plants: RTSSL operates 5 plants located at Viralimalai, Guduvancherry and Singaperumalkoil in Tamilnadu and Pant Nagar in Uttarakhand. RTSSL employs 1059 persons.

Performance: In the fiscal year ended March 2012, net sales increased by ₹49.93 crores, a growth of 9% over the previous year. An unexpected labour unrest at one of customer's manufacturing locations resulted in a marginal decline in the revenue of SBD.



The Japan Quality Medal 2011, won by RTSSL

Product Lines	FY 12	FY 11	Growth in %
Steering Gear Products	550.42	498.09	11
Seat Belt Products	69.20	71.60	-3
Total	619.62	569.69	9

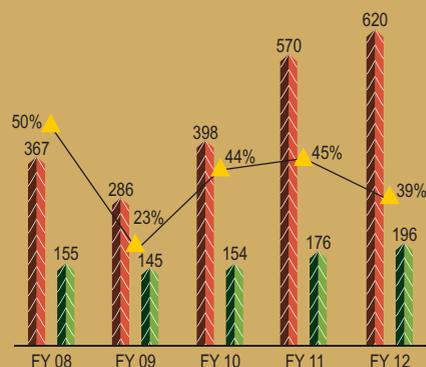
The export sales improved by 7% to ₹96.41 crores from ₹89.89 crores. Profit Before Tax was ₹72.67 crores as against ₹72.11 crores, a marginal increase over the previous year. The earning per share for the fiscal year 2011-12 was ₹55.97 as against ₹58.34 in the year 2010-11, a marginal decline of 4%.

Prospects: RTSSL is focusing on developing new technologies and is proactively working on new product development anticipating future markets and customer preferences. RTSSL is considering applications for electrical technology for hydraulic power steering systems (EPHS). EPHS systems have distinct advantages of both electrical power steering systems (EPS) and hydraulic power steering systems (HPS) integrated into a single unit. In addition, newer products are developed in pre-tensioner belts, child restraint seat belts and seat integrated seat belts.

The demand from OEM market is expected to continue to drive sales of hydraulic power steering and safety seat belt. RTSSL is fully capable of scaling up operations to meet demand for hydraulic power steering and safety seat belt.

RANE TRW STEERINGS SYSTEM LIMITED

▲ Net Sales (₹ in Cr.) ▲ Net Worth (₹ in Cr.) - ROCE (in %)



RANE NSK STEERING SYSTEMS LIMITED (RNSSL)

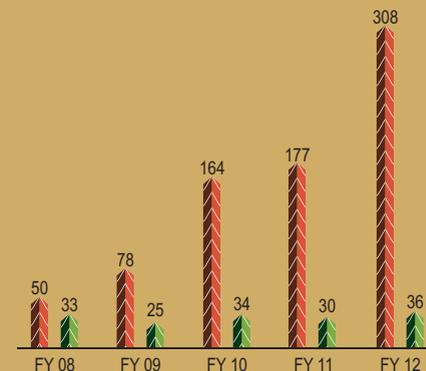
Products: RNSSL is engaged in the manufacture and marketing of electric power steering (EPS) and manual steering column (MSC) for passenger cars and commercial vehicles.

Plants: RNSSL operates 3 plants located at Guduvancherry in Tamilnadu, Bawal in Haryana and Pant Nagar in Uttarakhand employing 529 persons.

Performance: In the fiscal year ended March 2012, combined revenues from Electric Power Steering (EPS) and Manual Steering Column (MSC) businesses stood at ₹308.15 crores, an impressive growth of 74% over the previous year.

RANE NSK STEERING SYSTEMS LIMITED

▲ Net Sales (₹ in Cr.) ▲ Net Worth (₹ in Cr.)



Product Lines	FY 12	FY 11	Growth in %
Electric Power Steering (EPS)	198.27	67.48	194
Manual Steering Column (MSC)	109.88	109.32	1
Total	308.15	176.80	74



Quality Award – Silver Medal by Quality Circle Forum of India, won by KML

The sales from new products generated ₹143.79 crores which is 46% of total sales. Profit Before Tax was ₹5.41 crores as against the loss of ₹3.32 crores in the previous year. The earning per share for the year under review is ₹3.02 compared with ₹-3.15 for the previous year.

Prospects: New generation passenger cars and utility vehicles are expected to move towards EPS for reasons of higher fuel savings, ecofriendly technology and increased driving comfort. The demand for EPS systems is expected to increase. RNSSL is building the organisational and technical capabilities to meet this requirement.

JMARANE MARKETING LIMITED (JMARANE)

JMA Rane is a joint venture company between the Company and Jallundur Motor Agency Company Ltd. JMA Rane is a trading company dealing with automobile components. During the fiscal year 2011-12, sales of JMA Rane increased to ₹59.23 crores from ₹50.43crores in the previous year. The Profit BeforeTax for the current year was ₹4.15 crores as against ₹3.45 crores in the previous year.

Associate Companies

KAR MOBILES LIMITED (KML)

Products: KML is engaged in the manufacture and marketing of large engine valves, collets and guides for internal combustion engines.

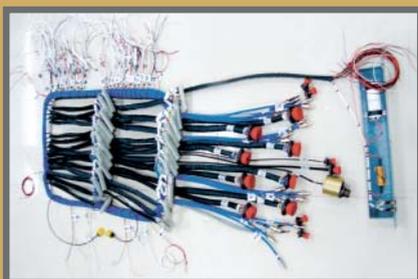
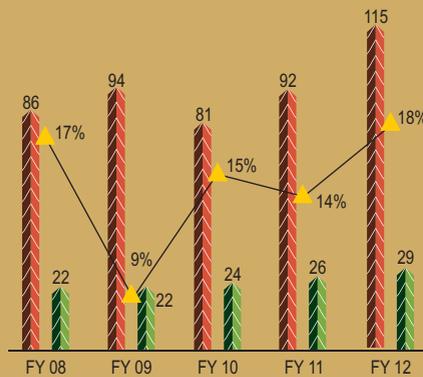
Plants: KML operates 2 plants located at Peenya and Tumkur in Karnataka, employing 434 persons.

Performance: In the fiscal year ended March 2012, KML reported net sales of ₹115.41 crores as against ₹92.31 crores in the previous year, registering a growth of 25% over the previous year. The domestic sales for the year was ₹62.35 crores as against ₹54.54 crores in the previous year, a growth of 14% over the last year. The revenue from exports was ₹53.05 crores as against ₹37.77 crores in the previous year, a growth of 41% over the previous year. The new products generated 15% of the total revenues. The Profit Before Tax was ₹7.68 crores as against ₹4.78 crores, an increase of 61% over the previous year. This was due to cost reduction efforts and profit of ₹0.85 crores earned on sale of surplus land near Tumkur plant. During the year, the earning per share rose to ₹23.32 from ₹13.99 of the previous year.

Prospects: KML is focusing on medium and large engine valves for both exports and domestic market. In this fiscal year 2011-12 the modernization and expansion of the plant in Tumkur has commenced.

KAR MOBILES LIMITED

Net Sales (₹ in Cr.) Net Worth (₹ in Cr.) ROCE (in %)



SASMOS - Wiring Harness

SASMOS HET TECHNOLOGIES PVT. LTD (SASMOS)

The Company's foray into defence and aerospace sector started with the acquisition of 26% shareholding in SASMOS during the year.

Products: SASMOS is engaged in design, prototyping and manufacture of customized electronic solutions across domains including electrical interconnection solutions and electronics systems design & integration for defence and aerospace applications.

Plant: SASMOS has one plant located near Bangalore and employs 174 persons.

Performance: During the fiscal year 2011-12, SASMOS registered net sales of ₹23.62 crores as against ₹14.07crores during 2010-11, a growth of 68% over the previous year. The earnings from exports was ₹17.09 crores, where exports to Israel contributed a major part of export sales. The domestic sales for the year was ₹6.53 crores as against ₹4.29 crores, an increase of 58% when compared with the previous year. The loss for the year was ₹0.45 crores as against the Profit Before Tax of ₹0.34 crores in the previous year. The earning per share for the year was ₹-0.22 compared to ₹4.86 of the last year.

Prospects: SASMOS is an AS9100 Rev C certified organization and is well positioned to grow through collaborations with leading public and private enterprises in defence and aerospace domains, both in India and abroad. SASMOS is an eligible off-set partner, which entitles them to supply to foreign vendors of Indian defence.

Outlook

The growth in domestic automotive industry, especially in passenger car and commercial vehicle categories could be adversely affected in the short term. In the medium term, the Company anticipates high demand for the products manufactured by its group companies in domestic OEM and aftermarket. Export sales to the US and European Union is dependent on the economic expansion in these geographies.

The Group companies have technical collaboration with global auto leaders to develop state-of-the-art products for new generation vehicles and also manufacture niche customized products meeting specific requirements. Rigorous efforts are taken by the Group companies to retain market leadership and increase profitability through operational efficiencies and effective cost control measures.

The concerns of liquidity, high inflation, volatile foreign currency exchange rates, weak rupee, volatile oil price and high interest rate may negatively affect growth sentiments of auto industry. The Group companies are well equipped to evaluate these conditions and to address any specific issue affecting the growth.

Opportunities and Threats

India has the largest engineering talent pool with acclaimed designing and process engineering skill sets. In addition to the human resources, India has abundant raw material resources and quality manufacturing facilities on par with world class quality testing centres elsewhere on the globe. These advantages have enabled India to position as a global resource hub for OEM and auto components manufacture.

India's distinct global cost and quality advantages have augmented growth of the Company.

Rane Group's strength continues in areas of:-

- Market Leadership
- Brand Equity
- Human Resources
- Total Quality Management (TQM) practices
- Ability to scale up operations in short lead time
- Technical collaboration with global automotive leaders

The Company would endeavor to further develop and improve its strengths.

The main threats to which auto component industry is exposed to are:-

- Unceasing cost reduction demand from OEMs from whom major portion of future growth is expected to come.
- Spiraling commodity prices affecting input costs structure.
- Dumping from China.
- Apprehension about weak economic expansion in developed countries.

Internal Control Systems and Risk Management

The Company has engaged an independent agency to carry out internal audit at all its locations across the country. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve annual internal audit plan. The internal audit reports are placed before the Audit Committee at each of its quarterly meeting for review. The response of the operating management and counter measures proposed are discussed. This process not only seeks to ensure the reliability of



Rane Brake Lining Limited - Trichy Plant



Rane Engine Valve Limited - Trichy Plant



Green Development, REVL - Trichy Plant



Rane TRW Steering Systems Limited - SBD



Rane Brake Lining Limited - Trichy Plant



Rane TRW Steering Systems Limited - SGD

internal control systems and compliance with laws and regulations but also covers resource utilization and system efficacy.

During the year, the Group revisited the risks associated with each of the business processes and the sub-processes. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and its impact on business. Every quarter the top management reviews the strategic risks, the risks with high probability and high impact and presents its report to the Board of Directors together with the risk mitigation plan on half-yearly basis. The strategic risks are taken into consideration in the annual planning processes. Other risks are covered as part of internal audit process and presented to the Audit Committee every quarter. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The overall re-assessment of risks at company level is carried out and presented to the Board once in two years for their review.

Information Technology

Rane Group uses enterprise wide systems (SAP) to seamlessly integrate all business operations within Group companies. Productivity improvement projects and cost reduction measures are implemented using SAP. The dashboards are widely used at shop floors in manufacturing to monitor and control quality. Dedicated portals have been established to interface and integrate supply chain management (SCM) process and with Group companies' customers and suppliers. Business transactions and HR processes are accomplished through SAP system. The Company's requirements are continuously analyzed and information technology systems have been upgraded for sustaining the existing processes as well as to provide additional functionalities and facilitate better compliance.

Human Resource Development and Industrial Relations

Human Resource (HR) in the Company partners with the business in formulation of strategies and in developing organizational capability. The Company's HR initiatives aim at balancing the near, mid and long term aspects of career planning and management. HR at the Company upholds the dictum of attracting, inspiring and retaining the right talent to drive business results.

As part of the Company's four-level Professional Development Architecture (PDA), the first batch of Rane Emerging Managers Program (REMP) was launched during November 2011 for high potential individuals to groom them for future. Aspiring to become an employer of choice, the Company is implementing various initiatives focusing on delivering its Employer Brand Promise of challenging assignments, encouraging learning and enhancing career opportunities.

The Corporate HR team refreshed the Performance Assessment & Development System (PADS) – aligning it with the theme of Profitable Growth. Innovation is introduced as a vital competency. Moving ahead, nurturing a culture of innovation and entrepreneurial spirit will be high on people agenda.

As at the end of March 31, 2012, the total number of employees in the Company stood at 62.

Report of the Directors

Your Directors take the pleasure in presenting the 76th Annual Report together with the accounts for the year ended March 31, 2012.

1. Financial performance:

Your Company's investment profile is as given below:

Sl. No.	Name of investee company	Products	Ownership of your Company
Subsidiary companies			
1	Rane (Madras) Ltd.	Manual steering and suspension systems	53.8%
2	Rane Engine Valve Ltd.	Valves, valve guides, tappets	53.6%
3	Rane Diecast Ltd.	Machined die cast products	78.7%
4	Rane Brake Lining Ltd.	Brake linings, disc pads, composite brake blocs	41.6%
5	Rane Holdings America Inc.	Providing business development services in North American region for Rane Group Companies	100%
Joint Venture companies			
6	Rane TRW Steering Systems Ltd.	Power steering systems and seat belt systems	50.0%
7	Rane NSK Steering Systems Ltd.	Solid and energy absorbing steering columns, intermediary shafts, electric power assisted steering systems	49.0%
8	JMA Rane Marketing Ltd.	Distribution company for auto component (Rane and others)	49.0%
Associate company			
9	Kar Mobiles Ltd.	Engine valves, collets and guides for internal combustion engine.	39.5%
10	SasMos HET Technologies Pvt. Ltd.	Designing, prototyping and manufacturing electrical inter-connection solutions, electronic design and integration for defense and aerospace applications.	26.0%

The Company's income stream comprises of (i) dividend from the above investments, (ii) trademark fee for use of 'RANE' trademark and (iii) service fee from the group companies for providing services in the areas of management, information technology, business development and infrastructure.

The financial highlights of the year under review are as follows:

Particulars	₹ In Crores)	
	2011 – 2012	2010 – 2011
Income	63.91	48.42
Profit on sale of Agricultural Land	-	18.47
Profit before tax	38.11	43.14
Provision for tax	3.86	3.11
Profit after tax	34.25	40.03
Surplus brought forward	47.23	31.19
Amount available for appropriation	81.48	71.22

During the year, income of your Company increased by 32% over that of the previous year. The profit on sale of agricultural land of ₹18.47 crores contributed to higher profits in the previous year. The earnings per share for the year 2011-12 was ₹23.99 compared to last year ₹28.04.

2. Appropriation of Profit

Taking into account ₹47.23 crores being surplus of profit brought forward from previous year and the Profit after tax of ₹34.25 crores, a sum of ₹81.48 crores is available for appropriation as dividend. During the year, your directors have declared and paid an interim dividend at the rate of 60% (i.e., ₹6/- per equity share) on the equity capital for the year and have recommended a further 40% (i.e., ₹4/- per equity share) as final dividend, making for a total dividend of 100% for the year ended March 31, 2012. The amount on this account inclusive of tax on distributed profits and surcharge thereon, works out to ₹15.47 crores leaving the Company with retained profits of ₹66.01 crores. Out of the retained profits, a sum of ₹3.43 crores would be transferred to General Reserve account and the balance ₹62.58 crores would be retained as surplus profit in the Profit and Loss account.

3. Management Discussion & Analysis

Your Company holds strategic investment in subsidiaries, joint ventures and associates (collectively called 'Rane Group') engaged in the manufacturing and marketing of components for transportation industry and also provides management and other services to Rane Group. A detailed analysis of the automotive industry, group companies' performance etc. are discussed in a separate section in this Annual Report under the heading 'Management Discussion & Analysis'.

4. Investments

(a) SasMos HET Technologies Private Limited (SasMos)

During the year, your Company has acquired 26% shareholding in the equity capital of SasMos, a Bangalore based company engaged in designing, prototyping and manufacturing of electrical interconnection solutions, electronic design and integration for defense and aerospace applications. Mr L Ganesh and Mr Harish Lakshman, directors have been nominated by your Company to the board of SasMos.

(b) Rane Holdings America Inc., (RHAI)

Rane Holdings America Inc., (RHAI), was incorporated as a wholly owned subsidiary in United States of America, to anchor business development in North American region, for the Rane group companies. Your Company has invested USD 20,000 towards subscription of the entire equity capital of RHAI comprised in 20,000 shares of USD 1 each.

(c) Further Investments in Rane Diecast Limited (RDL)

To augment financial resources for operations and new projects, RDL raised further equity capital of ₹3.42 crores by way of rights issue. Your Company invested ₹2.70 crores by subscribing to the rights issue.

5. Consolidated financial statements

The following methodology as specified under applicable accounting standards have been applied in consolidating the financial results of the group companies in the consolidated financial results attached in the annual report:-

- (a) **Subsidiary companies** – each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. Minority interests have been appropriately considered.
- (b) **Joint Venture companies** – each line item of income, expenditure, assets and liabilities have been consolidated based on the percentage of share held in these companies.
- (c) **Associate companies** – share in the profit after tax based on the percentage of share held has been consolidated.

The consolidated financial statements of the Company are prepared based on the audited financial statement of the subsidiary companies, joint-venture companies and associate companies, except in the case of JMA Rane Marketing Limited where the provisional accounts have been considered.

In accordance with the general exemption granted by Ministry of Corporate Affairs (MCA), New Delhi vide circular no.2/2011 dated February 8, 2011 the Company has not attached the financial statements of the

subsidiary companies. However, the financial information of the subsidiary companies duly audited by the auditors are disclosed in this annual report.

As directed in the said circular, the Company undertakes to make available a soft or hard copy of the annual report and annual accounts of the subsidiary companies and the related detailed information to investors, as may be required by them, seeking such information at any point of time on demand. The annual accounts of the subsidiary companies has been posted in the website of the Company viz. <http://rane.in> and also be kept open for inspection by any investor at the registered office of the Company and that of the respective subsidiary companies. The consolidated financial statements presented by the Company, which form part of this annual report, include financial results of its subsidiary companies.

6. Fixed deposits

Your Company does not accept any deposit from public in terms of Section 58A of the Companies Act, 1956 and the rules framed thereunder.

7. Board of Directors

Mr. Harish Lakshman and Mr. Ravi Vira Gupta, directors, retire from the Board by rotation and being eligible, offer themselves for reappointment. The notice convening the ensuing Annual General Meeting includes the proposal for their re-appointment as directors.

8. Conservation of Energy and Natural resources

Rane is conscious of the imperative to protect environment and the natural resources for achieving sustainable economic growth and have started several initiatives in this regard such as conservation of energy and water and eco-friendly waste management systems.

9. Research and development activities

In view of the nature of activities of the Company, provisions of Section 217(1)(e) of the Companies Act, 1956 are not applicable.

10. Foreign exchange earnings and outgo

There was no foreign exchange earned during 2011-12. The foreign exchange outgo was ₹1.11 crores on account of investment in wholly owned subsidiary, professional / consultancy charges and foreign travel.

11. Employees

The particulars of employees, as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, are given in Annexure 'A'.

12. Auditors

The Auditors, M/s Deloitte Haskins & Sells (DHS) hold office until the conclusion of the ensuing Annual General Meeting and have expressed their willingness to continue as statutory auditors of the Company. The Company has received letter from DHS to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. DHS has submitted the Peer Review Certificate issued to them by The Institute of Chartered Accountants of India.

13. Corporate social responsibility

The vision of Rane Group on Corporate Social Responsibility (CSR) is **"To be a socially and environmentally responsible corporate citizen."**

The focus of Rane Group's social development initiatives has been in the three specific areas viz. (a) Education (b) Healthcare and (c) Community development.

CSR activities of Rane Group are channelized through Rane Foundation, a public charitable and educational trust. One of the major initiatives undertaken by Rane Foundation in the last two years was establishment of a self financed Polytechnic College named Rane Polytechnic Technical Campus in Sethurapatti Village, Tiruchirapalli, Tamil Nadu. Your Company extended financial support in the form of donation and interest free loans to this cause. Three of Rane's manufacturing units are located around

this Village. The Polytechnic received approval from the All India Council of Technical Education (AICTE) and the Directorate of Technical Education, Tamilnadu, to start two courses, viz. Civil Engineering and Mechanical Engineering in the academic year 2011-12. The Vision of the Polytechnic is to turn out students with technical knowledge and industry specific skills at the end of their three year study and training so that they are readily employable by the industry.

14. Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm that they have:

- i. Followed the applicable accounting standards in the preparation of the annual accounts;
- ii. Selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. Taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and detecting fraud and other irregularities;
- iv. Prepared the accounts for the financial year on a 'going concern' basis.

15. Corporate Governance Report

The Company has complied with the Corporate Governance requirements as stipulated under Clause 49 of the listing agreement. Detailed report on the compliance and a certificate by the Statutory Auditors forms part of this report as Annexure 'B'.

For and on behalf of the Board

Chennai
May 30, 2012

L Lakshman
Executive Chairman

L Ganesh
Vice Chairman

Annexure - A to Report of the Directors

Particulars as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, annexed to and forming part of the Directors' Report for the year ended March 31, 2012.

Sl. No.	SI. Name	Age (Years)	Designation / Nature of (Years) Duties	Date of Commencement of Employment	Remuneration (₹)	Qualification	Experience (Years)	Particulars of Last Employment
1	Mr. L Lakshman	65	Executive Chairman	01.04.2008	1,52,85,405*	B.E., Executive MBA, London Business School	42	Rane Brake Lining Limited, Managing Director
2	Mr. L Ganesh	58	Vice-Chairman	01.08.2009	86,81,473	B.Com ACA, MBA	33	Rane Engine Valve Limited, Chairman & Managing Director

* Includes commission of ₹78,00,000/- for the year 2011-12

Notes:

1. Remuneration as shown above includes salary, house rent and other allowances, contribution to provident and other funds and perquisites evaluated as per Income Tax Rules.
2. The service of employees is contractual in nature.
3. Mr. L Lakshman, Executive Chairman and Mr. L Ganesh, Vice Chairman are related to each other. Mr. L Lakshman is also related to Mr. Harish Lakshman, Director.
4. No employee of the Company is covered by the provision of Section 217(2A) (a) (iii) of the Companies Act, 1956.

For and on behalf of the Board

Place : Chennai
Date : May 30, 2012

L Lakshman
Executive Chairman

L Ganesh
Vice-Chairman

Annexure - B to Report of the Directors Corporate Governance

1. Philosophy on Code of Governance

Rane Group's time tested philosophy of Governance is based on principles of integrity, transparency and fairness. The Rane businesses seek enhancement to shareholder value within this framework. Employee behaviour is nourished by this culture and is governed through a policy document "Ethical Standards of Behaviour" that regulates employees and directors.

Our belief in good corporate citizenship drives internal processes towards statutory and regulatory compliances.

2. Board of Directors

The Board of the Company consists of Eight Directors. The composition of the Non-Executive directors (75%) and Independent Directors (62.5%) is in conformity with Clause 49 of the Listing Agreement entered into with stock exchanges. None of the directors on the Board, is a member of more than 10 committees or chairman of more than 5 committees across all the companies in which he is a director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2012 have been made by the Directors.

The Board met Six (6) times during the financial year on May 30, 2011, August 5, 2011, September 2, 2011, November 7, 2011, February 6, 2012 and March 30, 2012. The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies are given below:

Name of the Director	Category	No. of board meetings attended	Whether attended last AGM	Number of Directorship in other companies #		Number of Committees @	
				C	M	C	M
Mr. L Lakshman	Executive Chairman & Promoter	6	Yes	-	12	4	6
Mr. L Ganesh	Executive Vice-Chairman & Promoter	5	Yes	9	3	2	7
Mr. Harish Lakshman	Non-Executive Director & Promoter	6	Yes	-	7	2	2
Mr. V Narayanan	Non-Executive & Independent Director	6	No	1	4	3	2
Mr. Krishnan S Waran	Non-Executive & Independent Director	6	Yes	-	2	2	1
Mr. Ravi Vira Gupta	Non-Executive & Independent Director	5	Yes	-	6	2	4
Mr. Shujaat Khan	Non-Executive & Independent Director	3	No	-	2	1	-
Mr. Anjanikumar Choudhari	Non-Executive & Independent Director	4	Yes	1	1	-	1
Mr. Ramsundar ¹	Non-Executive & Independent Director	1	Not Applicable	-	-	-	-

C = Chairman and **M** = Member

- Excludes companies exempted under Section 278 of the Companies Act, 1956 and foreign companies

@ - Membership in Audit Committee and Investors' Service / Grievance committee only is considered

1 - Appointed as alternate director to Mr. Shujaat Khan on November 7, 2011 and ceased to be a director on the same day.

Mr. L Lakshman is related to Mr. L Ganesh and Mr. Harish Lakshman.

The information as required under Annexure IA to Clause 49 of the listing agreement such as annual operating plans and budgets, quarterly results for the Company, minutes of meetings of audit committee and proceedings of the meetings of other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation measures, etc. are placed before the Board of Directors.

3. Audit Committee

Overall purpose / objective

The purpose of the Audit Committee is to assist the Board of Directors (the "Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

The scope of reference to the Committee, inter alia, includes:

1. Discuss the scope of audit and post-audit area of concern, if any, with Statutory Auditors and Internal Auditors.
2. Recommending the appointment of Statutory Auditors and fixation of audit fee.
3. Review of quarterly / annual financial statements with Statutory Auditors and management before submission to the Board.
4. Reviewing with management the annual financial statements of the subsidiary companies.
5. Review of internal control systems with the Management, Statutory Auditors and Internal Auditors.
6. Reviewing the adequacy of internal audit function.
7. Reviewing defaults, if any, in payments to shareholders and creditors.
8. Review of financial and risk management policies of the Company.
9. Reviewing the statement of significant related party transactions submitted by the management.
10. Reviewing the management letters / letters of internal control weaknesses issued by the statutory auditors, if any.
11. Reviewing the internal audit reports relating to internal control weaknesses, if any.
12. Management discussion and analysis of financial condition and results of operation.

The composition of Audit Committee is as follows:

Mr. Krishnan S Waran - Chairman - Independent Director
 Mr. V Narayanan - Member - Independent Director
 Mr. L Ganesh - Member - Executive Director
 Mr. Ravi Vira Gupta - Member - Independent Director

All the members of the audit committee are financially literate and possess accounting and related financial management expertise.

Mr. C Siva, Secretary of the Company is the Secretary to the Committee.

The Committee met four (4) times during the year on May 30, 2011, August 5, 2011, November 7, 2011 and February 6, 2012.

Name of the Director	No. of meetings attended
Mr. Krishnan S Waran	4
Mr. L Ganesh	3
Mr. V Narayanan	4
Mr. Ravi Vira Gupta	4

The statutory auditor and the internal auditor were present as invitees in all the meetings. The Executive Chairman and the Vice-President – Finance of the Company attended the meetings by invitation. Based on the requirement, other directors attended the meetings by invitation.

In compliance with Clause 41 of the listing agreement, the Audit committee reviews the quarterly unaudited financial results of the Company (other than the last quarter). These results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of The Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI.

The audit committee reviews all mandatory information under Clause 49 of the listing agreement.

4. Remuneration Committee and Remuneration to Directors

During the year 2011-12, the Company has paid sitting fees of ₹20,000 for attending each meeting of the Board, ₹5,000 for attending each meeting of the Audit Committee to the Non-executive Directors and ₹2,500 for attending meeting of other committees of the Board, apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. No other remuneration is paid to the Non-executive Directors.

The details of sitting fees paid to the Directors are as follows:

Name of the Director	Amount (₹)
Mr. Harish Lakshman	1,30,000
Mr. V Narayanan	1,40,000
Mr. Krishnan S Waran	1,40,000
Mr. Shujaat Khan	80,000
Mr. Ravi Vira Gupta	1,20,000
Mr. Anjanikumar Choudhari	80,000

No sitting fee is paid to Mr. L Lakshman and Mr. L Ganesh. Mr. L Lakshman and Mr. L Ganesh are paid remuneration in their capacity as "Managing Director" and "Joint Managing Director", respectively, as per the provisions of Schedule XIII to the Companies Act, 1956. Remuneration paid to Mr. L Lakshman and Mr. L Ganesh for the year ended March 31, 2012 was ₹1,52,85,405 and ₹ 86,81,473, respectively. Remuneration paid to Mr. L Lakshman includes a commission of ₹78,00,000 for the year 2011-12.

The overall managerial remuneration is within the limits prescribed under Companies Act, 1956. The employment of Mr. L Lakshman and Mr. L Ganesh is contractual. There is no severance fee payable to them. The Company does not have any stock option scheme.

Number of shares held by the Directors:

Name of the Director	No. of shares
Mr. L Lakshman	6,50,075
Mr. L Ganesh	7,03,644
Mr. Harish Lakshman	1,12,317

None of the other directors hold any shares in the Company.

5. Code of conduct

The board of directors has laid down a code of conduct for all board members and senior management of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has also been posted on the website of the Company viz. URL: <http://www.rane.co.in/pdf/coc.pdf>. The board members and senior management personnel affirmed their compliance with the code of conduct. Declaration from the Chief Executive Officer to this effect forms part of this report.

The board of directors has also laid down a code of conduct for prevention of insider trading. The designated persons have affirmed compliance with the code.

6. Investors' Service Committee

The Investors' Service Committee was constituted to look into all types of grievances from shareholders and redress them expeditiously in a fit and proper manner. The Committee comprises the following Directors:

Mr. Harish Lakshman – Chairman

Mr. L Lakshman – Member

Mr. L Ganesh- Member

Mr. C Siva, Company Secretary is the Compliance Officer of the Company.

The Committee met four (4) times during the year on May 30, 2011, August 5, 2011, November 7, 2011 and February 6, 2012.

Name of the Director	No. of meetings attended
Mr. L Ganesh	3
Mr. L Lakshman	4
Mr. Harish Lakshman	4

During the year, the Company received 8 complaints from the investors and all of them were disposed off. The complaints pertain to non-receipt / loss of share certificates and non-receipt of dividend warrant and annual report. One of the above mentioned complaints, was received twice, both from National Stock Exchange of India Limited and SEBI Complaints Redress System (SCORES), a web based portal administered by SEBI for addressing investor complaints. Action taken report as required under SCORES has been duly submitted. During the year, no complaint was received from Ministry of Corporate Affairs.

7. General Body Meetings

Details of previous three Annual General Meetings are as follows:

Date	Special Resolutions Passed	Time	Venue
July 30, 2009 (Thursday) (73rd AGM)	NIL	10.30 a.m.	The Music Academy, (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014
July 29, 2010 (Thursday) (74th AGM)	NIL	10.30 a.m	The Music Academy, (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014
August 5, 2011 (Friday) (75th AGM)	Investment in other bodies corporate engaged in design and / or manufacture of defence, aerospace, shipping, railway products and systems and renewable energy products.	10.15 a.m	Narada Gana Sabha, (Main Hall) No.314, TTK Road, Chennai 600 018

Postal Ballot

In October 2011, a special resolution increasing the limits under Section 372A of the Companies Act, 1956, for giving loan or guarantee to and / or providing security in respect of loan availed by other bodies corporate, up to a sum not exceeding ₹30 crores, was passed by the shareholders through postal ballot. Mr. R Balasubramaniam, Practising Company Secretary, acted as scrutinizer for conducting the postal ballot process in a fair and transparent manner. The results of the postal ballot was declared by the Chairman on October 18, 2011 and the voting pattern is as follows:

Particulars	No. of Postal Ballot Forms received	No. of Shares	% to total votes cast
No. of valid postal ballot forms received	441	64,13,191	98.73%
Votes in Favour of the resolution	417	64,10,806	98.70%
Votes against the resolution	24	2,385	0.03%

8. Disclosures

During the year, the Company has not entered into any transaction of material nature with any of the Promoters, Directors, Management, subsidiary companies or relatives etc., which were in conflict with the interest of the Company. The details of the related party transactions are stated in Note 30 of the financial statements have been reviewed by the Audit Committee.

There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on such matters.

The Company has complied with all the mandatory requirements prescribed under revised Clause 49 of the Listing Agreement. The Company has obtained and placed before the Board, certificate from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on matters stated in Clause 49(V) of the Listing Agreement.

The Company has complied with the following non-mandatory requirements:-

- i. Constituted a Remuneration Committee to approve payment of remuneration to managerial personnel.
- ii. Adopting the best practices to ensure a regime of unqualified financial statements.
- iii. individual communication of half-yearly results to shareholders.

No remuneration committee meeting was required to be held during the year. The Company has not adopted a formal Whistle Blower policy. However, being a transparent organisation, the Company permits access to its employees to approach the top management on any critical issue. The present board consists of professional and well-experienced members, hence training and evaluation of the performance of the non-executive directors are not practiced.

To comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.

9. Means of Communication

The quarterly / annual financial results would be published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results and the shareholding pattern were uploaded in the website of the stock exchanges and the Company viz. <http://rane.co.in>. During the year, a presentation was made to analysts/ institutional investors and was published in the website of the Company.

10. General Shareholder Information

i) Information about director seeking re-appointment in this Annual General Meeting

Name of the Director	Mr. Harish Lakshman	Mr. Ravi Vira Gupta
Father's name	Mr. L Lakshman	Late Shri. Kanti Vira Gupta
Date of birth	February 12, 1974	November 19, 1937
Educational qualifications	B.E, M.S.M	B.A (Hons), IAS (Retd)
Experience	Mr. Harish Lakshman has 13 years of experience in his profession and currently he is the Managing Director of Rane TRW Steering Systems Ltd and Vice-Chairman of Rane Engine Valve Ltd.	Mr. Ravi Vira Gupta has over 49 years of experience in his profession.

Name of the Director	Mr. Harish Lakshman	Mr. Ravi Vira Gupta
Date of appointment	May 19, 2004	June 4, 2009
Other Directorships	<p>Managing Director Rane TRW Steering Systems Ltd</p> <p>Vice Chairman Rane Engine Valve Ltd</p> <p>Director Rane (Madras) Ltd. Rane Brake Lining Ltd. Rane NSK Steering Systems Ltd. Rane Diecast Ltd. JMA Rane Marketing Ltd.</p> <p>Foreign Company Rane Holdings America Inc.</p> <p>Private Limited Companies Savithur Enterprises P Ltd. Broadvision Perspectives India P Ltd. Broadvision Services P Ltd. HL Hill Station Properties P Ltd. SasMos HET Technologies P Ltd.</p>	<p>Director Good Year India Ltd Seshasayee Paper & Board Ltd Honda Siel Power Products Ltd DCM Engineering Ltd Mawana Sugars Ltd Delhi Safe Deposit Company Ltd</p> <p>Chairman Ambit Holdings P Ltd</p> <p>Director India Valve Fund Advisors P Ltd IVF Advisors P Ltd</p>
Committee Memberships	<p>Member – Audit Committee Rane Diecast Ltd.</p> <p>Chairman – Investor Service Committee Rane Holdings Ltd. Rane Brake Lining Ltd.</p> <p>Member – Investor Service Committee Rane (Madras) Ltd.</p>	<p>Chairman – Audit Committee Goodyear India Ltd. Seshasayee Paper & Board Ltd.</p> <p>Member – Audit Committee Honda Siel Power Products Ltd. Mawana Sugars Ltd. DCM Engineering Ltd.</p> <p>Member – Investor Service Goodyear India Ltd.</p> <p>Member- Compensation Committee DCM Engineering Ltd.</p>
No. of shares held	1,12,317	NIL

- ii) **Annual General Meeting** **August 10, 2012 at 10.15 a.m**
The Music Academy (Mini Hall)
New No.168, TTK Road,
Royapettah, Chennai 600 014

iii) **Financial Year – 1st April - 31st March**

Financial Calendar

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended March 31, 2012	May 30, 2012
Un-audited results for the first quarter ending June 30, 2012	August 10, 2012
Un-audited results for the second quarter ending September 30, 2012	November 7, 2012
Un-audited results for the third quarter ending December 31, 2012	February 6, 2013
Annual Accounts for the year ending March 31, 2013	By last week of May 2013

iv) Book Closure & Dividend

The book closure period is from **August 4, 2012 (Saturday) to August 10, 2012 (Friday)**, both days inclusive.

Dividend:

During the year, the Board of Directors declared an interim dividend of ₹6.00/- per equity share and the same was paid on February 23, 2012 to all eligible shareholders whose name appeared in the Register of Members of the Company on February 17, 2012.

The Board of directors at its meeting held on May 30, 2012, has recommended a final dividend of ₹4/- per equity share. The dividend, if declared by the shareholders, will be paid on **August 16, 2012** to all those members whose name appear in the Register of Members as on **August 10, 2012** and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on **August 3, 2012** as per the details furnished by the Depositories

v) Listing on Stock Exchanges:

Stock Exchange	Stock Code
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E) Mumbai 400 051	RANEHOLDIN
Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	505800

Listing Fee: Annual Listing fees for the financial year 2012-13 have been paid to both these stock exchanges.

vi) Unpaid/Unclaimed Dividends:

Pursuant to the provisions of Section 205A of the Companies Act, 1956, dividend for the financial year ended March 31, 2005 and thereafter, which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Members who have not encashed the dividend warrants for the said period are requested to make their claim to the Company.

The Company has sent reminder letters to each of the shareholder whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:

Year	Date of declaration	Dividend per share # (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2012) (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF u/s 205A(5)
31.03.2005	20.07.2005	2.50	86,912.50	24.08.2012	22.09.2012
31.03.2006*	31.01.2006	2.50	53,712.50	06.03.2013	04.04.2013
31.03.2006	28.07.2006	2.00	54,052.00	31.08.2013	29.09.2013
31.03.2007*	24.01.2007	3.00	69,588.00	27.02.2014	28.03.2014
31.03.2007*	20.03.2007	4.50	1,18,755.00	25.04.2014	24.05.2014
31.03.2008*	27.03.2008	6.00	4,93,626.27	01.05.2015	30.05.2015
31.03.2009*	29.01.2009	4.00	3,29,992.00	05.03.2016	03.04.2016
31.03.2010*	29.01.2010	6.00	5,08,926.00	05.03.2017	03.04.2017
31.03.2010	29.07.2010	2.00	2,64,542.00	02.09.2017	01.10.2017
31.03.2011*	03.02.2011	7.50	6,16,612.50	10.03.2018	08.04.2018
31.03.2011	05.08.2012	5.00	4,35,620.00	08.09.2018	06.10.2018
31.03.2012*	06.02.2012	6.00	5,73,606.00	11.03.2019	09.04.2019

-Share of paid-up value of ₹10/- per share.

* - Interim Dividend

No unpaid / unclaimed dividend was required to be transferred to IEPF, during the financial year 2011-12 except for a sum of ₹27,452/-, pertaining to interim dividend declared for the financial year March 31, 2004, remaining unpaid, transferred to IEPF in May 2011.

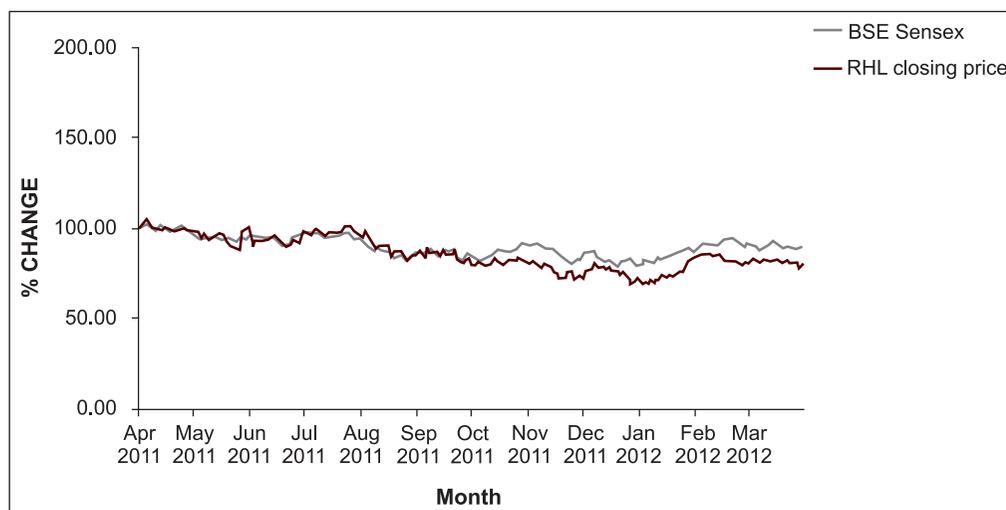
vii) Share price data

The share price data (based on closing price) as quoted on National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. during the last financial year viz., April 1, 2011 – March 31, 2012 is given below:

Month	National Stock Exchange of India Ltd. (NSE)		Bombay Stock Exchange Ltd. (BSE)	
	Share Prices (₹)		Share Prices (₹)	
	High	Low	High	Low
April 2011	265.00	245.55	264.35	245.35
May 2011	250.70	221.00	252.50	220.15
June 2011	248.95	225.00	248.00	225.05
July 2011	254.35	241.00	254.15	240.10
August 2011	243.80	203.80	246.00	203.90
September 2011	222.30	199.10	222.55	199.05
October 2011	210.05	199.10	208.90	198.00
November 2011	204.90	179.55	203.60	178.50
December 2011	203.10	171.45	202.15	171.50
January 2012	210.00	171.50	209.10	171.95
February 2012	215.40	199.45	216.20	199.00
March 2012	208.85	198.30	207.50	195.85

(Source: BSE www.bseindia.com ; NSE www.nseindia.com)

Performance of share price of the Company Vs. BSE Sensex



Note: Both BSE Sensex and RHL share prices are indexed to 100 as on April 1, 2011.

viii) Registrar and Transfer Agents

The contact details of the Registrar and Transfer Agents are as follows:-

Integrated Enterprises (India) Ltd.,

II Floor, 'Kences Towers',

No.1, Ramakrishna Street, North Usman Road,

T. Nagar, Chennai – 600 017.

Phone: 28140801 – 03, Fax: 28142479, 28143378.

e-mail: corpseiv@iepindia.com

Name of the contact person: Mr. K Suresh Babu, Vice-President

ix) Share transfer system

The power to approve transfer of shares has been delegated by the Board to the share transfer committee. Share transfer process is completed within 30 days from the date of receipt of transfer documents by the Registrar and Transfer Agents (RTA). Requests for dematerialisation are generally confirmed on a weekly basis by the RTA.

On a half-yearly basis the compliance with the share transfer formalities is audited by a Practising Company Secretary (PCS) in terms of Clause 47(c) of the Listing Agreement with the stock exchanges and a certificate to this effect is filed with the stock exchanges. Also reconciliation of share capital audit in terms of regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

x) Distribution of shareholding as on March 31, 2012

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	8,824	88.46	8,88,469	6.22
501-1000	493	4.94	3,63,668	2.55
1001-2000	276	2.77	3,95,340	2.77
2001-5000	193	1.93	5,84,443	4.09
5001-10000	83	0.83	6,05,437	4.24
10001-20000	44	0.44	6,28,713	4.40
20001-50000	30	0.30	8,94,083	6.26
50001-100000	10	0.10	8,08,706	5.66
100001 & above	22	0.22	91,08,950	63.80
Total	9,975	100.00	1,42,77,809	100.00

xi) Pattern of shareholding as on March 31, 2012

Sl. No.	Category	No. of Shareholders	No. of Shares	% to total capital
A	Promoters	26	64,66,895	45.29
B	Mutual Funds & UTI	6	6,17,734	4.33
C	Banks, Financial Institutions & Insurance Companies	16	6,86,141	4.81
D	Foreign Institutional Investors (FIIs)	2	37,223	0.26
E	Private Corporate Bodies	219	21,12,348	14.80
F	Indian Public and others	9,563	42,86,160	30.02
G	Non-Resident Indians	143	71,308	0.50
	Total	9,975	1,42,77,809	100.00

xii) Dematerialisation of shares and liquidity

The Company has entered into the necessary agreements with National Securities Depositories Limited and Central Depository Services (India) Limited for dematerialisation of the shares held by investors. SEBI has included the shares of your Company in the list of scrips for trading only in dematerialised form for all investors w.e.f. June 26, 2000. As of March 31, 2012, about 94.99% of the shareholdings have been dematerialised.

Demat ISIN Number: **INE 384A01010**

Corporate Identification Number (CIN) : **L35999TN1936PLC002202**

xiii) Address for communication:

Mr. C Siva
Compliance Officer
Rane Holdings Limited
Rane Corporate Centre,
"Maithri" 132, Cathedral Road
Chennai 600 086.
Phone : 28112472 Fax : 28112449
E-mail: investorservices@rane.co.in

Mr. K Suresh Babu
Vice-President
Integrated Enterprises (India) Ltd.,
II Floor, 'Kences Towers'
OR No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai 600 017
Phone:28140801-03, Fax:28142479
E-mail: corpserv@iepindia.com

Declaration by Chief Executive Officer on Code of Conduct under Clause 49 of the Listing Agreement

To

The Members
Rane Holdings Limited

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2012.

Chennai
May 30, 2012

L Lakshman
Executive Chairman

Auditors' Certificate on Corporate Governance

To

The Members of

Rane Holdings Limited

We have examined the compliance of conditions of Corporate Governance by **Rane Holdings Limited (the "Company")**, for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated by the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Deloitte Haskins & Sells

Chartered Accountants

(Registration 008072S)

GEETHA SURYANARAYANAN

Partner

Chennai,

May 30, 2012

Membership No. 29519

Financial Information of Subsidiary Companies

₹ in Lakhs

S No.	Particulars	Name of the Company				
		Rane (Madras) Limited March 31, 2012	Rane Engine Valve Limited March 31, 2012	Rane Brake Lining Limited March 31, 2012	Rane Diecast Limited March 31, 2012	Rane Holdings America Inc. March 31, 2012
1	Reporting Currency	INR	INR	INR	INR	INR*
2	Capital	1,016	515	791	1,920	10
3	Reserves & Surplus	10,490	9,946	8,868	(1,502)	5
4	Total Assets	34,103	26,254	25,174	6,416	24
5	Total Liabilities	34,103	26,254	25,174	6,416	24
6	Investments	-	-	-	-	-
7	Turnover/Total Income	67,311	30,919	36,352	7,015	75
8	Profit / (Loss) before Taxation	3,717	2,872	2,190	34	6
9	Provision for Taxation	977	795	571	49	1
10	Profit / (Loss) after Taxation	2,740	2,077	1,619	(14)	5
11	Proposed Dividend	40%	30%	30%	-	-

* Exchange rate conversion

- Share Capital - Rs. 48.98 / US \$ (Historical rate)

- Assets & Liabilities - Rs. 51.85 / US \$ (Closing rate for FY ended 31.03.2012)

- Turnover & Profit - Rs. 50.31 / US \$ (Weighted Avg. rate)

For and on behalf of the Board

Place: Chennai

Date: May 30, 2012

C Siva
Secretary**L Lakshman**
Executive Chairman**L Ganesh**
Vice Chairman

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Company for the Financial year ended March 31, 2012

S No.	Name of the Company	Rane (Madras) Limited	Rane Engine Valve Limited	Rane Brake Lining Limited	Rane Diecast Limited	Rane Holdings America Inc.
1	Holding Company's Interest Equity Share Capital	5,473,369 equity shares of ₹10/- each fully paid-up (53.85%)	2,759,686 equity shares of ₹10/- each fully paid-up (53.58%)	3,292,713 equity shares of ₹10/- each fully paid-up (41.60%)	10,395,135 equity shares of ₹10/- each fully paid-up (78.75%)	20,000 equity shares of \$ 1/- each fully paid-up (100%)
2	Aggregate amount of Profits/(Losses) since becoming the subsidiary, so far as it concerns the members of the holding company and not dealt with in the holding company's accounts					
	(i) For the subsidiary's financial year ended March 31, 2012 (₹ in Lakhs)	887	776	339	(11)	5
	(ii) Up to the subsidiary's financial year ended March 31, 2011 (₹ in Lakhs)	3,048	636	865	(1,104)	-
3	Aggregate amount of Profits/(Losses) since becoming the subsidiary, so far as it concerns the members of the holding company and dealt with in the holding company's accounts					
	(i) For the subsidiary's financial year ended March 31, 2012 (₹ in Lakhs)	301	207	132	-	-
	(ii) Up to the subsidiary's financial year ended March 31, 2011 (₹ in Lakhs)	707	124	198	7,015	-

For and on behalf of the Board

Place: Chennai
Date: May 30, 2012**C Siva**
Secretary**L Lakshman**
Executive Chairman**L Ganesh**
Vice Chairman

Financial Highlights

	₹ in Lakhs				
Year	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
Income	6,391	4,842	4,514	3,497	4,213
Profit before tax	3,811	4,314	2,739	1,829	2,286
Profit after tax	3,425	4,003	2,513	1,630	2,090
Dividend	100.00	125.00	80.00	40.00	60.00
Earnings per share	23.99	28.04	17.60	11.41	14.56

Balance Sheet Highlights

	₹ in Lakhs				
Year ended March 31st	2012	2011	2010	2009	2008
Equity Share Capital	1,428	1,428	1,428	1,428	1,428
Preference Share Capital	-	-	-	-	-
Reserves & Surplus	23,059	21,181	19,138	17,102	16,044
Net Worth	24,487	22,609	20,564	18,530	17,472
Net Worth per Equity Share of ₹10 each (₹)	172	158	144	130	122
Capital Employed	25,851	25,069	24,121	20,296	19,904
Return on Capital Employed	16%	19%	13%	10%	16%

Auditor's Report to the Members of Rane Holdings Limited

1. We have audited the attached Balance Sheet of **RANE HOLDINGS LIMITED** ("the Company"), as at March 31, 2012, the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report complies with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
 - (v) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date.
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the directors as on March 31, 2012 taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of Section 274(1) (g) of the Companies Act, 1956.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

CHENNAI
May 30, 2012

GEETHA SURYANARAYANAN
(Membership No. 29519)

Annexure to the Auditors' Report

(Referred to in paragraph 4 of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/result, clauses ii, vi, viii, x, xii, xiii, xiv, xvi, xviii, xix and xx of CARO are not applicable for the current year.
- (ii) In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - b) The fixed assets were physically verified by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the company.
- (iii) a) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
 - i. The Company has granted an unsecured loan aggregating ₹450 lakhs to a party during the year. At the year-end, the outstanding balances of such loans aggregated ₹456 lakhs (including interest) and the maximum amount involved during the year was ₹605 lakhs (including interest) .
 - ii. The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.
 - iii. The loan and the interest due thereon are not due for repayment as per the terms of the agreement.
 - iv. There are no overdue amounts outstanding as at the Balance Sheet date.
- b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of fixed assets and the sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transactions is in excess of ₹5 lakhs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time except in respect of certain purchases for which comparable quotations are not available and in respect which we are unable to comment.
- (vi) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (vii) According to the information and explanations given to us in respect of statutory dues:

- (a) The Company has been generally regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2012 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on March 31, 2012 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount involved ₹ In Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax*	35	Assessment Year 2005-2006	Commissioner of Income Tax (Appeals)
		65	Assessment Year 2007-2008	
		357	Assessment Year 2008-2009	
		39	Assessment Year 2009-2010	
Service Tax	Service Tax	2	2006-2010	Commissioner of Central Excise (Appeals)

* Net of Deposits.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions.
- (ix) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not *prima facie* prejudicial to the interests of the Company.
- (x) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short-term basis have not been used during the year for long-term investment.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm Registration No. 008072S)

CHENNAI
May 30, 2012

GEETHA SURYANARAYANAN
(Membership No. 29519)

Balance Sheet as at March 31, 2012

			₹ Lakhs	
Particulars	Note No.	March 31, 2012	March 31, 2011	
I. EQUITY AND LIABILITIES				
(1) Shareholder's Funds				
(a) Share Capital	3	1,428	1,428	
(b) Reserves and Surplus	4	23,059	21,181	
(2) Non-Current Liabilities				
(a) Long-term borrowings	5	325	1,364	
(b) Deferred tax liabilities (Net)	6	86	93	
(c) Other Long term liabilities	7	4	1	
		415	1,458	
(3) Current Liabilities				
(a) Trade payables	8	202	161	
(b) Other current liabilities	9	1,258	1,313	
(c) Short-term provisions	10	719	908	
		2,179	2,382	
Total		27,081	26,449	
II. ASSETS				
(1) Non-current assets				
(a) Fixed assets	11			
(i) Tangible assets		4,707	4,734	
(ii) Intangible assets		5	3	
(iii) Capital work-in-progress		100	21	
(b) Non-current investments	12	20,388	19,284	
(c) Long term loans and advances	13	1,199	894	
		26,399	24,936	
(2) Current assets				
(a) Current investments	14	-	830	
(b) Trade receivables	15	287	370	
(c) Cash and cash equivalents	16	232	161	
(d) Short-term loans and advances	17	163	152	
		682	1,513	
Total		27,081	26,449	

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

GEETHA SURYANARAYANAN
Partner

L LAKSHMAN
Executive Chairman

Place : Chennai
Date : May 30, 2012

C.SIVA
Secretary

L GANESH
Vice Chairman

Statement of Profit and Loss for the year ended March 31, 2012

₹ Lakhs

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from operations	18	6,290	4,622
II. Other Income	19	101	220
III. Total Revenue (I +II)		6,391	4,842
IV. Expenses:-			
Employee benefit expenses	20	757	774
Finance costs	21	247	310
Depreciation and amortization expense	11	47	52
Other expenses	22	1,529	1,260
Total Expenses		2,580	2,396
V. Profit before prior period income, exceptional items and tax (III - IV)		3,811	2,446
VI. Prior period item - Reversal of Depreciation		-	21
VII. Exceptional Items - Profit on Sale of Land		-	1,847
VIII. Profit before tax (V-VI-VII)		3,811	4,314
IX. Tax expense:			
(1) Current tax		(393)	(294)
(2) Deferred tax		7	(17)
X. Profit for the year (VIII - IX)		3,425	4,003
XI. Earning per equity share (of ₹10 each):	33		
(1) Basic		23.99	28.04
(2) Diluted		23.99	28.04

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

GEETHA SURYANARAYANAN
Partner**L LAKSHMAN**
Executive ChairmanPlace : Chennai
Date : May 30, 2012**C.SIVA**
Secretary**L GANESH**
Vice Chairman

Cashflow Statement for the year ended March 31, 2012

	₹ Lakhs	
Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. Cash flow from operating activities		
Net Profit before tax	3,811	4,314
Adjustments for:		
Depreciation and amortisation	47	31
(Profit) / loss on sale / write off of assets	-	(1,851)
Finance costs	247	310
Interest income	(55)	(20)
Dividend income	(39)	(1,633)
Net (gain) / loss on sale of investments	-	(107)
	200	(3,270)
Operating profit before working capital changes	4,011	1,044
Changes in working capital		
(increase)/decrease in Trade receivables and other assets	93	(286)
(increase)/decrease in Trade payables and other liabilities	18	75
	111	(211)
Cash generated from operations	4,122	833
Net income tax (paid) / refunds	(482)	(413)
Net cash flow from operating activities (A)	3,640	420
B. Cash flow from investing activities		
Purchase of fixed assets	(128)	-
Sale of fixed assets	3	1,842
Purchase of investments	(1,104)	(853)
Sale of investments	830	183
Loans to related parties	(175)	(300)
Interest received	19	-
Dividend received	39	1,635
Net cash flow used from investing activities (B)	(516)	2,507

₹ Lakhs

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
C. Cash flow from financing activities		
Repayment of long-term borrowings	(1,096)	(1,097)
Finance cost	(247)	(310)
Dividends paid	(1,566)	(1,522)
Tax on dividend	(148)	-
Net cash flow used in financing activities (C)	(3,057)	(2,929)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	67	(2)
Cash and cash equivalents at the beginning of the year	129	131
Cash and cash equivalents at the end of the year	196	129

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

GEETHA SURYANARAYANAN
Partner**L LAKSHMAN**
Executive ChairmanPlace : Chennai
Date : May 30, 2012**C.SIVA**
Secretary**L GANESH**
Vice Chairman

Notes forming part of the financial statements for the year ended March 31, 2012

1 Brief about the company

Rane Holdings Limited (RHL) is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacture and marketing of auto components. The Rane Groups investment profile includes subsidiaries, joint ventures and associates. The Company's income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of "RANE" trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure. In September 2011, Rane forayed into defence and aerospace and invested into SasMos HET Technologies Private Limited.

2 Significant Accounting Policies:-

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on an accrual basis, in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified by the Government of India/issued by the Institute of Chartered Accountants of India (ICAI), as applicable and the relevant provisions of the Companies Act, 1956.

2.2 Presentation and disclosure of financial statements

For the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Though adoption of revised Schedule VI does not impact recognition and measurement principles followed, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.3 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4 Depreciation and amortisation

2.4.1 Depreciation on Fixed Assets, other than those given in 2.4.2. below, is charged on straight-line basis at rates specified in Schedule XIV of the Companies Act, 1956.

2.4.2 Depreciation on the following assets is charged on the basis of their estimated useful lives at rates higher than those prescribed in the Companies Act, 1956.

Vehicles	- 5 Years
Furniture and Fittings	- 5 Years
Office Equipment	- 3 Years
Assets costing less than ₹10,000 each are fully depreciated in the year of acquisition	

2.4.3 Intangible assets are amortised over their estimated useful life as follows:

License Fee on Software	- 3 Years
-------------------------	-----------

2.5 Revenue recognition

2.5.1 Service Fee and Trade Mark Fee

Revenues from Service Fee and Trade Mark Fee are recognised on accrual basis in accordance with terms of the relevant agreements.

2.5.2 Dividend Income

Dividend income is recognized when the right to receive it is established.

2.6 Fixed Assets

2.6.1 Tangible Fixed Assets

Fixed assets, are carried at cost less accumulated depreciation and impairment loss if any. Cost includes related taxes, duties, freight, insurance, etc. attributable to the acquisition and installation of the fixed assets but excludes duties and taxes that are recoverable from tax authorities.

Capital work in progress includes cost of assets not ready for the intended use.

2.6.2 Intangible assets

License Fee on Software are carried at cost less accumulated amortisation and impairment loss if any.

2.7 Foreign currency transactions and translations

2.7.1 Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

2.7.2 Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets & liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss. Exchange differences arising on actual payments / realisations and year-end restatements are dealt with in the Statement of Profit and Loss.

2.7.3 Accounting of forward contracts and treatment of exchange difference

The Company enters into forward exchange contracts to hedge its risks associated with foreign currency fluctuations. The premium or discount, arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the year in which the exchange rates change.

2.8 Investments

2.8.1 Long Term Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

2.8.2 Current Investments

Current investments are carried individually, at the lower of cost and fair value.

Cost of investments include acquisition charges such as brokerage, fees and duties.

2.9 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

2.9.1 Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans.

The Company contributes to a government administered Provident fund on behalf of its employees, which are charged to the Statement of Profit and Loss. The Company has no obligations for future provident fund benefits other than its monthly contributions.

Fixed contributions to the Superannuation Fund, which is administered by Company nominated trustees and managed by Life Insurance Corporation of India, are charged to the Statement of Profit and Loss.

2.9.2 Defined benefit plans

The Company makes annual contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in the Statement of Profit and Loss.

2.9.3 Short-term employee benefits

Short term employee benefits including accumulated compensated absences determined as per company's policy/scheme are recognised as expense based on expected obligation on undiscounted basis.

2.9.4 Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.10 Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

2.11 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other Deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets."

2.12 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

3. SHARE CAPITAL

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
(a) Authorised:		
Equity Shares:		
1,50,00,000 Shares (1,50,00,000 Shares) of ₹10 each	1,500	1,500
Preference Shares:		
50,00,000 Shares (50,00,000 Shares) 13.5% Cumulative Redeemable Preference Shares of ₹10 each	500	500
(b) Issued, Subscribed and Fully Paid Up:-		
Equity Shares:		
1,42,77,809 Shares (1,42,77,809 Shares) of ₹10 each	1,428	1,428

3.1 Terms / Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹10/- per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.2 Details of shares held by each shareholder holding more than 5% shares:

Class of Shares/ Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity shares with voting rights				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Ares Investments	10,00,000	7.00%	10,00,000	7.00%
3. L Ganesh	-	-	7,46,404	5.23%

3.3 Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the Balance Sheet date:

a. During the financial year 2007-2008, 44,96,493 shares with par value of ₹10 were allotted to the shareholders of Rane Engine Valves Limited (13,96,476) and Rane Brake Linings Limited (31,00,017) under the scheme of Demerger, Merger and Amalgamation approved by the Honorable High Court of Judicature at Madras.

3.4 There is no change in the number of shares at the beginning of the year and closing of the year.

4. RESERVES AND SURPLUS

₹ Lakhs

Description	As at March 31, 2012	As at March 31, 2011
a. Capital Redemption Reserve (Refer Note 4.1)	550	550
b. Capital Subsidy	15	15
c. Securities Premium Account	4,433	4,433
d. General Reserve on Merger (Refer Note 4.2)	819	819
e. General Reserve:		
Opening Balance	10,641	10,241
Add: Transfer from Surplus in Statement of Profit and Loss	343	400
Closing Balance	10,984	10,641
f. Net surplus in Statement of Profit and Loss		
Opening Balance	4,723	3,119
Add:-		
Profit for the year	3,425	4,003
Less:-		
Dividend on Own Shares Held Through Trust	-	1
Interim Dividend @ 60 % (75%)	857	1,070
Final Dividend @ 40 % (50%)	571	714
Tax on dividend (Net of dividend tax on dividend distributed by subsidiaries available for set off)	119	214
Transfer to General Reserve	343	400
Net surplus in the Statement of Profit and Loss	6,258	4,723
Total Reserves and Surplus	23,059	21,181

- 4.1 Capital Redemption Reserve represents amount transferred from Statement of Profit and Loss in accordance with Section 80(1)(d) of the Companies Act, 1956 on redemption of preference shares in the previous years.
- 4.2 General Reserve on merger represents ₹819 Lakhs arising out of the amalgamation of Rane Investments Limited, a wholly owned subsidiary as approved by the shareholders of the Company and sanctioned by the High Court of Judicature at Madras effect from the appointed date April 1, 2009.

5. LONG TERM BORROWINGS

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
5.1 Secured (Refer Note 5.2)		
Term Loans from Banks	325	697
Term Loans from Other Parties	-	667
Total Secured Long Term Borrowings	325	1,364

5.2 Security

a. Term loan from Citi Bank NA of ₹Nil (₹229 Lakhs) is secured by a first charge on the current assets and by an equitable mortgage of the Company's immovable property at Perungudi. This is further secured by a second charge on the immovable property at Cathedral Road Chennai. This principal and interest rate of 10% is repayable every month and the current applicable rate of interest is 10% per annum. The balance of ₹172 lakhs (₹229 lakhs) outstanding as at March 31, 2012 is repayable within next twelve months, and this is included in Other Current Liabilities under Current Maturities of Long Term Debt.

The Company has availed External Commercial Borrowings, and these are fully hedged through related swap contracts and are accounted as Indian rupee loan at fixed rate of interest.

b. Term loan from Yes Bank of ₹325 Lakhs (₹468 Lakhs) is secured by an Equitable mortgage of the Company's immovable property at Cathedral Road Chennai and by a pari-passu first charge on the movable fixed assets of the Company.

The loan comprises of two components repayable at the end of every quarter, 1st Loan outstanding of ₹375 Lakhs is maturing in the month of July 2014 and 2nd Loan outstanding of ₹150 Lakhs maturing in the month of March 2015, totalling to 10 & 12 instalments outstanding as at March 31, 2012. The current applicable rate of interest on this loan is 12.25% per annum. Instalments aggregating to ₹200 lakhs (₹200 lakhs) due within next one year is included in Other Current Liabilities under Current Maturities of Long Term Debt.

c. Term loan from HDFC Ltd of ₹ Nil (₹667 Lakhs) is secured by an equitable mortgage of the Company's immovable property at Boat Club Road. The principal and interest on this loan is payable at the end of every quarter and there are four instalments outstanding as of March 31, 2012. The current applicable rate of interest loan is 12.75% per annum.

The balance of ₹667 lakhs (₹667 lakhs) outstanding as at March 31, 2012 is repayable within next twelve months, and this is included in Other Current Liabilities under Current Maturities of Long Term Debt.

d. Cash credit from Citibank NA is secured by a first charge on the movable assets including plant & machinery, other current assets of the Company and further secured by an equitable mortgage of the Company's immovable property at Perungudi.

e. Cash credit from Yes Bank is secured by a pari-passu first charge on the current assets of the Company.

6. DEFERRED TAX LIABILITIES (net)		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	
Tax effect of items constituting deferred tax liability			
On difference between book balance and tax balance of fixed assets	104	99	
Tax effect of items constituting deferred tax liability (A)	104	99	
On expenditure deferred in the books but allowable for tax purposes	18	6	
Tax effect of items constituting deferred tax liability (B)	18	6	
Net deferred tax liability (A)-(B)	86	93	
7. OTHER LONG TERM LIABILITIES			
	As at March 31, 2012	As at March 31, 2011	
Retention money payable	4	1	
Total Other Longer Term Liabilities	4	1	
8. TRADE PAYABLES			
	As at March 31, 2012	As at March 31, 2011	
- Outstanding dues to Micro Enterprises & Small Enterprises (Refer Note 27)	-	-	
- Others	202	161	
Total Trade Payables	202	161	
9. OTHER CURRENT LIABILITIES			
	As at March 31, 2012	As at March 31, 2011	
Current maturities of long term debt (Refer Note 5.2)	1,039	1,096	
Interest accrued but not due on borrowings	6	8	
Unpaid dividends	36	31	
Statutory remittances	50	51	
Others	127	127	
Total Other Current Liabilities	1,258	1,313	
10. SHORT TERM PROVISIONS			
	As at March 31, 2012	As at March 31, 2011	
Provision for Compensated absences	55	78	
Provision for proposed equity dividend	571	714	
Provision for tax on proposed dividend	93	116	
Total Short Term Provisions	719	908	

11. FIXED ASSETS

Description	Gross Block			Depreciation			Net Block		
	As at April 1, 2011	Additions	Disposals	As at March 31, 2012	As at April 1, 2011	Depreciation For the year	On Disposals	As at March 31, 2012	As at March 31, 2011
Tangible assets									
Land	3,989	-	-	3,989	-	-	-	3,989	3,989
Buildings	737	-	-	737	106	13	-	618	631
Plant and Equipment	89	1	-	90	17	7	-	66	72
Furniture and Fixtures	62	6	(5)	63	39	13	(4)	48	23
Vehicles	30	-	(8)	22	23	3	(6)	20	7
Office equipment	146	13	(6)	153	134	7	(5)	136	12
Total Tangible Assets	5,053	20	(19)	5,054	319	43	(15)	347	4,734
Previous year	(5,051)	(15)	(13)	(5,053)	(294)	(49)	(24)	(319)	(4,757)
Intangible assets									
Computer Software Licenses	17	6	-	23	14	4	-	18	3
Total Intangible Assets	17	6	-	23	14	4	-	18	3
Previous year	(17)	-	-	(17)	(10)	(3)	-	(14)	(6)
Total Tangible & Intangible Assets	5,070	26	(19)	5,077	333	47	(15)	365	4,712
Previous year	(4,757)	(15)	(13)	(4,757)	(319)	(49)	(24)	(319)	(4,757)

12. NON CURRENT INVESTMENTS (at cost)

₹ Lakhs

	Face Value ₹	No. of Shares	As at March 31, 2012	No. of Shares	As at March 31, 2011
Trade					
Investment in Equity instruments (fully paid up)					
(i) Subsidiary Companies					
Quoted:					
Rane (Madras) Limited	10	54,73,369	4,625	54,46,675	4,584
Rane Engine Valve Limited	10	27,59,686	7,529	27,59,686	7,529
Rane Brake Lining Limited	10	32,92,713	1,069	32,92,713	1,069
Unquoted:					
Rane Diecast Limited	10	1,03,95,135	1,844	77,00,100	1,575
Rane Holdings America Inc.	\$1	20,000	10	-	-
(ii) Associate Companies					
Quoted:					
Kar Mobiles Limited	10	8,84,447	632	8,38,660	547
Unquoted:					
SasMos HET Technologies Private Limited	10	3,51,400	699	-	-
(iii) Joint Venture Companies					
Unquoted:					
Rane TRW Steering Systems Limited	10	43,69,123	2,332	43,69,123	2,332
Rane NSK Steering Systems Limited	10	87,71,000	1,012	87,71,000	1,012
JMA Rane Marketing Limited	10	3,60,003	36	3,60,003	36
(iv) Others Entities					
Unquoted:					
Wellington Corporate Foundation 60 shares of ₹10/- each costing ₹1,000/-	10	60	-	60	-
Investment in Preference Shares (fully paid up)					
(i) Subsidiary Companies					
Unquoted					
Rane Diecast Limited	10	60,00,000	600	60,00,000	600
Total Non Current Investments			20,388		19,284
Aggregate value of Investments:-					
Quoted at Cost			13,854		13,728
At Market Value			16,581		19,438
Unquoted at Cost			6,534		5,555

13. LONG TERM LOANS AND ADVANCES

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good, unless otherwise stated		
(i) Capital Advances	38	14
(ii) Loans and advances to a related party (Refer Note 30)	580	369
(iii) Taxes (Net of Provision)	581	493
(iv) Others	-	18
Total Long Term Loans and Advances	1,199	894

Note:

Loan to related party includes interest amounting to ₹55 lakhs (₹19 lakhs)

14. CURRENT INVESTMENTS (at cost)

	No. of Units	As at March 31, 2012	No. of Units	As at March 31, 2011
HDFC Liquid Fund	-	-	83,00,229	830
Total Current Investments		-		830

15. TRADE RECEIVABLES

	As at March 31, 2012	As at March 31, 2011
Unsecured-considered good		
Outstanding for a period exceeding six months from the due date of payment	-	-
Other trade receivables (Refer Note below)	287	370
Total Trade Receivables	287	370
Note: Dues from Companies under the same management		
Name of the Company		
Rane (Madras) Limited	10	91
Rane Engine Valve Limited	73	44
Rane Brake Lining Limited*	-	46
Rane Diecast Limited	17	17
Rane Holdings America Inc	1	-
Rane TRW Steering Systems Limited	180	172
Rane NSK Steering Systems Limited **	-	-
Total	281	370

* Represents ₹38,219/- due from Rane Brake Lining Limited

** Represents ₹11,469/- due from Rane NSK Steering Systems Limited

16. CASH AND BANK BALANCES

	As at March 31, 2012	As at March 31, 2011
Cash and Cash equivalents		
- Cash on hand	1	1
- Cheques, drafts on hand	36	1
Balances with Banks		
- In Current Accounts	159	128
Other Bank balances		
In earmarked accounts:		
- Unpaid Dividend accounts	36	31
Total of Cash and bank balances	232	161
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Cash and Cheques, drafts on hand and balances with banks in current accounts	196	129

17. SHORT TERM LOANS AND ADVANCES		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good, unless otherwise stated		
Loans and Advances*	31	-
Prepaid Expenses	67	81
Security Deposits	30	36
Service Tax credit receivable	2	5
Others	33	30
Total Short Term Loans and Advances	163	152
* Represents ₹31,882 for the previous year.		
18. REVENUE FROM OPERATIONS		
	Year ended March 31, 2012	Year ended March 31, 2011
Dividend from Non Current Investments		
- Subsidiaries	898	626
- Other companies	1,712	934
Service Fee	2,456	1,975
Trade Mark Fee	1,224	1,087
Total Revenue from Operations	6,290	4,622
19. OTHER INCOME		
	Year ended March 31, 2012	Year ended March 31, 2011
Interest Income on loans to Related party	55	20
Dividend income from Current Investments	39	72
Other non-operating income:		
Profit on Sale of fixed assets (Net)	-	5
Profit on Sale of Investments (Net)	-	108
Miscellaneous Income	7	15
Total Other Income	101	220
20. EMPLOYEE BENEFITS (Refer Note 28)		
	Year ended March 31, 2012	Year ended March 31, 2011
Salaries and Wages	651	624
Contribution to Provident and other funds	61	66
Staff welfare expenses	45	84
Total Employee Benefits	757	774

21. FINANCE COSTS

₹ Lakhs

	Year ended March 31, 2012	Year ended March 31, 2011
Interest expense		
- On Borrowings	223	287
- Others	24	23
Total Finance Costs	247	310

22. OTHER EXPENSES

	Year ended March 31, 2012	Year ended March 31, 2011
Power and fuel	23	21
Rent (Refer note 32)	152	183
Repairs & Maintenance		
- Buildings	24	26
- Others	27	17
Insurance	16	9
Rates and taxes	29	34
Travelling and Conveyance	133	112
Professional Charges	494	312
Information Systems expenses	409	354
Advertisement and Sales Promotion	81	47
Directors' Sitting Fees	7	6
Auditors' Remuneration		
- statutory audit	9	8
- tax audit	1	1
- other services	2	1
Donation	66	75
Administrative Expenses	52	53
Miscellaneous Expenses	4	1
Total Other Expenses	1,529	1,260

23. EXPENDITURE IN FOREIGN CURRENCY

	Year ended March 31, 2012	Year ended March 31, 2011
Professional and consultation fees	106	123
Travel	5	11
	111	134

24. REMITTANCE DURING THE YEAR OF DIVIDENDS IN FOREIGN CURRENCY

	Year ended March 31, 2012	Year ended March 31, 2011
Interim Dividend		
Number of Shareholders	1	2
Number of Shares held	5,41,125	8,23,365
Amount paid as Final Dividend (₹ Lakhs)	32	62
Year for which dividend is remitted	2011-2012	2010-2011
Final Dividend		
Number of Shareholders	2	2
Number of Shares held	8,23,365	8,23,365
Amount paid as Interim Dividend (₹Lakhs)	41	16
Year for which dividend is remitted	2010-2011	2009-2010

25. QUANTITATIVE DETAILS

The Company is the Holding Company of other companies in the Rane Group. The Company provides services in the areas of Management, information technology, business development and infrastructure to the Companies in the Group. The nature of services therefore cannot be evaluated quantitatively. Consequently a disclosure of quantitative details for the same is not applicable.

26. CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs

	Year ended March 31, 2012	Year ended March 31, 2011
26.1 Contingent Liabilities		
Guarantees	4,019	3,498
Disputed demands under appeal (Refer below)	577	524
Income Tax Act - Assessment Year (AY)		
2005-2006*	85	85
2007-2008	65	65
2008-2009*	372	372
2009-2010*	53	-
	575	522
Less: Deposits	(79)	(64)
Net Amount	496	458
* includes the following deposits AY 2009-2010 - ₹14 Lakhs AY 2008-2009 - ₹15 Lakhs AY 2004-2005 - ₹50 Lakhs		
Service Tax**	2	2
** represents ₹1.52 lakhs		
26.2 Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	197	126
	197	126

₹ Lakhs

	Year ended March 31, 2012	Year ended March 31, 2011
27. Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors there are no dues as at March 31, 2012.		

Disclosure as per AS 15 - Employee benefit**28. EMPLOYEE BENEFIT PLANS****i. Gratuity**

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

₹ Lakhs

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Components of employer expense		
Current service cost	9	10
Interest cost	12	11
Expected return on plan assets	(14)	(12)
Actuarial losses/(gains)	10	(5)
Total expense recognised in the Statement of Profit and Loss	17	4
Actual contribution and benefit payments for year		
Actual benefit payments	(11)	(6)
Actual contributions	11	51
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	165	145
Fair value of plan assets	169	155
Funded status [Surplus / (Deficit)]	4	10
Unrecognised past service costs	-	-
Net asset / (liability) recognised in the Balance Sheet	4	10
Change in Defined Benefit Obligations (DBO) during the year		
Present value of DBO at beginning of the year	145	135
Current service cost	9	10
Interest cost	12	11
Actuarial (gains) / losses	10	(5)
Past service cost	-	-
Benefits paid	(11)	(6)
Present value of DBO at the end of the year	165	145
Change in fair value of assets during the year		
Plan assets at beginning of the year	155	98
Expected return on plan assets	14	12
Actual company contributions	11	51
Actuarial gain / (loss)	-	-
Benefits paid	(11)	(6)
Plan assets at the end of the year	169	155

Particulars	₹ Lakhs	
	Year ended March 31, 2012	Year ended March 31, 2011
Actuarial assumptions		
Discount rate - %	8%	8%
Expected return on plan assets - %	9%	9%
Salary escalation - %	7%	10%
Attrition - %	3%	3%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

ii. Compensated absences

Principal actuarial assumptions as at the balance sheet date

Particulars	₹ Lakhs	
	Year ended March 31, 2012	Year ended March 31, 2011
Actuarial assumptions for long-term compensated absences		
Discount rate	8%	8%
Salary escalation	7%	10%
Attrition	3%	3%

Notes:

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets and Experience adjustments have not been furnished by LIC.

29. SEGMENT REPORTING

The Company holds strategic investments in subsidiaries, joint ventures and associates (collectively called "the Group") that are primarily engaged in single segment viz., manufacture and marketing of components for Transportation industry and also provides consultancy and other services to the Group. Further the Company does not have any operations outside India. As such there are no separate reportable segments as per AS 17 "Segment Reporting".

30. RELATED PARTY TRANSACTIONS**Details of related parties:**

Description of relationship	Names of related parties 2011-2012	Names of related parties 2010-2011
Subsidiaries	Rane (Madras) Limited	Rane (Madras) Limited
	Rane Engine Valve Limited	Rane Engine Valve Limited
	Rane Brake Lining Limited	Rane Brake Lining Limited
	Rane Diecast Limited	Rane Diecast Limited
	Rane Holdings America Inc.	-
Joint Ventures	Rane TRW Steering Systems Limited	Rane TRW Steering Systems Limited
	Rane NSK Steering Systems Limited	Rane NSK Steering Systems Limited
	JMA Rane Marketing Limited	JMA Rane Marketing Limited
Associates	Kar Mobiles Limited	Kar Mobiles Limited
	SasMos HET Technologies P Limited	-
Key Management Personnel (KMP)	Mr. L Lakshman	Mr. L Lakshman
	Mr. L Ganesh	Mr. L Ganesh
Relatives of KMP	Mrs. Pushpa Lakshman	Mrs. Pushpa Lakshman
	Mr. Harish Lakshman	Mr. Harish Lakshman
	Mr. Vinay Lakshman	Mr. Vinay Lakshman
	Mrs. Meenakshi Ganesh	Mrs. Meenakshi Ganesh
	Mr. Aditya Ganesh	Mr. Aditya Ganesh
	Mrs. Aparna Ganesh	Mrs. Aparna Ganesh
	Mrs. Shanti Narayan	Mrs. Shanti Narayan
	Mrs. Hema C Kumar	Mrs. Hema C Kumar
	Mrs. Vanaja Aghoram	Mrs. Vanaja Aghoram
Enterprise in which KMP / Relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation

Note: Related parties has been identified by the Management.

Details of related party transactions during the year ended March 31, 2012 and balances outstanding as at March 31, 2012:											₹ Lakhs
	Fee for Services rendered	Trade Mark Fee Received	Dividend Received	Interest Received	Donation Paid	Loans Given	Guarantee Given	Salary and Other Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
Subsidiaries											
Rane (Madras) Limited	620 (493)	330 (288)	438 (353)	-	-	-	-	-	-	-	39
Rane Engine Valve Limited	415 (333)	151 (143)	262 (124)	-	-	-	-	-	-	-	43
Rane Brake Lining Limited	393 (314)	179 (152)	198 (148)	-	-	-	-	-	-	-	25
Rane Diecast Limited	27 (21)	1 (1)	-	55 (19)	-	150	521 (3,498)	-	-	-	2
Rane Holdings America Inc.	-	-	-	-	-	-	-	-	-	-	-
Balances receivable at the end of the year											
Rane (Madras) Limited	-	10 (91)	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	-	44 (44)	-	-	-	-	-	-	-	-	29
Rane Brake Lining Limited*	-	0 (46)	-	-	-	-	-	-	-	-	-
Rane Diecast Limited	14 (16)	1	-	55 (19)	-	450 (300)	4,019 (3,498)	-	-	-	2
Rane Holdings America Inc.	-	-	-	-	-	-	-	-	-	-	1
Joint Ventures											
Rane TRW Steering Systems Limited	621 (510)	563 (503)	1,638 (874)	-	-	-	-	-	-	-	30
Rane NSK Steering Systems Limited	233 (187)	-	-	-	-	-	-	-	-	-	11
JMA Rane Marketing Limited	-	-	22 (14)	-	-	-	-	-	-	-	-
Balances receivable at the end of the year											
Rane TRW Steering Systems Limited	-	180 (172)	-	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Limited**	-	-	-	-	-	-	-	-	-	-	-
JMA Rane Marketing Limited	-	-	-	-	-	-	-	-	-	-	-

Details of related party transactions during the year ended March 31, 2012 and balances outstanding as at March 31, 2012:											₹ Lakhs
	Fee for Services rendered	Trade Mark Fee Received	Dividend Received	Interest Received	Donation Paid	Loans Given	Guarantee Given	Salary and Other Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
Associates											
Kar Mobiles Limited	147 (118)	-	53 (46)	-	-	-	-	-	-	-	22
SasMos HET Technologies P Limited	-	-	-	-	-	-	-	-	-	-	-
Balances receivable at the end of the year											
Kar Mobiles Limited	-	-	-	-	-	-	-	-	-	-	-
SasMos HET Technologies P Limited	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel (KMP)											
Mr. L Lakshman	-	-	-	-	-	-	-	74 (56)	78 (70)	-	-
Mr. L Ganesh	-	-	-	-	-	-	-	86 (81)	-	-	-
Balance payable at the end of the year											
Mr. L Lakshman	-	-	-	-	-	-	-	-	78 (70)	-	-
Mr. L Ganesh	-	-	-	-	-	-	-	-	-	-	-
Relatives of Key Management Personnel (KMP)											
Mr. Harish Lakshman	-	-	-	-	-	-	-	-	-	1 (1)	-
Balance payable at the end of the year											
Mr. Harish Lakshman	-	-	-	-	-	-	-	-	-	-	-
Enterprise in which KMP / Relatives of KMP can exercise significant influence											
Rane Foundation	-	-	-	65 (65)	-	25 (50)	-	-	-	-	-
Balances receivable at the end of the year											
Rane Foundation	-	-	-	-	-	75 (50)	-	-	-	-	-

Note:

- Figures in bracket relates to the previous year
- * Represents ₹38,219/- due from Rane Brake Lining Limited for March 31, 2012 and ** Represents ₹11,469/- due from Rane NSK Steering Systems Limited for March 31, 2011.

31. DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT (TO THE EXTENT APPLICABLE)

Particulars	Amount outstanding as at March 31, 2012	Amount outstanding as at March 31, 2011	Maximum outstanding during 2011-2012	Maximum outstanding during 2010-2011
Subsidiary				
Rane Diecast Limited				
Loan	450	300	550	300
Interest	55	19	55	19
Rane Foundation				
Loan	75	50	75	50

Information on Joint Venture Entities

The particulars of the Company's Joint Venture Entities as at March 31, 2012 including percentage holding and its proportionate share of assets, liabilities, income and expenditure of the Joint Ventures are given below:-

S No.	Name of the Joint Venture	% of Holding	As at March 31, 2012				2011-2012	
			Assets	Liabilities	Contingent Liabilities	Capital Commitments	Income	Expenses
1	Rane TRW Steering Systems Limited	50%	15,804	15,804	2,547	913	31,598	27,964
		50%	(14,766)	(14,766)	(3,079)	(692)	(29,102)	(25,497)
3	Rane NSK Steering Systems Limited	49%	11,111	11,111	133	25	15,274	15,010
		49%	(7,092)	(7,092)	(5)	(71)	(8,761)	(8,923)
3	JMA Rane Marketing Limited	49%	1,108	1,108	-	-	2,903	2,700
		49%	(587)	(587)	-	-	(2,473)	(2,278)

Note:

- Figures in bracket relates to the previous year.
- All the above joint venture entities located in India.

32. OPERATING LEASES

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Details of leasing arrangements		
The Company has operating lease agreements for office space and residential accommodation generally for a period one to three years with option to renew with escalation.		
Lease Rental debited to the Statement of Profit and Loss	32	33
Future minimum lease payments		
not later than one year	36	32
later than one year and not later than five years	-	-
later than five years	-	-
	68	65
Office Equipments and Cars are taken on lease, for a period ranging from one year to five years and are renewable at the option of the Company.		
Lease Rental debited to the Statement of Profit and Loss	118	64
Future minimum lease payments		
not later than one year	103	118
later than one year and not later than five years	123	117
later than five years	-	-
	344	299

33. EARNINGS PER SHARE

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
Profit After Tax (₹Lakhs)	3,425	4,003
Weighted Average Number of Shares - Basic & Diluted	14,277,809	14,277,809
Earnings Per Share of ₹10/- each - Basic & Diluted	23.99	28.04

For and on behalf of the Board

Place: Chennai
Date: May 30, 2012**C Siva**
Secretary**L Lakshman**
Executive Chairman**L Ganesh**
Vice Chairman

Auditor's Report

TO THE BOARD OF DIRECTORS OF RANE HOLDINGS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **RANE HOLDINGS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of the separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) We did not audit the financial statements of certain subsidiaries and a joint venture, whose financial statements reflect total assets of ₹1,03,083 lakhs as at March 31, 2012, total revenue of ₹1,56,528 lakhs and cash inflows of ₹79 lakhs for the year ended on that date and certain associates whose financial statements include group's share of profit of ₹205 lakhs for the year ended March 31, 2012, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of the other auditors.

(b) The financial statement of a joint venture, which reflects total assets of ₹1,108 lakhs as at March 31, 2012, total revenue of ₹1,075 lakhs and cash inflow of ₹9 lakhs for the year ended on that date as considered in the Consolidated Financial Statements, are unaudited and we have relied upon the financial statement as provided by the management of that company.
4. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures and associates, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No.008072S)

CHENNAI
May 30, 2012

GEETHA SURYANARAYANAN
Partner
(Membership No. 29519)

Consolidated Balance Sheet as at March 31, 2012

₹ Lakhs			
Particulars	Note No.	March 31, 2012	March 31, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	1,428	1,428
(b) Reserves and Surplus	4	41,330	36,050
Minority Interest		16,270	14,107
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	16,561	17,530
(b) Deferred tax liabilities (Net)	6	2,816	2,287
(c) Other Long term liabilities	7	85	111
(d) Long term provisions	8	971	886
(3) Current Liabilities			
(a) Short-term borrowings	9	13,699	8,170
(b) Trade payables	10	22,563	19,249
(c) Other current liabilities	11	16,498	13,353
(d) Short-term provisions	12	2,102	2,531
Total		134,323	115,702
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	57,901	47,966
(ii) Tangible assets held for sale		49	-
(iii) Intangible assets	13	355	404
(iv) Capital work-in-progress		3,740	4,406
(b) Goodwill on Consolidation		7,762	7,762
(c) Non-current investments	14	1,748	758
(d) Deferred tax assets (net)	15	762	811
(e) Long term loans and advances	16	4,042	5,248
(f) Other non-current assets	17	279	191
(2) Current assets			
(a) Current investments	18	417	986
(b) Inventories	19	19,579	15,984
(c) Trade receivables	20	29,226	24,569
(d) Cash and cash equivalents	21	2,348	2,360
(e) Short-term loans and advances	22	5,224	4,177
(f) Other current assets	23	891	80
Total		134,323	115,702

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

GEETHA SURYANARAYANAN
Partner

L LAKSHMAN
Executive Chairman

Place : Chennai
Date : May 30, 2012

C.SIVA
Secretary

L GANESH
Vice Chairman

Consolidated Statement of Profit and Loss for the year ended March 31, 2012

₹ Lakhs

Particulars	Note No.	Year ended March 31, 2012	Year ended March 31, 2011
I. Revenue from operations		202,505	173,922
Less: Excise Duty		16,548	14,070
Revenue from operations (net)	24	185,957	159,852
II. Other Income	25	2,201	1,797
III. Total Revenue (I +II)		188,158	161,649
IV. Expenses			
Cost of materials consumed	26	105,385	86,976
Purchase of Stock-in-Trade	27	912	528
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(2,371)	(888)
Employee benefit expense	29	22,848	19,844
Finance costs	30	3,689	2,422
Depreciation and amortization expense	13	6,747	5,497
Other expenses	31	37,977	36,226
Total Expenses		175,187	150,605
V. Profit before prior period income, exceptional items and tax (III- IV)		12,971	11,044
VI. Prior period item - reversal of depreciation		-	21
VII. Exceptional Items		1,201	1,397
VIII. Profit before tax (VI - VII)		14,172	12,462
IX. Tax expense:			
(1) Current tax expense for the current year		(3,498)	(3,141)
(2) Less: MAT Credit		91	(127)
(3) Current tax expense relating to prior years		(46)	2
Net current tax expense		(3,453)	(3,266)
(4) Deferred tax		(578)	207
X. Profit for the year		10,141	9,403
XI. Earning per equity share (of ₹ 10 each):	39		
(1) Basic		50.23	49.02
(2) Diluted		50.23	49.02

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

GEETHA SURYANARAYANAN
Partner**L LAKSHMAN**
Executive ChairmanPlace : Chennai
Date : May 30, 2012**C.SIVA**
Secretary**L GANESH**
Vice Chairman

Consolidated Cashflow Statement for the year ended March 31, 2012

	₹ Lakhs	
Particulars	Year ended March 31, 2012	Year ended March 31, 2011
A. Cash flow from operating activities		
Net Profit before tax	14,172	12,462
Adjustments for:		
Depreciation and amortisation	6,747	5,497
Profit on sale of assets	(1,646)	(1,876)
Finance costs	3,689	2,422
Interest income	(258)	(268)
Dividend income	(92)	(79)
Provision for doubtful debts	8	5
Liability no longer required written back	(370)	(259)
Unrealised exchange loss	130	-
Bad debts written off	21	-
Provision for Gratuity and Leave Salary	269	(274)
Provision for warranty	38	112
Government Grants	(1)	(1)
Profit on sale of investments	-	29
	8,535	5,308
Operating profit before working capital changes	22,707	17,770
Changes in working capital		
increase in Trade receivables and other assets	(7,368)	(6,620)
(increase)/decrease in Inventories	2,664	(3,209)
(increase)/decrease in Trade payables and other liabilities	(3,595)	4,774
	(8,299)	(5,055)
Cash generated from operations	14,408	12,715
Net income tax paid	(4,386)	(2,665)
Net cash flow from operating activities (A)	10,022	10,050
B. Cash flow from investing activities		
Purchase of fixed assets	(13,916)	(16,699)
Sale of fixed assets	1,771	2,077
Sale of investments	837	841
Purchase of investments	(784)	(46)
Interest received	130	110
Dividend received	62	79
Net cash flow from investing activities (B)	(11,900)	(13,638)

₹ Lakhs

Particulars	Year ended March 31, 2012	Year ended March 31, 2011
C. Cash flow from financing activities		
Repayment of long-term borrowings	8,895	7,698
Repayment of Fixed Deposits	(340)	(10)
Finance cost	(3,481)	(2,422)
Dividends paid	(2,996)	(1,783)
Tax on dividend	(152)	(214)
Net cash flow from financing activities (C)	1,926	3,269
Net increase in Cash and cash equivalents (A+B+C)	48	(319)
Cash and cash equivalents at the beginning of the year	2,005	2,324
Cash and cash equivalents at the end of the year	2,053	2,005

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

GEETHA SURYANARAYANAN
Partner**L LAKSHMAN**
Executive ChairmanPlace : Chennai
Date : May 30, 2012**C.SIVA**
Secretary**L GANESH**
Vice Chairman

Notes forming part of the consolidated financial statements for the year ended March 31, 2012

1 Brief about the company

Rane Holdings Limited (RHL) is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacture and marketing of auto components. The Rane Groups investment profile includes subsidiaries, joint ventures and associates. The Company's income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of "RANE" trade mark and (iii) service fee from group companies for providing services in the areas of management, information technology, business development and infrastructure. In September 2011, Rane forayed into defence and aerospace and invested into SasMos HET Technologies Private Limited.

2 Significant Accounting Policies

2.1 Principles and Particulars of Consolidation

Principles of Consolidation

The consolidated financial statements relate to Rane Holdings Limited (referred as "the company" or "the holding company"), its subsidiary companies, joint ventures and associate (Collectively referred to as "the group").

These statements have been prepared in accordance with the generally accepted accounting principles applicable in India (Indian GAAP). The Financial statements of the subsidiaries, Joint Ventures and associates used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. March 31, 2012.

The Financial statements of the company, its subsidiaries, Joint Ventures and investments in Associate companies are consolidated respectively in accordance with Accounting Standard 21(AS21) "Consolidated Financial Statements", Accounting Standard 27 (AS 27) – "Financial Reporting of Interests in Joint Ventures" and Accounting Standard 23 (AS 23) – "Accounting for Investments in Associates in Consolidated Financial Statements".

The financial statements of the company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances, intra-group transactions and unrealized profits/losses on intra-company transactions.

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures.

Investment in associate companies are accounted for by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the company's share of net assets of the associates.

The excess of cost of investments in the subsidiary company/s and Joint venture/s over the share of the equity of the subsidiary company/s and Joint venture/s at the date on which the investment in the subsidiary company/s and Joint Venture/s is made is recognized as "Goodwill on Consolidation" and is shown separately in the consolidated financial statements. Alternatively where the share of equity in the subsidiary company/s and Joint Venture/s as on the date of investment is in excess of cost of investment, it is reckoned as "Capital Reserve" and grouped with "Reserves and Surplus" in the consolidated financial statements.

The carrying value of Goodwill is tested for impairment as at the end of each reporting period.

Minority interest in the net assets of the consolidated subsidiary/s consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made in the subsidiary/s and further movements in their share in the equity, subsequent to the dates of investments. Minority Interest share in the Net Profit for the year of the consolidated subsidiaries is identified and adjusted against the Profit after Tax of the group. The losses in subsidiary/s attributable to the minority shareholders are recognized to the extent of their interest in the equity of subsidiary/s.

Particulars of consolidation

The list of companies included in consolidation are as follows:

Companies	Equity shares held		% of voting power held	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
Subsidiaries				
Rane (Madras) Limited	54,73,369	54,46,675	54%	54%
Rane Engine Valve Limited	27,59,686	27,59,686	54%	54%
Rane Brake Lining Limited	32,92,713	32,92,713	42%	42%
Rane Diecast Limited	1,03,95,135	77,00,100	79%	79%
Rane Holdings America Inc.*	20,000	-	100%	-
Joint Ventures				
Rane TRW Steering Systems Limited	43,69,123	43,69,123	50%	50%
Rane NSK Steering Systems Limited	87,71,000	8,771,000	49%	49%
JMA Rane Marketing Limited	3,60,003	3,60,003	49%	49%
Associates				
Kar Mobiles Limited	8,84,369	8,38,660	39%	37%
SasMos HET Technologies Private Limited	3,51,400	-	26%	-

* Company incorporated outside India.

Financial Statements of JMA Rane Marketing Limited have been consolidated based on management accounts.

The shareholders of Rane Brake Lining Limited (RBL) had approved an amendment in the year 2009-10, to the articles of association of the company which authorizes, Rane Holdings Limited to appoint majority of the Board of Directors of the company. As a result RBL has become a board controlled subsidiary of Rane Holdings Limited and hence consolidated on a line-by-line basis.

2.2 Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on an accrual basis, in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards notified by the Government of India/issued by the Institute of Chartered Accountants of India (ICAI), as applicable and the relevant provisions of the Companies Act, 1956.

2.3 Presentation and disclosure of financial statements

For the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the Company, for preparation and presentation of its financial statements. Though adoption of revised schedule VI does not impact recognition and measurement principles followed, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

2.4 Use of estimates

The preparation of consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.5 Inventories

Raw materials, work in progress, finished goods and traded goods are valued at lower of cost and net realizable value. Other items of inventory are valued at cost. Cost is determined on weighted average basis. Cost includes conversion and other costs incurred in bringing the inventories to the present location and condition. Inventories are written down for obsolete/slow moving/non-moving items wherever necessary. Cost of loose tools is amortized over a period of three years. Inventory lying in customs bonded warehouse is valued inclusive of customs duty payable on clearance.

2.6 Depreciation and amortisation

2.6.1 Depreciation on Fixed Assets, other than those given in 2.6.2. below, is charged on straight-line basis at rates specified in Schedule XIV of the Companies Act, 1956.

2.6.2 Depreciation on the following assets is charged on the basis of their estimated useful lives at rates higher than those prescribed in the Companies Act, 1956.

Tangible Assets	Useful life (years)
Leasehold Land Development Cost	10
Vehicles	5
Furniture and Fittings	5
Office Equipment (other than computers)	3
Computers	4
Lab Equipments, Jigs and Fixtures (included in Plant & Machinery)	3
Intangible Assets	Useful life (years)
Software License	3
Softwares	3
Technical Knowhow Fees	5
Design and Drawings	5

Assets individually costing less than ₹10,000 each are fully depreciated in the year of acquisition.

2.7 Revenue recognition

2.7.1 Sales

Revenue is recognized when the significant risks and rewards of ownership of goods have been passed to the buyer.

Tooling advance received from customers which are not adjustable against the supplies are recognized as Sales in the proportion to the volume of sales during each year bears to the total volume of the respective product as ordered by the customer / on the basis of estimates of the Management. Scrap income is recognized on receipt basis.

2.7.2 Other Income

Income from Job work/Services is recognized on rendering the services.

Revenues from Service Fee and Trade Mark Fee are recognised on accrual basis in accordance with terms of the relevant agreements.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend Income

Dividend income is recognized when the right to receive it is established.

2.8 Fixed Assets

2.8.1 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition or construction, net of cenvat credit, depreciation and impairment loss if any. Cost includes direct cost and financing cost related to borrowing attributable to acquisition that are capitalised until the assets are ready for use.

Expenses incurred in connection to the project prior to the commencement of the commercial production are treated as part of project cost and capitalized as part of fixed assets.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the indirect construction cost to the extent which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period, which is neither related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss.

Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets, which are carried at cost are recognised in the Statement of Profit and Loss.

Subsidy received from State Government towards specific assets is reduced from the cost of fixed assets. Fixed assets taken on finance leases are capitalized. Fixed assets that are fully depreciated are retained at a value of ₹1/-.

2.8.2 Intangible assets

Intangible assets are stated at acquisition cost net of accumulated amortisation and accumulated impairment losses, if any.

Software/Technical Knowhow are capitalised where it is expected to provide future economic benefits.

2.8.3 Capital work-in-progress includes cost of assets not ready for their intended use.

2.9 Foreign currency transactions and translations

2.9.1 Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction.

2.9.2 Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets & liabilities outstanding at the year-end are translated at the rate of exchange prevailing at the year-end and the gain or loss, is recognized in the Statement of Profit and Loss. Exchange differences arising on settlement and translation of monetary items other than for acquisition of fixed assets, at the year end are recognised as income or expense in the year in which they arise. Exchange differences arising out of settlement and translation with reference to acquisition of fixed assets are adjusted to cost of the fixed assets.

2.9.3 Accounting of forward contracts and treatment of exchange difference

The Company enters into forward exchange contracts to hedge its risks associated with foreign currency fluctuations. The premium or discount, arising at the inception of a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the year in which the exchange rates change.

2.10 Government Grants and Capital Subsidy

Government grants relating to depreciable tangible fixed assets are treated as deferred income and recognised in the Statement of Profit and Loss over the remaining useful life of the related assets.

Lump sum Capital Subsidies, not relating to any specific fixed asset, received from State Government for setting up new projects are accounted as capital reserve.

2.11 Investments

2.11.1 Long Term Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

2.11.2 Current Investments

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.12 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

2.12.1 Defined contribution plans

The Company's fixed contribution to provident fund and superannuation fund are considered as defined contribution plans.

Provident Fund

The company contributes to a government administered Provident fund on behalf of its employees, which are charged to the Statement of Profit and Loss. The company has no obligations for future provident fund benefits other than its monthly contributions.

In regard to a subsidiary company, Rane Engine Valve Ltd. for certain category of employees the company administers the benefits through a recognised Provident Fund Trust. For other employees contributions are made to the regional Provident Fund Commissioners as per law. The Government mandates the annual yield to be provided to the employees on their corpus. For the first category of employees (covered by the Trust), the company has an obligation to make good the shortfall, if any, between the yield on the investments of the trust and the yield mandated by the Government.

Superannuation Fund

This is a defined contribution plan, where a portion of the eligible employees' salary is contributed towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). There are no further obligations for future superannuation benefits other than the annual contributions which is recognized as expense as and when due.

2.12.2 Defined benefit plans

The Company makes annual contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in the Statement of Profit and Loss.

2.12.3 Short-term employee benefits

Short term employee benefits including accumulated compensated absences determined as per company's policy/scheme are recognised as expense based on expected obligation on undiscounted basis.

2.12.4 Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

2.12.5 Termination benefits

In regard to a subsidiary company Rane (Madras) Limited, Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed as incurred. Termination benefits falling due for more than twelve months after the balance sheet date are accounted using appropriate discount rates.

2.13 Borrowing Costs

Borrowing costs attributable to acquisition or construction or production of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are recognised as revenue in nature.

2.14 Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis as per the lease terms.

2.15 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax in the future years. Accordingly, it is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. This asset is reviewed for the appropriateness of its carrying amount at each Balance Sheet date.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Other Deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income available to realise such assets.

2.16 Research and development expenses

Revenue expenditure on Research and Development is charged off in the year in which it is incurred. Capital expenditure on Research and Development is included under Fixed Assets. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making asset ready for its intended use.

2.17 Impairment of Assets

Consideration is given at each Balance Sheet date, to determine whether there is any indication of impairment on the carrying amount of the company's assets. If any indication exists, an asset's recoverable amount is estimated and impairment loss is recognised whenever the carrying amount of an asset exceeds recoverable amount. In case of fixed assets, after impairment, depreciation is provided on the revised carrying amount of the assets over their remaining useful lives. If such impairment ceases to exist then the same is recognized as income of that year.

2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.19 Provision for Warranty

The estimated liability for product warranties is recorded when products are sold. Product warranty provisions cover the estimated liability to repair or replace products still under warranty on the Balance Sheet and is determined by applying historical experience levels of repairs and replacements developed by using the percentage (of aggregate warranty claims on aggregate eligible sales, Product warranty liability), is generally extended for a period of one to two years from the date of sale.

2.20 Hedge Accounting

In case of certain Subsidiaries and Joint Ventures exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency, those companies limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The group enters into forward exchange and option contracts, to hedge its risks associated with foreign currency fluctuations.

Pursuant to ICAI Announcement “Accounting for Derivatives” on the early adoption of Accounting Standard AS 30 “Financial Instruments : Recognition and Measurement”, the company has opted to follow the recognition and measurement principles relating to derivatives as specified in the Standard. Accordingly, the changes in the fair values of forward contracts and options designated as cash flow hedges are recognized directly in ‘Hedge Reserve Account’ being part of the shareholders’ funds and reclassified into the Statement Profit and Loss upon the occurrence of the hedged transactions. The changes in fair value relating to the ineffective portion of the cash flow hedges and forward contracts/options not designated as cash flow hedges are recognized in the Statement Profit and Loss as they arise.

2.21 Derivative Contracts

In case of certain Subsidiaries and Joint Ventures exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency, those companies limits the effects of foreign exchange rate fluctuations uses derivative financial instruments such as foreign exchange forward contract, option contract, currency and interest rate swaps to hedge its exposure in movements of foreign exchange rates and interest rates relating to underlying transactions.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.22 Pre-operative Expenditure

All expenditure incurred prior to commencement of business/expansion of business activities is carried forward as pre-operative expenditure and included in Capital Work in Progress and is capitalised along with the cost of fixed assets on commencement of business.

2.23 Insurance Claims

Insurance claims are accounted for on the basis of claims lodged with insurance company and to the extent that there is a reasonable certainty in realising the claims.

3. SHARE CAPITAL

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
(a) Authorised:		
Equity Shares:		
1,50,00,000 Shares (1,50,00,000 Shares) of ₹10 each	1,500	1,500
Preference Shares:		
50,00,000 Shares (50,00,000 Shares) 13.5% Cumulative Redeemable Preference Shares of ₹10 each	500	500
(b) Issued, Subscribed and Fully Paid Up:-		
Equity Shares:		
14,277,809 Shares (14,277,809 Shares) of ₹10 each	1,428	1,428

3.1 The Company has Subsidiaries, Associates. There is no Ultimate Holding Company of the Company.

3.2 Terms / Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

3.3 Details of shares held by each shareholder holding more than 5% shares:

Class of Shares/ Name of Shareholder	As at March 31, 2012		As at March 31, 2011	
	No of Shares	% of Holding	No of Shares	% of Holding
Equity shares with voting rights				
1 Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2 Ares Investments	10,00,000	7.00%	10,00,000	7.00%
3 L Ganesh	-	-	7,46,404	5.23%

3.4 Aggregate number of equity shares allotted as fully paid up without payment being received in cash for the period of 5 years immediately preceding the Balance Sheet date:

During the financial year 2007-2008, 44,96,493 shares with par value of ₹10 were allotted to the shareholders of Rane Engine Valves Limited (13,96,476) and Rane Brake Linings Limited (31,00,017) under the scheme of Demerger, Merger and Amalgamation approved by the Honorable High Court of Judicature at Madras.

3.5 There is no change in the number of shares at the beginning of the year and closing of the year.

4. RESERVES AND SURPLUS

₹ Lakhs

Description	As at March 31, 2012	As at March 31, 2011
a. Capital Subsidy	71	71
Add: Additions during the year	17	-
Total	88	71
b. Export Incentive Reserve	19	19
c. Capital Profit Reserve	99	99
d. Capital Redemption Reserve	1,028	1,028
e. Investment allowance reserve	36	36
f. Capital Reserve on Amalgamation	29	29
g. General Reserve on Merger	819	819
h. Capital Reserve on Consolidation	2,069	2,069
i. Securities Premium	6,470	6,470
j. Hedge Reserve account	(5)	(5)
Add: Additions during the year	6	-
Total	1	(5)
k. Foreign Currency Translation Reserve	1	-
l. Government Grants	3	4
m. General Reserve:		
Opening Balance	12,221	13,730
Add: Transfer from Surplus in Statement of Profit and Loss	343	640
Less: Adjustments during the year	-	(2,149)
Closing Balance	12,564	12,221
n. Surplus in the Statement of Profit and Loss		
Opening Balance	13,190	9,044
Add:-		
Profit for the year	10,141	9,403
Share of Profits/(Loss) from Associates		
- Kar Mobiles Limited	206	117
- SasMos HET Technologies Private Limited	(1)	-
Dividend on Own Shares Held Through Trust	-	1
Less:-		
Minority Interest	3,175	2,521
Interim Dividend @ 60 %(75%)	857	1,071
Final Dividend @ 40% (50%)	571	714
Tax on dividend	486	429
Transfer to general Reserve	343	640
Net surplus in the Statement of Profit and Loss	18,104	13,190
Total Reserves and Surplus	41,330	36,050

5. LONG TERM BORROWINGS

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
5.1 Secured (Refer Note 5.3)		
Term Loans from Banks	12,231	10,190
Term Loans from Related Parties (Refer Note 36)	450	900
Share in Joint Ventures	1,799	1,593
Total Secured Long Term Borrowings	14,480	12,683
5.2 Unsecured		
Term Loans from Banks	85	119
Loans from Others	-	667
Interest Free Sales Tax Loan	1,038	1,050
Fixed Deposits (Refer Note 5.3)	908	2,911
Loans from Related Parties (Refer Note 36)	50	100
Total Unsecured Long Term Borrowings	2,081	4,847
Total Long Term Borrowings	16,561	17,530

5.3 Security

Term loans are secured by charge on respective company's immovable properties both present and future and are also secured by hypothecation of respective company's movable properties, book debts and inventories as per applicable terms of the contract of each loan.

Fixed deposits accepted from public are repayable as per terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of deposits.

6. DEFERRED TAX LIABILITIES (net)

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	2,579	2,297
Others	952	749
Share in Joint Ventures	715	555
Tax effect of items constituting deferred tax liability (A)	4,246	3,601
Tax effect of items constituting deferred tax assets		
Compensated absences	372	346
Provision for Warranty	31	64
Provision for doubtful debts / advances	12	5
Voluntary Retirement Compensation Scheme	315	272
Others	277	221
Share in Joint Ventures	423	406
Tax effect of items constituting deferred tax liability (B)	1,430	1,314
Net deferred tax liability (A)-(B)	2,816	2,287

7. OTHER LONG TERM LIABILITIES

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Termination benefit under Voluntary Retirement Scheme	60	94
Others	25	17
Total Other Long Term Liabilities	85	111

8. LONG TERM PROVISIONS		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Provision for Compensated absences	522	483
Product warranty	211	204
Provision for Litigations/Dispute	69	44
Share in Joint Ventures	169	154
Total Long Term Provisions	971	886

9. SHORT TERM BORROWINGS		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Secured (Refer Note 9.1)		
Cash credit	2,462	1,664
Working Capital Loan	1,874	950
Others	5,754	3,921
Unsecured		
Buyers credit	938	997
Commercial Paper	1,000	-
Share in Joint Ventures	1,671	638
Total Short Term Borrowings	13,699	8,170

9.1 Security

Short Term Borrowings in the nature of Cash credits, working capital loans are secured by way of hypothecation of respective company's inventories, book debts and other current assets and also by second charge on company's movable and immovable properties both present and future as per applicable terms of the contract of each loan.

10. TRADE PAYABLES		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
- Outstanding dues to Micro Enterprises & Small Enterprises	730	840
- Others	13,436	12,114
Related Party (Refer Note 36)	66	40
Share in Joint Ventures	8,331	6,255
Total Trade Payables	22,563	19,249

Note:

- a. In respect of Rane NSK Steering Systems Limited, a joint venture company has not recognised and recorded debit note concerning project related costs from a related party amounting to ₹237 lakhs (proportionate share of ₹116 lakhs) pending resolution of reconciling items with the related party. In the opinion of the management, the aforesaid amounts are in excess of the agreed payable amount and hence have not been recorded in the respective books.
- b. In respect of Rane NSK Steering Systems Limited, a joint venture company, Current liabilities is net of debit notes raised by the company on a related party amounting to ₹176 lakhs (proportionate share of ₹86 lakhs) not accepted by the related party pending resolution of reconciling items.

11. OTHER CURRENT LIABILITIES

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Current Maturities of		
- Long Term Borrowings	7,053	5,302
- Deferred Sales Tax Loan	16	-
Interest accrued and due on borrowings	34	118
Interest accrued but not due on borrowings	432	284
Unclaimed Dividends	76	65
Unclaimed Matured Fixed Deposits	8	8
Unclaimed interest on Fixed Deposit	793	304
Related Party (Refer Note 36)	1,204	767
Statutory remittances	939	747
Others	3,089	4,197
Share in Joint Ventures	2,854	1,561
Total Other Current Liabilities	16,498	13,353

12. SHORT TERM PROVISIONS

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
(a) Provision for employee benefits		
Salary & Reimbursements	7	0
Provision for Gratuity	383	212
Provision for Superannuation fund	-	78
Provision for Compensated absences	360	301
(b) Others		
Provision for warranty	216	185
Provision for proposed dividend	571	714
Provision for tax on proposed dividend	93	116
Share in Joint Ventures	472	925
Total Short Term Provisions	2,102	2,531

13. FIXED ASSETS

Description	Gross Block			Depreciation			Net Block		₹ Lakhs
	As at April 1, 2011	Additions	Disposals/ Adjustments	As at March 31, 2012	As at April 1, 2011	Depreciation For the year	On Disposals	As at March 31, 2012	
TANGIBLE ASSETS									
Land	6,337	3	2	6,338	-	-	-	6,338	6,337
Land on lease	570	1	-	571	34	14	-	523	536
Buildings	10,313	2,426	8	12,731	2,472	357	3	9,905	7,841
Plant and Equipment	71,576	14,478	1,550	84,504	38,839	5,946	742	40,461	32,737
Furniture and Fixtures	1,117	175	116	1,176	868	136	109	895	249
Vehicles	205	59	34	230	127	27	28	126	104
Office equipment	1,441	225	142	1,524	1,253	122	140	1,235	88
Total Tangible Assets	91,559	17,367	1,852	107,074	43,593	6,602	1,022	49,173	47,966
	(82,011)	(11,834)	(2,286)	(91,559)	(40,241)	(5,377)	(2,025)	(43,593)	(41,770)
INTANGIBLE ASSETS									
Goodwill	162	-	-	162	162	-	-	162	-
Software	57	24	-	81	50	8	-	58	23
Design and Drawings	95	-	-	95	79	16	-	95	16
Licenses	1,033	73	-	1,106	724	92	-	816	309
Technical Knowhow	153	-	-	153	81	30	-	111	42
Total Intangible Assets	1,500	97	-	1,597	1,096	146	-	1,242	404
	(1,368)	(13)	(119)	(1,500)	(870)	(120)	(106)	(1096)	(498)
Total Tangible & Intangible Assets	93,059	17,464	1,852	108,671	44,689	6,748	1,022	50,415	48,370
Share in Joint Ventures								10,612	8,779

Note:

Rane Engine Valve Limited, a subsidiary company in compliance with the Notification No. GSR226(E), dated March 31, 2009 issued by Ministry of Corporate Affairs, the company has exercised the option in terms of newly inserted paragraph 46 to the Accounting Standard – AS-11 “the effect of changes in Foreign Exchange Rates”. Accordingly, the exchange differences, fluctuation loss of ₹ lakhs (fluctuation gain of ₹ lakhs) adjusted to cost of fixed assets arising on settlement / translation of foreign currency monetary items utilised to acquire depreciable capital assets.

14. NON CURRENT INVESTMENTS (at cost)		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Trade		
Investment in Equity instruments (fully paid up)		
(i) Associate Companies		
Quoted:		
Kar Mobiles Limited	1,049	758
Unquoted:		
SasMos HET Technologies Private Limited	699	-
(ii) Others Entities		
Unquoted:		
Wellington Corporate Foundation 60 shares of ₹10/- each costing ₹1,000/-	-	-
Total Non Current Investments	1,748	758
15. DEFERRED TAX ASSETS (net)		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	138	195
Tax effect of items constituting deferred tax liability (A)	138	195
Tax effect of items constituting deferred tax assets		
On expenditure deferred in the books but allowable for tax purposes	(900)	(1,006)
Tax effect of items constituting deferred tax assets (B)	(900)	(1,006)
Net deferred tax asset (A)-(B)	762	811
16. LONG TERM LOANS AND ADVANCES		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Unsecured, considered good, unless otherwise stated		
Capital Advances	829	1,979
Security Deposits	351	307
Rent Deposits	15	32
Advance Income Tax	5,627	4,617
Less : Provision for Income Tax	(4,325)	(3,606)
Other Advances	395	677
Considered doubtful	23	25
Less: Provision for doubtful advances	(23)	(25)
Loans and advances to related parties (Refer Note 36)	225	150
Share in Joint Ventures	476	642
Share in Joint Ventures (Secured)	449	450
Total Long Term Loans and Advances	4,042	5,248

17. OTHER NON CURRENT ASSETS		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Outstanding for a period exceeding six months from the date they are due for payment	11	16
Long term deposits with banks with maturity period more than 12 months	117	61
Others	17	33
Share in Joint Ventures	134	81
Total Other Non Current Assets	279	191

18. CURRENT INVESTMENTS (at Cost)		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Investment in Mutual Funds	-	830
Share in Joint Ventures	417	156
Total Current Investments	417	986

19. INVENTORIES (at Lower of Cost or Realisable value)		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Raw materials and components	4,313	4,313
Raw material overseas goods-in transit	203	203
Work-in-progress	2,422	2,200
Stores and Spares	1,693	1,634
Loose Tools	43	714
Finished Goods	4,148	2,600
Finished goods-in transit	614	277
Stock in Trade	81	24
Share in Joint Ventures	6,062	4,019
Total Inventories	19,579	15,984

20. TRADE RECEIVABLES

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Unsecured-considered good		
Outstanding for a period exceeding six months from the due date of payment	1,074	704
Considered doubtful	99	141
Less: Provision for doubtful receivables	99	141
	1,074	704
Other Trade receivables	21,913	18,868
Considered doubtful	89	38
Less: Provision for doubtful receivables	(89)	(38)
	21,913	18,868
Share in Joint Ventures	6,239	4,997
Total Trade Receivables	29,226	24,569

21. CASH AND CASH EQUIVALENTS

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Cash and Cash equivalents		
Cash on hand	12	12
Cheques, drafts on hand	36	2
Balances with Banks		
- In Current Accounts	1,479	1,078
- Other Bank balances	100	430
- Bank deposit with maturity more than 3 months but less than 12 months	35	70
In earmarked accounts:		
Unpaid Dividend accounts	62	51
Unpaid Interest warrant accounts	9	15
Capital Gain scheme account	1	1
Others	189	217
Share in Joint Ventures	425	484
Total Cash and Cash Equivalents	2,348	2,360

Note: Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Cash and Cheques, drafts on hand and balances with banks in current accounts.

	2,053	2,005
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22. SHORT TERM LOANS AND ADVANCES		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	
Unsecured, considered good, unless otherwise stated		-	
Loans and advances to employees	52	57	
Advances to Related party	75	50	
Balance with Government authorities			
- CENVAT credit receivable	709	812	
- Value added tax receivable	53	46	
- Service Tax credit receivable	2	5	
- Others	200	139	
- Export Entitlements	277	128	
- Deposit with Government authorities	351	202	
- Balance with Customs and Excise	31	47	
Suppliers Advances	341	164	
Other Advances	1,398	1,111	
Share in Joint Ventures	1,735	1,416	
Total Short Term Loans and Advances	5,224	4,177	
23. OTHER CURRENT ASSETS		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	
Insurance Claims Receivable	719	58	
Others	165	22	
Share in Joint Ventures	7	-	
Total Other Current Assets	891	80	
24. REVENUE FROM OPERATIONS		₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011	
Sale of products	199,481	172,971	
Other Operating Revenue (net of excise duty) (Refer note 24.1)	3,024	951	
Less: Excise duty	16,548	14,070	
Total Revenue from Operations	185,957	159,852	
24.1 Other Operating Revenue			
Sale of Scrap (net of excise duty)	1,360	392	
Sale of Materials (net of excise duty)	855	148	
Other Operating Revenue	239	21	
Share in Joint Ventures	570	390	
Total Other Operating Revenue	3,024	951	

25. OTHER INCOME

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Dividend from investments - Gross		
- from Others	92	75
- current investments	-	2
Service Fees	579	436
Trade mark fee	282	185
Profit on Sale of Assets	48	63
Profit on Sale of Investments	-	108
Provision no longer required written back	370	244
Tooling Income	102	41
Net gain on foreign currency transactions and translations	120	44
Other Income	424	226
Share in Joint Ventures	184	373
Total Other Income	2,201	1,797

26. RAW MATERIALS CONSUMED

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Opening Stock of Raw materials	2,967	2,170
Add : Purchases	72,450	61,892
Less : Closing Stock	2,996	2,967
Share in Joint Ventures	32,964	25,881
Total Raw Materials consumed	105,385	86,976

27. GOODS PURCHASED

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Purchase of Traded goods	912	528
Total Goods Purchased	912	528

28. CHANGES IN INVENTORIES

₹ Lakhs

	As at March 31, 2012	As at March 31, 2011
Inventories at the beginning of the year (A)		
Finished goods	2,882	2,668
Work-in-process	2,200	1,774
Stock-in-Trade	24	15
	5,106	4,457
Inventories at the end of the year (B)		
Finished goods	4,763	2,882
Work-in-process	2,427	2,212
Stock-in-Trade	81	24
	7,271	5,118
Share in Joint Ventures	(206)	(227)
Total Changes in Inventories	(2,371)	(888)

29. EMPLOYEE BENEFIT EXPENSE		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Salaries and wages	15,184	13,519
Staff welfare expenses	2,647	2,168
Contributions to Provident and other funds	1,326	1,115
Share in Joint Ventures	3,691	3,042
Total Employee benefit expense	22,848	19,844

30. FINANCE COSTS		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Interest expense		
- On Borrowings	2,863	1,990
- Others	518	319
Share in Joint Ventures	308	113
Total Finance Costs	3,689	2,422

31. OTHER EXPENSES		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Consumption of stores and spare parts	5,719	7,687
Power and Fuel	5,402	4,600
Rates and Taxes	457	527
Repairs and Maintenance		
- Buildings	292	262
- Plant and Machinery	2,450	1,877
- Others	795	646
Insurance	390	348
Directors' Sitting Fees & Commission	66	57
Warranty	291	204
Donation	140	143
Administrative Expenses	855	453
Royalty and Technical Fees	440	376
Travelling and Conveyance	1,299	1,041
Packing and Forwarding	2,834	2,503
Freight Outward	1,860	2,012
Exchange Loss	226	78
Audit Fees (includes fees to subsidiaries' auditors)	88	69
Provision for doubtful debts/Bad debts written off	36	66
Provision for Doubtful Advance	-	21
Marketing & Selling expenses	646	769
Advertisement and Sales Promotion	576	496
Commission and Discount	2,666	2,308
Provision for Doubtful debts	29	6

31. OTHER EXPENSES (contd.)		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Job work Expenses	1,060	917
Professional Charges	1,035	955
Information system and Infrastructure Expenses	591	148
Loss on Sale of Assets	28	34
Assets Write off / Provision for retirement of assets	3	11
Miscellaneous Expenses	1,171	1,274
Share in Joint Ventures	6,532	6,338
Total Other Expenses	37,977	36,226

32. CONTINGENT LIABILITIES		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Letters of Credits & Guarantees issued by Bank	530	1,454
Guarantees issued/undertakings given	4,711	3,498
Bills discounted	4,877	359
Claims against the Company not acknowledged as debts	3,509	2,944
Estimated amount of contracts remaining to be executed on capital account (net of advance)	5,165	5,478
Share in Joint Ventures	3,617	3,217

33. OPERATING LEASES		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Operating Leases		
Details of leasing arrangements		
The Company has operating lease agreements for office space and residential accommodation generally for a period one to three years with option to renew with escalation. As per the lease terms Lease Rent has been recognised in the Statement of Profit and Loss	32	33
Office Equipments and Cars are taken on lease for a period ranging from one year to five years and are renewable at the option of the Company. Rental for the year ended March 31, 2012	150	64

34. WARRANTIES		₹ Lakhs
	As at March 31, 2012	As at March 31, 2011
Balance at the beginning of the year	750	278
Provision made during the year	441	642
Provision used against claims settled during the year	406	531
Balance at the end of the year	785	389
Share in Joint Ventures	373	381

35. SEGMENT REPORTING

The Company holds strategic investments in subsidiaries, joint ventures and associates (collectively called "the Group") all of which operate in single segment viz., components for Transportation industry and also provides consultancy and others services to the Group.

36. RELATED PARTY TRANSACTIONS**Details of related parties:**

Description of relationship	Names of related parties 2011-2012	Names of related parties 2010-2011
Joint Ventures	Rane TRW Steering Systems Limited (RTSSL)	Rane TRW Steering Systems Limited (RTSSL)
	Rane NSK Steering Systems Limited (RNSSL)	Rane NSK Steering Systems Limited (RNSSL)
	JMA Rane Marketing Limited (JMA Rane)	JMA Rane Marketing Limited (JMA-Rane)
Associates	Kar Mobiles Limited	Kar Mobiles Limited
	SasMos HET Technologies P Limited	-
Key Management Personnel (KMP)	Mr. L Lakshman	Mr. L Lakshman
	Mr. L Ganesh	Mr. L Ganesh
Relatives of KMP	Mrs. Pushpa Lakshman	Mrs. Pushpa Lakshman
	Mr. Harish Lakshman	Mr. Harish Lakshman
	Mr. Vinay Lakshman	Mr. Vinay Lakshman
	Mrs. Meenakshi Ganesh	Mrs. Meenakshi Ganesh
	Mr. Aditya Ganesh	Mr. Aditya Ganesh
	Mrs. Aparna Ganesh	Mrs. Aparna Ganesh
	Mrs. Shanti Narayan	Mrs. Shanti Narayan
	Mrs. Hema C Kumar	Mrs. Hema C Kumar
Company in which KMP / Relatives of KMP can exercise significant influence	Mrs. Vanaja Aghoram	Mrs. Vanaja Aghoram
	Rane Foundation	Rane Foundation

Note: Related parties has been identified by the Management.

Details of related party transactions during the year ended March 31, 2012 and balances outstanding as at March 31, 2012:

	Fee for Services rendered	Trade Mark Fee received	Trade Mark Fee paid	Royalty paid	Dividend Received	Interest Paid	Purchase of material components	Purchase of capital goods	Donation Paid	Loan given	Fixed Deposits accepted/renewed/repaid	Salary and Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
Joint Ventures															
Rane TRW Steering Systems Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding at the end of the year															
Rane TRW Steering Systems Limited	-	-	-	-	-	-	-	-	-	500	-	-	-	-	-
Associates															
Kar Mobiles Limited	147	-	-	-	53	-	-	-	-	-	-	-	-	-	22
	(118)	-	-	-	(46)	-	-	-	-	(500)	-	-	-	-	-
Balances outstanding at the end of the year															
Kar Mobiles Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Key Management Personnel (KMP)															
Mr. L Lakshman	-	-	-	-	-	8	-	-	-	-	47	74	78	-	-
	-	-	-	-	-	(3)	-	-	-	-	(13)	(56)	(70)	-	-
Mr. L Ganesh	-	-	-	-	-	1	-	-	-	-	1	152	59	-	-
	-	-	-	-	-	(2)	-	-	-	-	-	(81)	(95)	-	-
Balances outstanding at the end of the year															
Mr. L Lakshman	-	-	-	-	-	-	-	-	-	-	70	-	78	-	-
	-	-	-	-	-	-	-	-	-	-	(61)	-	(70)	-	-
Mr. L Ganesh	-	-	-	-	-	-	-	-	-	-	16	-	59	-	-
	-	-	-	-	-	-	-	-	-	-	(16)	-	(31)	-	-

Details of related party transactions during the year ended March 31, 2012 and balances outstanding as at March 31, 2012:

	Fee for Services rendered	Trade Mark Fee received	Trade Mark Fee paid	Royalty paid	Dividend Received	Interest Paid	Purchase of material components	Purchase of capital goods	Donation Paid	Loan given	Fixed Deposits accepted/renewed/repaid	Salary and Other Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
Relatives of Key Management Personnel (KMP)															
Relatives of the KMP	-	-	-	-	24	(25)	-	-	-	-	21	-	-	3	-
Balances outstanding at the end of the year											(64)			(1)	
Relatives of the KMP	-	-	-	-	-	-	-	-	-	-	220	-	-	-	-
Company in which KMP / Relatives of KMP can exercise significant influence															
Rane Foundation	-	-	-	-	-	-	-	-	188	100	-	-	-	-	-
Balances outstanding at the end of the year									(200)	(200)					
Rane Foundation	-	-	-	-	-	-	-	-	-	300	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	(200)	-	-	-	-	-

Note: Figures in bracket relates to the previous year

**37 DISCLOSURE AS PER AS 15 - EMPLOYEE BENEFITS
(including subsidiaries and joint ventures)**

	As at March 31, 2012	As at March 31, 2011
₹ Lakhs		
The group's obligation towards the defined benefit plan of gratuity and leave encashment are as follows:		
(a) Defined Benefit Plan - Gratuity		
Present value of obligation at the beginning of the year	3,039	2,943
Interest cost	236	236
Current service cost	239	226
Benefits paid	(460)	(261)
Actuarial (gain)/loss on obligation	181	35
Present value of obligation as at the end of the year	3,235	3,179
Fair value of plan assets at the beginning of the year	2,749	2,452
Expected return on plan assets	247	236
Contribution	323	464
Benefits paid	(460)	(260)
Actuarial (gain)/loss on obligation	(7)	(2)
Fair value of plan assets at the end of the year	2,852	2,890
Amounts recognised in the Balance Sheet		
Present value of obligation as at the end of the year	3,235	3,178
Fair value of plan assets at the end of the year	2,852	2,890
Funded status of the plan - asset/(liability)	(383)	(288)
Amounts recognised in the Statement of Profit and Loss		
Current service cost	239	226
Interest cost	236	236
Expected return on plan assets	(247)	(236)
Net actuarial (gain)/loss recognised in the year	188	37
Expenses recognised in the Statement of Profit and Loss	416	263
Principal actuarial assumptions as at Balance Sheet date		
Discount rate	8% to 9%	8% to 9%
Salary escalation	4.50% to 8%	4.50% to 10%
Expected return on plan assets	9% to 9.50%	8% to 9.40%
Attrition rate	1% to 10%	1% to 10%
(b) Long Term Benefits - Compensated absence		
Principal actuarial assumptions as at Balance Sheet date		
Discount rates	8% to 9%	8% to 9%
Salary escalation	4.50% to 8%	4.50% to 10%
Attrition rate	1% to 10%	1% to 10%

**38. DERIVATIVE INSTRUMENT AND HEDGE ACCOUNTING AS PER ACCOUNTING STANDARD AS 30
"Financial Instruments: Recognition and Measurement"**

Rane Diecast Limited (RDL), a subsidiary company uses derivative financial instruments such as forward contracts and option contracts to hedge currency exposures, present and anticipated denominated in US Dollars and Japan Yens. All financial and derivative contracts entered into by RDL are for hedging purpose only.

The details of Derivative instrument outstanding's and Unhedged Foreign Currency exposure in respect of RDL detailed below:-

S No.	Particulars	Bought/ Sold	Currency	March 31, 2012	March 31, 2011
				FCY Amount in Lakhs	
1	Forward contracts	Sold	USD	6	-
		Bought	USD	-	4
		Sold	EURO	-	1
2	Option Contracts	Sold	USD	38	75
3	Unhedged Foreign Currency Exposure				
	Receivable on account of sale of goods*	Sold	EURO	-	-

* Represents EURO 0.24 lakhs for March 31, 2012 and EURO 0.02 lakhs for March 31, 2011.

Rane TRW Steering Systems Limited (RTSSL), a Joint Venture company enters into foreign currency forward contracts as per its risk management policies and procedures to manage its exposure in foreign exchange rates. The counter party is generally a bank. Generally, RTSSL takes forward contracts for a period of six months.

The following are outstanding Foreign Exchange Forward Contracts, which have been designated as Cash Flow Hedges as on March 31, 2012

S No.	Currency	No. of Contracts	March 31, 2012		No. of Contracts	March 31, 2011	
			Notional amount of Forward Contracts	MTM Gain/ (Loss)		Notional amount of Forward Contracts	MTM Gain/ (Loss)
			FCY Amount in Lakhs	Amount in Lakhs		FCY Amount in Lakhs	Amount in Lakhs
1	USD	2	1	1	10	18	(30)
2	EURO*	3	-	-	9	7	(5)
3	GBP	-	-	-	5	1	(1)
4	JPY	-	-	-	7	232	(5)

* Represents EURO 0.40 lakhs of notional amount of forward contracts for March 31, 2012.

39. Earnings Per Share

	₹ Lakhs	
	As at March 31, 2012	As at March 31, 2011
Profit After Tax (₹ Lakhs)	7,172	6,999
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹10/- each - Basic & Diluted	50.23	49.02

For and on behalf of the Board

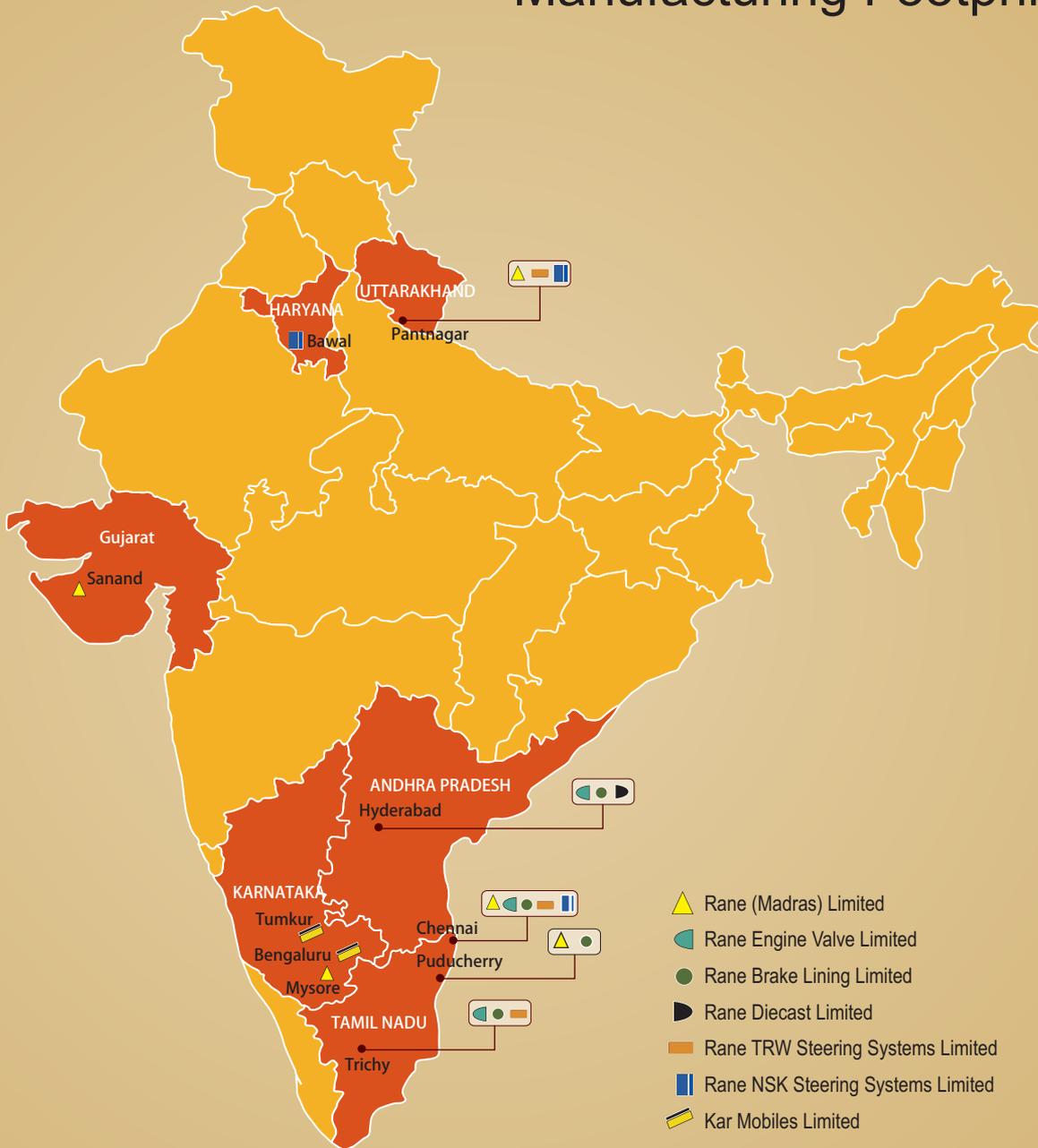
Place: Chennai
Date: May 30, 2012

C Siva
Secretary

L Lakshman
Executive Chairman

L Ganesh
Vice Chairman

Manufacturing Footprints



INDIA
Map not to scale

Forward-looking statement

The information and opinion expressed in this report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this report.



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