



**Rane Holdings Limited**  
Annual Report 2013-14



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#### Caution regarding forward-looking statements

*In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*



## EXPANDING HORIZONS

Attaining operational excellence through TQM was the hallmark of our journey during 2000 to 2010. In this decade, we developed capabilities par excellence across Technology, Engineering, Lean Manufacturing and Research & Development. With many of our manufacturing locations becoming world-class, we transformed ourselves into a Global Automotive Component manufacturer with truly International Capabilities.

Our priority for the ensuing decade is accelerating the growth momentum. Staying focused on Accelerating Growth, we have steadily been shifting to the next gears – from TQM to Innovation, from Fragmentation to Consolidation, from India-focus to aggressively expanding our Global Presence and Entrenchment, from Reactive customer-specific products to Pro-active development of the Next Generation variants, from Import-dependence for high precision products to Localization of their manufacturing.

In order to accelerate value creation, we are fast **EXPANDING OUR BUSINESS HORIZONS.**



## EXPANDING OUR REVENUE POTENTIAL

Moving out of our comfort zone in the recent past, we have been venturing into many newer territories in order to expand our revenue potential. Adding new products, extending existing product basket with their next generation variants and pairing some current products with their allied products; at Rane, we are augmenting our portfolio expansion with many prudent steps. We are backing it up with an equally aggressive geographic diversification programme aimed at increasing the contribution of international revenues to 20-25% in our group revenues.

### DOMESTIC AFTERMARKET BUSINESS

Our presence in OEM segment is very strong in India. However, the aftermarket segment offers significant unexplored opportunities, particularly outside southern India and in tier II/III cities. In order to mine these opportunities better, we are deepening and widening our distribution network with special focus on weaker geographies. We are further augmenting our efforts with launch of niche aftermarket products such as Steering Fluid.

### FOCUS ON EXPORT BUSINESS

In our pursuit of aggressive growth of export revenues, we are exploring multiple avenues such as

strengthening our overseas offices at Germany and USA with addition of more people, stepping up direct exports to OEMs, taking assistance of our JV Partners to boost overseas sales and fast establishing our presence in the Global Replacement Markets. We did make some notable wins during the year.

With a major portion of our export revenues coming from US, North American market appears the most attractive one. We did break into Brazil with a sizeable win during the year. We would also contemplate going closer to this region with a manufacturing or assembly unit by way of acquisition or even a greenfield investment at an opportune time over coming years.

### BEYOND AUTOMOTIVE

A notable aspect of our expansion drive was our recent strategic investment in SasMos, a company operating in Aerospace & Defence segment. Its growth momentum has been promising over the last two years. Encouraged by this result, we are exploring few more such opportunities in the same domain. Our aim is to take the non-automotive segment's revenues to about 10% of the Group revenues by 2020.

#### HIGHLIGHTS

Manufacturing of Airbags got localized. Installed capacity of 3.2 lac units per annum, scalable to 8.1 lac units

Maiden participation in AAPEX 2013, a leading aftermarkets exhibition in Las Vegas, USA generated very encouraging customer response

An R&D breakthrough led to the launch 'Power Cruise', steering fluid for Commercial & Utility Vehicles. Passenger Car variant at a advanced stage of development

## EXPANDING OUR EFFICIENCY QUOTIENT



Optimum utilization of deployed resources is key to Sustained Profitability. When rising cost of key inputs coincide with demand slowdown, thereby, restraining pricing power, controlling cost becomes even more imperative. Amid prolonged slowdown of recent years, we have strengthened the foundation of our stringent cost regime. Cost control measures are proving to be of great effect in challenging times like these. At Rane, we are steadfastly focused on optimizing efficiencies across key parameters of business including plant, capital and manpower productivity.

### FISCAL PRUDENCE

Pro-active Capex investment aimed at steady expansion of Installed Capacity and modernisation of manufacturing facilities has remained a critical differentiator for Rane. Amid current slowdown, however, we did realign our Capex priorities and scaled down investments to the mandatory levels. The interim regime mandates fresh Capex investments to be backed by specific customer requirements over longer terms or larger order sizes.

### CAPACITY CONSOLIDATION

At Rane, our manufacturing units are a vibrant mix of heritage plants having lineage of 3-4 decades and 2-3 year old modern plants with best-in-class technology, processes and machinery. Competitiveness of some of the older plants has significantly eroded, whereas some of our newer plants possess underutilized as well as ramp-up capacities. Newer plants also offer better supervisor-to-workmen ratio. In order to enhance efficiencies of our plants as well as managerial staff, we have started to consolidate manufacturing capacities by transferring production responsibilities from the older units to the newer ones.

### COST MANAGEMENT

Besides fixed cost and variable cost, there also exists another kind i.e. variable fixed cost. Given the prevailing downturn, day-to-day cost management has become the top priority for us. We have been setting stringent cost targets at the levels of department and functional heads at every unit. They, in turn, have started to work with a thoughtfully developed operational plan on daily basis. Where cost-cutting is not possible, the focus shifts on how to optimize value on that incurred cost.

#### HIGHLIGHTS

A heritage 55-year old Engine Valve plant at Chennai is shifting production responsibilities to two modern plants

Another old plant of Rane (Madras) Ltd. at Chennai is shifting responsibilities to a young plant at Varanavasi near Oragadam

Capacity of the Kar Mobiles plant at Bangalore will get transferred to another plant at Tumkur by December 2015



## EXPANDING OUR HUMAN PROWESS

The work environment, at Rane, can be summarized as an enabling, collaborative and challenging one. The guiding principle of our HR doctrine remains accessing, training, deploying, retaining and challenging the best available talent towards creating greater value for our stakeholders. At Rane, we deploy our human capital to attain strategic business objectives.

### MANPOWER PRODUCTIVITY

With consistent rise in wages and improving demand for skilled manpower. India's global competitiveness in manpower cost has steadily been eroding over the last couple of years. Operating in a highly cost-sensitive and globally competitive domain of automotive components, manpower productivity becomes critical to attain our corporate objective of pursuing profitable growth. An important indicator of HR productivity that we have started focusing on is Sales per Employee. Amid current slowdown that has resulted into lower utilizations of installed capacities, we have rationalized manpower through restricted intake at various levels, combining roles and adding responsibilities.

#### HIGHLIGHTS

Gurukul, our training school at Trichy, shortlists high school students through an aptitude Test. Young boys and girls undergo a stipend-paying three-month training, enhancing their skills and, thereby, employability for the shop floor

Convergence of two assembly stations into one at one of our 'latch and lapsing' assembly sections reduced manpower requirement, improving productivity, thereby

### TRAINING & RETAINING TALENT

At Rane, we deploy a four-tiered development program that enables employees to undergo on-the-job training programs in a structured and periodical manner. This facilitates their skill enhancement through continuous learning.

Our Talent Review System identifies, mentors and monitors the promising young talent with active participation of the top management. Company's management thoughtfully shapes this core talent pool of about 100 youngsters through Responsibility Progression, Multi-functional Exposure, Pro-active Promotions and Periodical Management Interactions.

### MISSION NEXT & INNOVATION

At Rane, we are very focused on our participation in the 'Great place to work' initiative. Though at an early stage, we are continuing to improve our scores. Internalization of TQM is strategically being followed with imbining Innovation as an organization-wide culture. At a time when we are aiming to steadily increase our R&D investments from 0.5% to about 2.0% of our sales, efficient utilization of human capital is our next big focus.

## THE WORLD OF RANE



Rane Group is a preferred manufacturer, distributor and supplier of automobile components for a range of passenger and commercial vehicles to major OEMs across India and abroad. Headquartered at Chennai, Tamil Nadu, the group companies are structured under the holding company – Rane Holdings Limited (RHL). RHL controls 4 subsidiary companies, 3 joint venture companies and 2 associate companies.

### VISION

To maintain market leadership and achieve sales of ₹4,600 crores by 2016–17

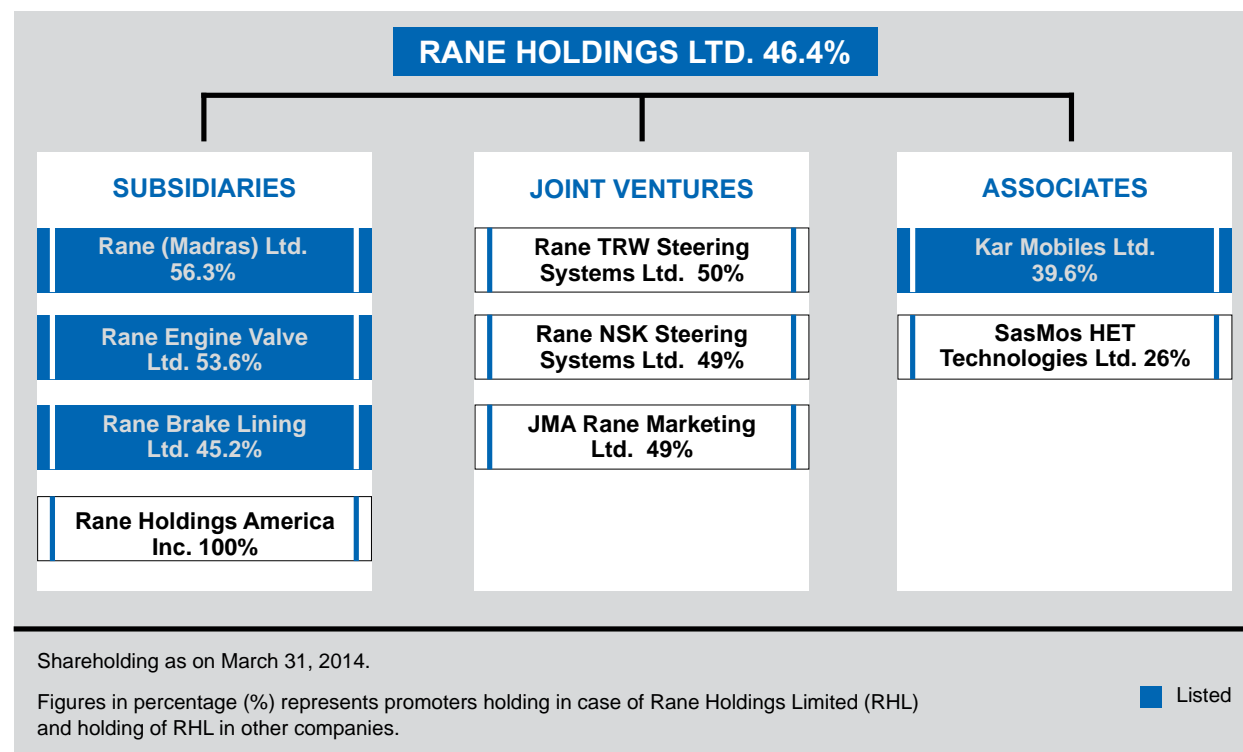
### MISSION

- 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

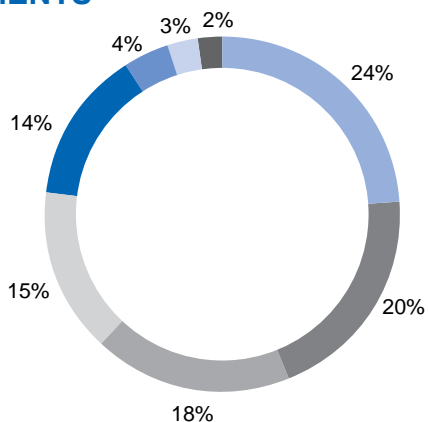
### GROUP SUMMARY

- USD 494 million annual turnover (FY14)
- 10 group companies
- Supply to every automobile segment
- Global partnerships
- Access to best global technology
- TQM - A way of life
- Exports to more than 40 countries

## CORPORATE STRUCTURE

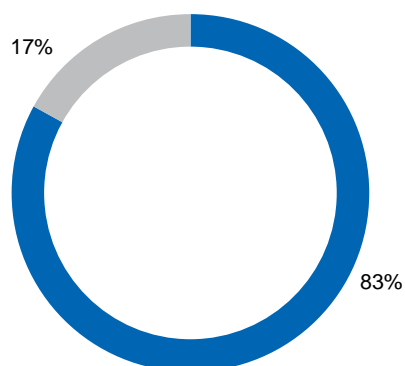


## REVENUE MIX BY PRODUCT SEGMENTS



- Manual Steering & Suspension Systems
- Steering Columns & Electric Power Steering
- Hydraulic Power Steering Systems
- Friction Material Products
- Valve Train Components
- Occupant Safety Systems
- Die Casting Products
- Aerospace & Defence Business

## REVENUE MIX BY GEOGRAPHY



- Domestic
- Export



## KEY CUSTOMERS

DOMESTIC		 ASHOK LEYLAND	DAIMLER		 ESCORTS
	 Hero	 FORCE MOTORS	 TATA		SWARAJ MAZDA
	TAFE 	MARUTI SUZUKI Way of Life!	 HYUNDAI	TVS 	 RENAULT
	 Mahindra	 TOYOTA	 EICHER	 HONDA	
OVERSEAS	 LISTER PETTER	 DACIA		 SKODA AUTO	TRW
	 JOHN DEERE	 DEUTZ		 YAMAHA	ELECTRO MOTIVE

## GLOBAL PRESENCE





## HIGHLIGHTS

## BALANCE SHEET SUMMARY\*\*

Rane Holdings Limited - Standalone

₹ Crore\*

Year ended 31st March	2014	2013	2012	2011
Equity Share Capital	14.28	14.28	14.28	14.28
Shareholders' Funds	269.49	258.16	244.87	226.09
Non-current Liabilities	1.43	2.65	4.11	14.58
Current Liabilities	16.30	14.25	22.06	23.82
Non-current Assets	273.17	267.38	264.33	249.36
Current Assets	14.05	7.68	6.71	15.13

\*\* pertains to revised Schedule VI applicable years only

## KEY FIGURES

Rane Holdings Limited - Standalone

₹ Crore\*

FINANCIAL YEAR	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
Total Income	53.50	57.73	63.91	48.42	45.14	34.97	42.13	32.26
Earnings before Interest, Tax, Depreciation & Amortization (EBITDA)	29.16	34.49	41.05	28.29	30.08	21.04	25.71	19.43
Profit Before Tax (PBT)	27.95	32.53	38.11	43.14	27.39	18.29	22.86	18.81
Profit After Tax (PAT)	21.73	25.95	34.25	40.03	25.13	16.30	20.90	16.87
Return on Capital Employed (ROCE) (%)	10.13	12.61	15.49	10.36	12.87	9.22	10.73	19.69
Return on Net Worth (RONW) (%)	8.24	10.32	14.54	18.54	12.86	9.05	14.76	18.82
Earnings per share (₹)	15.22	18.17	23.99	28.04	17.60	11.41	14.56	20.19
Dividend (%)	65	80	100	125	80	40	60	75
Book value per share (₹)	188.75	180.81	171.50	158.35	144.04	129.78	122.37	110.89

\* In the annual report circulated earlier by the Company, it was inadvertently mentioned as "" in Lakhs" instead of "" Crore". This was corrected on August 12, 2014.

## KEY EVENTS

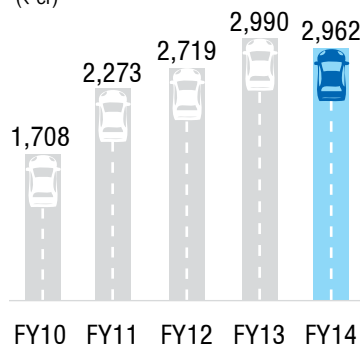
April	May	June	July	September
The merger of Rane Diecast Ltd. with Rane (Madras) Ltd. (RML) came into effect from 1st April, 2013	Rane Engine Valve Ltd. (REVL) received shield for "Vendor Rating Improvement" for the year 2012 from Maruti Suzuki India	RML won the "Sustainability Award" from Mahindra & Mahindra  RML won the "Managerial Excellence Award" in the manufacturing sector for 2013 from the Madras Management Association	Rane TRW announced Capex of ₹ 35 crore for 2013-2018 for manufacture of Seat Belts and Airbags  Rane Brake Lining Ltd. (RBL) featured among best Auto Component Companies to work for in the workplace study by the Great Place to Work Institute	RBL won silver award for "Excellence in Manufacturing" from ACMA  Harish Lakshman, Managing Director, Rane TRW Steering Systems, got elected as the President of ACMA

## KEY PERFORMANCE INDICATORS

Group Aggregate, except for Earnings Per Share

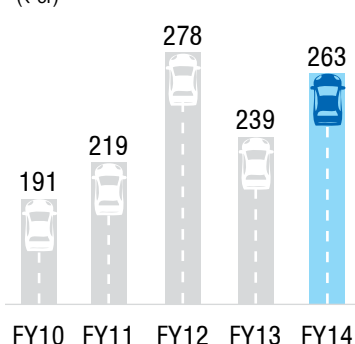
### Turnover

(₹ cr)



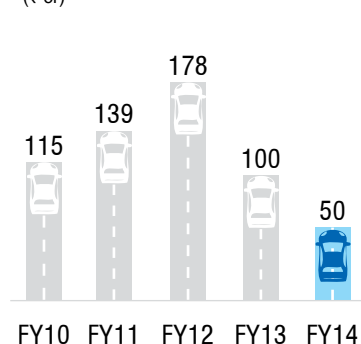
### Operating EBITDA

(₹ cr)



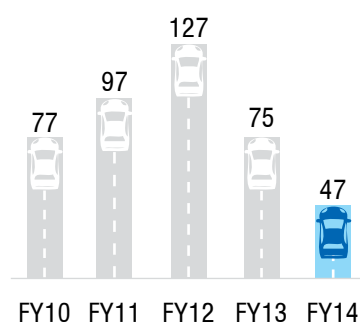
### Profit Before Tax

(₹ cr)



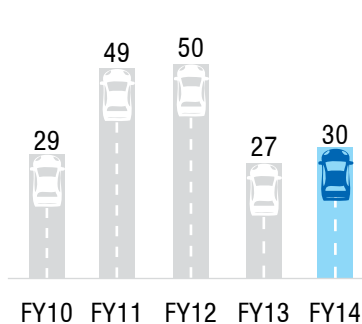
### Net Profit

(₹ cr)



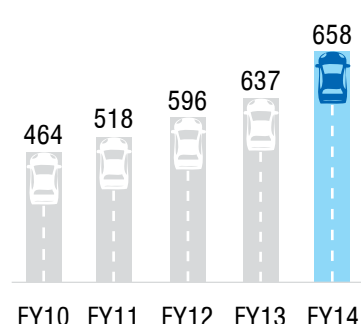
### Earnings Per Share

(₹) (Consolidated, Rane Holdings Ltd.)



### Net Worth

(₹ cr)



#### October

RBL won 2nd prize for the case study presentation on "Freight Cost Reduction" at the 6th National Cluster Summit organized by CII

#### November

Group companies participated in 'AAPEX 2013' aftermarkets expo at Las Vegas, USA  
  
RBL won Deming Grand Prize. Became the first friction material company in the world to receive this award

#### December

Rane NSK QCC Team won "Excellence Award" in National level QC Competition organized by QCFI at Kolkata

#### January

REVL bagged business order from Renault for their A-level small car set to debut in 2015  
  
RML won Apollo CV award under the category "Auto Component maker of the year 2013"

#### February

Group companies participated in Auto Expo 2014  
  
RML Mysore Plant won 2nd Prize in ACMA SMED Competition held in Bengaluru



### *Dear fellow shareowners,*

The prevailing business environment is testing the quintessential Indian hope and resilience. What we are witnessing over these years is the longest period of lull in my recent memory.

A nation's economic solidity, progress and prospects can all be seen from the filter of automobile – its penetration, sales growth, class-mix and average ticket size etc. Domestic automobiles sales in India recorded two successive years of negative growth in FY 13 and FY 14. An adverse economic indicator that occurred once in ten years at the end of FY 13 has occurred twice in two years at the end of this fiscal year. If state of domestic automobile purchase is an indicator of any economy, then the state of our economy certainly poses grave concerns.

Advance Estimates of Central Statistics Office (CSO) has projected country's GDP growth to be at 4.9% for FY 14. But for agriculture, performance of all the sub-sectors of our economy have been much below their true potential, external challenges notwithstanding. Multiple reasons for dismal performance of our

economy over recent years is widely reported, discussed and analyzed. Virtually, all stakeholders – Governments, Regulators, Policy Makers, Corporations, Lenders and Investors – are doing their bit. Yet we are not able to even revive sentiments or restore confidence at the least. Putting a mammoth economy and its populace that was growing at an average rate of 7.5% in the last decade back on a 7-8% growth trajectory appears a tall task.

Why is it that as a country we are not being effective despite the cause and its effect being known to all and sundry. Because, we are falling trap to treating symptoms and not the root causes. Our problems are rooted deeper – in policy direction and not just Policy Inaction. Addressing supply side constraints – Energy, Land, Water, Minerals, Affordable Credit, Skilled Manpower etc. – in a holistic manner will intrinsically strengthen demand growth. A holistic and visionary policy direction pre-empts policy inaction. How about Productivity Line as an alternate to Poverty Line! Attaining a trillion dollar economy status shall not make a nation of 1.3 billion people complacent.

## MESSAGE FROM THE EXECUTIVE CHAIRMAN



*“Domestic automobiles sales in India recorded two successive years of negative growth in FY 13 and FY 14. An adverse economic indicator that occurred once in ten years at the end of FY 13 has occurred twice in two years at the end of this fiscal year.”*

The general election 2014 witnessed an unprecedented participation of electorate, especially youth and women. The return of a stable government at the centre is the least what the economy needed amid the given slowdown. I hope that this government shall diagnose the root causes of our problems, define our socio-economic priorities and provides a conducive business environment.

From a medium-to-long term perspective, our country's prospects to emerge as a strong global destination for automobile manufacturing as well as consumption remain intact. Recently announced capex plans of automobile majors indicate of their intensified focus on New Technology and Products as well as sales and marketing aspects of the business. With gradual revival of business and consumer sentiments, we shall rediscover growth in the second half of this year. A recent study by JD Power has predicted a 6-9% growth for passenger, utility and small commercial vehicles in FY15.

At Rane, we have always preferred prudent conservatism to shortsighted aggression. In testing times like these, our inherent resilience is getting

highlighted as a meaningful virtue. In all our group companies, we are staying focused on enhancing efficiency, reducing cost, rationalizing resources and expanding our markets – in terms of new geographies as well as new customers. We are EXPANDING OUR HORIZONS in order to achieve profitable growth through this decade.

Our stakeholders' trust and confidence in our capabilities to protect and enhance value continues to grow. In fact, their trust is the fuel for our quintessential optimism and perseverance.

On behalf of the Board of Directors of Rane Holdings and its group companies, I thank our stakeholders – Customers, Employees, Partners, Vendors, Governments and Communities – for their continued support and patronage. In fiscal year 2014-15, I wish peace, progress and stability to each one of you.

Sincerely yours,

L. Lakshman  
Executive Chairman



## SESSION WITH THE VICE CHAIRMAN

*Amid economic slowdown and contracting automobile sales over the last two years, L. Ganesh, Vice Chairman of Rane Holdings, has his task cut out well. From strengthening customers' trust in brand Rane to expanding its global footprints to countering cost pressures to ensuring profitable growth through the ensuing decade, L. Ganesh spoke his mind out with the Annual Report team. Edited excerpts from the interaction:*

### On performance of Indian automobile industry

FY 14 proved to be a 'year of testing resilience' for the Indian Automobile sector. From falling sales volumes to increasing Input cost to intensifying competition, it had to counter multiple challenges. The industry posted its second successive de-growth in FY14, with domestic sales volume of passenger vehicles contracting by about 6%, commercial vehicles by 20% and three-wheeled vehicles by 11%. The only saving grace came in two-wheeled vehicles that recorded a modest volume growth of 7%. Automobile exports from the country, though, brought some cheers with an overall volume growth of 7%. Passenger vehicles and two wheelers, both, registered a volume growth of 6%, whereas three wheelers grew by a healthy 17%. Commercial vehicles, though, registered a negative growth of 4% in exports too.

### On performance of Indian automotive component industry

Negative growth of automobile industry did impact the growth momentum of the component industry. Besides dropping domestic demand, the component industry had to also counter the pressure of rising Input cost and intense competition. In order to make up for sluggish domestic market and lower capacity utilization, the industry intensified its export thrust. Exports of automobile components recorded a 4.4% growth to reach USD 9.7 billion in 2013. Growing credibility and competitiveness of India component industry gets reflected in a staggering 80% of exports from India going to OEMs and tier I companies. Industry's cumulative manufacturing

capabilities, success with new age technologies and processes and growing global reputation has led to many global companies setting up their international sourcing centers in India.

### On Rane's performance in FY14

Our performance, in terms of aggregate financial numbers for the group has been quite satisfactory. Amid such stressed business environment, our group net sales recorded a marginal drop to come down to ₹ 2687 crores in FY 14 from ₹ 2709 crores in the previous year. Led by various efficiency enhancement measures, our operating EBITDA grew by 10% to reach ₹ 263 crores from ₹ 239 crores in FY 13. As part of our efficiency enhancement program, VRS amount of ₹ 50.2 crores was paid during the year. Subsequently, our net profit came down to ₹ 46.6 crore from ₹ 74.7 crore in FY 13. Our adjusted net profit, however grew to ₹ 101 crore for the year from ₹ 75.4 crore in the previous year. The fact that we grew our margins – operating EBITDA by 100 basis point to 9.8% and adjusted PAT by 100 basis point to 3.8% - amid such adverse environment speaks volumes of our management's focus and capabilities. I am reasonably certain that the stringent measures on efficiency improvement will lead to a much stronger Rane.

### On Rane's plans to navigate through the ensuing slowdown in domestic markets

At Rane, our growth strategy is based on four pillars namely Product Adjacency, Exports, Aftermarkets and Beyond Automotive. Our product adjacency doctrine





focuses on developing and offering next-generation variants of existing products that bring a definite end-user advantage in order to make Rane a one-stop-shop to our customers. In exports segment, we are aggressively strengthening our global sales proposition through manpower and reach expansion programs. Sticking only to existing and established products, we are exploring new markets and geographies with an aim to increase our exports revenue to about 25% of overall automotive revenues by 2020. Aftermarket, for its recession-proof OEM-independent nature is an important revenue segment for us. We are deploying a two-pronged approach for strengthening our domestic as well as overseas outreach in replacement markets. Our recent inorganic foray into aerospace and SasMos HET, has borne encouraging results in a short timeframe of just over two years. We intend to explore more similar opportunities with strategic investments.

#### **On protecting margins in turbulent times like these**

Sustained productivity enhancement is key to margin protection and growth. One needs to master the art of 'Doing More with Less'. Thankfully, organisation-wide practicing of TQM principles has strengthened Rane's scorecard on lean manufacturing. Yet, we have significant headroom for further improvements.

We are looking into two distinct directions i.e. Operations-led and Innovation-led. From governance & administrative costs to finance cost to operating cost, we are treating operations-led domains with utmost urgency. Consolidating production lines and factories to even some of the group companies to customer consignments, we are assessing and implementing margin improvement programs in a gradual and systematic manner. Next in line would be Innovation-led approach, which currently is at an early stage of being incubated.

#### **On Company's outlook for FY 15**

The growth shall return to the domestic automobile markets in the second half of FY 15, which bodes well for our domestic revenues from OEMs. Our focused thrust on growing export and aftermarket revenues shall also add to our revenue growth. We are continuing with our organization and function wide efficiency enhancement programs, which shall positively impact our profitability. The impact of all these initiatives, more so with our EXPANDED HORIZON of seeking growth and profitability, shall empower us to deliver better value in FY 15 and beyond.



## BOARD OF DIRECTORS

**L. Lakshman**  
*Executive Chairman*



**L. Ganesh**  
*Vice Chairman*  
*Audit Committee Member*



**Harish Lakshman**  
*Non-Executive Director*



**Shujaat Khan**  
*Independent Director*



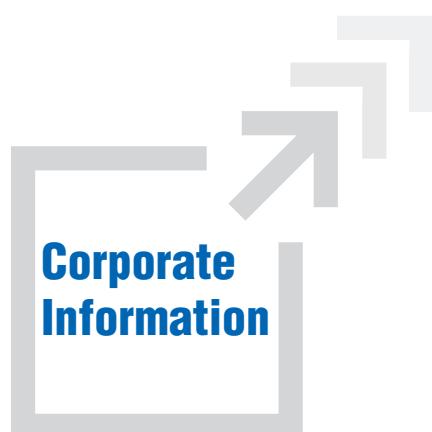
**Anil Kumar Nehru**  
*Independent Director*  
*Audit Committee Member*



**Anjanikumar Choudhari**  
*Independent Director*  
*Audit Committee Chairman*







#### Directors

L. Lakshman, *Executive Chairman*  
 L. Ganesh, *Vice Chairman*  
 Harish Lakshman  
 Shujaat Khan  
 Anjanikumar Choudhari  
 Anil Kumar Nehru

#### Audit Committee

Anjanikumar Choudhari, *Chairman*  
 L. Ganesh  
 Anil Kumar Nehru

#### Investors' Service Committee

Harish Lakshman, *Chairman*  
 L. Ganesh  
 Anil Kumar Nehru

#### Nomination & Remuneration Committee

Anjanikumar Choudhari, *Chairman*  
 Anil Kumar Nehru  
 Harish Lakshman

#### CSR Committee

L. Lakshman, *Chairman*  
 L. Ganesh  
 Anjanikumar Choudhari

#### President-Corporate Services

R. Venkatanarayanan

#### Secretary

C. Siva

#### Executive Vice President - Business Development

Chandran Krishnan

#### General Manager - Finance & CFO

J. Ananth

#### Shares Listed on

BSE Limited, Mumbai  
 National Stock Exchange of India Limited, Mumbai

#### Statutory Auditors

Deloitte Haskins & Sells, Chartered Accountants  
 'ASV Towers', 7th Floor, Old No. 37 ; New No. 52  
 Venkatanarayana Road, T Nagar, Chennai - 600017.

#### Bankers

HDFC Bank Limited, Chennai - 600004.  
 YES Bank Limited, Chennai - 600034.  
 Citibank N A, Chennai - 600002.

#### Registered Office

'Maithri' 132, Cathedral Road, Chennai - 600086  
 Phone: +91 44 2811 2472 Fax : +91 44 2811 2449  
 Email: investorservices@rane.co.in

#### Registrar and Share Transfer Agents

Integrated Enterprises (India) Limited  
 II Floor, 'Kences Towers', No. 1 Ramakrishna Street,  
 North Usman Road, T. Nagar, Chennai - 600017.  
 Ph: +91 44 28140801-03  
 E-mail: corperserv@integratedindia.in



## EXPANDING OUR BUSINESS IMPACT

At Rane, Corporate Social Responsibility (CSR) forms a critical part of our identity. It defines who we are and what as an organization we stand for. For us distribution of wealth is as important as its legal and ethical creation, therefore, through various CSR initiatives that we have spearheaded, we are happily giving away a part of our profits to create a better, healthy and skilled world around us. Our CSR focus is steered towards two key aspects of our social structure - education and environment. Through various initiatives, we strive to improve the quality of life and in the process empower individuals to lead a better and healthy life.

### EDUCATION

The country is constantly in need of skilled manpower. To address the gaps that have been caused due to lack of good-quality vocational institutes, the Public Charitable Trust, founded by the promoters of Rane in 1967, established Rane Polytechnic Technical Campus (RPTC) in 2011. A self-financed institute, RPTC's primary aim is to empower students with technical knowledge

and industry specific skills. Spread over a 7 acre campus in the Tiruchirapalli District, the campus boasts of an eco-friendly building and a number of facilities among others. Approved by the AICTE and affiliated to the Directorate of Technical Education (DOTE), the Institute has also been given approval for the implementation of Canada India Institutional Cooperation Project (CIICP) by the State Project Coordination Unit (SPCU) established under DOTE.



Rane Polytechnic Technical Campus

Apart from giving students relevant exposure in their field of choice, the Institute provides Diploma in Civil Engineering, Mechatronics and Mechanical Engineering. A finishing school program that helps students enhance their language skills, soft skills and their knowledge of systems & safety and value systems has been made mandatory to the Diploma course.

RPTC aims at all-round personality development of its students through various workshops, participation in education fairs and seminars, on-the-job training and other development programs. While the emphasis remains on the academic activities, students are given ample opportunities to exercise their creativity and ingenuity through extra-curricular activities.

## ENVIRONMENT

As a responsible corporate citizen of the country, Rane believes that long-term growth of the Indian economy and Industry can be sustained only through environment friendly initiatives. We are constantly endeavoring to advocate the cause of clean and green environment in our overall business processes. As part of our initiatives, we have consciously worked towards reducing our carbon footprints, increased our installed capacity of wind power and gained more and more green building certifications. In addition to all this, 20 of our plants are accredited to ISO 14001 certification and have been recognized for setting standards higher than mandated by law to continuously reduce industrial waste and pollutants. Two of our subsidiaries, Rane Engine Valve Limited and Rane (Madras) Limited have been awarded with the Green Vendor Development Award (GVDP) 2011-12 from Hero Motocorp Ltd. and Green Nurturing Program Award 2012 from Karnataka State Pollution Control Board, respectively.

## EMPLOYEE DEVELOPMENT THE GREEN WAY

The Rane Institute of Employee Development (RIED) building bears testimony to our commitment to environment. Having received the Green Building certification from the US Green Building Council, the building scores high on energy efficiency and optimum utilization of natural resources including water.



Rane Institute of Employee Development



## MANAGEMENT DISCUSSION AND ANALYSIS

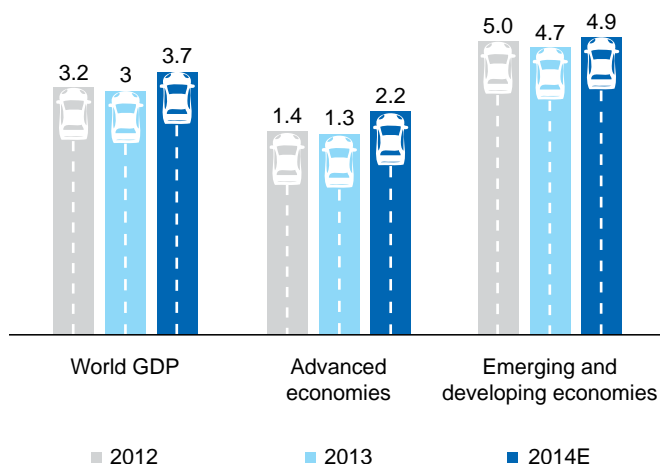
The Indian automobile industry has undergone a massive change after liberalization and has emerged as one of the largest and fastest growing sectors in the world. Despite growing at a faster rate, the growth of the automobile industry has slowed down over the last three years due to the slowdown in overall economic growth.

### Economic overview

The global economy witnessed another year of slowdown in FY13. Despite strengthened global activity and world trade in the second half of the year, the world output growth dropped marginally to 3% in 2013 from 3.2% recorded in the previous year. Growth in advanced economies (AE) and emerging markets & developing economies (EME) dropped respectively by 10 basis points to 1.3% and 20 basis points to 4.7% in 2013. The sustained strengthening in US and definite sign of turnaround in core euro region bodes well for the global economy which is forecast to grow by 3.6% in 2014.

and regulators focused on containing inflation. Weak consumer and investment sentiments, tightened liquidity, higher cost of borrowing and inordinate delays in clearances of infrastructure and industrial projects stalled the growth momentum of the economy. Consequently, Indian economy posted its second successive sub-5% growth in FY14. Revised estimates of Central Statistical Office has predicted the GDP growth to be at 4.7% in FY14, marginally better than 4.5% growth achieved in the previous year.

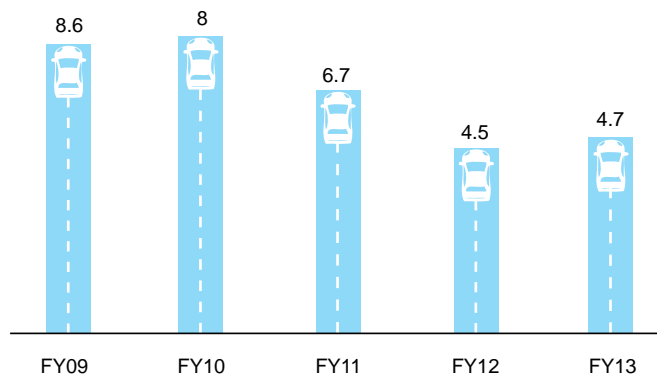
### World Economic Growth (%)



Source: International Monetary Fund (IMF)

Indian economy witnessed one of its toughest years in the fiscal year 2013-14 (FY 14). The slowdown from the previous year (FY 13) continued with all the efforts of the government

### Indian Economic Growth (%)



Source: Central Statistics Office (CSO)

In view of falling growth numbers, government swung into action in the second half of FY14, fast tracking clearances of stalled projects and pushing ahead with policy reforms. With return of a stable government post the general election 2014, the economy is expected to return to a higher growth trajectory, the transition though is going to be slow and steady.

## Automobile Industry

### Overview

The Indian automobile industry has undergone a massive change after liberalization and has emerged as one of the largest and fastest growing sectors in the world. Despite growing at a faster rate, the growth of the automobile industry has slowed down over the last three years due to the slowdown in overall economic growth. The business environment for the automobile sector has been very tough because of the high interest rates, rising fuel prices, currency depreciation, inflation and overall subdued macro-economic scenario of the country coupled with court strictures in mining. Slowing business hiring sentiments and economic growth coupled with high energy and food cost have led to the curtailment of consumption possibilities of end users which has hit the auto industry hard.

### Production and Sales

During FY14, the total sales of automobiles has grown up by merely 3.53% to 1,84,21,538 units as compared to 1,77,93,701 units in FY13. The sales of passenger cars fell for the second consecutive fiscal in FY14 with a drop of 4.65% at 17,86,899 units compared to 18,74,055 units in the previous year owing to the prolonged demand slump. The Commercial Vehicle segment was the worst hit as it posted a decline of 20.23% at 6,32,738 units as against 7,93,211 units in the previous year due to stalling of infrastructure development projects, ban in mining activities and overall slowdown in economy. The Two-wheeler segment and Farm tractors segment posted a positive growth of 7% and 27% respectively compared to previous year.

Vehicles	Volume Growth in % over previous year	
	FY14	FY13
Passenger Cars	-5	-4
Utility Vehicles	-1	52
Small Commercial Vehicles	-25	-17
Light Commercial Vehicles	-4	25
Medium & Heavy Commercial Vehicles	-21	-28
Three Wheelers	-1	-4
Two Wheelers	7	2
Farm Tractors	27	-1

Source: Society of Indian Automobile Manufacturers (SIAM)

### Exports

Over the last five years, automobile exports have grown rapidly at a CAGR of 15.2% from 15,31,000 units in FY09 to

31,10,000 units in FY14. The exports witnessed a downturn in mid-2012 due to recession and challenging business environment in the USA and the European Union, which form a major export market for India. However, during FY14, the overall exports of automobiles from India grew by 7.21% at 31,07,893 units compared to 28,98,907 units in FY13. The growth in exports is seen across vehicle segments except in Light Commercial Vehicles.

## Auto Components Industry

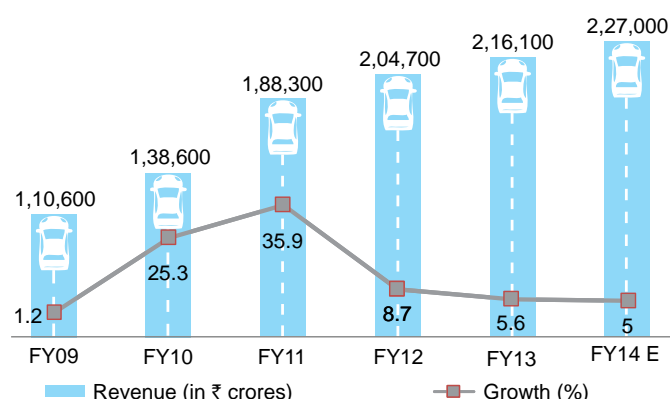
### Overview

The Indian auto component industry has emerged from a low-key supplier providing components to the domestic market to one of the key auto component centers in Asia and is seen today as a significant player in the global automotive supply chain. The Indian auto component sector has become the most preferred supplier of a range of high value and critical automobile components to global auto makers.

### Production and Sales

Over the last couple of years, the industry has seen tremendous growth as the revenues of the industry has grown from ₹ 1,10,600 crore in FY09 to ₹ 2,27,000 crore (estimate) in FY14, growing at a CAGR of 15.5%, despite a brief global economic slowdown. However, the growth of the sector is estimated to soften in FY14 as the industry sales volumes are down across vehicle segments except the growth in two wheelers. The decline in growth rate is because of the slowdown of automobile industry which is affected by high interest rates, inflation, fuel rates and commodity prices.

### Indian Auto Component Industry - Revenue & Growth



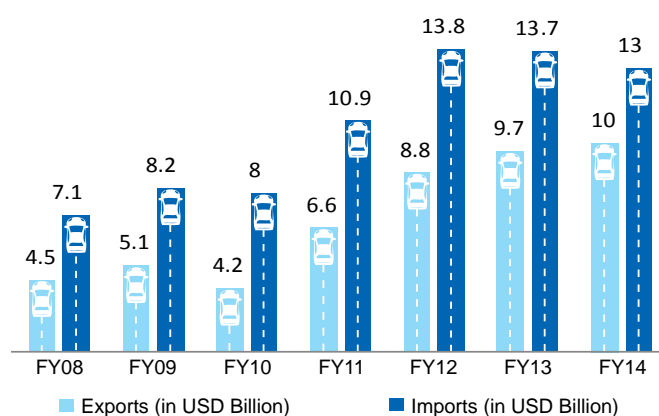
Source: Auto Component Manufacturers Association (ACMA), estimates are based on ACMA inputs



## Exports and Imports

India has a distinct global advantage of being a low cost and high quality auto component producer. With the growing credibility of Indian auto component manufacturers, developed countries such as the USA and those in Europe consider India as a major outsourcing hub for auto components and many global companies have set up their sourcing centers in India. The exports of auto components has grown at a CAGR of 17.4% between FY09 and FY13. During FY14, exports are estimated to be 25% of the total auto component production and is expected to continue to account for around 26% of the total production by 2021. The imports of auto components are estimated to reduce by 5% during FY14 at \$13 billion as compared to near zero growth in FY13.

### Indian Auto Component Industry - Exports & Imports



Source: ACMA. Estimates are based on exports & imports data from April 2013 to December 2013

### Growth drivers of Auto Component Industry

#### • Favourable Government Policies

During FY14, the government reduced the excise duty on small cars, motor cycles, scooters and commercial vehicles from 12% to 8%; SUVs from 30% to 24% and large end cars from 27% to 24%, in order to provide relief and revive the automobile industry which has been registering unprecedented negative growth since last two years.

#### • Loan Subsidies

The Department of Heavy Industries and Public Enterprises has created a USD 200 million fund to modernize the auto components industry by providing an interest subsidy on loans and investment in new plants and equipment. In addition, it has also provided export

benefits to intermediate suppliers of auto components against the Duty Free Replenishment Certificate (DFRC).

#### • Focus on Quality

The Indian auto component manufacturers are embracing best shop floor practices such as 5S, 7W, Kaizen, TQM, TPM, 6 Sigma and Lean Manufacturing among others in order to align themselves with the global best manufacturing practices. In addition, most of the players in the organized sector are certified with ISO 9000, ISO 14001 and TS 16949, which provides credibility to global companies. As a result, this is encouraging global automobile manufacturers to make India a sourcing hub for their global operations.

### Quality Awards

	Deming Award	Deming Grand Prize
No. of companies in India	24	7
No of Rane Group companies	4	3

### Outlook

The government has taken initial steps of reducing the excise duty on various automobiles in order to revive the industry and there is enough room for further reduction in taxes. With the formation of a new government after general elections, the government is expected to adopt a growth oriented policy that will spur manufacturing activities and overall economy, which in turn will lift consumer sentiments over the medium to long-term.

### GROUP OVERVIEW

Rane Group is a leading Indian automotive component manufacturer with truly world-class capabilities. It offers a wide range of products for passenger as well as commercial

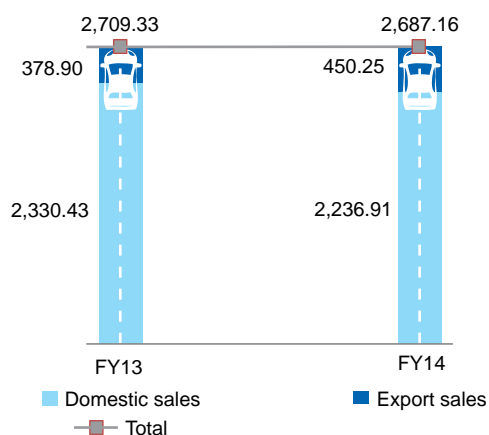


vehicles. The Group also has business presence in aerospace and defence segment.

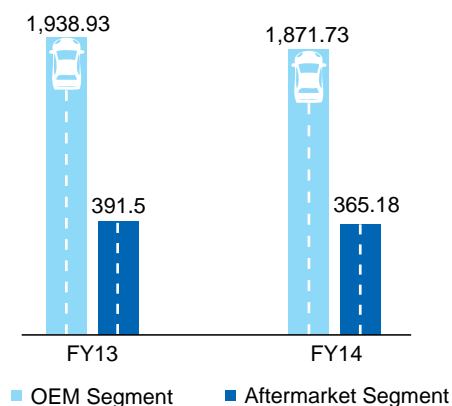
FY14 was one of the toughest years in recent times for the Group as well as the industry. The prolonged macroeconomic concerns such as high inflation, higher cost of borrowing, tightened liquidity, low employment generation and steep currency depreciation among others spelt a cascading effect on the auto component industry which affected our growth.

During FY14, the Group's aggregate net sales decreased marginally by 1% to ₹2,687.16 crore. Domestic revenue witnessed a decrease of 4% while export sales grew by 19%. OEM and aftermarket revenue decreased by 3% and 7% respectively. These events along with certain extra-ordinary expenses towards VRS had an impact on the profitability of the group as the group reported a 38% decrease of net profit during the year as compared to the previous year.

### Rane Group Net Sales (₹ crore)



### OEM and Aftermarket Sales (₹ crore)



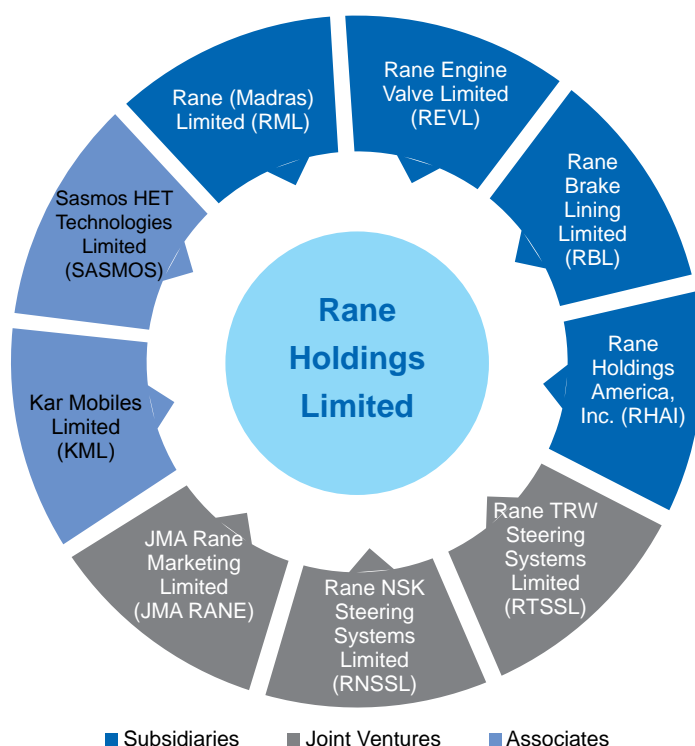
Despite the tough business environment, the group companies have responded effectively to the challenges by deploying value engineering to manage costs, optimizing power cost by using judicious mix of wind power & power purchases from exchange, hedging foreign exchange exposure and optimizing cost of production by shifting production to lower cost plants within the companies.

## 1. RANE HOLDINGS LIMITED

### Overview

Rane Holdings Limited (RHL) is the holding company of the group with strategic investments in four subsidiary companies, three joint venture companies and two associate companies. As a strategic investor with management control in the group companies, RHL earns its revenues in the form of dividend, license fees against use of Rane trademark and service fees for offering management services to the group companies.

## RANE GROUP



## Operational Highlights

- The overall decrease in Group companies' aggregate sales led to a marginal decline in Trademark fee
- The challenging market conditions along with squeeze in margins of Group companies resulted in substantial decrease in the dividend income
- Focussed attention towards cost management helped the Company maintain its operating expenditure to previous year's levels

## Financial Highlights

- Total revenue decreased by 7% to ₹53.50 crore in FY14 as against ₹57.73 crore in the previous year. This decrease was primarily on account of decrease in dividend income from the Group companies
- Net profit was lower by 16% at ₹ 21.73 crore mainly due to drop in dividend income and marginal drop in Trademark fee revenue from Group companies. This impacted the earnings per share (EPS) which declined from ₹18.17 per share to ₹15.22 per share during the year

Financial Performance		(₹ crore)
Particulars	2013-14	2012-13
Revenue	53.50	57.73
EBITDA	29.16	34.49
PBT	27.95	32.53
PAT	21.73	25.95
EPS (₹)	15.22	18.17

## Outlook

The business environment continues to be challenging. We expect the new government to come up with progressive policies towards revival of overall growth and industrial output in particular. Automobile demand, our principle growth driver is expected to pick up in the second half of the year which shall bode well for our Group companies. Their continued focus on export and aftermarket segments shall add to their resilience and growth prospects. On the back of these facts and assumptions, the outlook of Rane Holdings Limited appears positive.

## Subsidiary Companies

### 2. RANE (MADRAS) LIMITED (RML)

#### Business Overview

Set up in 1960, RML is a leading manufacturer and supplier of Steering & Suspension Linkage Products and Steering Gear Products (SGP). It caters to every sub-segment of



commercial vehicles segment including Multi Utility Vehicles, Light & Heavy Commercial Vehicles and Farm Tractors. RML commands a majority market share in the manual gear systems and suspension systems in India. RML exports its products to 13 countries across the globe.

During FY14, Rane Diecast Limited (RDL), a subsidiary of RHL, engaged in designing, developing and manufacturing of high pressure aluminium die-castings and sub-assemblies for auto components was merged with RML with effect from April 1, 2013. Catering mainly to the export market, RDL's competency lies in manufacturing of specialized, low porosity castings. The merger has added to the existing product line of RML and enhanced its potential to grow at a healthy pace, open up new customers to both the businesses and the financial strength.

## Competitive Strengths

Comprehensive design capabilities to design products from scratch

Self-sufficient validation capabilities for all products

Ability to quickly ramp-up and cater to fluctuating demand

Ability to comply with stringent porosity/leak standards in machined PDC (Precision Die Casting) parts

Techno-commercial skills to handle high volume of exports with knowledgeable, young and talented workforce



## Production Facilities

RML has five state-of-the-art production facilities located at Velachery & Varanavasi in Tamil Nadu, Thirubhuvanai in Puducherry, Mysore in Karnataka and Pant Nagar in Uttarakhand. The four plants located in southern India cater to specific industry segments while the one located in northern India caters to customers requiring specialized high-end components. Post the merger of RDL, RML has added RDL's Hyderabad plant to its folds.

## Quality Certifications

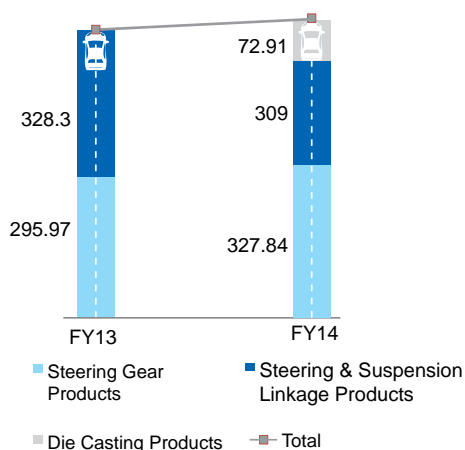
<b>ISO/TS 16949:2002</b>	Quality Management; all five manufacturing locations certified
<b>ISO 14001</b>	Environmental management; all the five plants certified
<b>OHSAS 18001</b>	Occupational Health and Safety management
<b>Deming Prize</b>	Total Quality Management (TQM)
<b>Deming Grand Prize</b>	Excellence in TQM

## Operational Highlights

- Launched 11 new products in the domestic market. These include 6 steering gear products for Tractor segment and 5 Linkage products for Light Commercial Vehicles
- Launched 6 new products in the export market. These include 4 Steering Gear products and 2 linkages for off-highway road vehicles & PC segment
- Indigenized the manufacturing of Hydraulic Products at Mysore plant by adding in-house capacity for manufacturing critical parts and outsourcing the manufacture of non-critical parts
- Undertook low-cost automation drive and productivity improvement projects such as LPS implementation, setup time reduction, auto unloading, machine upgradation etc. These steps enhanced capacity utilization by 10% without incurring any additional investment

- Optimized utilization of power sources during scheduled power cuts to significantly reduce dependence on DG power

## RML - Business Performance (₹ crore)



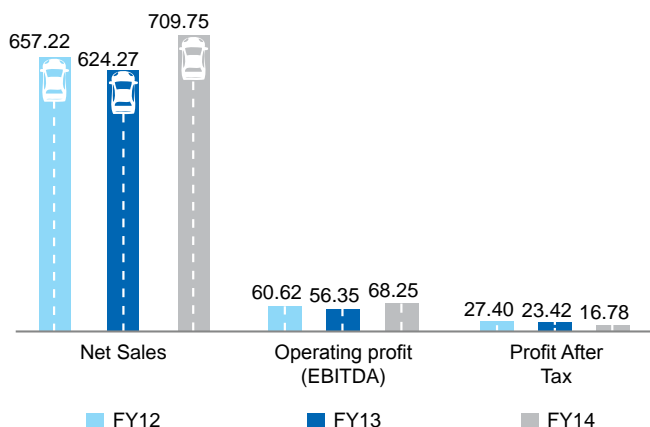
## Awards and Accreditations

- Best supplier award from Mahindra & Mahindra for best practices in 'Sustainability initiatives'
- Best Association Award from Escorts for consistent supplier performance and relationship
- Best supplier from Mahindra Swaraj for the category 'Special Support'
- Bagged Apollo CV Award in the category "Best Auto Component maker of the year" in Commercial Vehicles segment from CV auto magazine
- Received Managerial Excellence Award from Madras Management Association (MMA) under "Manufacturing" category for Excellence in Managerial practices
- Received First Prize in 12th ABK-AOTS Competition for BEST TPM Practices from Consul General of Japan

## Financial Highlights

- Net sales increased by 14% to ₹ 709.75 crore on account of merger of Diecasting business and better performance in Farm Tractor segment and aftermarket business
- Operating profit increased by 21% due to additional EBITDA from the die casting division and better sales mix in Steering and Linkages business
- Net profit decreased by 28% owing to the exceptional item of expenditure of ₹ 9.43 crore towards separation benefits paid to employees under the Voluntary Retirement Scheme

### RML - Financial Performance (₹ crore)



### Outlook

In the Steering and Linkages business, hydrostatic steering gears, Rack & Pinion type steering gears, Suspension Ball Joint and hydraulic cylinder markets are the major growth areas where the market is expected to grow manifold in the near future. RML is enhancing its capacity to cater to the growing customer demands, expanding its product profile with existing customer, expanding business with similar customer, reducing development lead-time by using rapid prototype techniques, expanding product reach in aftermarket segment and diversifying its product portfolio by developing more products in the hydraulic segment, in order to strengthen its position significantly. Further, RML will undertake aggressive market development activities to identify new customers in domestic as well as export markets for its existing range of products.

Going ahead, Die-casting business will focus on engine components for domestic market apart from increasing the current steering housings for export market. This division did secure long-term supply orders on the back of growing US Passenger Car market and the same will drive its revenue growth over coming years. This die-casting division will focus on increasing its sales volumes in domestic market with existing customers and develop business with new customers.

## 3. RANE ENGINE VALVE LIMITED (REVL)

### Business Overview

REVL was founded in 1959 to manufacture valves and valve train components for various engine applications in the auto

industry. Equipped with modern manufacturing practices and cutting edge technology, REVL is a market leader in its segment with best of breed clientele across Europe, north America and the far Eastern markets. These include renowned names like Volkswagen, Deutz and Yamaha.

### Competitive Strengths

Dedicated training centre for imparting Soft & On Job Training skills

Dedicated machine tool division for cost-effective & high quality machines

### Production Facilities

Employing about 1400 people on its rolls, REVL caters to every section of the auto industry through its 5 manufacturing plants located at Alandur, Ponneri & Viralimalai in Tamil Nadu and Medchal & Aziz Nagar in the composite Andhra Pradesh.

### Quality Certifications

ISO 14001:2004	Environmental management, Trichy plant
Deming prize	Total Quality Management (TQM)

### Operational Highlights

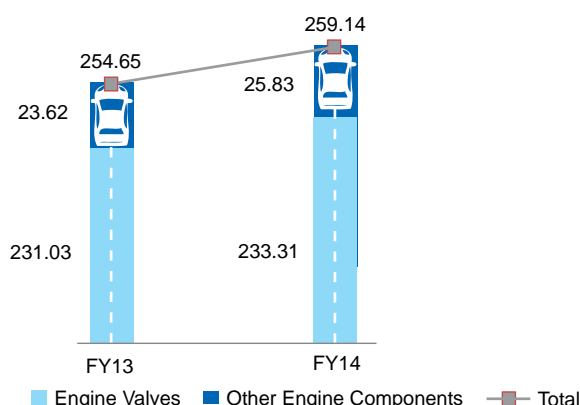
- Developed new products for the aftermarket segment. These include piston kits for 2-wheelers & 3-wheelers, valve stem seals and valve seat inserts



Rane Engine Valve Limited - Trichy Plant

- Consolidated the number of plants from 5 to 4. Created flexibility in manufacturing valves in all plants which enhanced capacity utilization by 17%
- Localized production of key components and identified alternate raw material sources which helped in minimizing cost
- Installed a 900 KW windmill in addition to the existing 1530 KW for catering to plants in Tamil Nadu which has resulted in improvement of wind energy consumption from 13% in previous year to 60% during the current year
- Conducted recertification for ISO TS 16949:2009 for all the plants which reinforces robustness of quality system and 3 plants were recertified for ISO 14001:2004 which demonstrates continued focus on environment

### REVL - Business Performance (₹ crore)



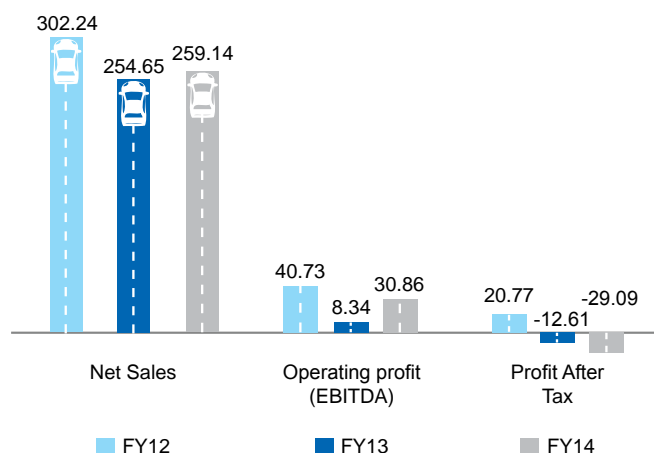
### Awards and Accreditations

- Received "Best Kaizen Award" from Ashok Leyland and two Kaizen Awards from ACMA South

### Financial Highlights

- Net sales increased by 2% to ₹259.14 crores on account of higher realization
- Sluggish demand and non availability of critical parts led to a revenue decline of ₹7.75 crore in the domestic market
- Export sales increased by 18% owing to higher realization
- Net profit before exceptional items & tax significantly increased by 189% owing to better operational performance

### REVL - Financial Performance (₹ crore)



### Outlook

Going forward, REVL will focus on expanding its export business and introduce niche products for the domestic market & after market segment. REVL is developing new products in valves considering future emission norms, higher operating combustion pressure and temperature for the domestic market. In addition, it is also developing a new range of Tappet products based on the specific requirements of customers. On the operational side, it will continue consolidating operations in the coming years in order to achieve operational as well as cost efficiency.

## 4. RANE BRAKE LINING LIMITED (RBL)

### Business Overview

Set up in 1964, RBL manufactures and supplies brake linings, disc pads, clutch facing, clutch buttons, brake shoes and railway brake blocks for a range of applications in passenger cars, utility vehicles, commercial vehicles, two wheelers and railways. RBL has entered into a technical collaboration with Nisshinbo Brakes Inc, Japan for know-how in asbestos free brake linings and disc pads. Over the years, RBL has emerged as one of the leading supplier of composite brake blocks to Indian railways; most preferred brand in independent replacement markets and an important supplier to State Transport Undertakings. RBL's products find application in every segment of the automobile industry and it exports its products to over 15 countries around the world.

## Competitive Strengths

Comprehensive test laboratory for performance characteristics validation
Interpretation of results to international standards
Ability to stimulate field conditions on dynamometer for product development

## Production Facilities

RBL manufactures its complete spectrum of products from the 4 plants located at Chennai and Trichy in Tamil Nadu, Puducherry and Hyderabad in the composite Andhra Pradesh. All the plants are equipped with superior machines to ensure that the manufactured products meet the stringent quality requirements and are consistent. The manufacturing facilities focus on quality products by implementing Total Employee Involvement (TEI), Poka Yoke and SPC practices.

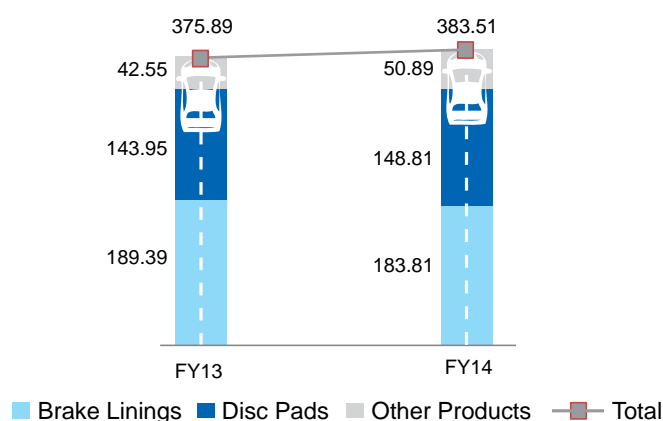
## Quality Certifications

ISO 9000:2008	Quality Management
TS16949:2009	Quality Management
OHSAS 18001:2007	Occupational Health and Safety management
ISO 14001:2004	Environmental management
Deming Prize	Total Quality Management (TQM)
Deming Grand Prize	Excellence in TQM

## Operational Highlights

- Established presence in unreached markets by providing various products in the passenger car, multi utility vehicle and small commercial vehicles
- Increased production capacity of two-wheeler disc pads in order to cater to the rising demand from the domestic market
- Strengthened the distribution network of two-wheeler disc pad segment by adding 27 direct dealers, taking the total dealer network strength to 35. Improved the sales of Clutch Buttons by 20% due to higher production and competitive pricing in the industry
- Achieved Global Benchmark levels for IPR at Trichy and Hyderabad manufacturing plants

## RBL - Business performance (₹ crore)



## Awards and Accreditations

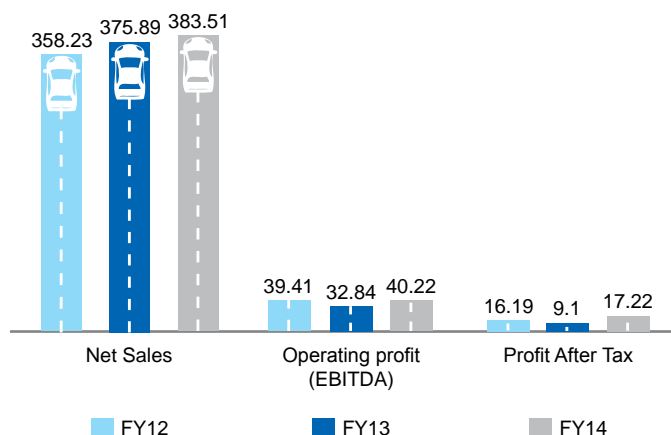
- Won the coveted "Deming Grand Prize", the highest honour for practicing TQM and became the first company in the world in friction material industry to win this prestigious award.
- Received "Manufacturing Excellence" award from ACMA
- Received the "Best Performance in Proprietary Category" award from Brakes India Limited and "Best Sales Support" award from Ashok Leyland
- Secured second rank in "India's Best Companies to Work" in the Great Place to Work Survey

## Financial Highlights

- Net sales increased marginally by 2% to ₹ 383.51 crore.
- Net profit increased by 89% owing to strategic savings in raw materials, aggressive fixed cost reduction initiatives and horizontal deployment of energy saving initiatives across Plants



## RBL - Financial Performance (₹ crore)



### Outlook

The outlook for asbestos-free braking products looks promising and is expected to grow across all vehicle categories. In order to capitalize on the emerging opportunities, RBL's focus is to increase production capacity of Disc Pads for Two-wheeler, Passenger Car and Heavy Commercial Vehicles segments over the next three years. The Company will focus on increasing production of Brake Shoes, Clutch Buttons, Clutch Plate Assembly and Rail Products for the aftermarket segment. Further, the Company has plans for exporting its products to new markets such as South Africa, Saudi Arabia and Australia.

## 5. RANE HOLDINGS AMERICA, INC. (RHAI)

### Business Overview

RHAI was incorporated in FY12 as a wholly owned subsidiary of RHL in the state of Delaware, USA. RHAI's main objective is to focus on customer relations and business development in North American and Latin American countries on behalf of the Group Companies.

During the year under review, exports of auto components to the North and Latin American regions was ₹ 164 crore, an increase of 3% compared to ₹ 159 crore in the previous year. RHAI's efficient customer relationship management in these geographies supported this increase. The actual revenue in USD terms, however, went down from \$30.3 million to \$27.3 million (decrease of about 10%) due to lower demand in Locomotives and Off-road vehicle segments for REVL and RML product sales, respectively.

### Outlook

RHAI is expected to play a vital role in expanding opportunities for the Rane Group in the North and Latin American regions. Its focus area will be to develop new business and explore opportunities for potential Joint Ventures in these geographies.

### Joint Venture Companies

## 6. RANE TRW STEERING SYSTEMS LIMITED (RTSSL)

### Business Overview

RTSSL was incorporated in 1987 in joint venture with TRW Automotive J.V., LLC, USA (TRW). It manufactures fully integrated Hydraulic Power Steering Gears, Power Rack & Pinion Steering Gears, Hydraulic Pumps and Power Steering Fluid through Steering Gear Division (SGD). RTSSL also manufactures and markets Safety Seat Belts and airbags through Occupant Safety Division (OSD). Over the years, RTSSL has established a dominant market share in the Commercial Vehicle steering and Passenger Car steering industry. As a result, it has emerged as the most preferred Original Equipment Manufacturer (OEM) partner to Indian OEM majors in Passenger Car, Multi Utility Vehicle, Light Commercial Vehicle and Medium and Heavy Commercial Vehicle categories.

### Competitive Strengths

Design and Development capability for complete system of Hydraulic Power assisted steering

Well established testing facility to validate products as per global standards including noise test specifications

Equipped with test lab to carry out testing as per National (IS/AIS), International (ECE/EEC/GS/VSCC) and Customer specifications and Conformity of Production (COP) testing

High engineering capability and lean manufacturing

TQM Practices resulting in continuous improvement

### Production Facilities

RTSSL has one manufacturing unit located in Trichy for manufacturing fully integrated gear; three units in Chennai of which two units at Guduvanchery are engaged in



manufacturing Pump and Power Rack & Pinion and one at Singaperumal Koil engaged in production of safety seat belts and airbags; one unit in Uttarakhand which manufactures Steering Gears, Pumps and Seat belts.

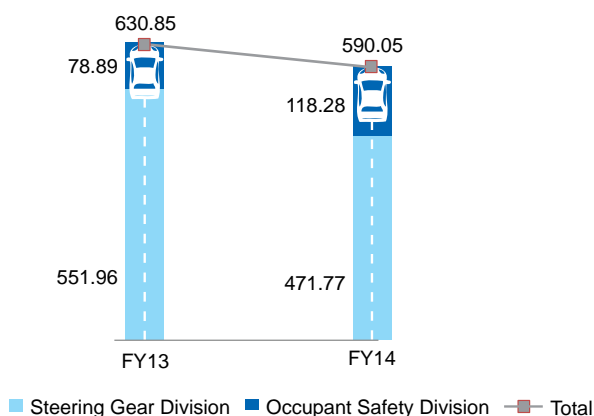
### Quality Certifications

<b>TS 16949 and ISO 14000</b>	Quality Management
<b>ISO 14001</b>	Environmental management
<b>OHSAS 18001</b>	Occupational Health and Safety management
<b>Deming Prize</b>	Total Quality Management (TQM)
<b>Deming Grand Prize</b>	Excellence in TQM
<b>FORD Q1</b>	Ensuring Quality performance

### Operational Highlights

- Commissioned a new plant in Chennai with a capacity of 2.68 lakh units per annum for manufacturing Air Bags
- Optimized operational cost by switching from air freight to sea freight, localizing raw material procurement, rationalizing production shifts, using alternate raw materials and utilizing buyers' credit in place of debt, among other initiatives
- Undertook quality control by organizing weekly supplier meet to review the quality of raw materials supplied by suppliers

### RTSSL - Business Performance (₹ crore)



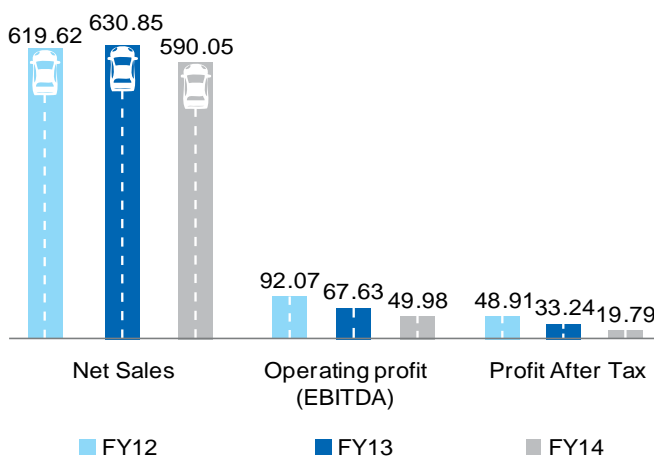
### Awards and Accreditations

- Received the "Best Practices Recognition" award from General Motors

### Financial Highlights

- Registered a decrease of 6% in net sales from ₹ 630.85 crore to ₹ 590.05 crore
- Achieved an export sale of ₹ 89.35 crores (including deemed exports) constituting 15% of net sales compared to 12% in the previous year
- Registered a 40% decline in net profit from ₹ 33.24 crore to ₹ 19.79 crore owing to increase in commodity prices, weakening of rupee and underutilization of capacity

### Financial performance (₹ crore)



### Outlook

At RTSSL, our focus for the coming year is to proactively work on new product development by anticipating future

markets and customer preferences. The new emerging opportunities will be in the areas of energy saving, noise reduction, weight reduction, fuel efficiency improvement, steering performance and vehicle ride & handling improvement. In order to capitalize on the opportunities we are creating separate focused teams to develop new technology in these areas. We are already working on new segments like SCV/LCV to enhance power steering penetration and exploring new products in adjacent spaces.

Moving forward, RTSSL will focus on penetrating new export markets, developing innovative products, reducing operational cost and energy cost. In order to optimize energy cost, the Company is exploring possibility of using renewable energy such as solar power to reduce diesel generator usage.

## 7. RANE NSK STEERING SYSTEMS LIMITED (RNSSL)

### Business Overview

RNSSL was incorporated in 1997 as a joint venture with NSK Ltd., Japan, and is engaged in the manufacturing and marketing of electric power steering (EPS) and manual steering column (MSC) for Passenger Cars and Commercial Vehicles. The Company manufactures all types of steering columns for both “On Road” & “Off Road” applications and is the preferred Original Equipment partner to major Passenger Car, Commercial Vehicle and Multi Utility Vehicle manufacturers.

### Competitive Strengths

First mover advantage in commercial vehicles for upgraded vehicle platforms

Diversified product technology covering application scope for four-wheel automotive segment

Full Fledged R&D Test Lab updated in association with NSK (Japan) to carry out the validation of steering columns

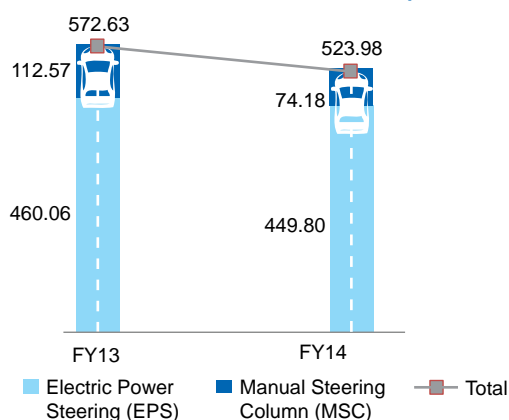
### Production Facilities

RNSSL has 3 state-of-the-art manufacturing facilities located at Chennai (Tamil Nadu), Bawal (Haryana) and Pant Nagar (Uttarakhand).

### Operational Highlights

- Developed 10 new products for Passenger Vehicles, Light Commercial Vehicles and Medium & Heavy Commercial Vehicles
- Undertook following major initiatives to improve productivity & profitability
  - CV Productivity Improvement – by 100%
  - Buy to Make strategy to improve capacity utilization – capacity increase in CNC turning & welding by 35%
- Localised the procurement of high cost raw materials which helped in reducing raw material cost by 2% during the year

### RNSSL - Business Performance (₹ in crores)



### Awards and Accreditations

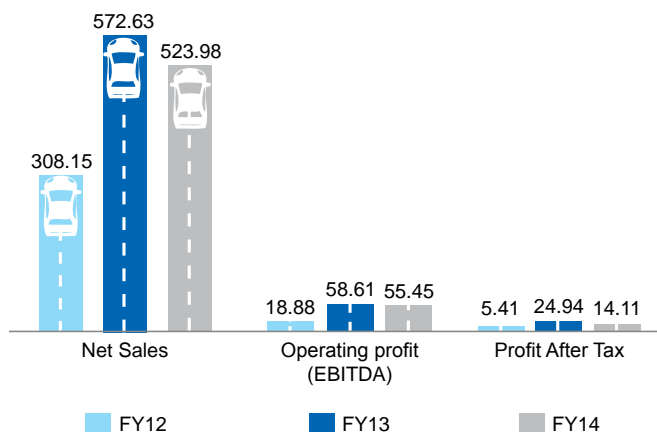
- Received the “Outstanding Contribution to New Product Development” award from Volvo Eicher Commercial Vehicles
- Received the “Certificate of appreciation for achieving Quality & Delivery Targets” in 2013 – from Toyota Kirloskar Motor
- Received the “Best Poke Yoke” award from Rane (Madras) Limited

### Financial Highlights

- Net Sales dropped by 8% to ₹ 523.98 crore owing to significant drop in customer off-take in Passenger vehicles & commercial vehicle segment

- Net profit dropped to ₹ 14.11 crore from ₹ 24.94 crore in the previous year on account of lower market requirement and provisions against one of quality issue with a major customer

### RNSSL - Financial Performance (₹ crore)



### Outlook

Going forward, RNSSL will focus on improving design and application engineering capability to support emerging customer requirements and technology leading product options.

The Company is already in progress of developing technically superior products enhancing end customer safety / comfort to extend application into Light Commercial Vehicles & Farm Tractors.

Keeping in view the customer plans for new product launches, RNSSL will make investments to expand capacity and enhance value-add in the EPS operations. The Company is poised to strengthen its position in EPS business with new EPS product launches in the next two to three years.

In view of the enhanced competitive intensity in the years to come, RNSSL will focus on increased localization of product/process and value engineering activities as a main focused activity.

RNSSL will continue to invest in people development through joint efforts with NSK, Japan to improve customer response in QCD & New Product Development.

## 8. JMA RANE MARKETING LIMITED (JMA RANE)

### Business Overview

JMA Rane is a joint venture company between Rane Holdings Limited and Jullandur Motor Agency Company Limited which is engaged in trading of automobile components. The Company registered a sales of ₹ 55.14 crore during FY14, an increase of 8%, compared to ₹ 51.08 crore in the previous year.

### Associate companies

## 9. KAR MOBILES LIMITED (KML)

### Business Overview

KML was established in 1974 and is engaged in the manufacture of valves for internal combustion engines and large engine valves which find application in Mirrless Blackstone, Pielstick, Ruston and Wartsila Diesel Engines. It has developed global excellence in product and process technologies which makes it the preferred supplier to OEMs domestically as well as globally. KML is the first Indian company to become a vendor partner to Electro Motive Diesel, erstwhile General Motors.

### Competitive Strengths

Wide range of valves ranging from Passenger Cars to Locomotive

Largest supplier of Locomotive valves

Vast distributor network for domestic aftermarket

### Production Facilities

KML operates two plants located at Peenya and Tumkur in Karnataka. The manufacturing facilities are accredited with TS 16949 certification for best quality management practices and ISO 14001 certification for best environmental management practices

### Operational Highlights

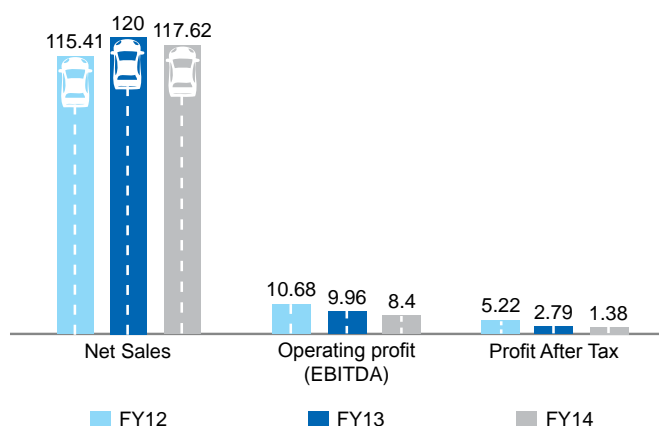
- Developed valves for CAT 3600 Engine used in Marine application and Valves for Auxpac Engine of Wartsila



## Financial Highlights

- Net sales declined marginally by 2% from ₹ 120.01 crore to ₹ 117.62 crore owing to adverse market conditions and higher inflationary situation
- Net profit decreased to ₹ 1.38 crore, a decrease of 51%, due to negative growth in exports
- Export sales decreased by 13% on account of slowdown in economic activities in USA and European Union whereas domestic sales increased by 8% owing to increased sales in OEM segment

## KML - Financial Performance (₹ crore)



## Outlook

Moving forward, KML will focus on developing new export markets in the USA, Germany, Brazil and the European region. The Company plans to create infrastructure for manufacturing large valves for locomotive engines and domestic Original Equipment Manufacturers (OEMs).

## 10. SASMOS HET TECHNOLOGIES LIMITED (SASMOS)

### Business Overview

SasMos HET Technologies Limited, located at Bangalore, is a leading wiring harness and system integrator for defence, marine and aerospace industry. It is engaged in design, prototyping and manufacture of customized electronic solutions including electrical interconnection of solutions and electronics systems design and integration for defence and aerospace applications. Rane acquired 26% stake in SasMos HET Technologies Limited in FY12 to diversify from the automobile segment and enter into new business.

## Production Facilities

SASMOS has one manufacturing plant located at Whitefield in Bangalore and employs 174 persons.

## Financial Highlights

- Net sales increased by 117% and Export sales by 187% owing to sustained marketing efforts and efficient management of deliveries by the Company.
- Domestic sales constituted 16% of total sales at ₹7.69 crore compared to 36% in the previous year

## Outlook

SasMos will explore opportunities for partnering with private and public enterprises in defence and aerospace domains, both domestically as well as globally. It is well positioned to grow through collaborations with leading public and private enterprises in defence and aerospace domains. SasMos is an eligible offset partner, which is entitled to supply to foreign vendors of Indian defence. It will focus on joining hands with new associates in its industry/domain for business development and faster access to market.

The Company is aggressively developing new products such as wiring harness for space applications and Echo Simulator used for testing Radars. It is in talks with large players to explore future business opportunities for growth.

With the regulatory changes in the Defence Procurement Procedure (DPP) 2011, there is going to be more stress on indigenization in the country. In order to capitalize on these emerging realities, the Company has formed teams and has set targets for identifying and developing indigenous alternates to imported parts.

## Human Resource

At Rane, human resource development is a continuous and ever evolving function. Our HR vision is to fuel the intrinsic human desire to learn, perform and grow among employees and align them with the growth objective of the Company. We have been investing in talent development processes and nurturing a strong employer brand. Our HR practices are an expression of our Employer Brand Promise (EBP) of creating enduring experiences by developing, nurturing and institutionalizing a culture of high performance and innovation. We believe that people grow professionally

and personally when they gain exposure to challenging assignments and continuous learning opportunities. Working our way towards profitable growth, we have embarked upon innovation journey, creating an innovation agenda. We are sowing the seeds of spirit of innovation among our employees with identified teams working on select projects with the objective of taking quantum leaps in the areas of product development, business processes reengineering and market penetration.

We have identified key focus areas to gear up for the next phase of growth keeping the Group's people philosophy at its core: focus on nurturing a culture of innovation, employee engagement to promote a stable employee relations climate, identification and development of leadership talent, leveraging the multi-generational workforce to tap opportunities and increased usage of technology and tools to promote collaboration.

During FY14, about 100 fresh hires were inducted and oriented through a structured integration process. The average age of our employees is about 34 years.

At Rane, we have an array of growth and development initiatives that ensure a smooth shift to the next generation of leaders. As part of this, development opportunities are provided to employees at all levels in a direction that best suits their talents, aptitude and ability. The following are some of the initiatives taken by Company in FY14:

- **Alignment of HR practices with business challenges:** During the year we refreshed Talent Management and Learning & Development practices



Empowering employees through initiatives

through an industry benchmark study with support from a top business school in India. The objective of this study was to put in place strategies to align Learning & Development practices to meet business challenges. These strategies are aimed at building leadership pipeline, facilitating individual excellence and meeting the future competency needs.

- **Leadership development program:** We introduced the High Potential Leadership Development (HPLD) initiative designed in a contextual framework focusing on core competencies. High performing individuals, across various levels, are identified and groomed to take on higher order challenges in the future. Such talent has a line of sight to the top management with specific and targeted growth measures such as full job change, larger and multi-dimensional roles and special projects along with competitive compensation. A renewed assessment and development center approach has been evolved with the objective to accelerate the careers of senior and middle management professionals.
- **Workflow automation applications:** We rolled out new and upgraded workflow automation applications for performance and leave management system. This helped in enhancing speed of transactions, improving transparency, providing user friendly experience and added to our green practices.
- **Intranet portal:** Rane's intranet portal was launched to promote organisation wide collaboration. "R Net" provides support in policy information, process streamlining, creating one's own world of knowledge and fun. It serves as a platform for employees to connect, collaborate, learn and progress.

## HR Accreditations

Our Group Company Rane Brake Lining Limited featured in the top-three auto component companies to work for in the India's largest workplace study by Great Place to Work Institute in FY13. The survey covered 98,998 employees across 535 participating companies, with 25 companies from the auto component space.

## Rane Institute for Employee Development (RIED)

RIED's vision is to "Build core competencies for individual and business excellence". The core purpose of the institute is to develop talent from within the organization for challenging roles. The learning provided in the institute helps an individual

to enable a smooth transition from one level to another. RIED continues to deliver more than 155 programs accounting for over 6,500 man-days of training every year to its employees. The following are some of the key highlights of RIED during FY14:

- This year's theme for RIED was to develop domain-specific competencies that contribute to business success. In line with this, we have initiated development programs for marketing excellence, coupled with learning series by subject matter experts from diverse backgrounds.
- 26 high potential employees in the middle management level underwent Rane Advanced Management Program (RAMP) and 22 high potential employees in the junior management level underwent Rane Emerging Managers Program (REMP).
- Introduced 14 new programs on the basis of business needs across categories like General Management, Manufacturing Systems, HR, Finance, Soft Skills and Environmental Management. Around 70% of the programs were delivered by external faculty, which was expanded with the introduction of 17 new faculty members.
- Improved Learning & Development practices by capturing participant expectations prior to the program and sharing it with the faculty to customize program deliverables; conducted pre and post-tests for select programs; shared the feedback with faculty for further improvement of the program; and involved experts from businesses to share their experiences with participants.
- RIED visited seven companies as a part of their journey towards excellence in Learning & Development and hosted best practices sharing sessions for teams from other organizations.

## Outlook

One of our major focus areas, going forward, will be white-collar productivity. In order to improve productivity we are teaming up with industry experts by conducting detailed studies on workforce analysis and developing a robust framework. With more and more young people joining the workforce, our focus will be on deft balancing and management of aspirations and expectations. We will constantly foster a culture of excellence by educating employees on leveraging generational diversity.



Green Development, REVL - Trichy Plant

The next important agenda will be focus on innovation to drive business growth and manage costs effectively. Our efforts will be directed at aligning aspirations, inspiring to take on orbit shifting challenges and partnering in healthy and profitable growth. We believe that our pursuit of expanding horizons through innovation led initiatives will propel us on the path of profitable growth.

## Corporate Social Responsibility (CSR)

Rane's Corporate Social Responsibility (CSR) vision is "to be socially and environmentally responsible corporate citizen". The CSR initiatives are aimed at creating sustainable livelihood capabilities and increasing the level of prosperity of the local community. The Company's social initiatives are mostly directed through Rane Foundation, a Public Charitable Trust founded by the Company in 1967. The foundation's initiatives are focused on specific areas – education, healthcare and community development.

## Education

### • Rane Polytechnic Technical Campus (RPTC)

RPTC is a self-financed institution managed by Rane Foundation, spread over a 7-acre campus at Fathima Nagar, Sethurapatti village in Tiruchirappalli. In the last four years, the Company has invested over ₹ 12 crore in establishing and operating the college. The college is affiliated to the Directorate of Technical Education, Tamil Nadu. It was approved by AICTE in FY12 for offering additional course on Mechatronics Engineering and

increased intake of Mechanical Engineering. The following are the key highlights during FY14:

- RPTC has a sanctioned strength of 240 full-time and 60 part-time students per year across three disciplines viz. Civil, Mechanical and Mechatronics Engineering.
- The first batch of 92 students from RPTC passed this year and the response from corporates in providing employment opportunities for these students has been encouraging.
- As part of the Canada India Institutional Cooperation Project (CIICP), RPTC has delivered a wide range of programs addressing the specific skill needs of the industry and community.
- **Skill Development Program**  
The foundation provided financial support and customized programs such as Student Psychology Management, Communication & Team Building Skills and Microsoft Office to improve the teaching-learning process at Ganapathy Iyer Girls High School.

### Community Development

- **Supporting NGO**  
The Company continued to support the NGO – “The Banyan” with process improvement initiatives as well as sharing expertise in competency enhancement to improve their administrative efficiency. The Company managers contributed over 120 hours of efforts in Effective Management Practices, Standard Operating Procedures,

and Kitchen Management, and in delivering refresher training programs.

- **Technical support in digitizing rare manuscripts**  
The Company continued providing financial and technical support to Kuppasamy Sastri Research Institute in digitizing their collection of rare manuscripts to preserve our rich literature and cultural heritage.
- **Participation in marathon for a cause**  
Around 160 employees of Rane Group participated in The WIPRO Chennai Marathon (TWCM) 2013. TWCM partnered with United Way Chennai to support their efforts in the areas of education, healthcare and livelihoods. Rane Group contributed towards this noble cause in addition to promoting well-being, self-confidence, competitive spirit, values of comradeship, determination and health & wellness amongst employees.

### Internal Control System

Internal Control Systems in the Company are looked at as the key to effective functioning of the Company. The internal audit function of the Company has been outsourced to a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve annual internal audit plan. The findings of the internal auditors in their quarterly audit 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 in the Audit Committee meetings. This process ensures the reliability of internal control systems and compliance with laws and regulations including resource utilization and system efficacy.

The Company has a risk management policy and its internal control systems are an integral part of this policy. The risks associated with each of the business processes and the sub-processes are reviewed periodically by the Audit committee. 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.

### Outlook

FY14 was one of the toughest years for the automobile industry. In the short-term, the outlook of the industry looks bleak because the key factors which influence buying decision of consumers are not positive. With the government lowering the excise duty on various vehicles, decrease in headline inflation, stabilizing rupee and improvement in overall macro-economic conditions, we expect that by the end of FY 15, the automobile industry will see some improvement. Further, we expect that the ensuing general elections will lead to a stable new government which will take positive actions to revive the automobile industry.

At Rane, our priority for the next fiscal will be to improve our technical collaboration with global auto leaders for developing new products for next generation vehicles and manufacture niche customized products meeting specific requirements of customers. In addition, we will improve our profitability through enhancing our operational efficiencies, optimizing our operational costs and undertaking rigorous efforts to retain market leadership in specific segments, among others. With the improvement of the economy, we anticipate that there will be a moderate demand for our products in the domestic as well as export markets. In order to capitalize on the emerging demands in the export market, we are aggressively expanding our geographical reach and global footprints. We are optimistic that once the market starts improving, the demand for our products will improve which in turn will lead to our growth.



Rane Brake Lining Limited - Trichy Plant

### Opportunities and Threats

India is well positioned to emerge as the global resource hub for OEM and auto components manufacturing because of its rich talent pool, top notch engineering skill sets, high quality human resources, abundant raw material resources and high quality manufacturing facilities at par with world class quality testing centers elsewhere in the globe.

At Rane, we have been banking on India's distinct low cost manufacturing capabilities and quality advantages. Over the years, we have enhanced our strengths by improving our market leadership, market share, brand equity, human resources skill sets, total quality management practices, scaling up operations in short lead time, and collaborating in technology front with global automotive leaders. We will continue focusing on further developing and improving our strengths.

The Indian auto component industry is exposed to certain threats such as unceasing cost reduction demand from OEMs, spiraling commodity prices affecting input cost structure, higher borrowing costs, weak economic growth leading to slowdown in the industry, and apprehension about weak economic expansion in developed countries among others.



## REPORT OF THE DIRECTORS

Your Directors take the pleasure in presenting the Seventy Eighth Annual Report together with the accounts for the year ended March 31, 2014. In terms of the clarification issued by the Ministry of Corporate Affairs (MCA) vide General Circular 08/ 2014 dated April 4, 2014 the financial statements and the directors report have been prepared in accordance with the disclosure requirements under the Companies Act, 1956 and the rules made thereunder.

### 1. Financial performance:

Your Company's investment profile is as given below:-

Sl. No.	Name of investee company	Products	Ownership of your Company
<b>Subsidiary companies</b>			
1	Rane (Madras) Ltd.	Manual steering and suspension systems and precision high pressure aluminium die cast	56.3 %
2	Rane Engine Valve Ltd.	Valves, valve guides, tappets	53.6 %
3	Rane Brake Lining Ltd.	Brake linings, disc pads, composite brake blocs	45.2 %
4	Rane Holdings America Inc.	Providing business development services in North American region for Rane Group Companies	100%
<b>Joint Venture companies</b>			
5	Rane TRW Steering Systems Ltd.	Power steering systems and occupant safety systems	50.0%
6	Rane NSK Steering Systems Ltd.	Solid and energy absorbing steering columns, intermediary shafts, electric power assisted steering systems	49.0%
7	JMA Rane Marketing Ltd.	Distribution company for auto component (Rane and others)	49.0%
<b>Associate companies</b>			
8	Kar Mobiles Ltd.	Engine valves, collets and guides for internal combustion engine	39.6 %
9	SasMos HET Technologies Ltd.	Designing, prototyping and manufacturing electrical inter-connection solutions, electronic design and integration for defence 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:

(₹ in Crores)		
Particulars	2013-14	2012-13
Income	53.50	57.73
Profit before tax	27.95	32.53
Provision for tax	6.22	6.58
Profit after tax	21.73	25.95
Surplus brought forward	73.27	62.58
Amount available for appropriation	95.00	88.53

During the year, income of your Company had reduced by 7% over that of the previous year. The earnings per share for the year 2013-14 was ₹15.22 compared to last year ₹18.17.

## 2. Appropriation

Taking into account ₹73.27 crores being surplus of profit brought forward from previous year and the profit after tax of ₹21.73 crores, a sum of ₹95 crores is available for appropriation as dividend. During the year, your directors have recommended a dividend of 65% (i.e., ₹6.50 per equity share) as dividend for the year ended March 31, 2014.

The amount on this account inclusive of tax on distributed profits and surcharge thereon, works out to ₹10.86 crores. After transfer of ₹2.17 crores to the General Reserve, ₹82.44 crores has been retained as surplus 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, performance of group Companies etc. are discussed in a separate section in this Annual Report under the heading 'Management Discussion & Analysis'.

## 4. 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 issued by MCA, 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 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, includes financial results of its subsidiary companies.

**5. Board of Directors**

At the ensuing Annual General Meeting (AGM) Mr. Harish Lakshman, director, retires from the board by rotation and being eligible, has offered himself for re-appointment. The notice convening the AGM includes the proposal for his re-appointment as director.

Mr. Anjanikumar Choudhari, Mr. Anil Kumar Nehru and Mr. Shujaat Khan, independent directors on the board, hold the office of director liable to retire by rotation, as per the resolution passed by the shareholders under Companies Act 1956.

In terms of section 149 of the Companies Act, 2013, the independent directors are not liable to retire by rotation and can hold office for a consecutive tenure of upto five years. The board has decided to re-appoint all the independent directors at the ensuing AGM as independent directors for a period of three years. All the independent directors have affirmed that they satisfy the criteria laid down under section 149 of the Companies Act, 2013 and clause 49 of the listing agreement.

During the year, subject to the approval of shareholders at the ensuing AGM, Mr. L Lakshman, Executive Chairman and Mr. L Ganesh, Vice-Chairman have been re-appointed as Managing Director and Joint Managing Director, respectively, within the meaning of section 2(54) of the Companies Act, 2013, for a period of three years with effect from April 1, 2014. The notice convening the AGM includes the proposal for their re-appointment.

**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. Conservation of Energy and Natural resources**

The Company 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.

**8. 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.

**9. Foreign exchange earnings and outgo**

There was no foreign exchange earned during 2013-14. The foreign exchange outgo was ₹0.30 crores on account of professional / consultancy charges and foreign travel.

**10. 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'.

**11. Auditors**

The Auditors, M/s Deloitte Haskins & Sells (DHS) hold office until the conclusion of the ensuing AGM.

DHS has been the statutory auditors of the Company for last three financial years viz. 2011-12, 2012-13 and 2013-14. In terms of the transition provisions of section 139 of the Companies Act, 2013, the board has proposed to appoint DHS as statutory auditors of the Company for a period of two years from the conclusion of the ensuing seventy eighth AGM until the conclusion of the eightieth AGM, subject to ratification by members at every AGM.

The Company has received letter from DHS consenting for the re-appointment and confirmation to the effect that their appointment, if made, would be within the limits and that they are free from any disqualification specified in section 141 of the Companies Act, 2013 and the rules made thereunder. DHS have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India.

The notice of the ensuing AGM contains necessary resolution in this regard. Members may consider appointing DHS as statutory auditors of the Company as per the provisions of the Companies Act, 2013 till the conclusion of the eightieth AGM.



## 12. Directors' Responsibility Statement

Pursuant to section 217(2AA) of the Companies Act, 1956 and based on representations received from the operating management, the directors hereby confirm that they have:

- i. followed the applicable accounting standards in the preparation of the annual accounts for the financial year 2013-14 and there are no material departures;
- 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; and
- iv. prepared the accounts for the financial year on a 'going concern' basis.

## 13. Corporate Social Responsibility

The vision of Rane Group on Corporate Social Responsibility (CSR) is **"To be a socially and environmentally responsive organization committed to improve quality of life within and outside."** CSR activities of Rane Group are channelized through Rane Foundation, a public charitable and educational trust, in the social and environmental spectrum.

Some of the CSR initiatives undertaken by your Company are as follows:

- (i) Contributed funds to Rane Foundation towards providing technical education through various courses conducted at Rane Polytechnic Technical Campus (RPTC).
- (ii) Provided financial support to Kuppusamy Sastri Research Institute in digitizing their collection of rare manuscripts to preserve our rich literature and cultural heritage.

Pursuant to the provisions of section 135 of the Companies Act, 2013 read with schedule VII to the Companies Act, 2013 and the rules notified thereunder, the board at its meeting held on March 26, 2014 constituted CSR committee comprising of Mr. L Lakshman, executive chairman, Mr. L Ganesh, vice chairman and Mr. Anjanikumar Choudhari, an independent director.

The Board at its meeting held on May 27, 2014 reviewed the CSR policy recommended by the CSR Committee and adopted the same in compliance with the provisions of section 135 and the rules made thereunder. The CSR policy of the Company is being posted on the Company's website.

## 14. Corporate Governance Report

Your 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 27, 2014

**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, 2014.

Sl. No.	Name	Age (Years)	Designation / Nature of Duties	Date of Commencement of Employment	Remuneration (₹)	Qualification	Experience (Years)	Particulars of Last Employment
1	Mr. L Lakshman	67	Executive Chairman	01.04.2008	1,56,22,337*	B.E Executive MBA, London Business School	44	Rane Brake Lining Limited, Managing Director
2	Mr. L Ganesh	60	Vice-Chairman	01.08.2009	1,07,90,164	B.Com ACA,MBA	35	Rane Engine Valve Limited, Chairman & Managing Director

\* Includes commission of ₹78,00,000/- for the year 2013-14

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 employee 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. HarishLakshman, Director.
4. No employee of the Company is covered by the provision of Section 217(2A) (a) (iii) of the Companies Act, 1956.

Place : Chennai

Date : May 27, 2014

**L Lakshman**

Executive -Chairman

**L Ganesh**

Vice-Chairman

For and on behalf of the Board



## 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 – RANE COMPASS" 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 six directors. The composition of the non-executive directors (66.67%) and independent directors (50%) 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, 2014 have been made by the directors.

The board met six (6) times during the financial year on May 27, 2013, June 28, 2013, August 12, 2013, November 11, 2013, February 6, 2014 and March 26, 2014. 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	-	10	3	5
Mr. L Ganesh	Executive Vice-Chairman & Promoter	5	Yes	7	3	2	7
Mr. Harish Lakshman	Non-Executive Director & Promoter	4	Yes	-	7	2	1
Mr. Krishnan S Waran *	Non-Executive & Independent Director	2	Yes	Not Applicable			
Mr. Shujaat Khan	Non-Executive & Independent Director	5	Yes	-	3	1	-
Mr. Anjanikumar Choudhari	Non-Executive & Independent Director	6	Yes	1	-	-	1
Mr. Anil Kumar Nehru	Non-Executive & Independent Director	5	Yes	-	4	1	2

**C** : Chairman and **M** : Member

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

**@** Membership in Audit Committee and Stakeholders' Relationship Committee only is considered

\* Retired at the Annual General Meeting held on August 12, 2013 and did not seek re-election.

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.

The board and audit committee meeting annual calendars are circulated in advance to the directors, to facilitate them in attending the meetings. The directors are provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. The Company has a post board meeting review mechanism to monitor and follow up the effective execution of the decisions, directions or suggestions of the board and its committees, by the management.

### 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 as on March 31, 2014 is as follows:

Mr. Krishnan S Waran *	- Chairman	- Independent Director
Mr. Anjanikumar Choudhari **	- Chairman	- Independent Director
Mr. L Ganesh	- Member	- Executive Director
Mr. Anil Kumar Nehru	- Member	- Independent Director

\* -Retired at the Annual General Meeting held on August 12, 2013 and did not seek re-election.

\*\* - Co-opted as Audit Committee Chairman with effect from August 12, 2013.

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 27, 2013, August 12, 2013, November 11, 2013 and February 6, 2014.

Name of the Director	No. of meetings attended
Mr. Anjanikumar Choudhari **	4
Mr. Krishnan S Waran *	1
Mr. L Ganesh	3
Mr. Anil Kumar Nehru	4

\* -Retired at the Annual General Meeting held on August 12, 2013 and did not seek re-election.

\*\* - Co-opted as Audit Committee Chairman with effect from August 12, 2013.

The statutory auditor and the internal auditor were present as invitees in all the meetings. The Executive Chairman and head of finance - Chief Financial Officer (CFO) 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 / audited financial results of the Company. 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 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 2013-14, 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	87,500
Mr. Krishnan S Waran	47,500
Mr. Shujaat Khan	1,00,000
Mr. Anjanikumar Choudhari	1,40,000
Mr. Anil Kumar Nehru	1,25,000

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, 2014 was ₹1,56,22,337/- and ₹1,07,90,164/- respectively. Remuneration paid to Mr. L Lakshman includes a commission of ₹78,00,000/- for the year 2013-14.

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 as on March 31, 2014:

Name of the Director	No. of shares
Mr. L Lakshman	7,02,560
Mr. L Ganesh	7,12,196
Mr. Harish Lakshman	1,24,817

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

#### 5. Code of conduct

During the year, the Company has strengthened the code of conduct applicable for the board members and senior management of the Company. The same has been posted on the website of the company viz. <http://rane.co.in/pdf/policies/coc.pdf> The board members and senior management personnel affirmed their compliance with the code of conduct. Declaration from the Chief Executive Officer (CEO) to this effect forms part of this report.

The board of directors have also laid down a code of conduct for prevention of insider trading. The designated persons have disclosed their shareholding and their dependent relatives' shareholding, if any, in a prescribed form as laid down under the Rane Group's code of conduct for prevention of insider trading.

## 6. Stakeholders' Relationship Committee

The Stakeholders' Relationship 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 of the following directors:

Mr. Harish Lakshman – Chairman  
 Mr. L Ganesh – Member  
 Mr. Krishnan S Waran <sup>1</sup> - Member  
 Mr. Anil Kumar Nehru <sup>2</sup> - Member

1 - Retired at the Annual General Meeting held on August 12, 2013 and did not seek re-election.

2 - Co-opted as a member of the committee with effect from August 12, 2013

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

The Committee met four (4) times during the year on May 27, 2013, August 12, 2013, November 11, 2013 and February 5, 2014

Name of the Director	No. of meetings attended
Mr. L Ganesh	4
Mr. Harish Lakshman	2
Mr. Krishnan S Waran	1
Mr. Anil Kumar Nehru	2

During the year, the Company received six (6) complaints from the investors and all of them were disposed off. The complaints pertain to non-receipt / loss of share certificates, non-receipt of dividend warrant and non-receipt of correspondences. One of the above-mentioned complaints was received from SEBI Complaints Redress System (SCORES). Action taken report, as required under SCORES has been duly submitted. During the year, no complaint was received from Ministry of Corporate Affairs (MCA). No investor complaints were pending unresolved at the year end.

## 7. General Body Meetings

Details of previous three Annual General Meetings are as follows:

Date	Special Resolutions Passed	Time	Venue
August 5, 2011 (Friday) (75 <sup>th</sup> AGM)	Investment in other bodies corporate engaged in design and / or manufacture of defense, 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
August 10, 2012 (Friday) (76 <sup>th</sup> AGM)	No special resolution was passed	10.15 a.m.	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014
August 12, 2013 (Monday) (77 <sup>th</sup> AGM)	No special resolution was passed	10.15 a.m.	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014

No resolution was required to be passed by means of postal ballot by the members of the Company during the year 2013-14.

## 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 CEO and CFO of the company have certified to the board on the integrity of the financial statements, effectiveness of internal controls and significant changes in internal control /accounting policies during the year as stated in clause 49 (V) of the listing agreement.

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

- i. maintaining an office for the Chairman at the registered office of the Company.
- ii. adopting best practices to ensure a regime of unqualified financial statements.
- iii. individual communication of half-yearly results to shareholders.
- iv. 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. Whistle blower mechanism

The Company established a formal Whistle Blower Policy, providing the mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. It also addresses the protection of whistle blower who makes protected disclosures under the policy and provides for direct access to the Chairman of the Audit Committee.

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company. The Whistle Blower policy has also been posted in the Company's website URL: <http://rane.co.in/pdf/policies/rhlwbpolicy.pdf>

During the year, no instance was reported under this policy.

## 10. 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. [www.rane.co.in](http://www.rane.co.in). During the year, a presentations was made to analysts / institutional investors and was published in the website of the Company. A management discussion and analysis report is part of the annual report.

## 11. General Shareholder Information

- i) Information about directors seeking appointment / re-appointment in this Annual General Meeting (AGM)

Name of the director	Mr. Harish Lakshman	Mr. Anil Kumar Nehru	Mr. Anjanikumar Choudhari	Mr. Shujaat Khan
Father's Name	Mr. L Lakshman	Mr. Braj Kumar Nehru	Mr. Ramashankar-Choudhari	Mr. Shaheryar Khan
Date of birth	February 12, 1974	May 2, 1941	April 22, 1944	January 18, 1970
Educational Qualifications	B.E., BITS Pilani, MSM, Purdue University, USA	B.Sc and M.Sc., Chemical Engineering, Executive Business Management Courses - IIM Ahmedabad, Columbia University & Harvard Business School	BA, Masters of Management Studies	BA, MBA (USA)

Name of the director	Mr. Harish Lakshman	Mr. Anil Kumar Nehru	Mr. Anjanikumar Choudhari	Mr. Shujaat Khan
<b>Experience</b>	Mr. Harish Lakshman has over 13 years of experience in the automotive industry and has held various positions in the areas of Marketing, Operations and Export Business Development and currently the managing director of Rane TRW Steering Systems Ltd. and vice-chairman of Rane Engine Valve Ltd. He currently spearheads the future growth plan for the Rane group.	Mr. Anil Kumar Nehru has over 41 years of rich industrial experience	Mr. Anjanikumar Choudhari has 45 years of rich industrial experience	Mr. Shujaat Khan has 22 years of rich industrial experience
<b>Date of appointment</b>	May 19, 2004	February 6, 2013	October 27, 2010	October 29, 2007
<b>Other Directorships</b>	<b>Managing Director</b> Rane TRW Steering Systems Ltd.  <b>Vice-Chairman</b> Rane Engine Valve Ltd.  <b>Director</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Ltd.</li> <li>2. Rane Brake Lining Ltd.</li> <li>3. Rane NSK Steering Systems Ltd.</li> <li>4. JMA Rane Marketing Ltd.</li> <li>5. SasMos HET Technologies Ltd.</li> <li>6. Rane Holdings America Inc.,</li> <li>7. Savithur Enterprises Private Ltd.</li> <li>8. Broadvision Perspectives India Private Ltd.</li> <li>9. Broadvision Services Private Ltd.</li> <li>10. HL Hill Station Properties Private Ltd.</li> </ol>	<b>Director</b> <ol style="list-style-type: none"> <li>1. EIH Ltd.</li> <li>2. EIH Associated Hotels Ltd.</li> <li>3. Ayurved Ltd.</li> <li>4. Sanat Products Ltd.</li> </ol>	<b>Director</b> Mahindra Logistics Ltd.	<b>Director</b> <ol style="list-style-type: none"> <li>1. KPR Mill Ltd.</li> <li>2. KMC Constructions Ltd.</li> <li>3. KMC Infratech Ltd.</li> <li>4. Blue River Capital India Advisory Services Private Ltd.</li> <li>5. Five K Properties Private Ltd.</li> </ol>

Name of the director	Mr. Harish Lakshman	Mr. Anil Kumar Nehru	Mr. Anjanikumar Choudhari	Mr. Shujaat Khan
<b>Committee Memberships</b>	<b>Chairman – Stakeholders' Relationship Committee</b> 1. Rane Holdings Ltd. 2. Rane Brake Lining Ltd.  <b>Member – Stakeholders' Relationship Committee</b> Rane (Madras) Ltd.	<b>Chairman – Audit Committee</b> 1. Ayurvet Ltd. 2. EIH Associated Hotels Ltd.  <b>Member – Audit Committee</b> EIH Ltd.  <b>Chairman– Nomination and Remuneration Committee</b> Rane Holdings Ltd.  <b>Member – Stakeholders' Relationship Committee</b> Rane Holdings Ltd.  <b>Chairman – Remuneration Committee</b> Ayurvet Ltd.  <b>Member– Remuneration Committee</b> EIH Ltd.	<b>Chairman – Audit Committee</b> Rane Holdings Ltd.  <b>Member – Audit Committee, Member - Remuneration Committee</b> <b>Chairman, CSR Committee</b> Mahindra Logistics Ltd.  <b>Member – Nomination and Remuneration Committee</b> Rane Holdings Ltd.	<b>Member – Compensation Committee</b> KPR Mill Ltd.  <b>Chairman – Compensation Committee</b> KMC Constructions Ltd.  <b>Chairman – Audit Committee</b> KMC Constructions Ltd.
<b>Number of shares held</b>	1,24,817	Nil	Nil	Nil

- ii) **Annual General Meeting** **Tuesday, August 12, 2014 at 10.15 a.m.**  
 The Music Academy (Mini Hall)  
 New No.168, TTK Road,  
 Royapettah, Chennai 600 014

iii) **Financial Year – 1<sup>st</sup> April - 31<sup>st</sup> March**

Financial Calendar

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended March 31, 2014	May 27, 2014
Un-audited results for the first quarter ending June 30, 2014	August 12, 2014
Un-audited results for the second quarter ending September 30, 2014	November 13, 2014
Un-audited results for the third quarter ending December 31, 2014	February 9, 2015
Annual Accounts for the year ending March 31, 2015	By fourth week of May 2015

iv) **Book Closure & Dividend**

The book closure period is from **August 2, 2014** (Saturday) to **August 12, 2014** (Tuesday), both days inclusive.

**Dividend:**

The Board of directors at its meeting held on May 27, 2014, has recommended a dividend of ₹6.50 per equity share. The dividend, if declared by the shareholders, will be paid on August 20, 2014 to all those members whose name appear in the Register of Members as on August 12, 2014 and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on August 1, 2014.

**v) Listing on Stock Exchanges:**

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

**Listing Fee:** Annual Listing fees for the financial year 2014-15 have been paid to both 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, 2008 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.

During the year, the Company had transferred to IEPF an unclaimed dividend amount of ₹45,662 for the financial year ended March 31, 2006 and unclaimed interim dividends amount of ₹1,44,310 for the financial year ended March 31, 2007.

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 31.03.2014) (₹)	Last date for claiming unpaid dividend	Due date for transfer to IEPF u/s 205A(5)
31.03.2008*	27.03.2008	6.00	4,36,482.27	01.05.2015	30.05.2015
31.03.2009*	29.01.2009	4.00	2,90,704.00	05.03.2016	03.04.2016
31.03.2010*	29.01.2010	6.00	4,69,374.00	05.03.2017	03.04.2017
31.03.2010	29.07.2010	2.00	1,54,374.00	02.09.2017	01.10.2017
31.03.2011*	03.02.2011	7.50	5,45,767.50	10.03.2018	08.04.2018
31.03.2011	05.08.2011	5.00	4,13,405.00	08.09.2018	06.10.2018
31.03.2012*	06.02.2012	6.00	10,46,460.00	11.03.2019	09.04.2019
31.03.2012	10.08.2012	4.00	3,43,988.00	14.09.2019	13.10.2019
31.03.2013*	06.02.2013	3.50	3,39,143.00	11.03.2020	09.04.2020
31.03.2013	12.08.2013	4.50	4,29,043.50	16.09.2020	15.10.2020

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

\* - Interim Dividend

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on August 12, 2013 in accordance with the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012. The above details were also uploaded in the website of the Company viz. [www.rane.co.in](http://www.rane.co.in)

**vii) Unclaimed share certificates:**

Under clause 5A (II) of the listing agreement entered with stock exchanges, the Company had sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

Based on the response received from the shareholders, the Company had transferred 85,170 unclaimed shares pertaining to 625 shareholders in physical form into one folio in the name of "Rane Holdings Limited Unclaimed Shares Suspense Account" and dematerialised the same. During the year 3 shareholders had approached the Company

for transfer of 2,850 shares from the unclaimed shares which were duly transferred. 82,320 shares pertaining to 622 shareholders were lying as unclaimed as on March 31, 2014. The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same.

#### viii) Green Initiative

The MCA has taken a "Green initiative in the corporate governance" by allowing companies to make paperless compliances and service of notice / documents including annual reports to the shareholders of the Company through electronic mode. As a responsible corporate citizen, your Company welcomes and supports the Green Initiative taken by the MCA, as this will reduce paper consumption to a great extent and allow the members to contribute towards a greener environment. This will also ensure prompt receipt of communication and avoid loss in postal transit.

During last year, the shareholders of the Company whose e-mail addresses were registered with the Company / Depository Participants (DPs) and who have opted to receive the documents in electronic mode and not in physical mode were provided with a link to the annual report of the company via., e-mail. In order to support this initiative, members are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the Registrar and Transfer Agent (RTA), in case the shares are held in physical form.

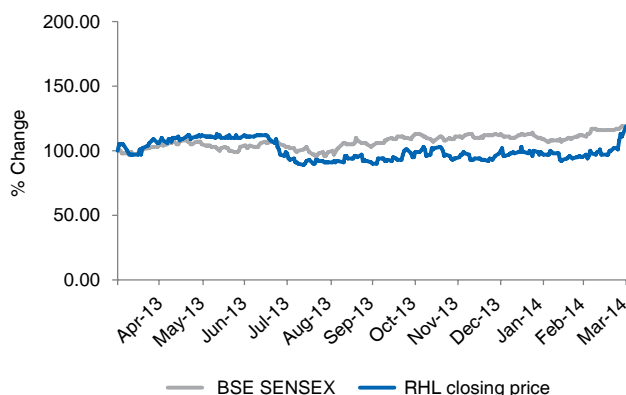
#### ix) Share price data

The share price data (based on closing price) as quoted on National Stock Exchange of India Ltd. and BSE Ltd. during the last financial year viz., April 1, 2013 – March 31, 2014 is given below:

Month	BSE				NSE			
	Share Prices		BSE Sensex		Share Prices (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2013	174.35	154.35	19,504.18	18,226.48	171.65	153.55	5,930.20	5,495.10
May 2013	178.90	168.45	20,286.12	19,575.64	177.85	168.80	6,187.30	5,944.00
June 2013	179.65	175.00	19,610.48	18,540.89	178.80	175.00	5,939.30	5,588.70
July 2013	179.10	153.05	20,302.13	19,177.76	179.95	155.00	6,077.80	5,742.00
August 2013	150.00	142.30	19,367.59	17,905.91	154.20	138.50	5,742.30	5,285.00
September 2013	154.85	145.00	20,646.64	18,234.66	155.00	145.00	6,115.55	5,341.45
October 2013	160.95	143.00	21,164.52	19,517.15	157.20	144.80	6,299.15	5,780.05
November 2013	165.00	148.00	21,239.36	20,194.40	167.45	148.40	6,317.35	5,989.60
December 2013	159.00	147.20	21,326.42	20,612.14	159.85	147.50	6,363.90	6,139.05
January 2014	163.70	153.55	21,373.66	20,498.25	163.80	153.65	6,345.65	6,073.70
February 2014	159.00	147.50	21,120.12	20,193.35	160.20	147.20	6,276.95	6,000.90
March 2014	189.35	149.50	22,386.27	20,946.65	187.50	150.25	6,704.20	6,221.45

(Source: BSE [www.bseindia.com](http://www.bseindia.com) ; NSE [www.nseindia.com](http://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, 2013.

**x) Registrar and Transfer Agents**

The contact details of the RTA 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: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

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

**xi) 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 15 days from the date of receipt of transfer documents by the 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.

**xii) Distribution of shareholding as on March 31, 2014**

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	7,606	88.22%	7,44,642	5.21%
501-1,000	432	5.01%	3,19,024	2.23%
1,001-2,000	221	2.56%	3,16,613	2.22%
2,001-5,000	188	2.18%	5,72,508	4.01%
5,001-10,000	70	0.81%	5,06,382	3.55%
10,001-20,000	45	0.52%	6,63,310	4.65%
20,001-50,000	25	0.30%	7,68,507	5.38%
50,001-1,00,000	11	0.13%	8,19,761	5.74%
1,00,001 & above	23	0.27%	95,67,062	67.01%
<b>Total</b>	<b>8,622</b>	<b>100.00%</b>	<b>142,77,809</b>	<b>100.00%</b>

**xiii) Pattern of shareholding**

Sl. No.	Category	As on March 31, 2014			As on March 31, 2013		
		No. of Shareholders	No. of Shares	% to total capital	No. of Shareholders	No. of Shares	% to total capital
A	Promoters	26	66,25,789	46.41	26	65,40,752	45.81
B	Mutual Funds	2	3,00,150	2.10	4	6,32,176	4.43
C	Banks, Financial Institutions & Insurance Companies	10	6,83,593	4.79	14	6,85,651	4.80
D	Private Corporate Bodies	176	22,44,696	15.72	211	21,09,043	14.77
E	Foreign Institutional Investors (FIIs)	1	2,69,638	1.89	1	15,004	0.11
F	Indian Public and others	8,310	41,04,814	28.75	9,304	42,27,870	29.61
G	Non-Resident Indians	97	49,129	0.34	134	67,313	0.47
	<b>Total</b>	<b>8,622</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>9,694</b>	<b>1,42,77,809</b>	<b>100.00</b>



**xiv) 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, 2014, about 97.23% of the shareholdings have been dematerialised.

Comparative chart of physical and demat holdings is given below:

Particulars	Number of shares		% to total capital	
	As on March 31, 2014	As on March 31, 2013	As on March 31, 2014	As on March 31, 2013
Physical	3,95,095	7,04,061	2.77	4.93
Demat	1,38,82,714	1,35,73,748	97.23	95.07
Total	<b>1,42,77,809</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>100.00</b>

The equity shares held by the promoter & promoter group in the Company are entirely in dematerialised form.

Demat ISIN Number: **INE384A01010**

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

**xv) 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

**OR**

Mr. K Suresh Babu  
Vice-President  
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  
E-mail: corpserv@integratedindia.in

## 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, 2014.

Chennai  
May 27, 2014

**L Lakshman**  
Executive Chairman

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### To the Members of Rane Holdings Limited

1. We have examined the compliance of conditions of Corporate Governance by Rane Holdings Limited (the "Company"), for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made 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 Agreements.
4. 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  
(Firm Registration No. 008072S)

**GEETHA SURYANARAYANAN**  
Partner  
(Membership No. 29519)

Chennai  
May 27, 2014

## FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

₹ Lakhs

SI No.    Particulars		Name of the Company				
		Rane (Madras) Limited March 31, 2014	Rane Engine Valve Limited March 31, 2014	Rane Brake Lining Limited March 31, 2014	Rane Holdings America Inc March 31, 2014	
					Exchange Rate for Conversion (₹ per US\$)	
1	Capital	1,874	515	791	10	48.98
2	Reserves & Surplus	12,971	5,776	10,435	24	66.29
3	Total Assets	45,462	24,977	26,794	54	60.05
4	Total Liabilities	45,462	24,977	26,794	54	60.05
5	Investments	-	55	37	-	-
6	Turnover/Total Income	72,751	26,695	38,651	166	60.41
7	Profit / (Loss) before Taxation	1,968	(4,356)	1,673	11	60.41
8	Provision for Taxation	290	(1,447)	(48)	5	60.41
9	Profit / (Loss) after Taxation	1,678	(2,909)	1,721	6	60.41
10	Proposed Dividend	55%	-	75%	-	

### Notes:

- The Ministry of Company Affairs vide general Circular no. 51/12/2007-CL-III dated 8 February, 2011 has granted General exemption for not attaching the financials of subsidiary companies to the financials of the Company, subject to compliance of conditions mentioned in circular from Financial Year 2010-2011 onwards.
- "Rane Holdings America Inc. is a overseas subsidiary incorporated in USA and whose reporting currency is US Dollars. The exchange rate used for conversion is as mentioned below:
  - Share Capital - at historical rate
  - Reserves - at moving weighted average rate
  - Assets & Liabilities - at closing rate as at the close of the financial year ended March 31, 2014
  - Turnover & Profits - at weighted average rate"
- The Financials given above are in Rupees Lakhs
- The Members can obtain a copy of the financials of the subsidiary companies from the registered office of the Company. The financials of the subsidiary companies are also available for inspection during business hours on any working day from 10.00 a.m to 1.00 p.m

# INDEPENDENT AUDITORS' REPORT to the Members of Rane Holdings Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **RANE HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act 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 the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) 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.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
- (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274 (1)(g) of the Act.

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

**GEETHA SURYANARAYANAN**  
Partner  
(Membership No. 29519)

Chennai  
May 27, 2014

## Annexure to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/ results during the year, clauses (ii), (vi), (viii), (x), (xii), (xiii), (xiv), (xviii), (xix) and (xx) of paragraph 4 of the Order are not applicable to the Company.
- (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 maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - a) The Company has granted loans aggregating to ₹820 lakhs to two parties during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹656 lakhs (including interest) (number of parties – two) and the maximum amount involved during the year was ₹1,104 lakhs (number of parties – two).
  - b) 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.
  - c) The receipts of the principal and the interest amount have been regular and as per stipulations.
  - d) 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 covered 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 for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any major weakness in such internal control system. The activities of the Company do not involve purchase of inventory and sale of goods.
- (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, having regard to the explanations that some of the services rendered are of special nature and suitable alternative sources are not readily available for obtaining comparative quotations the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at relevant time.
- (vi) In our opinion, the internal audit functions carried out during the year by an external agency appointed by the Management have been commensurate with the size of the Company 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 regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.



- (c) Details of dues of Income-tax, Service Tax, Customs Duty and Cess which have not been deposited as on March 31, 2014 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 Dues	35	2005-2006	Commissioner of Income Tax (Appeals)
		65	2007-2008	Commissioner of Income Tax (Appeals)
		342	2008-2009	Commissioner of Income Tax (Appeals)
		39	2009-2010	Commissioner of Income Tax (Appeals)
		222	2010-2011	Commissioner of Income Tax (Appeals)
		917	2011-2012	Commissioner of Income Tax (Appeals)
Customs Act, 1962	Customs duty	6	2012-2013	Commissioner of Customs (Appeals)

- (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. The Company has not obtained loans from financial institutions and has not issued any debentures.
- (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 are, prima facie, not prejudicial to the interests of the Company.
- (x) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short-term basis have prima facie not been used during the year for long-term investments.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

**GEETHA SURYANARAYANAN**  
Partner  
(Membership No. 29519)

Chennai  
May 27, 2014

**BALANCE SHEET**

as at March 31, 2014

Particulars	Note No	₹ Lakhs	
		As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	1,428	1,428
(b) Reserves and Surplus	4	25,521	24,388
		<b>26,949</b>	<b>25,816</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	-	125
(b) Deferred tax liabilities (Net)	6	84	80
(c) Long-term provisions	7	59	60
		<b>143</b>	<b>265</b>
<b>(3) Current Liabilities</b>			
(a) Trade payables	8	286	240
(b) Other current liabilities	9	190	366
(c) Short-term provisions	10	1,154	819
		<b>1,630</b>	<b>1,425</b>
<b>Total</b>		<b>28,722</b>	<b>27,506</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11	5,194	5,158
(ii) Intangible assets	11	4	7
(b) Non-current investments	12	20,835	20,468
(c) Long-term loans and advances	13	1,284	1,105
		<b>27,317</b>	<b>26,738</b>
<b>(2) Current assets</b>			
(a) Current investments	14	731	-
(b) Trade receivables	15	108	73
(c) Cash and bank balances	16	387	451
(d) Short-term loans and advances	17	173	187
(e) Other current assets	18	6	57
		<b>1,405</b>	<b>768</b>
<b>Total</b>		<b>28,722</b>	<b>27,506</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm Registration No. 008072S)

**GEETHA SURYANARAYANAN**

Partner

(Membership No. 29519)

**C SIVA**

Secretary

**L LAKSHMAN**

Executive Chairman

Place : Chennai

Date : May 27, 2014

**J ANANTH**

Chief Financial Officer

**L GANESH**

Vice Chairman

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

Particulars	Note No	₹ Lakhs	
		Year ended March 31, 2014	Year ended March 31, 2013
<b>I. Revenue from operations</b>	19	5,224	5,678
<b>II. Other Income</b>	20	126	95
<b>III. Total Revenue (I + II)</b>		<b>5,350</b>	<b>5,773</b>
<b>IV. Expenses:-</b>			
Employee benefit expense	21	882	859
Finance costs	22	28	129
Depreciation and amortization expense	11	92	67
Other expenses	23	1,553	1,465
<b>Total Expenses</b>		<b>2,555</b>	<b>2,520</b>
<b>V. Profit before tax (III - IV)</b>		<b>2,795</b>	<b>3,253</b>
<b>VI. Tax expense:</b>			
(1) Current tax		617	666
(2) Deferred tax		5	(8)
Net tax expense/(benefit)		622	658
<b>VII. Profit for the year (V - VI)</b>		<b>2,173</b>	<b>2,595</b>
<b>VIII. Earning per equity share (of ₹10 each):</b>	34		
(1) Basic		15.22	18.17
(2) Diluted		15.22	18.17

See accompanying notes forming part of the financial statements

In terms of our report attached

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

**GEETHA SURYANARAYANAN**  
Partner  
(Membership No. 29519)

Place : Chennai  
Date : May 27, 2014

For and on behalf of the Board

**C SIVA**  
Secretary

**L LAKSHMAN**  
Executive Chairman

**J ANANTH**  
Chief Financial Officer

**L GANESH**  
Vice Chairman

## CASHFLOW STATEMENT

for the year ended March 31, 2014

₹ Lakhs

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,795	3,253
Adjustments for:		
Depreciation and amortization	92	67
Wealth Tax	40	40
Finance costs	28	129
Interest income	(104)	(82)
Dividend income from Current Investments	(21)	(12)
	35	142
Operating profit before working capital changes	2,830	3,395
Changes in working capital		
Increase / (Decrease) in long-term provisions	(1)	64
Increase / (Decrease) in trade payables	46	39
Increase / (Decrease) in other current liabilities	26	(64)
Increase / (Decrease) in short-term provisions	1	(15)
(Increase) / Decrease in trade receivables	(35)	214
(Increase) / Decrease in short-term loans and advances	13	(34)
(Increase) / Decrease in long-term loans and advances	-	8
	50	212
Cash generated from operations	2,880	3,607
Taxes paid	(683)	(631)
<b>Net cash flow from operating activities (A)</b>	<b>2,197</b>	<b>2,976</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(79)	(430)
Proceeds from sale of fixed assets	1	1
Purchase of long-term investments		
- Subsidiaries	(365)	(80)
- Others	(2)	-
Loan to related parties	(200)	-
Interest received	155	79
Dividend received from Current Investments	21	12
Bank balances not considered as Cash and cash equivalents		
- Placed	1	(9)
<b>Net cash flow used in investing activities (B)</b>	<b>(468)</b>	<b>(427)</b>

Particulars	₹ Lakhs	
	Year ended March 31, 2014	Year ended March 31, 2013
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	(325)	(1,039)
Finance cost	(32)	(131)
Dividends paid	(643)	(1,062)
Tax on dividend	(379)	(107)
<b>Net cash flow used in financing activities (C)</b>	<b>(1,379)</b>	<b>(2,339)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>350</b>	<b>210</b>
Cash and cash equivalents at the beginning of the year	451	232
Less: Unclaimed Dividend Bank Account	45	36
Adjusted Cash & cash equivalents as at beginning of the year	406	196
Cash and cash equivalents at the end of the year (Note 16)	387	451
Add: Current Investments considered as Cash & cash Equivalents (Note 14)	731	-
Less: Unclaimed Dividend Bank Account	46	45
<b>Adjusted Cash and cash equivalents at the end of the year</b>	<b>1,072</b>	<b>406</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

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

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner  
(Membership No. 29519)

**C SIVA**  
Secretary

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : May 27, 2014

**J ANANTH**  
Chief Financial Officer

**L GANESH**  
Vice Chairman

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended March 31, 2014

## 1 BRIEF ABOUT THE COMPANY

Rane Holdings Limited ("RHL" or "the Company") 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 Group's 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.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under section 211(3C) of the Companies Act, 1956, ("the 1956 Act") (which continue to be applicable in respect of section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act / 2013 Act as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.2 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.

### 2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### 2.5 Depreciation and amortisation

**2.5.1** Depreciation on Fixed Assets, other than those given in 2.5.2. below, has been provided on straight-line basis at rates specified in Schedule XIV to the Companies Act, 1956.

**2.5.2** 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.

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

License Fee on Software - 3 Years

### 2.6 Revenue recognition

#### 2.6.1 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.

#### 2.6.2 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.



**2.7 Fixed Assets****2.7.1 Tangible Fixed Assets**

Fixed assets, are carried at cost less accumulated depreciation and impairment losses 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.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long-term loans and advances.

**2.7.2 Intangible assets**

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

**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 includes 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 determined as per company's policy/scheme, are recognised as expense based on expected obligation on undiscounted basis. Benefits for compensated absences are accounted for based on the actuarial valuation report.

**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.

**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 Earnings Per Share**

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**2.12 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**2.13 Impairment of assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**2.14 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 employee 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. Contingent assets are not recognised in the financial statements.

**2.15 Service Tax Input Credit**

Service tax input credit is accounted for in the books, in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credit.

**2.16 Operating cycle**

Based on the nature of the activities of the company and the normal time between acquisition of assets and their realisation in Cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 3. SHARE CAPITAL

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>(a) Authorised:</b>		
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>(b) Issued, Subscribed and Fully Paid Up:</b>		
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, except in the case of interim dividend.

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:

	As at March 31, 2014		As at March 31, 2013	
Class of Shares/ Name of Shareholder/ Equity shares with voting rights	No of Shares	% of Holding	No of Shares	% of Holding
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%

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

#### 4. RESERVES AND SURPLUS

Description	₹ Lakhs	
	As at March 31, 2014	As at March 31, 2013
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. <b>General Reserve:</b>		
Opening Balance	11,243	10,984
Add: Transfer from Surplus in Statement of Profit and Loss	217	259
<b>Closing Balance</b>	<b>11,460</b>	<b>11,243</b>
f. <b>Net surplus in Statement of Profit and Loss</b>		
Opening Balance	7,327	6,258
Add:-		
Profit for the year	2,173	2,595
Less:-		
Interim Dividend @ Nil %(Previous Year 35%)	-	500
Final Dividend @ 65 % (Previous Year 45%)	928	643
Tax on dividend (Net of dividend tax on dividend distributed by subsidiaries available for set off)	111	124
Transfer to General Reserve	217	259
<b>Net surplus in the Statement of Profit and Loss</b>	<b>8,244</b>	<b>7,327</b>
<b>Total Reserves and Surplus</b>	<b>25,521</b>	<b>24,388</b>

- 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 April 1, 2009.

#### 5 LONG-TERM BORROWINGS

	₹ Lakhs	
	As at March 31, 2014	As at March 31, 2013
5.1 <b>Secured</b> (Refer Note 5.2)		
Term Loans from Banks	-	125
<b>Total Secured Long-Term Borrowings</b>	<b>-</b>	<b>125</b>

##### 5.2 Security

- a. Term loan from Yes Bank of ₹ Nil (₹125 Lakhs) was 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 current applicable rate of interest on this loan is 12.25% per annum. The loan was fully repaid during the current year.
- b. 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.

**6 DEFERRED TAX LIABILITIES (net)**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	114	110
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>114</b>	<b>110</b>
<b>Tax effect of items constituting deferred tax assets</b>		
On expenditure related to employee benefits	30	30
<b>Tax effect of items constituting deferred tax asset (B)</b>	<b>30</b>	<b>30</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>84</b>	<b>80</b>

**7 LONG-TERM PROVISIONS**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Provision for employee benefits		
- Provision for Compensated absences	59	60
<b>Total Long-Term Provisions</b>	<b>59</b>	<b>60</b>

**8 TRADE PAYABLES**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
- Outstanding dues to Micro Enterprises & Small Enterprises (Refer Note 27)	-	-
- Others	286	240
<b>Total Trade Payables</b>	<b>286</b>	<b>240</b>

**9 OTHER CURRENT LIABILITIES**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Current maturities of long-term debt	-	200
Interest accrued but not due on borrowings	-	4
Unclaimed dividends	46	45
Statutory Remittances (includes TDS, PF, VAT, Service Tax)	58	39
Retention money payable	1	5
Gratuity (Refer Note 28)	18	14
Advance received from customers	8	-
Others	59	59
<b>Total Other Current Liabilities</b>	<b>190</b>	<b>366</b>

**10 SHORT-TERM PROVISIONS**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Provision for Compensated absences	28	27
Provision for Wealth Tax	40	40
Provision for proposed equity dividend	928	643
Provision for tax on proposed dividend	158	109
<b>Total Short-Term Provisions</b>	<b>1,154</b>	<b>819</b>

## 11 FIXED ASSETS

Description	Gross Block			Depreciation / Amortisation			Net Block	
	As at April 1, 2013	Additions	Disposals	As at March 31, 2014	As at April 1, 2013	For the year Disposals	As at March 31, 2014	As at March 31, 2013
	₹ Lakhs							
<b>A. Tangible assets - Owned</b>								
Land	3,989 (3,989)	-	-	3,989 (3,989)	-	-	3,989 (3,989)	3,989 (3,989)
Buildings	1,065 (737)	11 (328)	-	1,076 (1,065)	133 (119)	19 (14)	924 (932)	932 (618)
Plant and Equipment	118 (90)	12 (28)	-	130 (118)	34 (24)	5 (10)	91 (84)	84 (66)
Furniture and Fixtures	166 (63)	59 (106)	6 (3)	219 (166)	64 (48)	29 (19)	131 (102)	102 (15)
Vehicles	22 (22)	-	-	22 (22)	22 (20)	- (2)	- (22)	- (2)
Office Equipments	206 (153)	44 (54)	1 (1)	249 (206)	155 (136)	36 (19)	59 (51)	51 (17)
<b>Total Tangible Assets</b>	<b>5,566</b>	<b>126</b>	<b>7</b>	<b>5,685</b>	<b>408</b>	<b>89</b>	<b>5,194</b>	<b>5,158</b>
Previous year	(5,054)	(516)	(4)	(5,566)	(347)	(64)	(5,158)	(4,707)
<b>B. Intangible assets - Acquired</b>								
Computer Software Licenses	28 (23)	- (5)	-	28 (28)	21 (18)	3 (3)	4 (7)	7 (5)
<b>Total Intangible Assets</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>28</b>	<b>21</b>	<b>3</b>	<b>4</b>	<b>7</b>
Previous year	(23)	(5)	-	(28)	(18)	(3)	(7)	(5)
<b>Total Tangible &amp; Intangible Assets(A+B)</b>	<b>5,594</b>	<b>126</b>	<b>7</b>	<b>5,713</b>	<b>429</b>	<b>92</b>	<b>5,198</b>	<b>5,165</b>
Previous year	(5,077)	(521)	(4)	(5,594)	(365)	(67)	(5,165)	(4,712)
Capital Work-in-Progress							-	-
Previous year							-	(100)
<b>Total Fixed Assets</b>							<b>5,198</b>	<b>5,165</b>
Total Previous year							(5,165)	(4,712)

**12 NON-CURRENT INVESTMENTS (at cost)**

	Face Value ₹	No. of Shares	As at March 31, 2014	No. of Shares	₹ Lakhs As at March 31, 2013
<b>Trade</b>					
<b>Investment in Equity instruments (fully paid up)</b>					
<b>(i) Subsidiary Companies</b>					
<b>Quoted:</b>					
Rane (Madras) Limited	10	59,16,272	6,597	54,73,369	4,625
Rane Engine Valve Limited	10	27,59,686	7,529	27,59,686	7,529
Rane Brake Lining Limited	10	35,77,175	1,386	33,67,713	1,149
<b>Unquoted:</b>					
Rane Diecast Limited (Refer Note 12.1)	10	-	-	1,03,95,135	1,844
Rane Holdings America Inc.	\$1	20,000	10	20,000	10
<b>(ii) Associate Companies</b>					
<b>Quoted:</b>					
Kar Mobiles Limited	10	8,86,369	634	8,84,369	632
<b>Unquoted:</b>					
SasMos HET Technologies Limited	10	3,51,400	699	3,51,400	699
<b>(iii) Joint Venture Companies</b>					
<b>Unquoted:</b>					
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
<b>(iv) Other Entities</b>					
<b>Unquoted:</b>					
Wellington Corporate Foundation [60 shares of ₹10/- each costing ₹1,000/-]	10	60	-	60	-
<b>Investment in Preference Shares (fully paid up)</b>					
<b>(i) Subsidiary Companies</b>					
<b>Unquoted</b>					
Rane (Madras) Limited	10	82,32,164	600	-	-
Rane Diecast Limited (Refer Note 12.1)		-	-	60,00,000	600
<b>Total Non-Current Investments</b>			<b>20,835</b>		<b>20,468</b>
<b>Aggregate value of Investments:-</b>					
Quoted at Cost			16,146		13,934
At Market Value			21,801		13,924
Unquoted at Cost			4,689		6,534

12.1 A scheme of amalgamation ("Scheme") approved by the shareholders of Rane (Madras) Limited (RML) and Rane Diecast Limited (RDL) was sanctioned by the High Court of Judicature at Madras on February 18, 2014. This Scheme has been given effect to from the appointed date viz., 1st April, 2013.

12.2 In accordance with this Scheme, RML has allotted :

- 3,46,504 Equity shares of ₹10/- (Rupees Ten only) each full paid up in the ratio of 1 (One) fully paid up equity share of ₹10/- (Rupees Ten only) each in RML for every 30 (Thirty) fully paid up equity shares of ₹10/- (Rupees Ten only) each, held by the Company in RDL.
- 82,32,164 fully paid up 6.74% Cumulative Redeemable Preference Shares of ₹10/- (Rupees Ten only) each in RML in lieu of 60,00,000 fully paid up 9.25% Cumulative Redeemable Preference Shares of ₹10/- (Rupees Ten only) each held by the Company in RDL.



## 13 LONG-TERM LOANS AND ADVANCES

	As at March 31, 2014	As at March 31, 2013
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital Advances	-	47
Loans and advances to related parties (Refer Note 30)	725	525
Security Deposits	3	3
Taxes (Net of Provision)	556	530
<b>Total Long-Term Loans and Advances</b>	<b>1,284</b>	<b>1,105</b>

## 14 CURRENT INVESTMENTS

	Nominal Value ₹	No. of Units	As at March 31, 2014	No. of Units	As at March 31, 2013
<b>Unquoted:</b>					
Investments in Mutual Funds					
HDFC Liquid Fund - Dividend Daily Reinvestment	10	71,67,392	731	-	-
<b>Note:</b>					
Of the above, the balances that meet the definition of Cash & cash equivalents as per AS 3 Cash Flow Statement			731		-

## 15 TRADE RECEIVABLES

	As at March 31, 2014	As at March 31, 2013
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the due date of payment	-	-
- Other trade receivables (Refer Note below)	108	73
<b>Total Trade Receivables</b>	<b>108</b>	<b>73</b>
<b>Note: Includes dues from related parties: (Refer Note 30)</b>		
<b>Name of the Company</b>		
Rane (Madras) Limited	-	2
Rane Engine Valve Limited	61	-
Rane Diecast Limited	-	7
Rane Holdings America Inc	-	1
Rane TRW Steering Systems Limited	44	29
Rane NSK Steering Systems Limited	3	4
SasMos HET Technologies Limited	-	30
<b>Total</b>	<b>108</b>	<b>73</b>

## 16 CASH AND BANK BALANCES

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Cash and cash equivalents</b>		
- Cash on hand	1	1
- Cheques, drafts on hand	-	357
<b>Balances with Banks</b>		
- In Current Accounts	340	48
<b>Other Bank balances</b>		
In earmarked accounts:		
Unclaimed Dividend accounts	46	45
<b>Total of Cash and bank balances</b>	<b>387</b>	<b>451</b>
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	341	406

## 17 SHORT-TERM LOANS AND ADVANCES

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Unsecured, considered good, unless otherwise stated</b>		
Prepaid Expenses	112	103
Security Deposits	10	24
Service Tax credit receivable	13	4
Others (includes advances to suppliers & employees)	38	56
<b>Total Short-Term Loans and Advances</b>	<b>173</b>	<b>187</b>

## 18 OTHER CURRENT ASSETS

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Interest accrued but not due on loan to related parties (Refer Note 30)	6	57
<b>Total Other Current assets</b>	<b>6</b>	<b>57</b>

## 19 REVENUE FROM OPERATIONS

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Dividend from Non-Current Investments		
- Subsidiaries	341	576
- Other companies	699	944
Service Fee	2,428	2,334
Trade Mark Fee	1,756	1,824
<b>Total Revenue from Operations</b>	<b>5,224</b>	<b>5,678</b>

**20 OTHER INCOME**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Interest Income		
- From loans to related parties	104	64
- From deposits with banks	-	18
Dividend Income from Current Investments	21	12
Miscellaneous Income	1	1
<b>Total Other Income</b>	<b>126</b>	<b>95</b>

**21 EMPLOYEE BENEFITS EXPENSES (Refer Note 28)**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Salaries and Wages	745	723
Contribution to Provident and other funds	88	97
Staff welfare expenses	49	39
<b>Total Employee Benefits Expenses</b>	<b>882</b>	<b>859</b>

**22 FINANCE COSTS**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Interest expense		
- On Borrowings	28	111
- Others	-	18
<b>Total Finance Costs</b>	<b>28</b>	<b>129</b>

**23 OTHER EXPENSES**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Power and fuel	30	32
Rent (Refer Note 33)	117	144
Repairs & Maintenance		
- Buildings	76	67
- Others	32	30
Insurance	17	15
Rates and Taxes	63	47
Travelling and Conveyance	111	140
Professional Charges	230	276
Information Systems expenses	539	429
Advertisement and Sales Promotion	85	31
Directors' Sitting Fees	5	6
Executive Chairman's Commission	78	78
Auditors' Remuneration		
- statutory audit	9	9
- tax audit	1	1
- other services	16	11
Donation	79	67
Administrative Expenses	62	79
Miscellaneous Expenses	3	3
<b>Total Other Expenses</b>	<b>1,553</b>	<b>1,465</b>

**24 EXPENDITURE IN FOREIGN CURRENCY**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Professional and consultation fees	26	100
Travel	4	9
	<b>30</b>	<b>109</b>

**25 REMITTANCE DURING THE YEAR OF DIVIDENDS IN FOREIGN CURRENCY**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
<b>Interim Dividend</b>		
Number of Shareholders	-	1
Number of Shares held	-	5,41,125
Amount paid as Interim Dividend (₹ Lakhs)	-	19
Year for which dividend is remitted	-	2012-13
<b>Final Dividend</b>		
Number of Shareholders	1	1
Number of Shares held	5,41,125	5,41,125
Amount paid as Final Dividend (₹ Lakhs)	24	22
Year for which dividend is remitted	2012-13	2011-12

## 26 CONTINGENT LIABILITIES AND COMMITMENTS

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>26.1 Contingent Liabilities</b>		
Guarantees	300	4,395
Disputed demands under appeal (Refer below)	1,732	815
<b>Income Tax - Assessment Year (AY)</b>		
2005-2006*	85	85
2007-2008	65	65
2008-2009*	372	372
2009-2010*	53	53
2010-2011*	232	232
2011-2012	917	-
	<b>1,724</b>	<b>807</b>
<b>Less: Deposits</b>	<b>(104)</b>	<b>(79)</b>
<b>Net Amount</b>	<b>1,620</b>	<b>728</b>
* includes the following deposits		
AY 2010-2011 - ₹10 Lakhs		
AY 2009-2010 - ₹14 Lakhs		
AY 2008-2009 - ₹30 Lakhs		
AY 2005-2006 - ₹50 Lakhs		
Service Tax**	2	2
Customs Duty	6	6
** Represent 1.52 lakhs paid as predeposit.		
<b>26.2 Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	26
	-	<b>26</b>

- 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, 2014 and March 31, 2013.

## Disclosure as per AS 15 - Employee Benefits

## 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:

Particulars	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
<b>Components of employer expense</b>		
Current service cost	15	15
Interest cost	17	14
Expected return on plan assets	(18)	(17)
Actuarial losses/(gains)	3	27
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>17</b>	<b>39</b>
<b>Actual contribution and benefit payments for the year</b>		
Actual benefit payments	(16)	(2)
Actual contributions	13	21

Particulars	₹ Lakhs	
	Year ended March 31, 2014	Year ended March 31, 2013
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	238	219
Fair value of plan assets	220	205
Funded status [Surplus / (Deficit)]	(18)	(14)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(18)</b>	<b>(14)</b>
<b>Change in Defined Benefit Obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	219	165
Current service cost	15	15
Interest cost	17	14
Actuarial (gains) / losses	3	27
Past service cost	-	-
Benefits paid	(16)	(2)
<b>Present value of DBO at the end of the year</b>	<b>238</b>	<b>219</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	205	169
Expected return on plan assets	18	17
Actual company contributions	13	21
Actuarial gain / (loss)	-	-
Benefits paid	(16)	(2)
<b>Plan assets at the end of the year</b>	<b>220</b>	<b>205</b>
<b>Actuarial assumptions</b>		
Discount rate - %	9%	8%
Expected return on plan assets - %	9%	9%
Salary escalation - %	8%	7%
Attrition - %	5%	3%
Mortality rate - %	IAL(2006-08)	IAL(2006-08)
<b>Experience Adjustments</b>		
Present Value of Obligation	239	219
Plan Assets	221	206
Surplus / (Deficit)	(18)	(13)
Experience Adjustments on Plan liabilities - (loss) / gain	(3)	(17)
Experience Adjustments on Plan assets - (loss) / gain	(1)	-
<b>Enterprises' best estimate of contribution during the next year</b>	<b>18</b>	<b>14</b>
<b>Actual Return on Plan Assets</b>		
Expected return on plan assets	17	17
Actuarial gain / (loss) on plan assets	-	(1)
Actual return on plan assets	17	16

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	Year ended March 31, 2014	Year ended March 31, 2013
<b>Actuarial assumptions for long-term compensated absences</b>		
Discount rate	9%	8%
Salary escalation	8%	7%
Attrition	5%	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 has not been furnished by LIC.
- Experience adjustments has been disclosed based on the information available in the actuarial valuation report.

## Disclosure as per AS 17 - Segment Reporting

### 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 2013-14	Names of related parties 2012-13
<b>Subsidiaries</b>	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
<b>Joint Ventures</b>	Rane Holdings America Inc.	Rane Holdings America Inc.
	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
<b>Associates</b>	Kar Mobiles Limited	Kar Mobiles Limited
	SasMos HET Technologies Limited	SasMos HET Technologies Limited
<b>Key Management Personnel (KMP)</b>	Mr. L Lakshman	Mr. L Lakshman
	Mr. L Ganesh	Mr. L Ganesh
<b>Relatives of KMP</b>	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
<b>Enterprise in which KMP / Relatives of KMP can exercise significant influence</b>	Rane Foundation	Rane Foundation

Note: Related parties has been identified by the Management.



## DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED MARCH 31, 2014 AND BALANCES OUTSTANDING AS AT MARCH 31, 2014

₹ Lakhs													
	Trade Mark			Sitting							Others		
	Fee for Services rendered	/ Group Association	Fee	Dividend Received	Interest Income	Donation Paid	Loans Given	Loans Repaid	Guarantee Given	Salary and Other Perquisites		Commission	Board and Committee Meetings
Subsidiaries													
Rane (Madras) Limited	607 (570)	317 (312)	273 (328)	81	-	350	350	-	-	-	-	-	10 (33)
Rane Engine Valve Limited	319 (307)	130 (127)	- (83)	-	-	-	-	-	-	-	-	-	(8) (13)
Rane Brake Lining Limited	377 (345)	191 (188)	68 (165)	-	-	-	-	-	-	-	-	-	(17) (20)
Rane Diecast Limited*	- (19)	- (1)	- (54)	-	-	-	-	-	-	-	-	-	- (3)
Balances receivable at the end of the year													
Rane (Madras) Limited	-	-	-	-	-	-	450	-	-	-	-	-	-
Rane Engine Valve Limited	19	42	-	-	-	-	-	-	-	-	-	-	-
Rane Diecast Limited*	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance payable at the end of the year													
Rane Engine Valve Limited	-	-	-	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	5	(1)	-	-	-	-	-	-	-	-	-	-	-
	-	(2)	-	-	-	-	-	-	-	-	-	-	-

## DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED MARCH 31, 2014 AND BALANCES OUTSTANDING AS AT MARCH 31, 2014

Trade Mark															Sitting			₹ Lakhs
Fee for Services rendered	/ Group Association	Dividend Received	Interest Income	Donation Paid	Loans Given	Loans Repaid	Guarantee Given	Salary and Other Perquisites	Commission	Board and Committee Meetings	Others	(Reimbursement of Expenses)						
Joint Ventures																		
Rane TRW Steering Systems Limited	569	562	655	-	-	-	-	-	-	-	-	5						
	(553)	(593)	(874)	-	-	-	-	-	-	-	-	(16)						
Rane NSK Steering Systems Limited	400	527	-	-	-	-	-	-	-	-	-	5						
	(391)	(573)	-	-	-	-	-	-	-	-	-	(13)						
JMA Rane Marketing Limited	-	-	22	-	-	-	-	-	-	-	-	-						
	-	-	(22)	-	-	-	-	-	-	-	-	-						
Balances receivable at the end of the year																		
Rane TRW Steering Systems Limited	2	42	-	-	-	-	-	-	-	-	-	-						
	-	(29)	-	-	-	-	-	-	-	-	-	(2)						
Rane NSK Steering Systems Limited	2	-	-	-	-	-	-	-	-	-	-	1						
	-	(4)	-	-	-	-	-	-	-	-	-	-						
Associates																		
Kar Mobiles Limited	149	29	22	-	-	-	-	-	-	-	-	-						
	(130)	(30)	(49)	-	-	-	-	-	-	-	-	(3)						
SasMos HET Technologies Limited	7	-	-	23	-	470	270	-	-	-	-	4						
	(18)	-	-	(10)	-	(351)	(351)	(300)	-	-	-	(9)						
Balances receivable at the end of the year																		
SasMos HET Technologies Limited	-	-	-	6	-	200	-	300	-	-	-	-						
	(18)	-	-	(3)	-	-	-	(300)	-	-	-	(9)						
Balance payable at the end of the year																		
Kar Mobiles Limited	3	-	-	-	-	-	-	-	-	-	-	-						
	(7)	-	-	-	-	-	-	-	-	-	-	-						

## DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED MARCH 31, 2014 AND BALANCES OUTSTANDING AS AT MARCH 31, 2014

	₹ Lakhs									
	Trade Mark	Sitting		Board and		Others				
	Fee for	Association	Dividend	Interest	Donation	Loans	Loans	Guarantee	Salary	Commission
	Services	Fee	Received	Income	Paid	Given	Repaid	Given	and Other	Commission
	rendered								Perquisites	of Expenses)
Key Management Personnel (KMP)										
Mr. L Lakshman	-	-	-	-	-	-	-	-	78	78
	-	-	-	-	-	-	-	-	(77)	(78)
Mr. L Ganesh	-	-	-	-	-	-	-	-	108	-
	-	-	-	-	-	-	-	-	(102)	-
Balance payable at the end of the year										
Mr. L Lakshman	-	-	-	-	-	-	-	-	-	78
	-	-	-	-	-	-	-	-	-	(78)
Relatives of Key Management Personnel (KMP)										
Mr. Harish Lakshman	-	-	-	-	-	-	-	-	-	1
	-	-	-	-	-	-	-	-	-	(1)
Enterprise in which KMP / Relatives of KMP can exercise significant influence										
Rane Foundation	-	-	-	-	75	-	-	-	-	-
	-	-	-	-	(65)	-	-	-	-	-
Balances receivable at the end of the year										
Rane Foundation	-	-	-	-	-	75	-	-	-	-
	-	-	-	-	-	(75)	-	-	-	-

**Note:**

\* Refer Note 12.1

1. Figures in bracket relates to the previous year

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

Particulars	Amount outstanding as at March 31, 2014	Amount outstanding as at March 31, 2013	Maximum outstanding during 2013-2014	₹ Lakhs Maximum outstanding during 2012-2013
<b>Subsidiaries</b>				
<b>Rane (Madras) Limited</b>				
Loan	450	-	800	-
Interest	-	-	63	-
<b>Rane Diecast Limited*</b>				
Loan	-	450	-	450
Interest	-	54	-	54
<b>Associate</b>				
<b>SasMos HET Technologies Limited</b>				
Loan	200	-	230	-
Interest	6	3	12	361
<b>Rane Foundation</b>				
Loan	75	75	75	75

\* Refer Note 12.1

**32 INFORMATION ON JOINT VENTURE ENTITIES**

The particulars of the Company's Joint Venture Entities as at March 31, 2014 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, 2014			2013-2014		
			Assets	Liabilities	Contingent Liabilities	Capital Commitments	Income	Expenses
1	Rane TRW Steering Systems Limited	50%	18,601	18,601	1,920	835	30,070	28,844
		50%	(18,001)	(18,001)	(2,194)	(1,040)	(32,304)	(30,091)
2	Rane NSK Steering Systems Limited	49%	12,848	12,848	71	150	25,757	24,631
		49%	(9,990)	(9,990)	(41)	(686)	(28,127)	(26,350)
3	JMA Rane Marketing Limited	49%	1,248	1,248	-	-	2,708	2,576
		49%	(1,181)	(1,181)	-	-	(2,507)	(2,351)

Note:

- Figures in bracket relates to the previous year.
- All the above Joint Venture Entities located in India.

**33 OPERATING LEASES**

Particulars	As at	₹ Lakhs
	March 31, 2014	As at March 31, 2013
<b>Details of leasing arrangements</b>		
The Company has operating lease agreements for office space and residential accommodation with option to renew with escalation.		
Lease Rental debited to the Statement of Profit and Loss	24	38
Future minimum lease payments		
- not later than one year	19	23
- later than one year and not later than five years	28	-
- later than five years	-	-
	<b>71</b>	<b>61</b>
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	93	106
Future minimum lease payments		
- not later than one year	46	85
- later than one year and not later than five years	33	77
- later than five years	-	-
	<b>172</b>	<b>268</b>

**34 EARNINGS PER SHARE**

Particulars	Year ended	Year ended
	March 31, 2014	March 31, 2013
<b>Profit After Tax (₹ Lakhs)</b>	2,173	2,595
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹10/- each - Basic & Diluted	15.22	18.17

**35 SUBSEQUENT EVENTS**

The Board of Directors of Rane Engine Valve Limited (REVL) a subsidiary company and Kar Mobiles Limited (KML) an associate company of RHL, have approved the merger of both the companies at their respective meetings held on 20th May, 2014 with the appointed date as 1st April 2014. The exchange ratio will be 7 shares of REVL for every 10 shares of KML.

The above merger is subject to regulatory, legal and other statutory approvals as may be required.

**36 PREVIOUS YEAR'S FIGURE**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

**C SIVA**  
Secretary

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : May 27, 2014

**J ANANTH**  
Chief Financial Officer

**L GANESH**  
Vice Chairman

# INDEPENDENT AUDITORS' REPORT to the Board of Directors of Rane Holdings Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **RANE HOLDINGS LIMITED** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, jointly controlled entities and associates referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) 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
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matters

We did not audit the financial statements of three subsidiaries and a jointly controlled entity, whose financial statements reflect total assets (net) of ₹64,627 lakhs as at March 31, 2014, total revenues of ₹91,268 lakhs and net cash flows amounting to ₹194 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹174 lakhs for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of two associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, a jointly controlled entity and associates, is based solely on the reports of the other auditors.

The financial statement of a joint venture, which reflects total assets of ₹1,248 lakhs as at March 31, 2014, total revenue of ₹2,708 lakhs and net cash flow of ₹27 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. However, the size of this joint venture in the context of the Group is not material.

Our opinion is not qualified in respect of the above matters.

For **DELOITTE HASKINS & SELLS**

Chartered Accountants  
(Firm Registration No. 008072S)

Chennai  
May 27, 2014

**GEETHA SURYANARAYANAN**

Partner  
(Membership No. 29519)



**CONSOLIDATED BALANCE SHEET**

as at March 31, 2014

Particulars	Note No	₹ Lakhs	
		As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	1,428	1,428
(b) Reserves and Surplus	4	46,405	43,670
<b>Minority Interest</b>		15,879	16,514
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	17,089	15,817
(b) Deferred tax liabilities (Net)	6	1,636	2,563
(c) Other Long-term liabilities	7	106	37
(d) Long-term provisions	8	1,246	1,268
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	9	17,263	16,461
(b) Trade payables	10	26,358	25,366
(c) Other current liabilities	11	15,104	12,207
(d) Short-term provisions	12	2,241	1,783
<b>Total</b>		<b>1,44,755</b>	<b>1,37,114</b>
<b>II. Assets</b>			
<b>(1) Non-Current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	66,785	62,569
(ii) Intangible assets	13	309	418
(iii) Capital work-in-progress	13	3,046	4,056
(b) Goodwill on Consolidation		7,378	7,762
(c) Non-current investments	14	1,916	1,671
(d) Deferred tax assets (net)	15	1,116	-
(e) Long-term loans and advances	16	5,464	4,274
(f) Other non-current assets	17	33	33
<b>(2) Current assets</b>			
(a) Current investments	18	731	-
(b) Inventories	19	19,835	20,067
(c) Trade receivables	20	29,859	27,298
(d) Cash and bank balances	21	2,032	3,074
(e) Short-term loans and advances	22	5,525	5,386
(f) Other current assets	23	726	506
<b>Total</b>		<b>1,44,755</b>	<b>1,37,114</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm Registration No. 008072S)

For and on behalf of the Board

**GEETHA SURYANARAYANAN**

Partner

(Membership No. 29519)

**C SIVA**

Secretary

**L LAKSHMAN**

Executive Chairman

Place : Chennai

Date : May 27, 2014

**J ANANTH**

Chief Financial Officer

**L GANESH**

Vice Chairman

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2014

Particulars	Note No	₹ Lakhs	
		Year ended March 31, 2014	Year ended March 31, 2013
<b>I. Revenue from operations (Gross)</b>		2,06,587	2,07,502
Less: Excise Duty		13,821	13,705
<b>Revenue from operations (Net)</b>	24	<b>1,92,766</b>	<b>1,93,797</b>
<b>II. Other Income</b>	25	1,852	2,323
<b>III. Total Revenue (I + II)</b>		<b>1,94,618</b>	<b>1,96,120</b>
<b>IV. Expenses:-</b>			
Cost of materials consumed	26	1,05,408	1,10,816
Purchase of Stock-in-Trade (Traded goods)	27	1,717	2,724
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(419)	(1,418)
Employee benefits expense	29	25,464	25,205
Finance costs	30	4,269	3,926
Depreciation and amortization expense	13	8,414	7,903
Other expenses	31	40,800	39,214
<b>Total Expenses</b>		<b>1,85,653</b>	<b>1,88,370</b>
<b>V. Profit before exceptional items and tax (III - IV)</b>		8,965	7,750
<b>VI. Exceptional Items (Refer Note 36)</b>		(5,205)	(69)
<b>VII. Profit before tax (V - VI)</b>		<b>3,760</b>	<b>7,681</b>
<b>VIII. Tax expense:</b>			
(1) Current tax expense		1,399	1,523
(2) Less: MAT Credit		(823)	(127)
(3) Share of Joint ventures		733	890
Net current tax expense		1,309	2,286
(4) Deferred tax		(2,028)	241
(5) Share of Joint ventures		(17)	266
<b>Net of tax expense</b>		(736)	2,793
<b>IX. Profit after tax before share of Profit/(Loss) of associates and minority interest (VII - VIII)</b>		<b>4,496</b>	<b>4,888</b>
<b>X. Share of Profit /(Loss) of associates</b>		174	(27)
<b>XI. Less: Minority Interest</b>		326	1,023
<b>XII. Profit for the year (IX + X - XI)</b>		<b>4,344</b>	<b>3,838</b>
<b>XIII. Earning per equity share (of ₹10 each):</b>	41		
(1) Basic		30.42	26.88
(2) Diluted		30.42	26.88

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**

Chartered Accountants

(Firm Registration No. 008072S)

For and on behalf of the Board

**GEETHA SURYANARAYANAN**

Partner

(Membership No. 29519)

**C SIVA**

Secretary

**L LAKSHMAN**

Executive Chairman

Place : Chennai

Date : May 27, 2014

**J ANANTH**

Chief Financial Officer

**L GANESH**

Vice Chairman

# CONSOLIDATED CASHFLOW STATEMENT

for the year ended March 31, 2014

₹ Lakhs

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>A. Cash flow from operating activities</b>		
Net Profit before tax, share of profit/(loss) of associates and minority interest	3,760	7,681
Adjustments for:		
Depreciation and amortisation	8,414	7,903
Profit on sale of assets	(33)	(104)
Loss on sale of assets	21	4
Assets written off	-	65
Finance costs	4,269	3,890
Interest income	(171)	(311)
Dividend income	(48)	(22)
Provision for Doubtful Debts / Advances	56	95
Liability no longer required written back	(191)	(421)
Unrealised exchange loss (Net)	173	302
Bad debts / Advances written off	44	16
Provision for Gratuity and Leave Salary	(20)	64
Provision for warranty	(54)	54
Deferralment of Government Grants	(2)	-
Exceptional Items	235	61
Hedge reserve adjustments	-	(10)
	12,693	11,587
<b>Operating profit before working capital changes</b>	<b>16,453</b>	<b>19,268</b>
<b>Changes in working capital</b>		
Adjustments for (Increase) / Decrease in operating assets and liabilities:		
Increase/(Decrease) in long-term provisions	(12)	(11)
Increase/(Decrease) in short-term borrowings	802	1,922
Increase/(Decrease) in Trade payables	1,199	3,253
Increase/(Decrease) in other current liabilities	672	(2,517)
Increase/(Decrease) in other long-term liabilities	69	(52)
Increase/(Decrease) in short-term provisions	(46)	(35)
(Increase)/Decrease in Inventories	232	(488)
(Increase)/Decrease in Trade receivables	(2,722)	1,883
(Increase)/Decrease in short-term loans and advances	(245)	(1,074)
(Increase)/Decrease in long-term loans and advances	(1,306)	664
(Increase)/Decrease in other assets (current & non-current)	(270)	588
(Increase)/Decrease in cash balance not considered as cash and cash equivalents	343	(203)
	(1,284)	3,930
Cash generated from operations	15,169	23,198
Net income tax (paid) / refunds	(2,300)	(2,399)
<b>Net cash flow from operating activities (A)</b>	<b>12,869</b>	<b>20,800</b>

₹ Lakhs

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(11,014)	(12,898)
Proceeds from sale of fixed assets	67	327
Purchase of long-term investments	(459)	(80)
Dividend income		
- Associates	22	49
- Others	26	22
Interest income	222	311
<b>Net cash flow from investing activities (B)</b>	<b>(11,136)</b>	<b>(12,269)</b>
<b>C. Cash flow from financing activities</b>		
Long-term borrowings taken / (repaid)	3,812	(1,878)
Dividends paid (including taxes)	(1,131)	(1,940)
Interest paid	(4,382)	(4,608)
<b>Net cash flow from financing activities (C)</b>	<b>(1,701)</b>	<b>(8,426)</b>
<b>Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>32</b>	<b>105</b>
Cash and cash equivalents at the beginning of the year (including current investments)	3,074	2,766
Less: Unpaid Dividend and Unpaid Interest Warrants Accounts	74	71
Less: Bank deposit with maturity more than 3 months but less than 12 months	394	78
Less: Capital Gain scheme account	1	1
Less: Others	28	144
<b>Adjusted Cash and cash equivalents at the beginning of the year</b>	<b>2,577</b>	<b>2,472</b>
Cash and cash equivalents at the end of the year (including current investments)	2,763	3,074
Less: Unpaid Dividend and Unpaid Interest Warrants Accounts	76	74
Less: Bank deposit with maturity more than 3 months but less than 12 months	1	394
Less: Capital Gain scheme account	1	1
Less: Others	76	28
<b>Adjusted Cash and cash equivalents at the end of the year</b>	<b>2,609</b>	<b>2,577</b>
<b>Net Increase / (Decrease)</b>	<b>32</b>	<b>105</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

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

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner  
(Membership No. 29519)

**C SIVA**  
Secretary

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : May 27, 2014

**J ANANTH**  
Chief Financial Officer

**L GANESH**  
Vice Chairman

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## for the year ended March 31, 2014

### 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 Group's 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.

### 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, (Collectively referred to as "the group") and the Group's share of profit / (loss) in its associates.

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, 2014.

The Financial statements of the Company, its Subsidiaries, Joint Ventures and Investments in Associate companies are consolidated respectively in accordance with Accounting Standard 21 (AS 21) "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, unrealized profits/losses on intra-company transactions and consolidation adjustments.

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 . The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of Group's share in the entity.

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 were made is recognized as "Goodwill on Consolidation" and is shown separately in the consolidated financial statements. On the other hand, 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 recognised 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 31,2014	As at March 31,2013	As at March 31,2014	As at March 31,2013
<b>Subsidiaries</b>				
Rane (Madras) Limited - (RML)	59,16,272	54,73,369	56%	54%
Rane Engine Valve Limited - (REVL)	27,59,686	27,59,686	54%	54%
Rane Brake Lining Limited - (RBL)	35,77,175	33,67,713	45%	43%
Rane Diecast Limited - (RDL) (Refer Note 37)	NA	1,03,95,135	NA	79%
Rane Holdings America Inc.*	20,000	20,000	100%	100%
<b>Joint Ventures</b>				
Rane TRW Steering Systems Limited - (RTSSL)	43,69,123	43,69,123	50%	50%
Rane NSK Steering Systems Limited - (RNSSL)	87,71,000	87,71,000	49%	49%
JMA Rane Marketing Limited	3,60,003	3,60,003	49%	49%
<b>Associates</b>				
Kar Mobiles Limited	8,86,369	8,84,369	40%	39%
SasMos HET Technologies Limited	3,51,400	3,51,400	26%	26%

\* Company incorporated outside India

- The 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 consolidated financial statements

The consolidated 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 under section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the 1956 Act/2013 Act, as applicable.

## 2.3 Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India requires the Management to make estimates and assumptions that affects the reported amounts of assets and liabilities as of the Balance Sheet date, the reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as on the date of the financial statements. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

## 2.4 Inventories

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. 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 amortised over a period of 3 years. Inventory lying in customs bonded warehouse is valued inclusive of customs duty payable on clearance.

## 2.5 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with Banks. Cash equivalents comprises of bank balances in current account and other short-term (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

## 2.6 Cash flow statement

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effect of the transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## 2.7 Depreciation and amortisation

2.7.1 Depreciation on Fixed Assets, other than those given in 2.7.2. below, is charged on straight-line basis at rates specified in Schedule XIV of the Companies Act, 1956.

2.7.2 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 to 5
Intangible Assets	Useful life (years)
Software License	3
Software	3
Technical Knowhow / License Fees for technical assistance	3 to 6
Design and Drawings	5

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

## 2.8 Revenue recognition

### 2.8.1 Sales

Revenue is recognized net of returns and trade discounts, when the significant risks and rewards of ownership of goods have been passed to the buyer. Sales include excise duty but exclude sales tax, value added tax and other trade discounts and rebates wherever applicable.

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.

### 2.8.2 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.

### 2.8.3 Dividend Income

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

## 2.9 Fixed Assets

### 2.9.1 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.



Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefit from the existing asset beyond its previously assessed standard of performance.

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.

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 Consolidated Statement of Profit and Loss.

Fixed assets that are fully depreciated are retained at a value of ₹1/-.

## **2.9.2 Capital Work-in-progress:**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long-term loans and advances.

## **2.9.3 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.

## **2.10 Foreign currency transactions and translations**

### **2.10.1 Initial recognition**

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

### **2.10.2 Measurement of foreign currency monetary items at the Balance Sheet date**

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction.

At the year end all monetary assets and liabilities denominated in foreign currency are restated at year end exchange rates. The resultant exchange differences arising from settlement of foreign currency transactions and from year end restatement are recognized in the Statement of Profit and Loss except those arising on reporting of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets which are adjusted to the carrying amount of such assets and depreciated over the remaining useful life of such assets.

Premium or discount on forward exchange contracts (i.e. the difference between the forward exchange rate and the exchange rate at the date of transaction) is accounted for as income/expense over the life of the contract if such contracts relate to monetary items as at the balance sheet date. Profit or loss on cancellation of forward contracts are recognized as income/expense in the Statement of Profit and Loss for the year in which they are cancelled.

### **2.10.3 Accounting of forward contracts and treatment of exchange difference**

The Group 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 Consolidated Statement of Profit & Loss in the year in which the exchange rates change.

## **2.11 Government Grants and Capital Subsidy**

Government grants relating to depreciable tangible fixed assets are treated as deferred income and recognised in the Consolidated 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.

## **2.12 Investments**

### **2.12.1 Long-Term Investments**

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

**2.12.2 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.

**2.13 Employee benefits**

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

**2.13.1 Defined contribution plans**

Contribution to provident fund and super annuation fund in the Group are considered as Defined Contribution Plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**Provident Fund**

The Group contributes to a government administered Provident fund on behalf of its employees, which are charged to the consolidated 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, as per the choice exercised by the respective employees, 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.

**2.13.2 Defined benefit plans**

The Group makes annual contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India. The Group 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 Consolidated Statement of Profit and Loss.

**2.13.3 Short-term employee benefits**

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

**2.13.4 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.

**2.13.5 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.

**2.14 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.

**2.15 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 Consolidated Statement of Profit and Loss on a straight-line basis as per the lease terms.

**2.16 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

**2.17 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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

**2.18 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.

**2.19 Impairment of Assets**

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

**2.20 Provisions and contingencies**

A provision is recognised when the Group 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 employee 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. Contingent assets are not recognised in the consolidated financial statements.

**2.21 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 date 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.

## **2.22 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 group 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 consolidated statement of 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 consolidated statement of profit and loss as they arise.

## **2.23 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 using 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 transaction.

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 Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

## **2.24 Insurance Claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

## **2.25 Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

## **2.26 Operating Cycle**

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 3 SHARE CAPITAL

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>(a) Authorised:</b>		
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>(b) Issued, Subscribed and Fully Paid Up:-</b>		
Equity Shares:		
1,42,77,809 Shares (1,42,77,809 Shares) of ₹10 each	1,428	1,428
<b>3.1</b> The Company has Subsidiaries, Joint Ventures and Associates. There is no Ultimate Holding Company of the Company.		
<b>3.2 Terms / Rights attached to Equity Shares:</b>		

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, except in the case of interim dividend.

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:

	As at March 31, 2014		As at March 31, 2013	
Class of Shares/ Name of Shareholder/ Equity shares with voting rights	No of Shares	% of Holding	No of Shares	% of Holding
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%

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

## 4 RESERVES AND SURPLUS

Description	₹ Lakhs	
	As at March 31, 2014	As at March 31, 2013
a. Capital Subsidy	88	88
Add: Additions during the year	15	-
<b>Total</b>	<b>103</b>	<b>88</b>
b. Export Incentive Reserve	19	19
c. Capital Profit Reserve	99	99
d. Capital Redemption Reserve (Refer Note 4.1)	1,028	1,028
e. Investment allowance reserve	36	36
f. Capital Reserve on Amalgamation	29	29
g. General Reserve on Merger (Refer Note 4.2)	819	819
h. Capital Reserve on Consolidation	2,069	2,069
i. Amalgamation Adjustment Account	-	-
Add: Additions/(Deletions) during the year (Net)	(20)	-
<b>Total</b>	<b>(20)</b>	<b>-</b>
j. Securities Premium	6,470	6,470
Add: Additions/(Deletions) during the year	(562)	-
<b>Total</b>	<b>5,908</b>	<b>6,470</b>
k. Hedge Reserve account	-	1
Add: Additions/(Deletions) during the year	43	(1)
<b>Total</b>	<b>43</b>	<b>-</b>
l. Foreign Currency Translation Reserve	-	-
Add: Additions/(Deletions) during the year	3	-
<b>Total</b>	<b>3</b>	<b>-</b>
m. Deferred Government Grants	-	2
- Represents Subsidy received from SIPCOT pertaining to fixed assets and treated as deferred income over the period of the useful life of the assets in respect of RNSSL		
n. <b>General Reserve:</b>		
Opening Balance	12,823	12,564
Add: Transfer from Surplus in Statement of Profit and Loss	217	259
<b>Closing Balance</b>	<b>13,040</b>	<b>12,823</b>
o. <b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	20,189	18,105
<b>Add:-</b>		
Profit for the year	4,344	3,838
<b>Less:-</b>		
Interim Dividend Nil %(Previous Year - 35%)	-	500
Final Dividend @ 65% (Previous Year - 45%)	928	643
Tax on dividend	158	352
Transfer to General Reserve	217	259
<b>Net surplus in the Statement of Profit and Loss</b>	<b>23,230</b>	<b>20,189</b>
<b>Total Reserves and Surplus</b>	<b>46,405</b>	<b>43,670</b>

4.1 Capital Redemption Reserve represents amount transferred from the Consolidated Statement of Profit and Loss in accordance with Section 80(1)(d) of the Companies Act, 1956 on redemption of preference shares relating to the company 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

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>5.1 Secured (Refer Note 5.3)</b>		
Term Loans from Banks	8,029	7,327
External Commercial Borrowings from Banks	3,677	4,015
Loans from Related Parties (Refer Note 38)	273	385
Share in Joint Ventures	2,547	1,203
<b>Total Secured Long-Term Borrowings</b>	<b>14,526</b>	<b>12,930</b>
<b>5.2 Unsecured</b>		
Term Loans from Banks	34	51
Interest Free Sales Tax Loan (Refer note 5.4)	856	944
Fixed Deposits (Refer note 5.5)		
- Related Parties	201	220
- Others	1,355	1,460
Loans from Related Parties (Refer Note 38)	22	40
Loan from Others	95	172
<b>Total Unsecured Long-Term Borrowings</b>	<b>2,563</b>	<b>2,887</b>
<b>Total Long-Term Borrowings</b>	<b>17,089</b>	<b>15,817</b>

### 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.

In respect of RML,

1. ECB Loans from Standard Chartered Bank (SCB) and DBS Bank Limited (DBS) and an INR term loan from HDFC are secured on a pari passu basis by a first charge created on the RML's immovable properties both present and future and are also secured by hypothecation of the RML's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.
2. The INR Term Loans from ING Vysya and Yes Bank is secured on a pari passu basis by a first charge created on the RML's Diecast Business's immovable properties both present and future and are also secured by hypothecation of the RML's Diecast Business's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.
3. Loan from Related Party :- RML has availed INR Loan from Rane TRW Steering Systems Limited amounting to ₹915 Lakhs as at March 31, 2014 out of which ₹827 Lakhs is secured on the respective earmarked machinery provided by RTSSL.

In respect of the foreign currency loans obtained, RML, REVL, RBL and RNSSL have hedged it by entering into derivative contracts whereby the principal and interest amount thereon have been swapped and firmed up into Indian Rupees at a fixed rate of interest. These arrangements have been recognized and the amount of borrowings has been stated in the books in Rupee values as per the said arrangements.

- 5.4 Interest free sales tax loan is repayable over a period of 14 years as per terms of sanction granted by Government of Andhra Pradesh for REVL & RBL.
- 5.5 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. The Interest rates payable on the above deposits varies from 9% p.a to 10% p.a as per the terms of individual deposits.

**6 DEFERRED TAX LIABILITIES (Net)**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	1,941	2,667
Others	1,367	1,135
Share in Joint Ventures	771	631
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>4,079</b>	<b>4,433</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for Employee Benefits	29	373
Provision for doubtful debts / advances	194	18
Voluntary Retirement Compensation Scheme	360	229
Unabsorbed Depreciation	607	604
Others	1,026	574
Share in Joint Ventures	227	72
<b>Tax effect of items constituting deferred tax assets (B)</b>	<b>2,443</b>	<b>1,870</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>1,636</b>	<b>2,563</b>

**7 OTHER LONG-TERM LIABILITIES**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Termination benefit under Voluntary Retirement Scheme	10	33
Others (Refer Note 7.1)	95	4
Share in Joint Ventures	1	-
<b>Total Other Long-Term Liabilities</b>	<b>106</b>	<b>37</b>
7.1 Others include, amount of ₹54.31 Lakhs is payable on investment as per the agreement with TCW Renewable Energy (India) Private Limited, in respect of REVL		

**8 LONG-TERM PROVISIONS**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Provision for Compensated absences	886	873
Provision for Warranty (Refer Note 34)	181	139
Provision for Gratuity	-	60
Provision for Litigations/Dispute	-	12
Share in Joint Ventures	179	184
<b>Total Long-Term Provisions</b>	<b>1,246</b>	<b>1,268</b>



## 9 SHORT-TERM BORROWINGS

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Secured</b> (Refer note 9.1)		
Working Capital Loans	415	826
Others	14,531	12,014
Share in Joint Ventures	2,307	1,312
<b>Unsecured</b>		
Buyers credit	-	845
Sales tax deferment from Government of Andhra Pradesh	10	15
Share in Joint Ventures	-	1,449
<b>Total Short-Term Borrowings</b>	<b>17,263</b>	<b>16,461</b>

### 9.1 Security

Short-Term Borrowings in the nature of Cash credits, Packing credit, Commercial paper, Buyers credit & Working capital loans are secured by way of hypothecation of respective company's inventories, book debts and other current assets and in respect of RML, 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

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Acceptances	2,105	2,011
Other than Acceptances		
- Outstanding dues to Micro Enterprises & Small Enterprises	1,395	1,350
- Others	15,350	14,795
Share in Joint Ventures	7,508	7,210
<b>Total Trade Payables</b>	<b>26,358</b>	<b>25,366</b>

## 11 OTHER CURRENT LIABILITIES

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Current Maturities of Long-Term Borrowings		
- Term loans from Banks	2,920	2,890
- External Commercial Borrowings from Banks	4,527	2,608
- Loans from Related Parties (Refer Note 38)	162	31
- Fixed Deposits		
- Related Parties	24	62
- Others	615	415
- Interest Free Sales Tax Loan	88	79
- Others	180	127
Interest accrued and due on borrowings	-	69
Interest accrued but not due on borrowings	418	343
Unclaimed Dividends	85	84
Unclaimed Matured Fixed Deposits	4	7
Unclaimed interest on Fixed Deposit	2	129
Related Party (Refer Note 38)	20	30
Statutory remittances	1,353	997
Payables for purchase of Fixed Assets	357	248
Gratuity (Refer Note 39)	516	576
Others	754	1,347
Share in Joint Ventures	3,079	2,165
<b>Total Other Current Liabilities</b>	<b>15,104</b>	<b>12,207</b>

## 12 SHORT-TERM PROVISIONS

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>(a) Provision for employee benefits</b>		
Provision for Compensated absences	210	189
<b>(b) Others</b>		
Provision for Wealth tax	40	40
Provision for Warranty (Refer Note 34)	223	220
Provision for proposed dividend	928	643
Provision for tax on proposed dividend	158	109
Provision for expenses	17	61
Share in Joint Ventures	665	521
<b>Total Short-Term Provisions</b>	<b>2,241</b>	<b>1,783</b>

## 13 FIXED ASSETS

Description	Gross Block				Depreciation / Amortisation				Net Block	
	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013
	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013	As at April 1, 2013
<b>A. TANGIBLE ASSETS</b>										
Land	6,529	-	-	278	6,807	-	-	-	6,807	6,529
	(6,338)	(191)	-	-	(6,529)	-	-	-	(6,529)	(6,338)
Land on lease	571	-	-	-	571	62	14	-	495	509
	(571)	-	-	-	(571)	(48)	(14)	-	(509)	(523)
Buildings	14,754	1,033	-	(151)	15,636	3,247	455	-	12,084	11,507
	(12,731)	(2,033)	(10)	-	(14,754)	(2,826)	(427)	(6)	(11,507)	(9,905)
Plant and Machinery	92,649	10,713	1,109	(1,946)	1,00,307	49,464	7,362	1,061	53,795	43,185
	(84,051)	(9,837)	(1,239)	-	(92,649)	(43,580)	(6,870)	(986)	(43,185)	(40,471)
Furniture and Fixtures	1,357	160	31	(22)	1,464	998	132	24	1,083	359
	(1,176)	(229)	(48)	-	(1,357)	(894)	(143)	(39)	(359)	(282)
Vehicles	270	22	23	-	269	149	31	4	176	121
	(230)	(54)	(14)	-	(270)	(125)	(33)	(9)	(121)	(105)
Office equipment	2,255	266	(16)	(12)	2,525	1,896	230	2	2,112	359
	(2,011)	(261)	(17)	-	(2,255)	(1,686)	(217)	(7)	(1,896)	(325)
<b>Total Tangible Assets</b>	<b>1,18,385</b>	<b>12,194</b>	<b>1,147</b>	<b>(1,853)</b>	<b>1,27,579</b>	<b>55,816</b>	<b>8,224</b>	<b>1,091</b>	<b>60,794</b>	<b>62,569</b>
Previous year	(1,07,108)	(12,605)	(1,328)	-	(1,18,385)	(49,159)	(7,704)	(1,047)	(62,569)	(57,950)
<b>B. INTANGIBLE ASSETS</b>										
Goodwill	162	-	-	-	162	162	-	-	162	-
	(162)	-	-	-	(162)	(162)	-	-	(162)	-
Software	90	15	(8)	-	113	66	10	(8)	79	34
	(80)	(18)	(8)	-	(90)	(55)	(11)	-	(66)	(24)
Design and Drawings	95	-	-	-	95	95	-	-	95	-
	(95)	-	-	-	(95)	(95)	-	-	(95)	-
Licenses	1,030	66	-	(5)	1,091	759	137	-	896	195
	(940)	(102)	(12)	-	(1,030)	(651)	(108)	-	(759)	(271)
Technical Knowhow	489	-	8	-	481	366	43	8	401	80
	(331)	(158)	-	-	(489)	(286)	(80)	-	(366)	(123)
<b>Total Intangible Assets</b>	<b>1,866</b>	<b>81</b>	<b>-</b>	<b>(5)</b>	<b>1,942</b>	<b>1,448</b>	<b>190</b>	<b>-</b>	<b>1,633</b>	<b>418</b>
Previous year	(1,608)	(278)	(20)	-	(1,866)	(1,249)	(199)	-	(1,448)	(355)
<b>C. CAPITAL WORK-IN-PROGRESS</b>										
Previous year										
<b>Total Tangible &amp; Intangible Assets(A+B+C)</b>	<b>1,20,251</b>	<b>12,275</b>	<b>1,147</b>	<b>(1,858)</b>	<b>1,29,521</b>	<b>57,264</b>	<b>8,414</b>	<b>1,091</b>	<b>62,427</b>	<b>70,140</b>
Previous year	(1,08,716)	(12,883)	(1,348)	-	(1,20,251)	(50,408)	(7,903)	(1,047)	(57,264)	(62,040)
<b>Share in Joint Ventures</b>										
Previous year										

**Note** a. In respect of REVL, borrowing costs of ₹13 lakhs (₹34 lakhs) has been capitalised along with the cost of fixed assets during the year.

b. Changes in Accounting estimate, in respect of RNSSL

Effective April 1, 2013, RNSSL has revised the estimated useful life of plant and machinery in the production floor from the then existing rate of 4.75% - 10.34% (21 years to 9.7 years) to 11.11% (9 years).

Consequent to the above change, an amount of ₹83 Lakhs has been charged off as additional depreciation in the current year.

**14 NON-CURRENT INVESTMENTS (at cost)**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Trade</b>		
<b>Investment in Equity instruments (fully paid up)</b>		
<b>(i) Associate Companies</b>		
<b>Quoted:</b>		
Kar Mobiles Limited	1,144	1,110
<b>Unquoted:</b>		
SasMos HET Technologies Limited	680	561
<b>(ii) Others Entities</b>		
<b>Unquoted:</b>		
Wellington Corporate Foundation (60 shares of ₹10/- each costing ₹1,000/-)	-	-
TCW Renewable Energy India (Pvt) Ltd	92	-
<b>Total Non-Current Investments</b>	<b>1,916</b>	<b>1,671</b>
<b>Aggregate value of Investments:-</b>		
Quoted at Cost	1,144	1,110
At Market Value	891	902
Unquoted at Cost	772	561

**15 DEFERRED TAX ASSETS (Net)**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	1,197	-
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>1,197</b>	<b>-</b>
<b>Tax effect of items constituting deferred tax assets</b>		
On expenditure deferred in the books but allowable for tax purposes	2,313	-
<b>Tax effect of items constituting deferred tax assets (B)</b>	<b>2,313</b>	<b>-</b>
<b>Net deferred tax asset (B)-(A)</b>	<b>1,116</b>	<b>-</b>

- 15.1 In respect of REVL, the deferred tax arising on unabsorbed depreciation has been recognised to the extent of the availability of future taxable income by virtue of future reversal of deferred tax liability on fixed assets recognised at the Balance Sheet date in accordance with the Accounting Standard - 22.

**16 LONG-TERM LOANS AND ADVANCES**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Unsecured-considered good (unless otherwise stated)</b>		
Capital Advances	677	773
Security Deposits	450	408
Rent Deposits	17	17
Advance Income Tax	1,701	1,877
Loans and advances to Related parties (Refer note 38)	500	226
Balance with Government authorities		
- Deposit with Government authorities	192	50
- Others	3	-
Minimum Alternate Tax Credit Entitlement	986	164
Other Advances	268	255
Other Advances - Considered doubtful	10	-
Less: Provision for doubtful advances	(10)	-
Share in Joint Ventures	407	504
Share in Joint Ventures (Secured)	263	-
<b>Total of Long-Term Loans and Advances</b>	<b>5,464</b>	<b>4,274</b>

**17 OTHER NON-CURRENT ASSETS**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Long-term deposits with banks with maturity period more than 12 months	20	20
Others	13	13
<b>Total Other Non-Current Assets</b>	<b>33</b>	<b>33</b>

**18 CURRENT INVESTMENTS (at Cost)**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Investment in Mutual Funds	731	-
<b>Total Current Investments</b>	<b>731</b>	<b>-</b>
Considered as Cash and cash equivalents as defined in AS-3 Cash Flow Statement	731	-

**19 INVENTORIES (at Lower of Cost and Net Realisable Value)**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Raw materials and components	3,653	3,873
Raw material goods-in-transit	140	39
Work-in-progress	2,131	2,315
Stores and Spares	1,790	1,701
Loose Tools	-	53
Finished Goods	6,061	5,535
Finished goods-in-transit	324	395
Stock in Trade (acquired for trading)	165	82
Share in Joint Ventures	5,571	6,074
<b>Total Inventories</b>	<b>19,835</b>	<b>20,067</b>

**20 TRADE RECEIVABLES**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Unsecured-considered good</b>		
Outstanding for a period exceeding six months from the due date of payment	-	955
Considered doubtful	175	218
Less: Provision for doubtful receivables	(175)	(218)
	-	955
Other Trade receivable	21,877	19,838
Considered doubtful	113	36
Less: Provision for doubtful receivables	(113)	(36)
	21,877	19,838
Share in Joint Ventures	7,982	6,505
<b>Total Trade Receivables</b>	<b>29,859</b>	<b>27,298</b>

## 21 CASH AND BANK BALANCES

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Cash and Cash equivalents</b>		
Cash on hand	14	12
Cheques/ drafts on hand	-	682
<b>Balances with Banks</b>		
- In Current Accounts	1,126	1,291
- Other Bank balances	74	246
- Bank deposit with maturity more than 3 months but less than 12 months	1	394
<b>In earmarked accounts:</b>		
Unpaid Dividend accounts	73	71
Unpaid Interest warrant accounts	3	3
Capital Gain scheme account	1	1
Others	76	28
Share in Joint Ventures	664	346
<b>Total Cash and Cash Equivalents</b>	<b>2,032</b>	<b>3,074</b>
<b>Note:</b> 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	1,878	2,577

## 22 SHORT-TERM LOANS AND ADVANCES

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and advances to employees	28	49
Balance with Government authorities		
- Value Added Tax receivable	16	62
- Service Tax credit receivable	13	4
- Others	12	212
- Export Entitlements	309	293
- Deposit with Government authorities	22	286
- Balance with Customs and Excise	1,315	775
Prepaid expenses	434	506
Other Advances	840	707
Suppliers Advances	489	457
Suppliers Advances - Considered doubtful	66	54
Less: Provision for doubtful advances	(66)	(54)
Share in Joint Ventures	2,047	2,035
<b>Total Short-Term Loans and Advances</b>	<b>5,525</b>	<b>5,386</b>

**23 OTHER CURRENT ASSETS**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Insurance Claims Receivable	133	94
Interest accrued but not due from Associate	6	57
Others	571	318
Share in Joint Ventures	16	37
<b>Total Other Current Assets</b>	<b>726</b>	<b>506</b>

**24 REVENUE FROM OPERATIONS**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Sale of products	1,46,064	1,42,040
Other Operating Revenue (net of excise duty) (Refer note 24.1)	2,427	3,367
Less: Excise duty	13,821	13,705
Share in Joint Ventures (net of excise duty)	58,096	62,095
<b>Total Revenue from Operations</b>	<b>1,92,766</b>	<b>1,93,797</b>

**24.1 OTHER OPERATING REVENUE**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Sale of Scrap (net of excise duty)	1,333	1,386
Sale of Raw Materials (net of excise duty)	241	795
Other Operating Revenue	853	1,186
<b>Total Other Operating Revenue</b>	<b>2,427</b>	<b>3,367</b>

**25 OTHER INCOME**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Dividend from investments - Gross		
- from Others	22	-
- current investments	21	12
Service Fees	668	709
Trade Mark Fees	581	620
Interest Income		
- Interest from Inter Corporate Loans	23	10
- Others	124	288
Profit on Sale of Assets	27	79
Provision no longer required written back	177	418
Other Income	107	84
Share in Joint Ventures	102	103
<b>Total Other Income</b>	<b>1,852</b>	<b>2,323</b>



**26 COST OF MATERIALS CONSUMED**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Opening Stock of Raw materials	3,815	2,996
Add : Purchases	70,796	69,262
Less : Closing Stock	3,792	2,235
Share in Joint Ventures	34,589	40,793
<b>Total Raw materials consumed</b>	<b>1,05,408</b>	<b>110,816</b>

**27 PURCHASE OF STOCK-IN-TRADE**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Purchase of Traded goods	729	889
Share in Joint Ventures	988	1,835
<b>Total Goods Purchased</b>	<b>1,717</b>	<b>2,724</b>

**28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
<b>Inventories at the beginning of the year (A)</b>		
Finished goods	5,938	4,778
Work-in-process	2,316	2,427
Stock-in-Trade	82	81
	<b>8,336</b>	<b>7,286</b>
<b>Inventories at the end of the year (B)</b>		
Finished goods	6,386	5,938
Work-in-process	2,131	2,316
Stock-in-Trade	165	82
	<b>8,682</b>	<b>8,336</b>
Share in Joint Ventures (C)	(73)	(368)
<b>Total Changes in Inventories (A) - (B) + (C)</b>	<b>(419)</b>	<b>(1,418)</b>

**29 EMPLOYEE BENEFIT EXPENSES**

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Salaries and wages	16,669	16,577
Staff welfare expenses	2,651	2,508
Contributions to Provident and other funds	1,370	1,661
Share in Joint Ventures	4,774	4,459
<b>Total Employee benefit expenses</b>	<b>25,464</b>	<b>25,205</b>

## 30 FINANCE COSTS

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Interest expense		
- Borrowings from Banks	3,006	2,407
- Fixed Deposits	215	151
- Borrowings from related party	95	144
- Others	26	277
Other borrowing costs	313	437
Net loss on foreign currency transactions and translation (to the extent considered as finance costs)	30	20
Share in Joint Ventures	584	490
<b>Total Finance Costs</b>	<b>4,269</b>	<b>3,926</b>

## 31 OTHER EXPENSES

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Consumption of stores and spare parts	5,423	5,291
Power and Fuel	6,045	7,194
Rent	229	237
Repairs and Maintenance		
- Buildings	426	354
- Plant and Machinery	2,159	2,164
- Others	980	746
Insurance	455	431
Directors' Sitting Fees & Commission	128	137
Warranty	321	185
Donation	122	126
Bank Charges	18	26
Administrative Expenses	204	198
Royalty and Technical Fees	450	419
Travelling and Conveyance	1,435	1,426
Packing and Forwarding	3,308	2,641
Freight Outward	2,255	1,905
Net loss on foreign currency transactions and translation (other than considered as finance costs)	562	266
Audit Fees (includes fees to subsidiaries' auditors)		
- statutory audit	56	51
- tax audit	8	9
- other services	22	29
Bad debts/Advances written off	34	5
Marketing & Selling expenses	-	594
Advertisement and Sales Promotion	759	563
Commission and Discount	2,588	2,385
Provision for Doubtful debts/Advances	56	84
Service Contractor's charges	396	390
Rates and Taxes	404	313
Professional Charges	1,180	1,300

	Year ended March 31, 2014	₹ Lakhs Year ended March 31, 2013
Information System Infrastructure Expenses	845	449
Other Marketing Expenses	55	59
Loss on Sale of Assets	5	4
Assets Write off / Provision for retirement of assets	-	65
Miscellaneous Expenses	1,263	1,240
Share in Joint Ventures	8,609	7,928
<b>Total Other Expenses</b>	<b>40,800</b>	<b>39,214</b>

## 32 CONTINGENT LIABILITIES

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Letters of Credits & Guarantees issued by Bank	746	1,357
Guarantees issued/undertakings given	306	4,395
Bills discounted	1,289	599
Claims against the Company not acknowledged as debts	4,763	3,382
Share in Joint Ventures	1,991	2,234
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advance)	1,692	2,204
Share in Joint Ventures	985	1,726

### Other Commitments

In respect of REVL, the Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill quantified exports amounting to ₹997 Lakhs within the period allowed under the scheme.

In respect of RNSSL, the Company has received a demand notice from the Haryana State Industrial Development Corporation ("HSIDC" or "the Corporation") for an amount of ₹126 Lakhs in respect of enhancement cost for the land allotted to the Company by the Corporation. The demand comprises ₹76 Lakhs towards the principal cost and ₹49 Lakhs towards interest. The Company has deposited the principal amount without prejudice to their rights. The Company along with other plot-holders is contesting the demand and in view of the legal opinion obtained by the Company, the Company has not accrued for the interest cost demanded by the Corporation.

In respect of KML, the Company has dismissed four employees for the misconduct during strike period in 2009-10 after completing the necessary enquiry procedures. The aggrieved employees had challenged the dismissal in the Labour Court which has awarded reinstatement of the workmen without back wages. The Company has filed a writ petition before the Honourable High Court of Karnataka challenging a portion of the award of the Labour Court. The Company has neither made any provision for this in its books of account nor shown a contingent liability since the amount involved cannot be ascertained.

**33 OPERATING LEASES**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
The Company has operating lease agreements for office space and residential accommodation with option to renew with escalation.		
Lease Rental debited to the Statement of Profit and Loss	59	61
Future minimum lease payments		
- not later than one year	19	40
- later than one year and not later than five years	28	-
- later than five years	-	-
	<b>106</b>	<b>101</b>
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	122	139
Future minimum lease payments		
- not later than one year	66	85
- later than one year and not later than five years	57	77
- later than five years	-	-
	<b>245</b>	<b>301</b>

**Note**

In respect of RML, the Company has taken vehicles under operating lease for a period of 48 months and the future minimum lease payments under non-cancellable operating lease for a period not later than 5 yrs amount to ₹44 Lakhs (Previous year - ₹34 Lakhs)

**34 WARRANTIES**

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
Balance at the beginning of the year	360	417
Provision made during the year	330	195
Provision used against claims settled during the year	286	252
Balance at the end of the year	<b>404</b>	<b>360</b>
Share in Joint Ventures	540	404

**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 EXCEPTIONAL ITEMS**

In respect of RML, exceptional items represent amount paid to employees under Voluntary Retirement Scheme (VRS) amounting to ₹943 Lakhs (Previous year ₹ Nil)

In respect of REVL, exceptional items represents :

- Profit on sale of company's surplus land near Chennai along with appurtenant building amounts to ₹49 Lakhs (Previous year ₹ Nil).
- Voluntary Retirement Scheme (VRS) expenditure in the nature of employee benefits paid to employees opted for VRS amounts to ₹4,076 lakhs (Previous year ₹8 lakhs)

In respect of RNSSL, exceptional item represents claims accepted and provision made by the Company towards its obligation / liability to a customer for recall of its vehicles owing to certain quality issues in the products supplied by the Company amounting to ₹480 Lakhs (Previous Year ₹ Nil). In the opinion of the management, provision made is the best estimate of the liability based on the information and evidence available with the Company as at the reporting date. Further, the Company also has an insurance policy to cover product liability including recall claims / costs and has submitted a claim under such policy. The claim is currently under evaluation by the insurance company and pending final intimation / acceptance by them, no amounts have been accrued in respect of such claims.

### 37. NOTE ON MERGER

A scheme of amalgamation ("Scheme") approved by the shareholders of Rane (Madras) Limited (RML) and Rane Diecast Limited (RDL) was sanctioned by the High Court of Judicature at Madras on February 18, 2014. This Scheme has been given effect to from the appointed date viz., April 1, 2013.

In accordance with this Scheme, RML has allotted :

- a) 3,46,504 Equity shares of ₹10/- (Rupees Ten only) each full paid up in the ratio of 1 (One) fully paid up equity share of ₹10/- (Rupees Ten only) each in RML for every 30 (Thirty) fully paid up equity shares of ₹10/- (Rupees Ten only) each, held by the Company in RDL.
- b) 82,32,164 fully paid up 6.74% Cumulative Redeemable Preference Shares of ₹10/- (Rupees Ten only) each in RML in lieu of 60,00,000 fully paid up 9.25% Cumulative Redeemable Preference Shares of ₹10/- (Rupees Ten only) each held by the Company in RDL.

### 38 RELATED PARTY TRANSACTIONS

#### DETAILS OF RELATED PARTIES:

Description of relationship	Names of related parties 2013-14	Names of related parties 2012-13
<b>Joint Ventures</b>	Rane TRW Steering Systems Limited (RTSSL) Rane NSK Steering Systems Limited (RNSSL) JMA Rane Marketing Limited (JMA Rane)	Rane TRW Steering Systems Limited (RTSSL) Rane NSK Steering Systems Limited (RNSSL) JMA Rane Marketing Limited (JMA Rane)
<b>Associates</b>	Kar Mobiles Limited SasMos HET Technologies Limited	Kar Mobiles Limited SasMos HET Technologies Limited
<b>Key Management Personnel (KMP)</b>	Mr. L Lakshman Mr. L Ganesh	Mr. L Lakshman Mr. L Ganesh
<b>Relatives of KMP</b>	Mrs. Pushpa Lakshman Mr. Harish Lakshman Mr. Vinay Lakshman Mrs. Meenakshi Ganesh Mr. Aditya Ganesh Mrs. Aparna Ganesh Mrs. Shanti Narayan Mrs. Hema C Kumar Mrs. Vanaja Aghoram Mr. L Lakshman(HUF) Mr. L Ganesh(HUF)	Mrs. Pushpa Lakshman Mr. Harish Lakshman Mr. Vinay Lakshman Mrs. Meenakshi Ganesh Mr. Aditya Ganesh Mrs. Aparna Ganesh Mrs. Shanti Narayan Mrs. Hema C Kumar Mrs. Vanaja Aghoram Mr. L Lakshman(HUF) Mr. L Ganesh(HUF)
<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>	Rane Foundation	Rane Foundation

Note: Related parties relationship are as identified by the Management and relied upon by the auditors.

## DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED MARCH 31, 2014 AND BALANCES OUTSTANDING AS AT MARCH 31, 2014

	Fee for Services rendered	Trade Mark Fee received	Dividend Received	Interest Income	Interest Paid	Sale of materials	Purchase of material components	Donation	Loan Paid given	Loan repaid	Guarantee given	Deposits accepted/ renewed/ repaid	Salary and Other Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
<b>₹ Lakhs</b>																
<b>Joint Ventures</b>																
Rane TRW Steering Systems Limited	-	-	-	-	43	1,862	5	-	-	63	-	-	-	-	-	-
	-	-	-	-	(45)	(2,486)	(5)	-	-	(75)	-	-	-	-	-	-
Rane NSK Steering Systems Limited	-	-	-	-	-	-	187	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(232)	-	-	-	-	-	-	-	-	-
JMA Rane Marketing Limited	-	-	-	-	-	1,527	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(585)	-	-	-	-	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>																
Rane TRW Steering Systems Limited	-	-	-	-	-	247	5	-	457	-	-	-	-	-	-	-
	-	-	-	-	-	(333)	(1)	-	(425)	-	-	-	-	-	-	-
Rane NSK Steering Systems Limited	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	(18)	-	-	-	-	-	-	-	-	-
JMA Rane Marketing Limited	-	-	-	-	-	337	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(119)	-	-	-	-	-	-	-	-	-	-
<b>Associates</b>																
Kar Mobiles Limited	192	29	22	-	-	27	13	-	-	-	-	-	-	-	-	-
	(189)	(32)	(49)	-	-	(93)	(2)	-	-	-	-	-	-	-	-	(4)
SasMos HET Technologies Limited	7	-	-	23	-	-	-	-	470	270	-	-	-	-	-	4
	(21)	-	-	(10)	-	-	-	-	(351)	(351)	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>																
Kar Mobiles Limited	3	-	-	-	-	7	-	-	-	-	-	-	-	-	-	-
	(8)	-	-	-	-	(41)	-	-	-	-	-	-	-	-	-	-
SasMos HET Technologies Limited	-	-	-	6	-	-	-	-	200	-	300	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	(300)	-	-	-	-	-
<b>Key Management Personnel (KMP)</b>																
Mr. L Lakshman	-	-	-	-	3	-	-	-	-	-	-	-	78	78	1	-
	-	-	-	-	(8)	-	-	-	-	-	-	(10)	(77)	(78)	(1)	-

## DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED MARCH 31, 2014 AND BALANCES OUTSTANDING AS AT MARCH 31, 2014

₹ Lakhs														
Fee for Services rendered	Trade Mark Fee received	Dividend Received	Interest Income	Interest Paid	Sale of materials	Purchase of material components	Donation	Loan given	Loan repaid	Guarantee given	Fixed Deposits accepted/ renewed/ repaid	Salary and Other Perquisites Commission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
Mr. L Ganesh	-	-	-	3	-	-	-	-	-	-	(10)	108	37	-
	-	-	-	(2)	-	-	-	-	-	-	(102)	(52)	-	-
Balances outstanding at the end of the year														
Mr. L Lakshman	-	-	-	-	-	-	-	-	-	-	-	-	78	-
	-	-	-	-	-	-	-	-	-	-	(60)	-	(78)	-
Mr. L Ganesh	-	-	-	-	-	-	-	-	-	-	16	-	20	-
	-	-	-	-	-	-	-	-	-	-	(16)	-	(41)	-
Relatives of Key Management Personnel (KMP)														
Relatives of the KMP	-	-	-	20	-	-	-	-	-	-	106	68	-	2
	-	-	-	(18)	-	-	-	-	-	-	(105)	(65)	-	(2)
Balances outstanding at the end of the year														
Relatives of the KMP	-	-	-	-	-	-	-	-	-	-	209	21	-	-
	-	-	-	-	-	-	-	-	-	-	(165)	(20)	-	-
Company in which KMP / Relatives of KMP can exercise significant influence														
Rane Foundation	-	-	-	-	1	-	178	-	-	-	-	-	-	-
	-	-	-	-	-	-	(185)	-	-	-	-	-	-	-
Balances outstanding at the end of the year														
Rane Foundation	-	-	-	-	1	-	-	300	-	-	-	-	-	-
	-	-	-	-	-	-	-	(300)	-	-	-	-	-	-
Note: Figures in bracket relates to the previous year														

**Note:** Figures in bracket relates to the previous year

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

The Group's obligation towards the defined benefit plan of gratuity and leave encashment are as follows:-

	As at March 31, 2014	₹ Lakhs As at March 31, 2013
<b>(a) Defined Benefit Plan - Gratuity</b>		
<b>Present value of obligation at the beginning of the year</b>	<b>4,058</b>	<b>3,408</b>
Interest cost	313	283
Current service cost	318	298
Benefits paid	(1,100)	(252)
Actuarial (gain)/loss on obligation	(90)	321
<b>Present value of obligation as at the end of the year</b>	<b>3,499</b>	<b>4,058</b>
<b>Fair value of plan assets at the beginning of the year</b>	<b>3,499</b>	<b>3,029</b>
Expected return on plan assets	277	296
Contribution	394	430
Benefits paid	(1,100)	(252)
Actuarial gain on plan assets	(10)	(4)
<b>Fair value of plan assets at the end of the year</b>	<b>3,060</b>	<b>3,499</b>
<b>Amounts recognised in the Balance Sheet</b>		
Present value of obligation as at the end of the year	3,499	4,058
Fair value of plan assets at the end of the year	3,060	3,499
<b>Funded status of the plan - liability</b>	<b>439</b>	<b>559</b>
<b>Amounts recognised in the Statement of Profit and Loss</b>		
Current service cost	318	305
Interest cost	313	276
Expected return on plan assets	(277)	(295)
Net actuarial (gain)/loss recognised in the year	(100)	325
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>254</b>	<b>611</b>
<b>Principal actuarial assumptions as at Balance Sheet date</b>		
Discount rate	8.0% to 9.2 %	8% to 9 %
Salary escalation	4.50% to 8.0%	4.50% to 8%
Expected return on plan assets	8.0% to 9.4 %	9% to 9.50%
Attrition rate	1.5% to 8.0%	1% to 10%
<b>(b) Long-Term Benefits - Compensated absence</b>		
<b>Principal actuarial assumptions as at Balance Sheet date</b>		
Discount rates	8.0% to 9.1 %	8% to 9%
Salary escalation	4.50% to 9.30%	4.50% to 9.30%
Attrition rate	1.5% to 8.0%	1% to 10%



**40 DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE**

Rane (Madras) Limited (RML), a subsidiary company uses derivative financial instruments such as forward contracts and option contracts to limit the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward contract and option contracts, where the counterparty is a bank.

I. The following derivative positions are open as at March 31, 2014.

(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on March 31, 2014

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	10,00,000	₹
JPY	Buy	8,04,77,500	₹

(ii) Outstanding option contracts entered into by the Company as on 31 March 2014

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	31,15,000	₹
USD	Sell	(36,00,000)	₹

Note: Figures in brackets relate to the previous year

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Nature of Transaction	March 31, 2014		March 31, 2013	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	INR in Lakhs	FCY in Lakhs	INR in Lakhs	FCY in Lakhs
Loan - USD	(3,312)	-\$55	(3,401)	-\$62
Receivables - USD	2,597	\$42	1,272	\$23
Receivables - EURO	176	€2	223	€3
Loan - EURO	(13)	*	(66)	-€1
Payables - USD	(566)	\$9	(43)	-\$1
Payables - EURO	(59)	€1	(2)	*
Payables - YEN	(6)	¥6	(5)	-¥3
Advances - USD	555	\$9	4	*
Advances - EURO	13	*	-	-
Advances - GBP	9	-	-	-
Advances - YEN	-	¥2	-	-

\*Amount is below the rounding off norm adopted by the Company

Rane Engine Valve Limited (REVL), a subsidiary company uses derivative financial instruments such as forward contracts and option contracts to limit the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward contract and option contracts, where the counterparty is a bank.

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

S. No	Purpose	Nature	Currency	March 31, 2014 FCY in Lakhs	March 31, 2013	March 31, 2014 ₹ in Lakhs	March 31, 2013
<b>1</b>	<b>Forward Currency Swap</b>						
	<b>Outstanding</b>						
	ECB Loan taken in USD 3,250,000 and swapped against INR	Cross Currency Swap	INR	12	21	548	987
	ECB Loan taken in USD 5,000,000 and swapped against INR	Cross Currency Swap	INR	32	46	1,418	2,048
	ECB Loan taken in USD 5,000,000 and swapped against INR	Cross Currency Swap	INR	41	50	2,161	2,660
<b>2</b>	Payable in USD	Currency Swap	INR	8	5	461	244
	Receivable in USD	Currency Swap	INR	-	2	-	110
	Receivable in EURO	Currency Swap	INR	6	5	541	338
<b>3</b>	Receivable in EURO	Currency Options	INR	2	-	193	-
<b>4</b>	<b>Unhedged Foreign Currency Exposure</b>						
a)	PCFC Loan in USD		USD	10	9	569	475
b)	PCFC Loan in EURO		EURO	8	9	618	609
c)	Outstanding Debtors		USD	5	4	318	234
			EURO	-	3	-	180
			GBP	*	*	5	15
			AUD	*	*	8	14
d)	Outstanding Creditors - Goods		USD	4	1	212	76
			EURO	*	*	3	2
			GBP	*	-	(1)	-
			SGD	*	-	(1)	-
e)	Outstanding Creditors - Expenses		EURO	*	*	36	18
			AUD	*	*	2	6

\*Amount is below the rounding off norm adopted by the Company

In respect of subsidiary company Rane Brake Lining Limited (RBL), the category wise quantitative data about derivative instruments outstanding at the balance sheet date is given below :

S.

No.	Particulars		March 31, 2014	March 31, 2013
			FCY in Lakhs	
<b>I</b>	<b>Foreign Currency Exposures that are directly hedged by a derivative instrument or otherwise</b>			
1	Receivables	GBP	1	1
2	Payables	JPY	420	-
<b>II</b>	<b>Foreign Currency Exposures that are not directly hedged by a derivative instrument or otherwise</b>			
3	Due to Creditors	DOLLAR	-	1
		EURO	*	*
		JPY	102	690
4	Due from Debtors	DOLLAR	5	5
		EURO	*	*
		GBP	*	*
		AUD	-	1

\*Amount is below the rounding off norm adopted by the Company

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, 2014	March 31, 2013
				FCY in Lakhs	
1	Forward contracts	Sold	USD	Not Applicable	9
		Bought	JPY		361
		Sold	EURO		-
2	Option Contracts	Sold	USD	Not Applicable	9
3	Receivable on account of sale of goods (unhedged)	Sold	EURO		*
4	Payable on account of purchase of goods / services	Bought	USD		20

\*Amount is below the rounding off norm adopted by the Company

Rane TRW Steering Systems (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 6 months.

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

S No.	Currency	No. of Contracts	March 31, 2014		No. of Contracts	March 31, 2013	
			Notional amount of Forward Contracts	MTM Gain/ (Loss)		Notional amount of Forward Contracts	MTM Gain/ (Loss)
			FCY in Lakhs	₹ in Lakhs		FCY in Lakhs	₹ in Lakhs
1	USD	-	-	-	1	1	*
2	EURO	1	1	(2)	6	2	(3)

Outstanding forward exchange contracts entered into by the company as on March 31, 2014

Currency	Buy/Sell	March 31, 2014	March 31, 2013
		₹ in Lakhs	Cross Currency
USD	Buy	562	1,556 ₹
EURO	Buy	825	1,177 ₹
GBP		-	53

Outstanding Unhedged Receivable as on :

Currency	March 31, 2014		March 31, 2013	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
USD	16,823	10	21,195	11
EURO	64,290	54	80,649	57
JPY	3,60,000	2	24,08,000	14
GBP	13,164	13	6,464	5
		<b>79</b>		<b>87</b>

Outstanding Unhedged Payable as on:

Currency	March 31, 2014		March 31, 2013	
	FCY in Lakhs	₹ in Lakhs	FCY in Lakhs	₹ in Lakhs
CHF	3,240	2	-	-
USD	2,23,944	136	1,54,631	43
EURO	5,01,778	416	70,046	39
GBP	9,960	10	173	*
JPY	7,30,809	138	30,40,060	18
		<b>702</b>		<b>100</b>

\*Amount is below the rounding off norm adopted by the Company

In respect of Rane NSK Steering Systems Limited (RNSSL)

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

Purpose	Nature	Currency	March 31,2014 FCY in Lakhs	March 31, 2013 FCY in Lakhs
Hedge of Foreign currency loan	Forward contract	USD	62	-
Hedge against exposure to variable interest	Interest rate swaps	USD	20	-
Hedge against exposure to variable interest	Interest rate swaps	USD	34	-
Hedge against exposure to variable interest	Interest rate swaps	USD	8	-

Purpose	Currency	March 31,2014		March 31,2013	
		FCY in Lakhs	₹ in Lakhs	FCY in Lakhs	₹ in Lakhs
Unhedged Foreign Currency Exposure					
Trade Payables	USD	19	1,118	9	488
Trade Payables	JPY	2,874	1,691	5,597	3,235
Trade Payables	EURO	1	77	-	-
Trade Payables	THB	20	38	-	-
Trade Receivable	USD	2	112	-	-

#### 41 Earnings Per Share

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
<b>Profit After Tax ₹ Lakhs</b>	4,344	3,838
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹10/- each - Basic & Diluted	30.42	26.88

#### 42 Subsequent events

The Board of Directors of Rane Engine Valve Limited (REVL), a subsidiary company and Kar Mobiles Limited (KML) an associate company of RHL, have approved the merger of both the companies at their respective meetings held on 20th May, 2014 with the appointed date as 1st April, 2014. The exchange ratio will be 7 shares of REVL for every 10 shares of KML.

The above merger is subject to regulatory, legal and other statutory approvals as may be required.

#### 43 Previous year's figure

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board

**C SIVA**  
Secretary

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : May 27, 2014

**J ANANTH**  
Chief Financial Officer

**L GANESH**  
Vice Chairman

# RANE HOLDINGS LIMITED

CIN: L35999TN1936PLC002202

Registered Office: "Maithri", 132, Cathedral Road, Chennai - 600 086, India

## NOTICE TO SHAREHOLDERS

**NOTICE** is hereby given that the **Seventy Eighth Annual General Meeting** of **Rane Holdings Ltd.** is scheduled to be held at **10.15 a.m. on Tuesday, August 12, 2014**, at **The Music Academy (Mini Hall)**, New No. 168, T.T.K Road, Royapettah, Chennai, 600 014, to transact the following businesses:-

### ORDINARY BUSINESS:

1. To receive, consider and adopt the directors' report, the audited financial statement of the Company for the year ended March 31, 2014 and the auditors' report thereon.

To consider adoption of the following resolution, as an **ordinary resolution**:

"Resolved that the audited financial statement of the Company for the year ended March 31, 2014 including balance sheet as at March 31, 2014, the profit and loss account for the year ended March 31, 2014 together with the reports of the directors and the auditors of the Company thereon, as presented to the meeting be and the same are hereby approved and adopted."

"Resolved further that the audited consolidated financial statement of the Company for the financial year ended March 31, 2014, as presented to the meeting be and the same is hereby approved and adopted."

2. To declare dividend on equity shares

To consider adoption of the following resolution with or without modification(s), as an **ordinary resolution**:

"Resolved that dividend of ₹6.50 per equity share of ₹10/- each on 1,42,77,809, equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2014, absorbing an amount of ₹10,85,78,097/- (including dividend distribution tax and cess thereon) and that the dividend be paid to those shareholders, whose names appear in the Company's register of members as on August 12, 2014 and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on August 1, 2014 as per the details furnished by the depositories for this purpose."

3. To appoint a director in the place of Mr. Harish Lakshman, who retires by rotation under article 108 and 109 of the articles of association of the Company and being eligible, offers himself for re-election.

To consider adoption of the following resolution, with or without modification(s), as an **ordinary resolution**:

"Resolved that Mr. Harish Lakshman (DIN 00012602), who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a director of the Company."

4. To appoint auditors of the Company and to determine their remuneration. The retiring auditors M/s Deloitte Haskins and Sells, Chartered Accountants, are eligible for re-appointment. The declaration to the effect that their appointment, if made, would be within the limits and that they are free from any disqualification specified in section 141 of the Companies Act, 2013, and the rules made thereunder, has been received from them.

To consider adoption of the following resolution, with or without modification(s), as an **ordinary resolution**:

"Resolved that M/s Deloitte Haskins and Sells, Chartered Accountants (Firm Registration No. 008072S with The Institute of Chartered Accountants of India), be and are hereby re-appointed as the auditors of the Company to hold office from the conclusion of this seventy eighth Annual General Meeting (AGM) until the conclusion of the eightieth AGM of the Company (subject to ratification of their appointment at every AGM), on such remuneration as may be determined by the board of directors of the Company, in addition to reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

### SPECIAL BUSINESS:

5. To appoint Mr. Anil Kumar Nehru, director, as an independent director

To consider adoption of the following resolution, with or without modification(s), as an **ordinary resolution**:

"Resolved that pursuant to the provisions of sections 149, 150, 152, read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anil Kumar Nehru (DIN 00038849), director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office with effect from the conclusion of this seventy eighth Annual General Meeting (AGM) until the conclusion of the eighty-first AGM of the Company."

6. To appoint Mr. Anjanikumar Choudhari, director, as an independent director

To consider adoption of the following resolution, with or without modification(s), as an **ordinary resolution**:

“Resolved that pursuant to the provisions of sections 149, 150, 152, read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Anjanikumar Choudhari (DIN 00234208), director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office with effect from the conclusion of this seventy eighth Annual General Meeting (AGM) until the conclusion of the eighty-first AGM of the Company.”

7. To appoint Mr. Shujaat Khan, director, as an independent director

To consider adoption of the following resolution, with or without modification(s), as an **ordinary resolution**:

“Resolved that pursuant to the provisions of sections 149, 150, 152, read with schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Shujaat Khan (DIN 00526891), director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an independent director of the Company to hold office with effect from the conclusion of this seventy eighth Annual General Meeting (AGM) until the conclusion of the eighty-first AGM of the Company.”

8. To approve re-appointment of Mr. L Lakshman as Managing Director in the designation of ‘Executive Chairman’

To consider adoption of the following resolution, with or without modification(s), as a **special resolution**:

“Resolved that in accordance with the provisions of section 196, 197 and 203 read with schedule V and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. L Lakshman (DIN 00012554) as ‘Managing Director’ within the meaning of section 2(54) of the Companies Act, 2013 in the designation of Executive Chairman with effect from April 1, 2014, for a period of three years viz., from April 1, 2014 to March 31, 2017 on the following terms of remuneration:

(i) **Salary**

In the scale of ₹3,25,000/- to ₹4,75,000/- per month. Annual increase will be effective from April 1, 2014 and thereafter 1st April every year. The quantum of increase will be decided by the board of directors

(ii) **Perquisites**

Perquisites like the provision of rent free accommodation, superannuation allowance, gas, electricity, water, furnishings, fee to clubs, personal accident insurance, use of chauffeur driven car/s, telephone at residence, medical insurance, medical reimbursement for self and family, medical allowance, leave & leave encashment, leave travel concession etc., will be provided in accordance with the scheme of the Company as applicable to directors and senior executives of the Company.

In case accommodation is not provided by the Company, he shall be eligible for house rent allowance equal to 60% of salary per month.

The perquisites will be evaluated as per Income Tax Rules, wherever applicable, and at actual cost to the Company in other cases. The above perquisites are however, subject to a maximum of 150% of the salary per annum.

(iii) **Contribution to Funds**

Company’s contribution to provident fund and superannuation fund will be as per the scheme of the Company. Company’s contribution to provident fund and superannuation fund as above will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable shall be as per the rules of the Company.

(iv) **Commission**

Commission not exceeding 24 months salary for each financial year.

Resolved further that in the event of there being inadequacy or absence of profits in any financial year, during the currency of tenure of the Managing Director, he will be paid remuneration in terms of Part II of Schedule V to the Companies Act, 2013, including any re-enactments thereof or such other limit as may be prescribed by the government from time to time as minimum remuneration.”

9. To approve re-appointment of Mr. L Ganesh, as Joint Managing Director in the designation of 'Vice-Chairman'.

To consider adoption of the following resolution, with or without modification(s), as a **special resolution**:

"Resolved that in accordance with the provisions of section 196, 197 and 203 read with schedule V and all other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of L Ganesh (DIN 00012583) as 'Joint Managing Director' within the meaning of section 2(54) of the Companies Act, 2013 in the designation of Vice Chairman with effect from April 1, 2014, for a period of three years viz., from April 1, 2014 to March 31, 2017 on the following terms of remuneration:-

**(i) Salary**

In the scale of ₹5,25,000/- to ₹7,75,000/- per month. Annual increase will be effective from April 1, 2014 and thereafter 1st April every year. The quantum of increase will be decided by the board of directors.

**(ii) Perquisites**

Perquisites like the provision of rent free accommodation, superannuation allowance, gas, electricity, water, furnishings, fee to clubs, personal accident insurance, use of chauffeur driven car/s, telephone at residence, medical insurance, medical reimbursement for self and family, medical allowance, leave & leave encashment, leave travel concession etc., will be provided in accordance with the scheme of the Company as applicable to directors and senior executives of the Company.

In case accommodation is not provided by the Company, he shall be eligible for house rent allowance equal to 60% of salary per month.

The perquisites will be evaluated as per Income Tax Rules, wherever applicable and at actual cost to the Company in other cases. The above perquisites are however, subject to a maximum of 150% of the salary per annum.

**(iii) Contribution to Funds**

Company's contribution to provident fund and superannuation fund will be as per the scheme of the Company. Company's contribution to provident fund and superannuation fund as above will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable shall be as per the rules of the Company."

Resolved further that in the event of there being inadequacy or absence of profits in any financial year, during the currency of tenure of the Joint Managing Director, he will be paid remuneration in terms of Part II of Schedule V to the Companies Act, 2013, including any re-enactments thereof or such other limit as may be prescribed by the government from time to time as minimum remuneration."

10. To approve the borrowing powers of the board

To consider adoption of the following resolution, with or without modification(s), as a **special resolution**:

"Resolved that in supersession of the ordinary resolution adopted at the 60<sup>th</sup> Annual General Meeting held on September 26, 1996 and pursuant to section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the board of directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹100 Crores (Rupees One Hundred Crores) over and above the aggregate of the paid up share capital and free reserves of the Company."

(By order of the board)  
For Rane Holdings Ltd.

Chennai  
May 27, 2014

C Siva  
Secretary

**Registered Office:**  
"Maithri", 132, Cathedral Road  
Chennai 600 086  
CIN: L35999TN1936PLC002202  
www.rane.co.in



#### NOTES:

1. Any member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote at the AGM instead of himself. The proxy need not be a member of the Company. The proxies should however be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the AGM are requested to send to the Company a certified copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.
3. The Explanatory Statement pursuant to section 102 (1) of the Companies Act, 2013 in respect of the special business to be transacted at the AGM is annexed hereto.
4. The register of members of the Company will remain closed from **Saturday, August 2, 2014 to Tuesday, August 12, 2014** (both days inclusive) for annual closing and determining the entitlement of shareholders to the dividend on the equity shares for the financial year 2013-14, if declared at the AGM.
5. Pursuant to the provisions of section 205A of the Companies Act 1956, dividend for the financial year ended March 31, 2008 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. The Company has sent reminders to all those members whose dividend payments during the last seven years remaining unpaid as per Company's records. Members are requested to contact the Company's Registrar and Transfer Agents (RTA), for payment in respect of the unclaimed dividend on or after the financial year 2007-08.
6. The notice of the seventy eighth AGM along with the attendance slip and proxy form, is being sent by electronic mode to all members whose e-mail addresses are registered with the Company / Depository Participant(s) (DP) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

We encourage your participation and expect your support in this green initiative. To receive communications from the Company in electronic form, please register your e-mail address with your DP/ RTA.

7. Members may also note that the notice of the seventy eighth AGM and the annual report 2014 will be available on the Company's website [www.rane.co.in](http://www.rane.co.in).
8. Members holding shares in physical form are requested to notify any change in their addresses, bank details or e-mail addresses to RTA immediately at the following address:

**M/s. Integrated Enterprises (India) Ltd.**

II Floor, "Kences Towers", No.1, Ramakrishna Street,  
North Usman Road, T.Nagar, Chennai 600 017.

Members holding shares in dematerialized form are requested to update the change in residential and e-mail address with their respective DP.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the RTA.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA, for consolidation into a single folio.
11. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website [www.rane.co.in](http://www.rane.co.in).

12. Members / Proxies should bring the attendance slip duly filled in for attending the AGM.
13. Relevant documents referred to in the accompanying notice and the explanatory statement pursuant to section 102 (1) of the Companies Act, 2013 will be available for inspection at the registered office of the Company during the business hours on all working days up to the date of AGM.
14. Information pursuant to clause 49 of the listing agreement with the stock exchanges in respect of the directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the notice. The directors have furnished the requisite consents / declarations for their appointment / re-appointment.
15. In compliance with the provisions of section 108 of the Companies Act, 2013 and the rules framed thereunder, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Ltd. (NSDL), on all resolutions set forth in this notice. In the event of poll at the AGM, members who have exercised their right to vote through e-voting, shall not be eligible to vote again at the AGM.

Members may note the following process and manner for e-voting:

- i. The e-voting period commences on Wednesday, August 6, 2014 (9.00 a.m. IST) and ends on Friday, August 8, 2014 (6.00 p.m. IST). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz., Friday, July 4, 2014 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.
- ii. The voting rights of members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date, Friday, July 4, 2014.
- iii. Mr. C. Ramasubramaniam, Practicing Company Secretary (Membership no. FCS 6125) has been appointed as the scrutinizer to scrutinize the voting process in a fair and transparent manner.
- iv. The scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- v. The results declared along with the scrutinizer's report shall be placed on the Company's website [www.rane.co.in](http://www.rane.co.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the seventy eighth AGM of the Company and communicated to the stock exchanges, where the shares of the Company are listed.

**vi Instructions :**

- a. **In case a member receives an e-mail from NSDL (for members whose e-mail addresses are registered with the Company/Depositories):**
  - i. Open the e-mail and also open PDF file viz; "RHLAGM2014.pdf" with your Client ID or Folio Number as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is the initial password.
  - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com/>
  - iii. Click on Shareholder – Login
  - iv. If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote.
  - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
  - vi. The password change menu will appear on your screen. Change to a new password of your choice with minimum of 8 digits or characters or combination thereof. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vii. Once the e-voting home page opens, click on e-voting: Active Voting Cycles
- viii. Select "EVEN" (E-Voting Event Number) of Rane Holdings Ltd. Now you are ready for e-Voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant board resolution/ authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail to [evoting.rane@gmail.com](mailto:evoting.rane@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- xiii. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for shareholders available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

**b. In case of members' receiving physical copy of the notice of AGM and desires to cast e-vote:**

- i. Initial password is provided at the bottom of the attendance slip: EVEN (E-Voting Event Number), user ID and password.
- ii. Please follow all steps from Sl. No. ii to Sl. No. xiii of (a) above, to cast vote.

(By order of the board)  
For **Rane Holdings Ltd.**

Chennai  
May 27, 2014

C Siva  
**Secretary**

**Registered Office:**  
"Maithri", 132, Cathedral Road  
Chennai 600 086  
CIN: L35999TN1936PLC002202  
[www.rane.co.in](http://www.rane.co.in)

## **Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013**

### **Resolution No.5**

Mr. Anil Kumar Nehru joined the Board of your company on February 6, 2013. Mr. Anil Kumar Nehru holds a Masters' Degree in Chemical Engineering from MIT, USA and has done Business Management courses from Indian Institute of Management, Ahmedabad, Columbia University and Harvard Business School. He has over 41 years of rich experience in field of administration, production, quality operations, Research and Development, Purchase, Supply Chain & Environment, Health & Safety of 5 Pfizer factories and 40 outsourced manufacturers.

In view of his knowledge and rich experience, the board of directors considers that the continuance of Mr. Anil Kumar Nehru would be beneficial to the Company. Mr. Anil Kumar Nehru is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

The Company has received a declaration from Mr. Anil Kumar Nehru that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchanges.

The Company has received notice in writing under section 160 of the Companies Act, 2013, along with requisite deposit amount from a member signifying the intention to propose his candidature to the office of director of the Company.

In the opinion of the Board, Mr. Anil Kumar Nehru fulfils the conditions for his appointment as an independent director as specified in the Companies Act, 2013 and the listing agreement. Mr. Anil Kumar Nehru is independent of the management.

Copy of the draft letter for appointment of Mr. Anil Kumar Nehru as an independent director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges.

Mr. Anil Kumar Nehru is interested in the resolution as it relates to his own appointment. None of the other directors and key managerial personnel (KMP) of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

Information about Mr. Anil Kumar Nehru, in accordance with clause 49 IV of the listing agreement is attached.

Your directors commend the resolution for adoption.

### **Resolution No.6**

Mr. Anjanikumar Choudhari joined the Board of your company on October 27, 2010. Mr. Choudhari is a Mathematics & Statistics Graduate and holds a Master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, Mumbai. He is Director of Mahindra Institute of Quality and has been a guest lecturer at IIM Calcutta and Bangalore. Mr. Choudhari joined Mahindra & Mahindra (M&M) group in 1999 and since then held number of senior positions within the group and served as a director on the boards of Mahindra group companies in India as well as overseas. Before joining M&M he worked for 25 years with Hindustan Unilever Ltd. Mr. Choudhari has won several awards including Rotary International award in 1995 and 'Udyog Rattan' in 2007. He is the founder President of the Shanghai Indian Business Association started in 1996.

In view of his knowledge and rich experience, the board of directors considers that the continuance of Mr. Anjanikumar Choudhari would be beneficial to the Company. Mr. Anjanikumar Choudhari is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Company has received a declaration from Mr. Anjanikumar Choudhari that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchanges.

The Company has received notice in writing under section 160 of the Companies Act, 2013, along with requisite deposit amount from a member signifying the intention to propose his candidature to the office of director of the Company.

In the opinion of the board, Mr. Anjanikumar Choudhari fulfils the conditions for his appointment as an independent director as specified in the Companies Act, 2013 and the listing agreement. Mr. Anjanikumar Choudhari is independent of the management.

Copy of the draft letter for appointment of Mr. Anjanikumar Choudhari as an independent director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges.

Mr. Anjanikumar Choudhari is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

Information about Mr. Anjanikumar Choudhari, in accordance with clause 49 IV of the listing agreement is attached.

Your directors commend the resolution for adoption.

#### **Resolution No.7**

Mr. Shujaat Khan joined the board of your company on October 29, 2007 . He has a B.A., magna cum laude, from University of Rochester and an M.B.A. from Harvard University Graduate School of Business Administration, U.S.A. Prior to co-founding Blue River Capital, Mr. Shujaat Khan was a Managing Director and Investment Committee Member at ChrysCapital I, LLC and ChrysCapital II, LLC, together comprising India's largest independent private equity firm.

In view of his knowledge and rich experience, the board of directors considers that the continuance of Mr. Shujaat Khan would be beneficial to the Company. Mr. Shujaat Khan is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act, 2013 and has given his consent to act as a Director. The Company has received a declaration from Mr. Shujaat Khan that he meets with the criteria of independence as prescribed both under sub-section (6) of section 149 of the Companies Act, 2013 and under clause 49 of the listing agreement with the stock exchanges.

The Company has received notice in writing under section 160 of the Companies Act, 2013, along with requisite deposit amount from a member signifying the intention to propose his candidature to the office of director of the Company.

In the opinion of the board, Mr. Shujaat Khan fulfills the conditions for his appointment as an independent director as specified in the Companies Act, 2013 and the listing agreement. Mr. Shujaat Khan is independent of the management.

Copy of the draft letter for appointment of Mr. Shujaat Khan as an independent director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

This Statement may also be regarded as a disclosure under clause 49 of the listing agreement with the stock exchanges.

Mr. Shujaat Khan is interested in the resolution as it relates to his own appointment. None of the other directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

Information about Mr. Shujaat Khan, in accordance with clause 49 IV of the listing agreement is attached.

Your directors commend the resolution for adoption.

#### **Resolution Nos. 8 and 9**

The tenure of appointment of Mr. L Lakshman and Mr. L Ganesh as Managing Director and Joint Managing Director, respectively, expired on March 31, 2014. The Board of Directors at their meeting held on March 26, 2014 has, subject to the approval of the shareholders, reappointed Mr. L Lakshman as Managing Director in the designation of Executive Chairman and Mr. L Ganesh as Joint Managing Director in the designation of Vice-Chairman, for a period of three years from April 1, 2014 on the terms of remuneration as detailed in the resolution.

As required under the provisions of schedule V to the Companies Act, 2013, the following information is provided.

#### **I. General information:**

The Company is engaged in making and holding investments in the group companies. The financial performance of the company for the year ended March 31, 2014, is given below:

<b>Particulars for 2013-14</b>	<b>₹ Lakhs</b>
Sales & Operating Revenue	<b>5,224</b>
Profit Before Tax	<b>2,795</b>
Provision for Tax	<b>622</b>
Profit After Tax	<b>2,173</b>

II. Information about the appointee Mr. L Lakshman and Mr. L Ganesh:  
Background details:

<b>Name of the Director</b>	<b>Mr. L Lakshman</b>	<b>Mr. L Ganesh</b>
<b>Father's Name</b>	Mr. L L Narayan	Mr. L L Narayan
<b>Date of Birth</b>	July 17, 1946	March 18, 1954
<b>Educational Qualifications</b>	B.E., Executive MBA from London Business School	B.Com., ACA, MBA
<b>Experience</b>	Mr. L Lakshman has been spearheading the business of different companies in Rane Group and has more than 44 years of industrial experience.	Mr. L Ganesh, Chairman of Rane Group, is closely involved in management of all companies in Rane Group and has over 35 years of industrial experience.
<b>Past Remuneration (2013-14) (₹'000)</b>	Remuneration : ₹78,22,337/- Commission : ₹78,00,000/-	Remuneration : ₹1,07,90,164
<b>Recognition / Awards</b>	Mr. L Lakshman has served as President of ACMA, Madras Chamber of Commerce & Industry and ASSOCHAM, a federation of Chambers of Commerce and has been an active member in various industry forums.	Mr. L Ganesh, has served as President-Automotive Components Manufacturers Association & Madras Management Association, Southern Regional Chairman of Confederation of Indian Industries (CII). Presently, he is a National Council member of CII.
<b>Job Profile and his suitability</b>	Overall management of the Company. Given his qualification and experience, Mr. L Lakshman is considered well suited for the position.	Overall management of Rane Group. Given his qualification and experience, Mr. L Ganesh is considered well suited for the position.
<b>Comparative remuneration profile with respect to the industry</b>	The proposed remuneration package of the appointee is in line with the prevailing remuneration package in the industry, size of the company, profile of the position, etc.	The proposed remuneration package of the appointee is in line with the prevailing remuneration package in the industry, size of the company, profile of the position, etc.
<b>Remuneration Proposed</b>	Detailed in the resolution. The remuneration proposed is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.	Detailed in the resolution. The remuneration proposed is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.
<b>Date of Appointment</b>	July 1, 1996 (as Managing Director)	August 01, 2009 (as Joint Managing Director)
<b>Other Directorships</b>	<b>Director</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Ltd.</li> <li>2. Rane Brake Lining Ltd.</li> <li>3. Rane Engine Valve Ltd.</li> <li>4. Rane TRW Steering Systems Ltd.</li> <li>5. Rane NSK Steering Systems Ltd.</li> <li>6. Kar Mobiles Ltd.</li> <li>7. JMA Rane Marketing Ltd.</li> <li>8. Force Motors Ltd.</li> <li>9. DCM Engineering Ltd.</li> <li>10. SRF Ltd.</li> </ol>	<b>Chairman &amp; Managing Director</b> <ol style="list-style-type: none"> <li>1. Rane Engine Valve Ltd.</li> </ol> <b>Chairman</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Ltd.</li> <li>2. Rane Brake Lining Ltd.</li> <li>3. Rane TRW Steering Systems Ltd.</li> <li>4. Rane NSK Steering Systems Ltd.</li> <li>5. Kar Mobiles Ltd.</li> <li>6. SasMos HET Technologies Ltd.</li> </ol> <b>Director</b> <ol style="list-style-type: none"> <li>1. JMA Rane Marketing Ltd.</li> <li>2. EIH Ltd.</li> <li>3. EIH Associated Hotels Ltd.</li> </ol>

<b>Name of the Director</b>	<b>Mr. L Lakshman</b>	<b>Mr. L Ganesh</b>
<b>Committee Memberships</b>	<b>Chairman – Audit Committee</b> 1. Rane TRW Steering Systems Ltd. 2. Rane NSK Steering Systems Ltd.  <b>Member – Audit Committee</b> 1. Kar Mobiles Ltd. 2. Rane Engine Valve Ltd. 3. Rane (Madras) Ltd. 4. SRF Ltd. 5. DCM Engineering Ltd.  <b>Chairman – Stakeholders’ Relationship Committee</b> Rane (Madras) Ltd.  <b>Member – Nomination and Remuneration Committee</b> 1. Rane (Madras) Ltd. 2. Rane Engine Valve Ltd.	<b>Chairman – Audit Committee</b> 1. EIH Associated Hotels Ltd.  <b>Member – Audit Committee</b> 1. Rane Holdings Ltd. 2. Rane Brake Lining Ltd. 3. Rane TRW Steering Systems Ltd. 4. Rane NSK Steering Systems Ltd.  <b>Chairman – Stakeholders’ Relationship Committee</b> Kar Mobiles Ltd.  <b>Member – Nomination and Remuneration Committee</b> 1. Rane (Madras) Ltd. 2. Rane Brake Lining Ltd. 3. Rane TRW Steering Systems Ltd. 4. Rane NSK Steering Systems Ltd. 5. Kar Mobiles Ltd.
<b>Number of equity shares held in the company</b>	7,02,560	7,12,196
<b>Memorandum of interest</b>	Resolution no.8: Mr. L Lakshman is interested in the resolution as it pertains to his own appointment. Mr. L Ganesh and Mr. Harish Lakshman being relatives of Mr. L Lakshman are deemed to be interested in the resolution.	Resolution no.9 : Mr. L Ganesh is interested in the resolution as it pertains to his own appointment. Mr. L Lakshman, being relative of Mr. L Ganesh is deemed to be interested in the resolution.

The abstracts of the terms of appointment of Mr. L Lakshman and Mr. L Ganesh, as required under Section 302 of the Companies Act, 1956 were sent to the shareholders.

The company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2013-14.

None of the other directors and KMP of the company and their relatives are concerned or interested, financial or otherwise in these resolutions, except to the extent of their shareholding, if any, in the Company.

Your directors commend the resolution for adoption.

#### **Resolution No. 10**

The shareholders of the Company at 60<sup>th</sup> Annual General Meeting held on September 26, 1996 approved by way of an ordinary resolution under then section 293(1)(d) of the Companies Act, 1956 borrowings which shall not be in excess of ₹75 Crores.

Section 180(1)(c) of the Companies Act, 2013 which is effective from September 12, 2013 requires that the board of directors shall not borrow money in excess of the company’s paid up share capital and free reserves, apart from temporary loans obtained from the company’s bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

Ministry of Corporate Affairs through the Circular No. 04/2014 dated March 25, 2014 clarified that the resolution passed under section 293 of the Companies Act, 1956 prior to 12.09.2013 with reference to borrowings and / or creation of security on assets of the company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year (i.e. 11.09.2014) from the date of notification of section 180 of the Act.

It is, therefore, necessary for the members to pass a special resolution under section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, to enable the board of directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of shareholders is being sought to borrow upto ₹100 crores over and above the aggregate of the paid up share capital and free reserves of the Company.

None of the directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

Your directors commend the resolution for adoption.

(By order of the board)  
For **Rane Holdings Ltd.**

Chennai  
May 27, 2014

C Siva  
**Secretary**

**Registered Office:**  
"Maithri", 132, Cathedral Road  
Chennai 600 086  
CIN: L35999TN1936PLC002202  
www.rane.co.in



II. Information about director seeking appointment / re-appointment in this AGM in respect of item Nos. 3, 5, 6& 7 above (in accordance with Clause 49 IV of the Listing Agreement)

<b>Name of the director</b>	<b>Mr. Harish Lakshman</b>	<b>Mr. Anil Kumar Nehru</b>	<b>Mr. Anjanikumar Choudhari</b>	<b>Mr. Shujaat Khan</b>
<b>Father's Name</b>	Mr. L Lakshman	Mr. Braj Kumar Nehru	Mr. Ramashankar-Choudhari	Mr. Shaheryar Khan
<b>Date of birth</b>	February 12, 1974	May 2, 1941	April 22, 1944	January 18, 1970
<b>Educational Qualifications</b>	B.E., BITS Pilani, MSM, Purdue University, USA	B.Sc and M.Sc., Chemical Engineering, Executive Business Management Courses - IIM Ahmedabad, Columbia University & Harvard Business School	BA, Masters of Management Studies	BA, MBA (USA)
<b>Experience</b>	Mr Harish Lakshman has over 13 years of experience in the automotive industry and has held various positions in the areas of Marketing, Operations and Export Business Development and currently the managing director of Rane TRW Steering Systems Ltd. and vice-chairman of Rane Engine Valve Ltd. He currently spearheads the future growth plan for the Rane group.	Mr. Anil Kumar Nehru has over 41 years of rich industrial experience	Mr. Anjanikumar Choudhari has 45 years of rich industrial experience	Mr. Shujaat khan has 22 years of rich industrial experience
<b>Date of appointment</b>	May 19, 2004	February 6, 2013	October 27, 2010	October 29, 2007
<b>Other Directorships</b>	<b>Managing Director</b> Rane TRW Steering Systems Ltd.  <b>Vice-Chairman</b> Rane Engine Valve Ltd.  <b>Director</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Ltd.</li> <li>2. Rane Brake Lining Ltd.</li> <li>3. Rane NSK Steering Systems Ltd.</li> <li>4. JMA Rane Marketing Ltd.</li> <li>5. SasMos HET Technologies Ltd.</li> <li>6. Rane Holdings America Inc.,</li> <li>7. Savithur Enterprises Private Ltd.</li> <li>8. Broadvision Perspectives India Private Ltd.</li> <li>9. Broadvision Services Private Ltd.</li> <li>10. HL Hill Station Properties Private Ltd.</li> </ol>	<b>Director</b> <ol style="list-style-type: none"> <li>1. EIH Ltd.</li> <li>2. EIH Associated Hotels Ltd.</li> <li>3. Ayurvet Ltd.</li> <li>4. Sanat Products Ltd.</li> </ol>	<b>Director</b> Mahindra Logistics Ltd.	<b>Director</b> <ol style="list-style-type: none"> <li>1. KPR Mill Ltd.</li> <li>2. KMC Constructions Ltd.</li> <li>3. KMC Infratech Ltd.</li> <li>4. Blue River Capital India Advisory Services Private Ltd.</li> <li>5. Five K Properties Private Ltd.</li> </ol>

Name of the director	Mr. Harish Lakshman	Mr. Anil Kumar Nehru	Mr. Anjanikumar Choudhari	Mr. Shujaat Khan
<b>Committee Memberships</b>	<b>Chairman – Stakeholders’ Relationship Committee</b> 1. Rane Holdings Ltd. 2. Rane Brake Lining Ltd.  <b>Member – Stakeholders’ Relationship Committee</b> Rane (Madras) Ltd.	<b>Chairman – Audit Committee</b> 1. Ayurvet Ltd. 2. EIH Associated Hotels Ltd.  <b>Member – Audit Committee</b> EIH Ltd.  <b>Chairman– Nomination and Remuneration Committee</b> Rane Holdings Ltd.  <b>Member – Stakeholders’ Relationship Committee</b> Rane Holdings Ltd.  <b>Chairman – Remuneration Committee</b> Ayurvet Ltd.  <b>Member– Remuneration Committee</b> EIH Ltd.	<b>Chairman – Audit Committee</b> Rane Holdings Ltd.  <b>Member – Audit Committee, Member - Remuneration Committee</b> <b>Chairman, CSR Committee</b> Mahindra Logistics Ltd.  <b>Member – Nomination and Remuneration Committee</b> Rane Holdings Ltd.	<b>Member – Compensation Committee</b> KPR Mill Ltd.  <b>Chairman – Compensation Committee</b> KMC Constructions Ltd.  <b>Chairman – Audit Committee</b> KMC Constructions Ltd.
<b>Number of shares held</b>	1,24,817	Nil	Nil	Nil

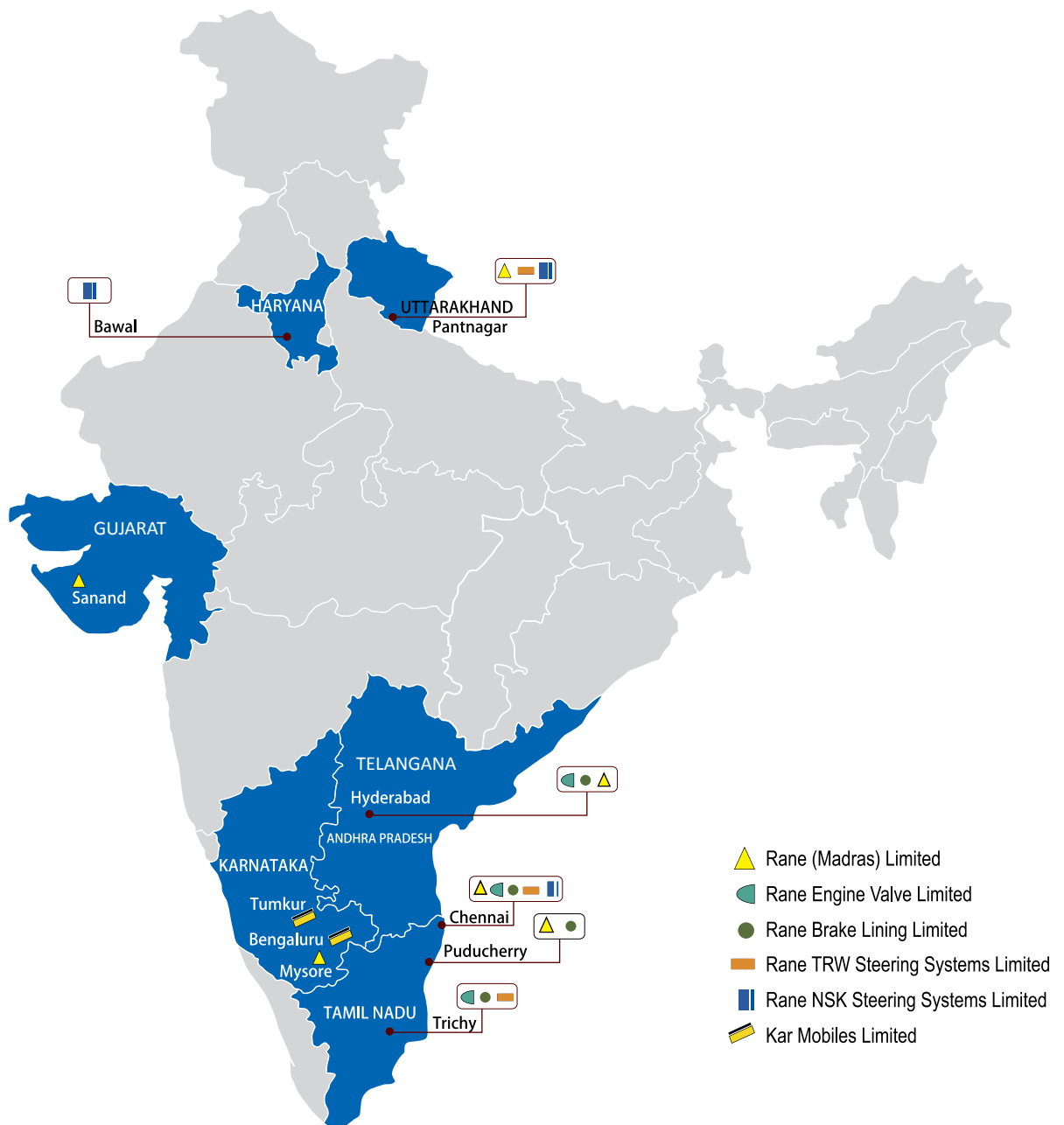
(By order of the board)  
For Rane Holdings Ltd.

Chennai  
May 27, 2014

C Siva  
Secretary

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## MANUFACTURING FOOTPRINTS





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