

## Rane (Madras) Limited



RML/SE/ 16 /2019-20

June 26, 2019

<b>BSE Limited</b> Listing Centre Scrip Code: <b>532661</b>	<b>National Stock Exchange of India Ltd.</b> NEAPS Symbol: <b>RML</b>
---	---

Dear Sir / Madam,

**Sub: 15<sup>th</sup> Annual Report – 2018-19**

**Ref: Letter No. RML/SE/14/2019-20 dated June 24, 2019**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), we enclose herewith the copy of 15<sup>th</sup> Annual Report 2018 -19 along with Notice of Annual General Meeting of the Company.

We request you to take the above on record as compliance under relevant regulations of SEBI LODR and disseminate the same to the stakeholders.

Thanking you.

Yours faithfully,

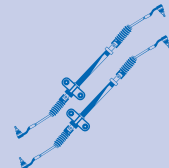
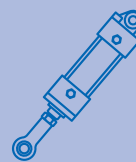
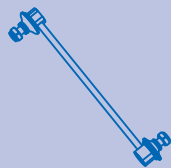
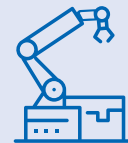
For **Rane (Madras) Limited**

  
S Subha Shree  
**Secretary**



Encl: a/a

# Driven by determination. Progressing with optimism.



# Read Inside

## Company Overview

- Company at a glance 2
- Our report card 4
- Business highlights 5
- From the Chairman's desk 6
- Corporate information 8

## Management Reports

- Report of the Board of Directors 9
- Management Discussion and Analysis 15
- Corporate Governance Report 31

## Financial Statements

### Standalone

- Balance Sheet 70
- Statement of Profit and Loss 71
- Statement of Changes in Equity 72
- Cash Flow Statement 74
- Notes 76

### Consolidated

- Balance Sheet 132
- Statement of Profit and loss 133
- Statement of Changes in Equity 134
- Cash Flow Statement 136
- Notes 138

## Forward-looking statements

In this annual report, we have disclosed some 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 know 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.

Follow us and join the conversation



www.ranegroup.com



ranegroup



ranegroup



## Numbers in 2018-19

₹ 1380.8 Crores

↑ 13.2%

Total Income

₹ 151.7 Crores

↑ 8.8%

EBITDA



₹ 47.2 Crores

↑ 13.0%

PAT

## Our products portfolio

Steering and Suspension Linkage Products

Steering Gears

Hydrostatics Steering Systems

Die Casting Products

# Our five-decade long journey has been about embracing the opportunities and enduring the challenges of changing times.

The year 2018-19 was no different. After a period of buoyancy, demand suddenly turned sluggish in the latter half and we witnessed inflationary pressure on material cost.

The challenging environment, however, strengthened our resolve of getting our plans back on track and renewed our focus on robust execution. We continued to win customer accolades, remained their partner of choice, aggressively pursued new businesses, expanded capacity and capabilities.

We remain optimistic about the opportunities in the auto components industry and structural trends remain positive in the long term.

We are working closely with customers to develop innovative solutions and embrace the technological changes in the industry. We are determined to grow and enhance value for our stakeholders, supported by our business excellence programme, dynamic team and disciplined financial architecture.

**We are driven by determination and progressing with optimism.**

## Rane (Madras) at a glance

Established in 1929, Rane (Madras) Limited (RML) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. RML has two divisions namely Steering and Linkage Division (SLD) and Die Casting Division (DCD). SLD manufactures mechanical steering gears, hydrostatic steering systems and steering and suspension linkage products. DCD manufactures low porosity, high-quality aluminum die castings such as steering housings and engine case covers. Its overseas subsidiary, Rane Precision Die Casting Inc., manufactures and supplies complex thin-walled, low porosity cast and machined aluminum die castings, from its manufacturing facility at Russellville, Kentucky, USA.








### Our divisions

- Steering and Linkage Division
- Die Casting Division

### Company snapshot

	Steering and Linkage Division	Die Casting Division
	Established in 1960	Established in 2006
	Market leader in India	Expertise in complex precision components
	Worldwide exports	Exports to Europe and North America
	Application in every segment of automobile industry	Die Cast machines ranging from 600 to 1400 tons
	State-of-the-art R&D facilities	Integrated facility with modern machinery

### Manufacturing locations

Location	Products
 Varanavasi (Chennai)	Steering and Suspension Linkage Products, Steering Gears Products
 Mysuru	Steering and Suspension Linkage Products, Steering Gears Products and Hydrostatic Steering Systems
 Puducherry	Steering and Suspension Linkage Products, Steering Gears Products
 Uttarakhand	Steering and Suspension Linkage Products, Steering Gears Products
 Bollaram (Hyderabad)	Die Casting Products
 Sadasivpet (Hyderabad)	Die Casting Products
 Russellville, Kentucky (USA)	Die Casting Products

**Our vision**

**Steering and Linkage Division**

To be the leader in the domestic steering business and establish global presence

**Die casting Division**

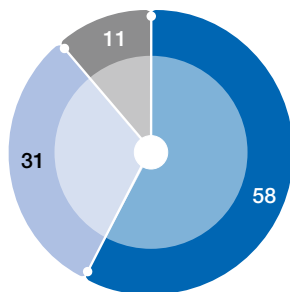
To be a Globally Preferred Supplier of Specialized Precision Light Weight Components

**Key customers**



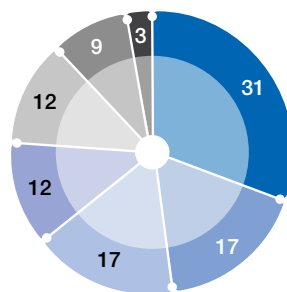
**Revenue split (Total income ₹ 1380.80 Crores)**

By market (%)



- India OEM & OES
- International OEM
- India Aftermarket

By vehicle segment (%)



- Passenger car
- MUV
- FT
- SCV
- M & HCV
- LCV
- MPV

**Technology capabilities**

The journey to continuously enhance product life and reliability has seen various initiatives in deploying appropriate product and process technologies. We have comprehensive design facilities to simulate varied environmental scenarios and state-of-the-art test facility to validate product feature parameters, functional parameters, endurance and environmental integrity. The focus areas for Steering and Linkage Division include light weighting and reducing friction and need for service. The Die Casting Division has fully automated and computer controlled horizontal and vertical machining centres.

**Quality standards**

Being a market leader, our focus on product longevity and quality is unparalleled. We have received several recognitions and awards from OE customers and our operations are accredited and certified for quality, occupational health and safety management systems.

**Quality Accreditations**

- **ISO 27001:2013 – ISMS Certification**  
Information Security Management System for Steering and Linkage & Die casting Divisions
- **IATF16949:2016**  
Quality Management; All six plants in India certified
- **ISO 14001**  
Environmental Management: All four plants of Steering and Linkage Division certified
- **OHSAS 18001**  
Occupational Health and Safety Management: All four plants of Steering and Linkage Division certified
- **Deming Prize**  
Steering and Linkage Division: Total Quality Management (TQM)
- **Deming Grand Prize**  
Steering and Linkage Division: Excellence in TQM

## Our report card

(₹ in Crores)

### OPERATIONAL PERFORMANCE

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Total Income*	<b>1,380.83</b>	1,219.60	992.62	862.49	779.97	727.51	641.36	673.11	585.46	420.68
EBITDA	<b>151.75</b>	139.49	99.38	79.70	69.67	69.16	57.84	62.98	50.39	34.84
Profit Before Tax (PBT)	<b>70.37</b>	60.18	26.29	18.66	16.84	19.68	30.06	37.17	30.83	20.04
Profit After Tax (PAT)	<b>47.25</b>	41.81	20.67	14.09	12.44	16.78	23.42	27.40	24.57	13.81

### KEY PERFORMANCE HIGHLIGHTS

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
RoCE (%)	<b>16.8</b>	17.8	11.9	9.9	10.6	15.8	17.3	23.7	26.9	19.1
RoNW (%)	<b>16.4</b>	19.1	13	9	9	12	19	26	27	18
Earnings Per Share (₹)	<b>40.38</b>	37.61	19.66	12.77	11.20	15.35	23.04	26.95	24.18	13.59
Dividend (%) @	<b>85.00</b>	120.00	60.00	45.00	45.00	55.00	70.00	95.00	70.00	45.00
Dividend payout ratio@	<b>25.97</b>	40.13	37	40	46	40	35	41	34	39
Book Value per Share (₹)	<b>259.97</b>	229.53	162.65	144.98	138.43	133.41	127.97	113.20	96.99	81.12

### BALANCE SHEET HIGHLIGHTS\*\*

(₹ in Crores)

FINANCIAL YEAR	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	<b>11.97</b>	11.61	10.51	10.51	10.51	10.51	10.16	10.16	10.16
Shareholders' Funds	<b>311.27</b>	266.43	170.95	160.62	153.73	148.45	130.07	115.06	98.58
Non-Current Liabilities	<b>129.53</b>	130.37	140.05	139.67	62.97	49.90	40.79	50.19	47.61
Current Liabilities	<b>429.58</b>	414.44	379.53	312.66	317.33	256.27	190.23	175.78	131.65
Non-Current Assets	<b>450.69</b>	406.07	389.51	343.46	300.59	245.12	179.09	165.52	124.41
Current Assets	<b>419.73</b>	405.16	301.02	269.49	233.44	209.51	182.00	175.51	153.43

\*\* pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only corresponding figures reported for the previous years.

\* Total Income are net of excise duty; (@) Includes final dividend, if any, recommended by the Board for the respective financial years.

Note : 1. Figures for FY 18 and FY 17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.

2. EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.



## Awards and accolades

### Customers



### Awards

Quality award

Best supplier award

### Customers



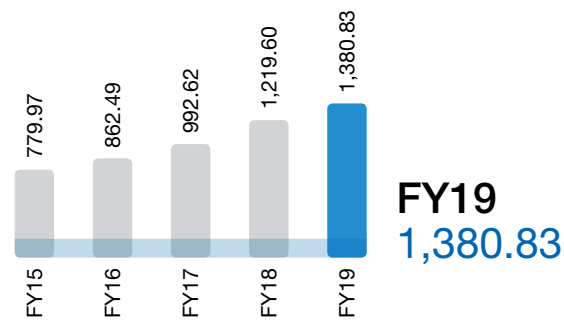
### Awards

Best supplier award

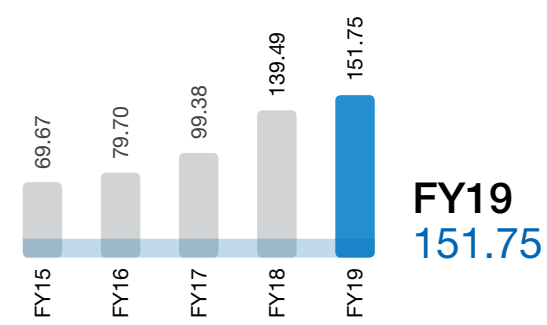
Quality award to Rane Precision Die Casting

## KEY PERFORMANCE INDICATORS

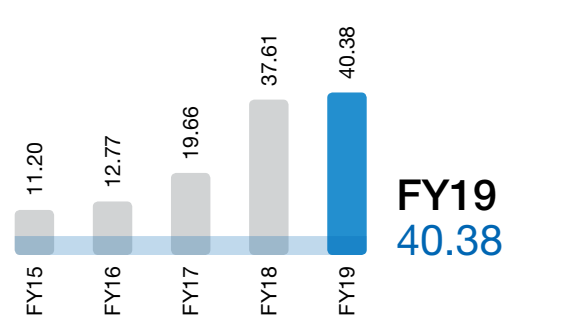
## Total Income (₹ in Crores)



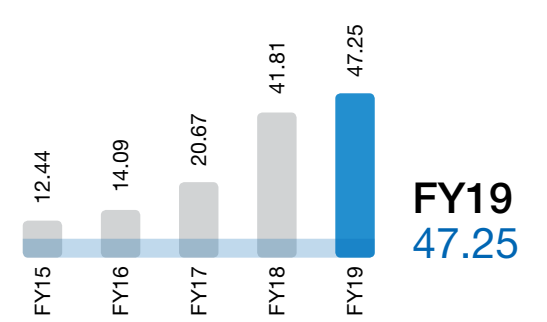
## EBITDA (₹ in Crores)



## EPS (₹)



## PAT (₹ in Crores)



## Business highlights, FY 2018-19

1

The plants responded well to the fluctuating demand for steering products and maintained optimal capacity utilisation

2

Strong traction for hydraulic business, which grew 50%

3

The R&D facilities were upgraded both at Chennai and at Puducherry to meet the increased product performance requirements

4

Significant focus on operational improvements in Die Casting business

5

RPDC secured new business from three new customers



## From the Chairman's desk



We are “Driven by Determination” and remain confident of our strategy and approach to deliver profitable growth.

### Dear Shareholders,

The global automotive industry landscape continues to transform, and along with it the auto components industry. With India already cementing its place as a global component sourcing hub, we are well positioned to navigate through the emerging challenges and capitalise on the upcoming opportunities. Our tradition of pursuing excellence and keeping ‘customer at the core’ remained intact this year as well, backed by determination, prudent foresight and strong business fundamentals.

#### Economy overview

The synchronised upswing in the global economy that began around mid-2016 suddenly changed course in the second half of 2018 as the continued momentum in manufacturing and trade dissipated. Sentiments were further dampened by the hardening of US interest rates, volatile crude prices, along with uncertainty over Brexit and heightened rhetoric around protectionism.

The Indian GDP growth dipped below 7% for full financial year 2018-19, after growing at 7.5% in the first half, due to weak industrial output, and overall subdued demand. However, with the election overhang now behind us, the economy should grow at over 7% going forward, driven by the Government’s resolve towards achieving fiscal consolidation and continued push for structural reforms.

The Indian automobile industry too had started FY 2018-19 on a positive note, supported by normal monsoon, rising rural demand, the Government's infrastructure push and rise in industrial activity. However, most vehicle segments witnessed a considerable slowdown in the second half due to higher fuel prices, lower financing availability, steep price increase on account of insurance regulation changes in September 2018.

### Driven by determination

Our growth was supported by performance of steering and linkage division. Our plants responded well to the market fluctuations and maintained optimal capacity utilisation. Hydraulic products experienced a strong traction with customers. We engaged various lean measures to improve operational performance which helped to partially mitigate the inflationary pressures on material costs. We upgraded our R&D facilities in both Puducherry and Chennai.

The operational performance of die casting business in India continued to improve and further cost reduction initiatives are planned in the upcoming year as well. The order book of die casting business in India is still not healthy and capacity utilisation is under stress.

The performance of our overseas subsidiary, Rane Precision Die Casting Inc. (RPDC) continues to remain a concern for us. We envisaged losses for three years when we acquired this business in 2016. There were few setbacks as the subsidiary could not secure adequate new business and achieve planned operational

**We will continue to invest in R&D, drive innovations to build value-add products. We will introduce new technologies in India and tap into opportunities to supply in export markets.**

improvements. RPDC secured new businesses which will help in sales growth. We still see a lot of scope for operational improvements and are undertaking several initiatives including deputing some senior managers from our Group.

We are 'Driven by Determination' and remain confident of our strategy and approach to deliver profitable growth.

### Progressing with optimism

The first half of FY 2019-20 appears challenging with slowing demand in most of the vehicle segments. The anticipated pre-buy on account of transition to BS VI, normal monsoon, the Government's continued reforms and infrastructure push are likely to propel growth. We remain optimistic about the evolving opportunities in the auto component industry and the structural trends remain positive in the long term.

We will continue to invest in R&D and drive innovations to build value-add products. We will introduce new technologies in India and tap into opportunities to supply in export markets.

Our steering and linkage division is expected to continue its growth at a stable pace, aided by market growth and new business launches. We succeeded in securing orders from new customers for the Indian die casting division, which will likely get reflected in fiscal 2020-21. RPDC's pursuit to become profitable looks possible over the next two years and is dependent on securing profitable new orders and achieving sustainable improvements in operation over the next 3-4 quarters.

We are progressing with optimism on long term market opportunities and determined to drive efficiencies to create value for all our stakeholders.

On behalf of the Board of Rane (Madras) Limited, I would like to thank all our stakeholders – customers, employees, partners, vendors, bankers, government, communities and most importantly you – our shareholders, who have been part of this exciting journey.

Yours sincerely,  
**L Ganesh**  
Chairman

## Corporate information

### Board of Directors

Mr. L Ganesh, Chairman  
Mr. Harish Lakshman, Vice Chairman  
Ms. Anita Ramachandran  
Mr. L Lakshman  
Mr. M Lakshminarayan  
Mr. Pradip Kumar Bishnoi

### Audit Committee

Mr. Pradip Kumar Bishnoi, Chairman  
Ms. Anita Ramachandran  
Mr. M Lakshminarayan  
Mr. L Lakshman

### Stakeholders' Relationship Committee

Mr. L Lakshman, Chairman  
Mr. Harish Lakshman  
Mr. Pradip Kumar Bishnoi

### Nomination and Remuneration Committee

Mr. M Lakshminarayan, Chairman  
Ms. Anita Ramachandran  
Mr. L Ganesh  
Mr. L Lakshman

### Corporate Social Responsibility Committee

Mr. L Lakshman, Chairman  
Ms. Anita Ramachandran  
Mr. L Ganesh

### Chief Executive Officer

Mr. S Parthasarathy

### Vice President - Finance and Chief Financial Officer

Ms. J Radha

### Company Secretary

Ms. S Subha Shree

### Listing of Shares on

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

### Statutory Auditors

M/s. Deloitte Haskins & Sells  
Chartered Accountants,  
ASVN Ramana Towers, 7<sup>th</sup> Floor,  
Old No. 37, New No. 52  
Venkatanarayana Road,  
T. Nagar, Chennai-600 017

### Secretarial Auditors

M/s. S Krishnamurthy & Co.  
Company Secretaries,  
"Sreshtam", Old No.17, New No.16,  
Pattammal Street, Mandaveli,  
Chennai - 600 028

### Bankers

**Axis Bank,**  
Chennai – 600 002  
**Canara Bank,**  
Chennai - 600 002  
**DBS Bank Limited,**  
Chennai - 600 002  
**HDFC Bank Limited,**  
Chennai - 600 002  
**ICICI Bank,**  
Chennai - 600 018  
**Kotak Mahindra Bank Limited,**  
Chennai - 600 002  
**Standard Chartered Bank,**  
Chennai - 600 001  
**YES Bank Limited,**  
Chennai - 600 002

### Registered Office

**Rane (Madras) Limited**  
CIN: L65993TN2004PLC052856  
"MAITHRI", 132, Cathedral Road,  
Chennai 600 086  
Phone: 044-28112472/73  
Fax: 044-28112449  
Email: investorservices@ranegroup.com  
Website: www.ranegroup.com

### Head Office

"GANAPATHI BUILDINGS"  
154, Velachery Road,  
Chennai - 600 042

### Plants

- 79/84, Hootagally Industrial Area  
Mysuru - 570 018, Karnataka
- 77, Thirubuvanai Main Road  
Thirubuvanai Village,  
Puducherry - 605 107
- Ambakkam, Varanavasi Village  
Varanavasi Post,  
Kancheepuram - 631 604,  
Tamil Nadu
- Plot No. 27, Sector 11, Integral  
Industrial Estate Pant Nagar,  
Uttarakhand - 263 153
- 143/A, SV Co-op Industrial Estate  
IDA Bollaram, Medak  
District - 502 325, Telangana
- Survey No. 789/AA, 781, 781/AA,  
790/A & 779 Sadasivpet Municipal  
Limits, Sadasivpet Mandal - 502 291,  
Medak Dist., Telangana

### Registrar and Transfer Agent

Integrated Registry Management  
Services Private Limited  
II Floor, "Kences Towers",  
No 1 Ramakrishna Street,  
North Usman Road,  
T Nagar, Chennai 600 017  
E-mail: corpseiv@integratedindia.in  
Website: www.integratedindia.in

# Report of the Board of Directors

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the accounts for the year ended March 31, 2019 and other prescribed particulars:

## 1. State of Company's affairs

### 1.1 Financial Performance

The standalone financial highlights for the year under review are as follows:

(₹ in Crores)

Particulars	2018-19	2017-18
Sales and Operating Revenues (net of Excise duty)	1370.25	1213.95
Other Income	10.57	5.64
Profit Before Tax (PBT)	70.36	60.18
Provision for tax :		
Current	25.23	18.33
Deferred	(2.11)	0.04
MAT Credit availed	-	-
Profit After Tax (PAT)	47.24	41.81
Total Comprehensive Income	46.10	41.82
Surplus brought forward	46.51	24.78
Amount transferred to Capital Redemption Reserve (CRR)	-	8.23
Amount transferred to General Reserve	32.36	-
Amount available for appropriation	60.86	57.85

Key performance indicators, operational performance and balance sheet highlights are furnished on page nos 4 and 5 of this Annual Report.

The total stand-alone turnover of the company was ₹ 1370.25 Crores, which is a growth of 13% over the previous year. The revenue from steering and linkage products was ₹ 1154.95 Crores, a growth of 15 % over the previous year. The revenue from die casting business was ₹ 120.09 Crores, which is 5% decline from the previous year. The auto parts division of the Company registered a turnover of ₹ 52.29 Crores as against the turnover of ₹ 40.69 Crores recorded during the previous year.

The Company netted a profit before tax of ₹ 70.36 Crores, which is 5% of the turnover. This resulted in earnings per share as ₹ 40.38 for FY 2018-19 as against ₹ 37.61 for FY 2017-18.

There was no material change or commitments, affecting the financial position of the Company between the end of the financial year of the Company and date of the report other than those disclosed in the financial statements section of this annual report. There was no change in the nature of business during the year. The Company continues to be a subsidiary of Rane Holdings Limited (RHL / Holding company). The Company does not have any associate or joint venture.

### 1.2. Overseas Subsidiaries

Rane Precision Die Casting Inc. (RPDC), USA, is a step down subsidiary of the Company. This investment is held through Rane (Madras) International Holdings,

B.V., The Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS'). RPDC is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. During FY 2018-19, RPDC earned a revenue of ₹ 184.36 Crores from its operations.

During FY 2018-19, the Company invested Euro 1.76 million in the preference share capital of RMIH, towards making onward investments in RPDC and for meeting its own operating expenses. The total investment in the equity capital of RPDC through RMIH as on March 31, 2019 is USD 10 million. As on March 31, 2019, the Company had issued corporate guarantee to EXIM Bank for US\$ 2.1 Million and US\$ 4.8 Million against the lending of EXIM Bank to RPDC and RMIH, respectively

As on March 31, 2019, a loan of ₹ 44.70 Crores is outstanding for repayment to the Company by RMIH.

### 1.3. Changes in Share Capital

#### 1.3.1. Conversion of warrants into equity shares

On December 28, 2018, the Company had allotted 3,65,630 equity shares having a face value of ₹ 10/- each to Rane Holdings Limited, Promoter / Promoter Group, (RHL), consequent to conversion of warrants by RHL upon payment of the balance amount of ₹ 14.99 Crores, being the warrant exercise price. The equity shares arising on conversion rank pari-passu with the existing shares of the Company and are also listed and permitted to be traded on

the stock exchanges viz., Bombay Stock Exchange Limited and National Stock Exchange of India Limited, effective January 22, 2019.

#### 1.4. Appropriation

The Board of Directors declared and paid an interim dividend at the rate of 40% (i.e., ₹ 4.00 per equity share of ₹ 10/- each, fully paid-up) on February 08, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 01, 2019, being the Record Date fixed for this purpose.

An amount of ₹ 60.86 Crores of the profit is available for appropriation. The Board Directors of the Company, at its meeting held on May 23, 2019, have considered and has recommended a final dividend of 45% (i.e., ₹ 4.50/- per equity share of ₹ 10/- each fully paid-up) for approval by the shareholders at the ensuing 15<sup>th</sup> Annual General Meeting (AGM) scheduled to be held on July 24, 2019.

The total final dividend amount paid/payable on equity shares for FY 2018-19 including the distribution tax thereon would be ₹ 12.27 Crores. On declaration of the final dividend by the shareholders, it will be paid on July 29, 2019 to all the eligible shareholders whose name appears in the register of members of the Company as on July 17, 2019, being the Record Date fixed for this purpose.

The Board has retained ₹ 44.60 Crores as surplus in the Statement of Profit and Loss account after transferring ₹ 32.36 Crores to the General Reserves.

#### 1.5. Management Discussion & Analysis

The business of your Company is manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products. An analysis on the performance of the industry, the Company, internal control systems, risk management are presented in the Management Discussion and Analysis report annexed as 'Annexure A' forming part of this report.

#### 1.6. Consolidated Financial Statements

The consolidated financial statements of the Company are prepared based on the financial statements of the subsidiary companies viz., Rane (Madras) International Holdings B.V, The Netherlands, Wholly Owned Subsidiary ('RMIH' / 'WOS') and Rane Precision Die Casting Inc., USA, Step Down Subsidiary ('RPDC' / 'SDS'). The Company has followed the methodology prescribed under applicable accounting standards for consolidation of financial statements of the subsidiary companies i.e., each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. On consolidation, the assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing

at the reporting date and their statements of profit or loss are translated at average of daily exchange rates prevailing during the year.

The financial statements of the subsidiary companies are not attached in terms of the provisions of Section 136 of the Companies Act, 2013. However the salient features of financial statement of these subsidiary companies are disclosed in this annual report. The Company undertakes to make available a soft or hard copy of the financial statement of the subsidiary companies to members, as may be required by them, on demand. The annual financial statements of the subsidiary companies have been posted on the website of the Company viz. [www.ranegroup.com](http://www.ranegroup.com) and also kept open for inspection by any member at the registered office of the Company. The consolidated financial statement presented by the Company, which forms part of this annual report, include financial results of the WOS and SDS.

## 2. Board of Directors

### 2.1. Composition

The Corporate Governance Report given in 'Annexure E' to this report contains the composition of the Board of Directors of the Company.

There is no change in the composition of Board of Directors with reference to the previous year. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at [http://ranegroup.com/rml\\_investors/terms-conditions-appointment-id/](http://ranegroup.com/rml_investors/terms-conditions-appointment-id/).

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. The Board of Directors at its first meeting of the FY 2018-19 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year the Board had not appointed any person as an Alternate Director for an Independent director on the Board.

The Company has obtained a certificate from a Company Secretary in practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

### 2.2. Retirement by rotation

Mr. Harish Lakshman, Director (DIN: 00012602) is retiring by rotation at the ensuing 15<sup>th</sup> AGM. Being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Harish Lakshman as a Director is included in the notice convening the 15<sup>th</sup> AGM.

### 2.3. Board Meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, five (5) Board Meetings were held, the details of which are given in the Corporate Governance Report. The gap between two consecutive meetings of the Board of Directors was less than 120 days.

### 2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors expressed that the current flow of information and contents were good to effectively perform their duties. They also reviewed the performance of the non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other Non-Executive Directors.

## 3. Board and Management

### 3.1. Board evaluation

During the year, the Board carried out an annual evaluation of its performance as well as of the working of its Committees and individual Directors, including Chairman. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman and individual Directors, as per the criteria laid down by Nomination and Remuneration Committee. The Chairman's performance evaluation was also reviewed by Independent Directors at a separate meeting during the year.

The evaluation methodology, questionnaire and process were judiciously formulated taking into consideration the following parameters of the Board's functioning:

- a) Board structure and processes: Composition, appointment process, diversity, approach towards risk assessment, monitoring mechanism for any related party transactions, ethical standards and fairness in decision making.
- b) Meetings and discussions: Adequacy, relevance of information, follow up actions, discussions and debate especially on critical and dissenting views, if any.
- c) Board Information and functioning: Adequacy of time for strategic discussions, integrity of accounting and financial reporting systems and feedback of Independent Directors.
- d) Board committee effectiveness: clarity of charter laid down, effectiveness of reports of the Committees, its mandates and working procedures, its transparency and independency and contributions towards recommendations made to the Board.

The individual Directors' evaluation was carried out with an unbiased approach through peer evaluation focussing on following areas:

- a) Group dynamics i.e., exhibiting positive behaviours, framing of constructive contents and staying engaged while expressing honest opinions.
- b) Competency attributes like having sufficient understanding and knowledge of the Company and operating sector and fulfilling functions assigned to them by the Board and governing laws ; and
- c) Commitment in terms of exercising own judgement, voicing independent opinions and responsibility towards the Company and its success.

The outcome of the evaluation is also considered by the Nomination and Remuneration Committee while considering re-appointments of Directors on the Board and appointment in various Committees.

The Board acknowledged the key areas of improvement emerging through this exercise and the Chairman discussed with the other Board members during the meetings, the action plans including the need for revisiting the Board meeting schedule to allow sufficient time for discussions on matters of strategic importance and scheduling Directors' visits to the manufacturing facilities and facilitating interaction with the business and functional heads.

Certain strategic discussions at the Board and committee meetings brought to the fore were around long-term strategy in terms of industry trends, technology developments, measures to enhance productivity, innovation and competitiveness and sustainable business models.

Discussions on initiatives taken across the Rane group on areas like Human Resource development especially in the context of talent acquisition & management, succession planning, employee engagement, leadership development at Senior Management level and Information and Technology challenges, were given extensive time and focus by the Board.

### 3.2. Familiarisation program for Independent Directors

The familiarisation program for independent Directors and details of familiarization programmes to independent Directors are available at [http://ranegroup.com/rml\\_investors/familiarisation-programme-for-independent-directors/](http://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors/)

### 3.3. Key Managerial Personnel

Mr. S Parthasarathy, Chief Executive Officer (CEO), Ms. J Radha, Chief Financial Officer (CFO) and Ms. S Subha Shree, Company Secretary, hold the office of Key Managerial Personnel, respectively within the meaning of Section 2(51) of the Companies

Act, 2013. During the year there was no change in the Key Managerial Personnel (KMP).

### 3.4. Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) as laid down by the Nomination and Remuneration Committee (NRC) of the Board is available on the website of the company [www.ranegroup.com](http://www.ranegroup.com)

In accordance with the said policy and approval obtained from the shareholders at the 14<sup>th</sup> AGM held on July 25, 2018, a commission of ₹ 1.44 Crores is payable to Mr. L Ganesh, the Chairman for financial year 2018-19. This commission amount does not exceed 2% of the net profits of the Company for FY 2018-19.

In addition to the approval already obtained from shareholders by way of a special resolution under Section 197 of the Companies Act, 2013 and the Rules made thereunder, specific approval of shareholders is sought again, pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), for payment of commission to Mr L Ganesh for FY 2018-19.

The details of remuneration paid / payable to the Directors during the financial year 2018-19, is furnished in the Corporate Governance report annexed to this report of the Board.

## 4. Audit

### 4.1. Audit Committee

The terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance Report section of the Annual Report. The Audit Committee of the Board acts in accordance with the above terms of reference, which is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR and other applicable provision of SEBI LODR, as amended from time to time.

### 4.2. Statutory Auditors

M/s. Deloitte Haskins & Sells (DHS) were appointed in their second term as Statutory Auditors at the 13<sup>th</sup> Annual General Meeting (AGM) held on August 24, 2017, for a period of five years i.e., until the conclusion of the 18<sup>th</sup> AGM (2022).

DHS has confirmed that they do not suffer from any disqualification under 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.

During the year under review, DHS has not reported any matter under Section 143(12) of the Companies

Act, 2013 requiring disclosure under Section 134(3)(ca) of the Companies Act, 2013.

The statutory auditors report to the members for the year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer.

### 4.3. Cost Audit & Maintenance of Cost Records

Appointment of Cost auditor is not applicable to the Company under Companies (Cost Records and Audit) Rules, 2014.

Further, the maintenance of cost records as prescribed under provisions of Sec 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

### 4.4. Secretarial Auditors

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, are the Secretarial Auditors of the Company. The Secretarial Audit report given in '**Annexure B**' was taken on record by the Board of Directors at its meeting held on May 23, 2019. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance Report, (hereinafter referred to as 'compliance report'), for FY 2018-19 issued by M/s. S Krishnamurthy & Co., the Secretarial Auditors of the Company, have confirmed compliance with securities laws applicable to the Company and the same has been taken on record by the Board of Directors at its meeting held on May 23, 2019. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

### 4.5. Internal Auditors

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, continues to be the Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, review of statutory and legal compliances with applicable statutes / laws and assessing the internal control strengths in all these areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on a regular basis to improve efficiency in operations. The internal auditors report directly to the Audit Committee and the Audit Committee while reviewing their performance scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz internal audit structure, staffing and seniority of the officials proposed to be deployed etc. which are adequate and commensurate to the

scope, functioning, periodicity and methodology for conducting the internal audit.

For FY 2018-19, the Audit Committee has taken on record their certification to the effect that:

- i. They have evaluated the internal control systems and risk management systems and reviewed the risk management systems and management's process of identification and mitigation of risks and controls;
- ii. There were no significant findings requiring follow-up thereon and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the Audit Committee/Board;
- iii. Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;
- iv. There were no deficiencies in the design or operation of internal controls;
- v. There were no significant changes in the internal control over financial reporting during the year under review;
- vi. There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting and;
- vii. The Company has a proper system for ensuring compliance with all applicable laws and the same is adequate and working effectively.

## 5. Directors' Responsibility Statement

In terms of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, based on the information and explanations obtained by them, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;
- b) they had selected such accounting policies and applied them consistently and made judgements 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;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- d) they had prepared the financial statements for the financial year on a 'going concern' basis;

- e) they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 6. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Company has not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., except for those disclosed in 'Annexure G' to this report. There are no materially significant related party transactions made by the Company with Related Parties which may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis. The Company has put in place proper system for identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link: [http://ranegroup.com/rml\\_investors/policy-on-related-party-transactions/](http://ranegroup.com/rml_investors/policy-on-related-party-transactions/)

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material, financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

## 7. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: "To be a socially and environmentally responsive organization committed to improve quality of life within and outside". The CSR activities of Rane Group focus on four specific areas viz.: (a) Education (b) Healthcare (c) Community Development; and (d) Environment.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Director and Ms. Anita Ramachandran, an Independent Director, as its members. The 'Annexure C' to this report contains the annual report on CSR activities of the Company for FY 2018-19. The CSR policy of the Company is posted on our website [http://ranegroup.com/rml\\_investors/corporate-social-responsibility-policy](http://ranegroup.com/rml_investors/corporate-social-responsibility-policy).



**8. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

The ‘Annexure D’ to this report contains the information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

**9. Particulars of Directors, Key Managerial Personnel and Employees**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided in the full version of the Annual Report. The full version of the Annual Report is available for inspection by the members at the registered office during business hours on a working day of the Company up to the date of the ensuing Annual General Meeting. The full annual report including the aforesaid information is being sent electronically to all those members who have registered their e-mail address and is available on the Company’s website www.ranegroup.com.

**10. Corporate Governance Report**

Your Company is a leader in compliance with the corporate governance norms under the SEBI regulations. The Corporate Governance report and the certificate issued by the Statutory Auditors are available in ‘Annexure E’ to this report.

**11. Other Disclosures**

- a) Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
- b) The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- c) There was no significant / material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d) The policies approved and adopted by the Board have been made available on the Corporate Governance section of the Investor page on the website of the Company viz. www.ranegroup.com.
- e) The extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is available on the website of the Company at www.ranegroup.com and in ‘Annexure F’ to this report.
- f) The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of Board of Directors and SS-2 on general meetings issued by Institute of

Company Secretaries of India as per Section 118(10) of the Companies Act, 2013.

- g) The Company does not accept any deposit falling under the provisions of Section 73 of the Companies Act, 2013 and the rules framed thereunder.
- h) The Company has established a formal vigil mechanism named ‘Rane Whistle Blower Policy’ for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company.
- i) The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under in accordance with provisions of the Companies Act, 2013, as amended from time to time.
  - No. of complaints received during the financial year – Nil
  - No. of complaints disposed during the financial year – Nil
  - No. of complaints pending as at end of the financial year – Nil
  - There was no complaints reported during the year under review through this mechanism.
- j) Electronic copies of the Annual Report and the notice convening the 15th Annual General meeting (AGM) would be sent to the members whose email address are registered with the Company or their respective Depository Participants. For members who have not registered their email address, physical copies of the Notice and Annual Report would be sent in the permitted mode.

For and on behalf of the Board

Chennai  
May 23, 2019

**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602

**L Ganesh**  
Chairman  
DIN: 00012583

## Annexure A to Report of the Board of Directors

# Management Discussion And Analysis

## 1. Company Overview

The Company manufactures steering & suspension linkage products, steering gear products and high precision aluminium die casting products. The Company is a significant supplier to major manufacturers of passenger cars (PC), utility vehicles (UV) and farm tractors (FT) in India and globally. The Company operates predominantly in a single reportable segment viz., components for the transportation industry.

## 2. Economic Review

### 2.1 Global Economy

Global economy growth started on a strong note fuelled partly by U.S. tax cuts and rising demand for imports. However, as the year progressed, momentum faded and growth started to wane as the increasing interest rates, trade frictions and the imposition of import tariffs hurt economic activity worldwide. According to International Monetary Fund (IMF) estimates, global growth is estimated to have slightly tapered down to 3.7% in 2018 and is expected to decline further to 3.5% in 2019 amid weakening sentiment in the global financial markets and further erosion of business and consumer confidence. A range of triggers including trade wars, Brexit, slowdown in China rising interest rates and tightening financial conditions globally could spark a further deterioration in risk sentiment and derail growth prospects.

### 2.2 Indian Economy

According to estimates provided by the Central Statistics Office (CSO), India's economy grew at a modest 6.8% in FY19 lower than 7.2% in the previous fiscal. This Slowdown has been attributed to slow rural consumption demand, lapses in the manufacturing sector, agricultural distress and unemployment. Tighter financial conditions owing to disruption in the Non-Banking Financial Company (NBFC) sector, higher oil prices, adverse terms of trade, lower growth in partner countries continue to be major overhang. Slowdown in growth combined with declining inflation has provided policy makers with room for softening of interest rates to stimulate growth in the economy. As per IMF, Indian economy is expected to expand to 7.10% in FY20 benefiting from lower oil prices and softening interest rates.

## 3. Automobile Industry

### 3.1 Global Automobile Industry

The U.S. auto industry ended 2018 with sales of 17.3 million new vehicles, 0.3% increase over 2017. While interest rates are rising and used-vehicle supplies are growing, new-vehicle sales continue to be supported by light-truck demand, employment

gains, healthy economic growth and lower fuel prices. Generous discounts and steady economic growth fuelled new-vehicle sales throughout the year. There is a clear shift in car buyers' preferences from traditional sedans to SUVs and trucks driven by lower fuel prices. Global economic slowdown, ongoing tariff wars, impact of new vehicle technologies, and the preferences of millennial and Gen Z consumers will determine the course of future demand. According to Centre for Automotive Research (CAR), total industry sales in 2019 is forecast to decline to 16.8 million to 17 million units.

According to European Automobile Manufacturers' Association (ACEA), car sales in the European Union (EU) remained flat at 15.2 million new registrations with full year growth of 0.1% owing to slowing demand in some Western European countries and disruption caused by the introduction of the new worldwide harmonised light-duty vehicle test procedure (WLTP) emissions test in September 2018. Results were diverse among the five major EU markets, with Spain (+7.0%) and France (+3.0%) posting growth, registrations falling slightly in Germany (-0.2%) and demand contracting in Italy (-3.1%) and the United Kingdom (-6.8%) last year. The SUV and crossover segments experienced growth at the expense of sedans and hatchbacks. According to forecasts by ACEA, auto sales is expected to remain flat staying close to 15 million units. Slowdown in economy, Brexit and tougher WLTP emission test poses serious headwinds to growth outlook.

The global automotive industry is going through an unprecedented change with advancements in innovative technologies and changing consumer preferences. Technology-driven trends such as Connected Vehicles, Autonomous Vehicles, Shared Mobility and Electric Vehicles presents huge opportunities as well as challenges.

### 3.2 Indian Automobile Industry

Indian automobile industry started the fiscal year on a positive note supported by healthy monsoon, rising rural demand, government's infrastructure push and rise in industrial activity. However, the momentum faded away in the latter part of the fiscal year due to an unabated increase in fuel prices, lower financing availability, steep price increase on account of insurance regulation changes in September 2018, floods in Kerala and heavy monsoons in certain parts of the country.

The Passenger Vehicle (PV) segment experienced muted growth of 0.1% owing to slowdown in the

market. With the continued shift of preference from Passenger Car (PC) segment to Utility vehicle (UV) segment by the end users, the UV segment grew by 0.5% whereas the PC segment volume declined by 1.3%.

Volumes in the Domestic Commercial Vehicle (CV) segment volumes soared to an all time high, representing 24.1% growth as the segment benefited from a lower base as truck sales were hit by the transition to stricter emission norms, Bharat Stage (BS) IV, last year. The Medium and Heavy Commercial Vehicles (M&HCV) segment's growth of 28.4% for the year can be attributed to buoyant demand from the infrastructure industry and benefit of lower base on transition to BS IV last year. Despite the introduction of new axle-load norms, medium and heavy commercial vehicles (M&HCV) segment continued with the strong growth momentum in the first half of the fiscal year. However, there was a sharp decline in the M&HCV segment in the second half of the fiscal due to liquidity crunch amid NBFC crisis and volume alignment post axle load norms. The Light Commercial Vehicles (LCV) segment reported strong volume growth of 12.4% driven by healthy rural demand and improved demand from the e-commerce sector. The Small Commercial Vehicles (SCV) segment reported substantial volume growth of 39.7%.

Farm tractors (FT) experienced growth of 11.3% as the farm sentiments remained healthy led by higher farm output, better crop prices, and government interventions in the run-up to the 2019 general elections. However lack of financing due to liquidity constraints in the lending sector and decline in crop area proved to be the dampener in Q4 of FY 2019.

During the year under review, the volume growth in Indian automotive industry is represented in the following table:-

Vehicle Segment	Production	
	Volume Growth (%)	
	FY 19	FY 18
Passenger Cars (PC)	(1.3)	1.3
Multi-Utility Vehicles (MUV)	0.5	20.2
Multi-Purpose Vans (MPV)	20.6	0.3
Passenger Vehicles (PV)	0.1	5.8
Small Commercial Vehicles (SCV)	39.7	26.8
Light Commercial Vehicles (LCV)	12.4	14.0
Medium & Heavy Commercial Vehicles (M& HCV)	28.4	2.7
Commercial Vehicles (CV)	24.1	11.2
Farm Tractors (FT)	11.3	14.4

Source: Society of Indian Automobile Manufacturers (SIAM)

## 4. Business Review

### 4.1 Domestic Market

The Company's sales witnessed 14% increase in the domestic market.

The Steering and Linkages business registered strong growth across all vehicle segments. The growth was supported by increasing share of business in existing models and also due to supply for new models in the Passenger Vehicle and M&HCV segments. In the Farm Tractor Segment, growth was driven by winning new customers and growth in the Hydraulic business.

The break-up of the domestic sales by products is given below:

(₹ in Crores)			
Products	FY 19	FY 18	Growth in %
Steering Gear Products	519.76	498.12	4
Suspension and Linkage Products	377.28	310.36	22
Hydraulic Products	58.55	38.03	54
Die Casting Products	37.24	31.79	17
Other Automotive Parts	48.90	36.48	34
<b>Total</b>	<b>1041.73</b>	<b>914.78</b>	<b>14</b>

The sales to Aftermarket customers experienced steady growth of 26% owing to the successful introduction of new parts in the PC range.

The break-up of domestic sales between OEM and Aftermarket is given below:

(₹ in Crores)			
Products	FY 19	FY 18	Growth in %
OEM & OES	870.93	769.02	13
Aftermarket	170.80	145.76	17
<b>Total</b>	<b>1041.73</b>	<b>914.78</b>	<b>14</b>

### 4.2 Exports

The Steering and Linkages business grew significantly during the financial year due to robust demand and increase in the share of the All-Terrain Vehicle (ATV) segment in North America. We continue to win new businesses in North America and Europe in Suspension linkage and steering gear products.

The Die casting business witnessed significant decline over last year as the consumer preference shifted more towards SUVs and due to closure of some plants of end customers in North America.

The break-up of the export sales is given below:

(₹ in Crores)			
Products	FY 19	FY 18	Growth in %
Suspension	73.71	68.90	7
Linkage Products			
Steering Gear Products	124.27	89.42	39
Hydraulic Products	1.36	1.05	30
Die Casting Products	82.85	94.24	-12
Other Automotive Parts	3.40	4.21	-19
<b>Total</b>	<b>285.59</b>	<b>257.82</b>	<b>11</b>

### 4.3 Operational and Financial Performance

#### 4.3.1 Financial Review

##### Standalone Financial Highlights

- Revenue from Sale of Products increased by 13% to ₹ 1,327.32 Crores in FY 2018-19 from ₹ 1,172.60 Crores in FY 2017-18.
- EBITDA increased by 9% to ₹ 151.74 Crores in FY 2018-19 from ₹ 139.50 Crores in FY 2017-18
- PAT increased by 13% to ₹ 47.24 Crores in 2018-19 from ₹ 41.82 Crores in FY 2017-18

The Company achieved Sales of ₹ 1,327.32 Crores, a growth of 13% over last year, driven largely by pickup in the Steering and Linkages business in the Domestic and the Exports market. The growth in the domestic Die casting business was offset by the decline in the exports market, resulting in a marginal drop in sales over previous year. The improvement in profits was largely driven by increased volumes and ongoing cost control measures, improvement in capacity utilization in the steering business.

##### Consolidated Financial Highlights

- Revenue from Sale of Products increased by 12% to ₹ 1506.16 Crores in FY 2018-19 from ₹ 1,349.41 Crores in FY 2017-18
- EBITDA decreased by 7% to ₹ 125.87 Crores in FY 2018-19 from ₹ 134.88 Crores in FY 2017-18
- PAT decreased by 90% to ₹ 2.42 Crores in FY 2018-19 from ₹ 24.22 Crores in FY 2017-18

#### 4.3.2 Operations and Manufacturing Review

In the Steering and linkages business, all the plants responded well to the increased demand in the first half and suitably scaled the operations during the second half. The supply chain also responded well and supported the plants to achieve the production targets.

The Hydraulics division in Mysuru responded very well to meet the higher demand of both Hydrostatic Steering Unit (HSU) and the Cylinders. The capacity of HSU units increased with some significant productivity & tooling improvements. The Hydraulics Business grew by almost 50% when compared to FY 18.

The Management team continued to engage in various lean measures to improve productivity and also reduce manpower. Further, various cost reduction projects identified in the areas of power, stores & spares and packing were all implemented successfully which helped in mitigating the inflationary trend on various fronts.

Similar to the past, continuous evaluation of in-house vs outsourcing decision along with some significant

tooling improvements helped the Company to optimize capital expenditure in FY 19.

The supply chain and plants responded well during the implementation of E-way bill and ensured no disruption on supplies to customers.

The R&D facilities were upgraded both at Chennai and at Puducherry to meet the increased product performance requirements and also to support the new product development. The company also successfully developed new range of products to meet the future growth aspirations.

In the Die Casting business, significant focus was placed on operational improvement in the areas of new product development, die tool management and enhancement in the overall robustness in the manufacturing process. This will help improve profitability once capacity utilisation improves.

#### 4.4 Rane Precision Die Casting

The performance of the company's overseas subsidiary, Rane Precision Diecasting Inc. (RPDC) continues to remain a concern for the company. During FY19, there were few setbacks as the business incurred higher cost on utilities, unexpected machine downtime resulting in increased production costs and higher repairs and tooling maintenance. Further, the lack of expected volume and inability to flex the cost extended the loss further.

The focus areas for RPDC business in FY19 were a) Securing new business and b) Improving operational performance.

The company has seen considerable progress on new business and had secured orders from three new customers during this year. These orders will diversify RPDC's customer and industry base. The management team is working on winning additional businesses that can ensure the long term sustainability of the subsidiary company

RPDC initiated several operational improvements initiatives.

- RPDC improved delivery performance with customers, which resulted in enhanced customer satisfaction levels and new opportunities.
- The management team is working on further operational improvements. Practices such as preventive maintenance, Total Productive Maintenance (TPM), etc. are being initiated.
- Awarded "Perfect Quality for 2018" by Nexteer.

- Strengthened the operations team by sending a senior person from India and will continue to provide necessary functional support as may be required in future.
- Implemented Manufacturing Execution System (MES) to capture the real time information on production and machine maintenance data.
- Key tools and equipment were refurbished or rebuilt as appropriate. More such initiatives planned this year.
- Technical training of shop floor operators and supervisory staff will continue with rigour.

RPDC's is likely to turn profitable over a period of next 2 years and is dependent on the progress of securing profitable new business orders and achieving sustainable improvements in the operation over the next 3-4 quarters.

#### 4.5 Pursuit of business excellence

The Company continued to focus on the 'Business Excellence Model' which was built on the solid foundation of existing TQM practices.

Several new systems and processes have been revisited and the business processes are re-engineered for efficiency and effectiveness. A strong internal process audit has been established across all Plants to continuously identify and implement improvement areas. To focus and improve operational performance, the Operating Committee carries out weekly reviews involving all plants and functions, to understand and resolve issues which impact the business performance.

These helped the Company to win the following awards from customers:

- Best Business Partner of the year from M&M Rane Group)
- Quality Award from Maruti Suzuki India Ltd
- Best supplier award from TAFE
- Best supplier award from Mahindra Swaraj

#### 4.6 Opportunities and Threats

Indian auto component industry is in a strong position with proven credentials of cost-effectiveness and globally-recognized engineering capabilities. Favourable demographics, growing economy, low penetration of cars and a major thrust on infrastructure by the government bodes well for the industry and the Company. Increased awareness on safety features in the vehicles and OEMs preference to improve safety rating of vehicles will increase application rates of occupant safety products.

The main threats facing the auto component industry are:

- Economic slowdown leading to contraction in demand remains one of the major threat which could lead to decreased volumes and capacity utilisation
- Political uncertainty and looming trade war
- Continuing cost reduction demand from OEMs who are expected to be the major growth drivers in future
- Increasing commodity prices and volatile forex movements

#### 4.7 Outlook

The global economy is expected to clock lower growth in 2019 with factors such as ongoing trade wars, Brexit, slowdown in China impacting the momentum global economy, further deteriorating risk sentiment and derailing growth prospects.

At the start of FY20, the domestic consumption and consumer confidence are not encouraging impacting the automotive sales. Though the first half of the fiscal year 2019-20 looks challenging, anticipated pre-buy on account of transition to BS VI, favourable monsoon and macro-economic policy direction is likely to stimulate consumption. In this scenario, the Company remains cautiously optimistic and prepared to handle the headwinds in the sector.

The Steering and Linkage business is expected to grow by winning new businesses in both domestic and export Passenger Car segment and domestic Hydraulics business and also due to targeted increase in market share in the Medium and Heavy Commercial Vehicle segment. After Market and Exports will continue to be a focus area to mitigate dependence on the domestic OEM business.

Having stabilized operations in the domestic plants, the domestic Die-casting business is now pursuing new export businesses to drive growth. The US subsidiary is focused on getting new business and improving operational efficiencies.

### 5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. 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. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with risk mitigation plan to the Board of Directors on half-yearly basis. The strategic risks are taken into

consideration in the annual planning process with their mitigation plan. Other risks are covered as part of internal audit process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. 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 of Directors once in two years for their review.

	<b>Risk</b>	<b>Nature of Risk</b>	<b>Risk Mitigation Strategies</b>
<b>Strategic</b>	Industry / Market risk	75% of revenue is derived from Indian Automotive sector. Hence, any drop in vehicle production will have a significant impact to the Company's business	The Company constantly strives to <ul style="list-style-type: none"> <li>a) increase revenue from international markets (outside of India)</li> <li>b) add new products to increase organic revenue and diversify customers across vehicle segments</li> <li>c) improve presence in Aftermarket segment which presents opportunity to compensate for any drop in OE segment</li> </ul>
	Technology Obsolescence Risk	Auto Industry and customer preference undergoes changes resulting in technology obsolescence	The company has consistently delivered cutting edge technology products with enhanced R&D capabilities, localization of testing and validation capabilities  Proactive engagement with customers at an early stage helps the Company to capture and work on the new technology development
	Competition	Maintaining market share in the Competitive market and availability of unorganized players further pose challenge	The Company's long standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. We periodically conduct customer survey to understand customer feedback and work in furthering our relationship.
<b>Operational</b>	Quality / Processes	Quality and Delivery are sacrosanct for safety critical products supplied by the Group	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help us to mitigate quality and delivery risks.
	People Risk	Attrition of key personnel could impact business operations and growth.	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports to build functional capabilities and develop strong leadership pipeline. The performance management system and other employee engagement initiatives help to develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is significant part of the cost and volatility in the price of raw material costs will erode margin	The Company constantly strives to mitigate the impact of input cost increases by. <ul style="list-style-type: none"> <li>a) Implementing a Procurement function that will work on cost reduction initiatives through alternate sourcing, localization, etc.</li> <li>b) Negotiating and passing through input cost, which increases suitably, to the customers.</li> <li>c) Working on process improvements, yield improvements, etc.</li> </ul>
<b>Financial</b>	Currency Risk	Exposed to foreign currency exchange risk as we export our products to various countries and import raw materials.	The Company uses a multi-pronged approach as suitable to the scenarios. This approach includes : <ul style="list-style-type: none"> <li>a) Optimally balance the import and export to create natural hedge.</li> <li>b) Working with customer to index prices to mitigate currency fluctuations.</li> <li>c) Taking simple forward Contracts on a rolling basis to protect its export realization.</li> </ul>
	Interest Rate Risk	Use of borrowings to fund expansion exposes the Company to interest rate risk	The Company manages interest rate risk on the following basis: <ul style="list-style-type: none"> <li>a) Maintaining optimal debt-equity levels</li> <li>b) Using of internal accruals to fund expansion</li> <li>c) Constantly optimizing working capital to reduce interest costs</li> </ul>

## 6. Human Resource Development and Industrial Relations

### 6.1 Talent Transformation Initiatives

In FY 19, the company focused on Functional and Leadership capacity enhancement through the following initiatives.

- 10 employees completed Rane Manufacturing Systems Professional program (RMSP), an 18-month intervention, with the objective to build manufacturing capability focusing on manufacturing processes and systems with a blended learning approach comprising of gemba, class-room and online courses.
- “Supply chain as a Source of Competitive Advantage” initiative was rolled out in collaboration with IIM-Bangalore to enhance the understanding on the best practices and recent developments for supply chain professionals.
- A program for aftermarket team was organized to reimagine the focus on lead indicators, group synergy and integrated market intelligence.
- Lean Production System has been strengthened through implementation of Cross Company Learning. To sustain the Business Excellence practices, select employees who are part of high potential leadership development track were trained as internal auditors for Rane Business Excellence Audit (R-BEAT).
- Young Leadership Development (YLD) intervention was launched for first-time managers. 10 employees across group companies underwent the intervention that has been designed to enhance their organizational, personal and team effectiveness and imparting leadership behaviours through experiential learning.
- The Company continued with the High Potential Leadership Development (HPLD) program and 2 employees were identified for the fifth batch. They have undergone a development journey comprising of development centre, experiential learning and Customised Management Development Program TOP GEAR at Great Lakes Institute of Management and pursued Action Learning Projects on business specific challenges.
- A first of its kind program called “Leader as Coach” was introduced with the objective of developing leaders in becoming competent at employee development and engaging in deeper conversations with the team to realize

increased commitment towards business results. Leaders were provided inputs on cultivating appreciation of how change can happen and develop understanding of generic coaching skills and processes that are critical to address employee development.

- The Senior management team went through a program on “Making an Informed Choice” to enhance the effectiveness of hiring decisions

### 6.2 Employee Engagement

The human resource function at Rane goes beyond boundaries of compensation and helps employees to build meaningful and stable careers. The company constantly engages with employees to receive their feedback through annual survey and group discussions. Based on the feedback, several positive changes are introduced in the practices to provide a holistic experience. In recognition of our efforts, the Company has been certified for the second consecutive year as Great Place to Work Company.

### 6.3 HR Technology

HR digital platform continues to evolve at a rapid pace creating new service delivery models in distributed ecosystem.

- Employee Lifecycle Management – OnBoarding application was launched to enable the new hires to capture the data, repopulate repetitive information in various forms and seamlessly transition data to Human Resource Management (HCM), thus significantly enhancing the efficiency.
- Compensation & Benefits – Workflow was introduced to enable employees to include dependents, opt in for enhanced sum insured by paying additional premium at competitive rates and track claims.
- The Company will implement a comprehensive learning management solution to design and deliver programs and disseminate analytics on various learning and development initiatives.

This augments well with our already implemented digital initiatives such as performance assessment and development system, internal job posting etc.

### 6.4. Policy Initiatives

Rane Group believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Rane Whistle Blower Policy was amended to further strengthen the vigil mechanism and speed up the enquiry process.

## 6.5. Industrial Relations

During the financial year, long term wage settlements with employee's union was signed in one of the plants. The industrial relations were generally cordial in all the plants.

## 7. Corporate Social Responsibility (CSR)

The Company continues to be a very responsible corporate citizen and places significant weightage on carrying out its Corporate Social Responsibility duties to create a positive impact on the society. We are committed to make meaningful contribution to the society as part of our CSR initiatives.

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education and Healthcare in FY19.

After establishing Rane Polytechnic, the next significant project of RF is Rane Vidyalaya (RV) which was established in June 2018 at Theerampalayam, Manachannallur Taluk, Tiruchirappalli District with a mission of providing quality education for rural children. The school began functioning for the academic year 2018 – 19 with classes from Nursery to Class II and follows CBSE curriculum. In the year 2019 – 20, RV will extend admissions for upto Class V and will progressively grow to become a higher secondary school.

Major CSR activities carried out by the Company during the Financial Year is given below:

- **Education** – The Company supports mid-day meal programme for the students of Government school in Mysuru (Karnataka). This led to steep decline in absenteeism rate from 45% to 18%. In Uttaranchal, the Company provided infrastructure facilities such as tables and chairs to the school children of Government and in Mysuru it provided library facility to Government run ITI college in Pandavapura.
- **Environment** – The Company contributed towards restoration of the 110 acres of Serappanancherry lake located near Oragadam Industrial belt by removing weeds, plastics and unwanted waste and levelling the lake and strengthening the bunds by planting more than 100 trees.

- **Healthcare** – The Company constructed toilets for government schools near the Puducherry and Uttaranchal plants. School children were educated on sanitation and hygienic practices to avoid communicable diseases. More than thousand school children benefited through this program.

- **Community Development** – The Company joined hands with Chennai police department and helped in installing CCTV cameras at main junctions as a part of its regular community development program.

The implemented CSR programs are being monitored on a regular basis by the HR function and necessary support in maintaining the facilities.

## 8. Internal Control Systems

The Company has setup a robust internal control system to prevent operational risks through a framework of internal controls and processes. These controls ensure that the business transactions are recorded in a timely and complete manner in the financial records, resources are utilised effectively and the assets are safeguarded.

The internal audit function is 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 scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meeting for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations including resource utilization and system efficacy.

## 9. Cautionary Statement

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



**Annexure B to Report of the Board of Directors**

# Secretarial Audit Report

for the Financial year ended March 31, 2019

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members of  
**Rane (Madras) Limited**  
[CIN: L65993TN2004PLC052856]  
"Maithri", No.132, Cathedral Road,  
Chennai – 600 086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE (MADRAS) LIMITED** ('the Company') during the financial year from April 01, 2018 to March 31, 2019 ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related action taken by the Company, during the year as well as after March 31, 2019, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the directors / key managerial personnel of the Company, and noted by the Board of Directors;
- (iii) Report regarding compliance with certain factory related laws given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on March 31, 2019, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

## 1. Compliance with specific statutory provisions

### We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:
  - (i) The Companies Act, 2013, and the rules made thereunder.
  - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
  - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
  - (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Overseas Direct Investment ('FEMA').
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
  - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').

- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2019 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) Generally complied with the applicable provisions of the Act, Rules, Regulations and Agreements, mentioned in paragraph 1.1 (i) to (vi) above; and
- (ii) Generally complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3), being non-mandatory has not been adopted by the Company. Secretarial Standards – 4 (SS-4) on 'Report of the Board of Directors' (non- mandatory) came into effect from October 01, 2018, after approval of the report of the Board of Directors for the financial year ended March 31, 2018; and hence compliance with same did not arise during the year.
- 1.3. We are informed that, during / in respect of the year:
- (i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms or returns under:
- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations ['SEBI ICDR'], 2009 (upto November 09, 2018) and the SEBI ICDR, 2018 (from November 10, 2018);
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- (g) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.
- 2. Board processes**
- We further report that:**
- 2.1 Board constitution and balance**
- (i) The constitution of the Board of directors of the Company during the year, was in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), and SEBI LODR.
- (ii) As on March 31, 2019, the Board of Directors of the Company comprises of:
- (a) 3 (three) Non-Executive Non-Independent Directors; and
- (b) 3 (three) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The Company was not required to appoint an Executive Director since it has appointed a whole-time key managerial personnel in the position of Chief Executive Officer, in terms of Section 203(1)(i) of the Act.
- (iv) The processes relating to the following change in the composition of the Board of Directors during the year, was carried out in compliance with the applicable provisions of the Act and SEBI LODR:
- (a) Re-appointment of Mr. L Lakshman (DIN: 00012554) as a Director, upon retirement by rotation at the 14th Annual General Meeting held on July 25, 2018.
- 2.2 Board meetings**
- (i) Adequate notice was given to all the directors to enable them plan their schedule for the Board Meetings.

- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings:
  - (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
  - (b) Additional subjects / information / presentations and supplementary notes.

**2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.**

**2.4 We are informed that, at the Board meetings held during the year:**

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

### **3. Compliance mechanism**

**We further report that:**

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

### **4. Specific events / actions**

**We further report that:**

- 4.1 During the audit period, the following specific events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:
  - (a) 3,65,630 Equity shares of ₹ 10/- each fully paid-up were allotted to Rane Holdings Limited (RHL) on December 28, 2018, pursuant to exercise of 3,65,630 warrants allotted to RHL on September 11, 2017 on preferential basis at a price of ₹ 547/-, and payment of the warrant exercise price of ₹ 14,99,99,707.50/- (being the entire balance 75% of the total issue price). The equity shareholding of RHL in the Company increased from 60.44% to 61.64% consequent to this allotment.
  - (b) Further Overseas Direct Investment of Euro 1.76 million was made in the preference capital of Rane (Madras) International Holdings B.V., wholly-owned subsidiary of the Company.

**For S. Krishnamurthy & Co.,**  
Company Secretaries

Chennai  
May 23, 2019

**K Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215

**Annexure – A to Secretarial Audit Report of even date**

To  
The Members of  
**Rane (Madras) Limited**  
[CIN: L65993TN2004PLC052856]  
"Maithri", No.132, Cathedral Road,  
Chennai – 600 086.

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2019 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2019, but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S. Krishnamurthy & Co.,**  
Company Secretaries

Chennai  
May 23, 2019

**K Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215

## Annexure C to the Report of the Board of Directors

**Annual Report on CSR activities**

(For Financial Year 2018-19)

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company's CSR vision is committed to contributing towards its societal responsibilities beyond statutory obligations. RML's Corporate Social Responsibility (CSR) philosophy is to function in a socially and environmentally sustainable manner recognizing the interests of all its stakeholders.

Our CSR vision is 'to be a socially and environmentally responsible corporate citizen'. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our business partners and motivate people to make the right choices for the business, communities and planet.

Our belief in good citizenship drives us to create maximum impact in areas of:

- (a) Education
- (b) Health Care
- (c) Environment and;
- (d) Community Development

The policy on CSR recommended by the CSR Committee was approved and adopted by the Board of Directors is available on the website of the Company (web link: [http://ranegroup.com/rml\\_investors/corporate-social-responsibility-policy/](http://ranegroup.com/rml_investors/corporate-social-responsibility-policy/))

**Overview of projects implemented during 2018-19**

- Contributed fund towards Rane Foundation for the promotion of education at RPTC & Rane Vidyalaya.
- Installation of CCTV cameras
- Free Mid-day meal to government school children.
- Library set up in ITI college
- Construction of toilets in Government High School
- Conservation of water bodies

- Construction of roads
- Infrastructure facilities to Govt schools

**2. The Composition of the CSR Committee**

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of RML is headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Management CSR Committee of the Company to act on their behalf. The members of the CSR committee are:

Board CSR committee	Management CSR committee
Mr. L Lakshman Committee Chairman, Non-Executive & Promoter Director	Ms. Gowri Kailasam & Mr. D Sundar Business Heads
Mr. L Ganesh Chairman, Non-Executive & Promoter Director	Ms. J Radha Vice President – Finance & CFO
Ms. Anita Ramachandran Non-Executive & Independent Director	Mr. T A Dayalan General Manager – Human Resource

**3. Average net profit of the Company for last three financial years**

Particulars	₹ in Crores)		
	2015-16	2016-17	2017-18
Net profit for the year (PAT)	14.09	18.96	41.81
Adjusted Net profit (as per Section 198)	20.98	25.37	60.53
Average Net profit	35.63		

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 71.26 Lakhs****5. Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year: ₹ 71.26 Lakhs
- (b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

S.No	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend -Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
1		Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled persons.	Other Trichy (Tamil Nadu)	88.40	88.40	88.40	Implementing Agency: Rane Foundation (Registered Trust): 88.40
2		Improving the nutritional status of children at Koorgalli Higher Primary Govt. School which encourages poor children, belonging to disadvantaged sections, to attend school more regularly and help them concentrate on classroom activities.	Local Mysuru (Karnataka)	3.00	2.50	90.90	Implementing Agency: Akshaya Patra (Registered Trust): 2.50
3	Education	Set up Library in Pandavapura ITI College sponsoring about 400 books related to ITI course (along with library racks).	Local Mysuru (Karnataka)	1.50	2.00	92.90	Direct
4		a) Provide Infrastructure facility to Government Schools and colleges b) Set up library for Government College	Local Chennai (Velachery)	0.50	-	92.90	Direct
5		Infrastructure facility to Govt School	Local Rudrapur (Uttarakhand)	0.60	0.10	93.00	Direct
6		Construction of gate fixing work and donation of fan in Varanavasi for Government School	Local Varanavasi (Kancheepuram)	1.00	0.52	93.52	Direct
7		Construction of toilets in Government High School	Local Thirubhuvanai (Pondicherry)	2.00	2.00	95.52	Direct
8	Healthcare	Construction of toilets in Government High School	Local Rudrapur (Uttarakhand)	1.00	1.50	97.02	Direct
9		Conservation of water bodies- Cleaning lake by removing weeds, and planting trees	Local Varanavasi (Kancheepuram)	5.00	5.00	102.02	Implementing Agency - Abhinava Theertham: 5.00
10	Environment	To create awareness about tree plantation and sampling drive	Local Chennai (Velachery)	0.50	-	102.02	Direct

S.No	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend -Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
11		Construction of roads near Varanavasi	Local Varanavasi (Kancheepuram)		1:00	103.02	Direct
12	Community Development	Installation of CCTV cameras	Local Chennai (Velachery)		1.00	104.02	Direct
13		To train differently abled woman on tailoring and provide tailoring Machine.	Local Varanavasi (Kancheepuram)	0.50	-	104.02	Direct
14	Health Care	Nutrition Programme - to increase the longevity of HIV infected kids, provide them with protein supplements to help increase their immunity.	Local Medak, Hyderabad (Telangana)	3.50	3.46	107.48	Implementing Agency: Desire Society, Hyderabad (Registered Trust): 3.46
15	CSR Capacity Building			0.50	0.50	107.98	Direct
<b>Total</b>				<b>108.00</b>	<b>107.98</b>		

**6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**  
Not Applicable

**7. Responsibility statement of the CSR Committee.**

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above.

All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

For and on behalf of the Board

Chennai

May 23, 2019

**L Lakshman**

Chairman of the Committee

DIN: 00012554

**S Parthasarathy**

Chief Executive Officer

Annexure D to Report of the Board of Directors

# Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

## A. Conservation of Energy

### Steps taken or impact on conservation Minimising power consumption

- ❖ Ceramic Lining to furnaces
- ❖ Thyristor power control, PDI control for conservation of energy on furnaces
- ❖ Use of LED lighting for office, rest rooms and street lights
- ❖ Use of 5 star rating air conditioners.
- ❖ GCF batch capacity increase from 400 to 500 Nos.
- ❖ Chiller in place of cooling tower
- ❖ Derating of induction motors
- ❖ Auto control of temperature in Heat treatment

### Eliminating Wastage

- ❖ Customized power pack on machining centres to reduce power consumption
- ❖ Implementation of VFD projects for motors
- ❖ Need based auto - ON/OFF for machines
- ❖ Energy saving through air leak arresting
- ❖ Elimination of compressors by consumption reduction
- ❖ Switching off compressors during unwanted period (C-shift).
- ❖ Auto switch On/Off for dining hall AC as per lunch/dinner timing.
- ❖ APFC Panel up gradation for reducing waster energy (PF-0.99 to 1.00).

### Impact of such conservation projects

- ❖ 36 energy saving projects completed across all plants with annual units savings of 10.75 lacs and cost savings of ₹ 1.02 Crores

### Steps taken for utilising alternate sources of energy

- ❖ Not applicable

### Capital investment in energy conservation equipment

- ❖ Not applicable

## B. Technology Absorption

Efforts towards technology absorption

- ❖ Designed and developed in-house machine for bearing pressing

### Benefits derived (product improvement, cost reduction, product development or import substitution)

#### Rack & Pinion:

##### Product Improvement

- ❖ Variable ratio gear developed effort reduction
- ❖ Hybrid Rack for advantage in weight

##### Cost Reduction (VAVE)

- ❖ Rubbermount material change from NBR to EPDM
- ❖ Gundrilling elimination in rack
- ❖ Alternate material for Double O-ring Rackbush

##### Localising to Reduce Imports

- ❖ Bellows localised to India.

##### Other

- ❖ All new model steering parts changed to compliance with ELV requirements.
- ❖ Returnable packing introduced.

##### Steering linkages and ball joints:

- ❖ Fail safe ball joint: Safety enhancement
- ❖ Longer linkages more than 2 m with 2 plane bending to cater HCV twin front axle application
- ❖ Aluminium housing ball joints: Validation completed, Proposed to domestic leading passenger car customer



**Hydraulic Products:**

- ❖ Cylinders for construction equipment - Clamp Cylinders & Steering Cylinders
- ❖ Cost reduction identification of 10 to 15% on hydraulic cylinders through alternate material and process
- ❖ Antishock valve - Hydrostatic steering units

**EPS for Non Passenger cars:**

- ❖ Proto sample development and samples submitted to 3 Wheeler major OEM and vehicle level validation under progress\
- ❖ Advanced stage of technical engagement with major SCV manufacturer for EPS with RCB Steering gear proposal

**Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2018-19)**

Technology imported	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action
		Not Applicable	

**Research and Development expenditure incurred**

(₹ in Crores)

Particulars	2018-19	2017-18
A Capital expenditure	2.91	2.60
B Recurring expenditure	6.99	8.06
C Total	9.90	10.66
D Total R & D expenses as a percentage of total turnover	0.72%	0.86%

**C. Foreign Exchange Earnings and Outgo**

(₹ in Crores)

Foreign Exchange	2018-19	2017-18
Earnings	250.18	232.50
Outgo	73.91	47.32

For and on behalf of the Board

Chennai  
May 23, 2019**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602**L Ganesh**  
Chairman  
DIN: 00012583

## Annexure E to the Report of the Board of Directors

## Corporate Governance Report

### 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 of shareholder value within this framework. Directors' code of conduct and employee behaviour is nourished by this culture and is governed through a policy document "Ethical Standards of Behaviour – RANE COMPASS".

Our belief in good corporate citizenship enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment, drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR).

### 2. Board of Directors

#### Composition, Attendance & Meetings

As on March 31, 2019, Board comprised of six non-executive Directors with majority of them (50%) being Independent Directors.

The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director. The composition of the Board

is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the Board and the same as at end of FY 2018-19 is in conformity the Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serves as an Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in listed Company not more than three (3) listed Companies is served by him / her as an Independent Director. Similarly, none of the Directors on the Board, is a member of more than 10 Committees or Chairperson of more than 5 Committees across all listed and unlisted public companies in which he/she is a Director in terms of Regulation 26 of SEBI LODR.

The Board met five (5) times during the FY 2018-19 on April 30, 2018; July 25, 2018; October 25, 2018; January 22, 2019 and March 21, 2019. The names and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee memberships / chairperson position(s) held by them in other public companies as on March 31, 2019 are given below:

Name of the Director / (DIN)	Category in the Company	No. of Board meetings attended	Attendance at the last AGM (July 25, 2018)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	5	-	7
Mr. Harish Lakshman (00012602)	Vice Chairman, Non-Executive & Promoter	5	Yes	1*	5*	2	2
Ms. Anita Ramachandran (00118188)	Non-Executive & Independent	4	No	-	9	1	8
Mr. L Lakshman (00012554)	Non-Executive & Promoter	5	Yes	-	5	-	3
Mr. M Lakshminarayan (00064750)	Non-Executive & Independent	3	Yes	1	7	1	4
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	5	Yes	-	1	-	2

# Excludes Directorships held on the Boards of private Companies, Section 8 Companies and Companies incorporated outside India.

\* Includes Chairpersonship & Directorship held in deemed public company

@ Membership in Audit Committee and Stakeholder Relationship Committee of other public Companies are only considered as per Regulation 26 of SEBI LODR and membership includes the positions held as chairperson of the Committee.

The details of other Directorship held by the Directors of this Company in other listed entities are as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. M Lakshminarayan	Kirloskar Oil Engines Limited	Non-Executive & Independent
	WABCO India Limited	Chairman - Non-Executive & Independent
	TVS Electronics Limited	Non-Executive & Independent
	ASM Technologies Limited	Non-Executive & Independent
	Wendt (India) Limited	Non-Executive & Independent
	Suprajit Engineering Limited	Non-Executive & Independent
Ms. Anita Ramachandran	Grasim Industries Limited	Non-Executive & Independent
	Utkarsh Small Finance Bank Limited	Non-Executive & Independent
	Aditya Birla Housing Finance Limited	Non-Executive & Independent
	3D PLM Software Solutions Limited*	Non-Executive & Independent
Mr. Pradip Kumar Bishnoi	Avadh Sugar & Energy Limited	Non-Executive & Independent
Mr. L Ganesh	Rane Brake Lining Limited	Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Managing Director and Promoter
	Rane Holdings Limited	Chairman & Managing Director and Promoter
	EIH Limited	Non-Executive & Independent
	EIH Associated Hotels Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Vice Chairman, Non-Executive & Promoter
	Rane Holdings Limited	Vice Chairman, Non-Executive & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Mr. L Lakshman	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Non-Executive & Promoter
	Rane Holdings Limited	Chairman Emeritus, Non-Executive & Promoter
	SRF Limited	Non-Executive & Independent
	D C M Limited	Non-Executive & Independent

\* Ceased to be Director effective April 30, 2019

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

The matters specified pursuant to Regulation 17(7) of SEBI LODR under PART A of Schedule II and in particular the annual operating plans and budgets, quarterly results for the Company, minutes of meetings of audit committee and other Committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. were discussed by the Board.

Annual calendar for the Board and its Committee meetings was circulated in advance to the Directors and Directors were provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. Post Board meeting reviews were held by the Chairman to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

The disclosure regarding meeting of Independent Directors, Board and Directors' performance evaluation are discussed in detail in the Directors Report.

In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.

The details of familiarisation programme for the independent Directors are disclosed in the website of the Company at the link: [http://ranegroup.com/rml\\_investors/familiarisation-programme-for-independent-directors/](http://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors/).

#### **Skills, expertise and competence of the Board**

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and Committees. The Board ensures and maintains highest standards of corporate governance.

The skills, expertise and competencies identified by the Board in the context of the automotive business in which the Company operates for it to function effectively inter-alia are as follows:

- **Industry and Technology:** Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network.
- **Business development:** Experience in driving business success across various geographies, diverse business environment, economic conditions cultures and global market opportunities.
- **Allied disciplines:** Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, human resource.
- **Governance:** Having insight into maintaining effective Board and management relationship, protecting stakeholders interest and observing appropriate governance practices.

Certificate from a Company Secretary in practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director(s) of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority is provided as Annexure (i) to this Report.

### 3. Audit Committee

#### Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year April 30, 2018; July 25, 2018; October 25, 2018 and January 22, 2019. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. Pradip Kumar Bishnoi ^	Chairperson – Non - Executive & Independent	4
Mr. M Lakshminarayan *	Member – Non - Executive & Independent	1
Mr. L Lakshman	Member – Non - Executive, Promoter	4
Ms. Anita Ramachandran ^^ #	Member – Non - Executive & Independent	3

^ Appointed as Chairperson of the Committee w.e.f. January 22, 2019

\* Ceased to be a Chairman & continues to be a member of the Committee w.e.f. January 22, 2019

^^ Inducted as a member only for the meeting(s) held on April 30, 2018 and October 25, 2018

# Inducted as a member of the Committee w.e.f. January 22, 2019

All the members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Statutory Auditors and the Internal Auditors were present as invitees in all the meetings. The Chief Executive Officer (CEO), Business Head(s) and Vice President - Finance & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

The Chairman of the Audit Committee was present at the last AGM of the Company held on July 25, 2018.

#### Overall purpose and terms of reference

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

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013 (Act) and other applicable provisions of SEBI LODR and Act, as amended from time to time. In line with these provisions, the Company framed an Audit Committee Charter, which is subject to review by the Audit Committee.

During the year, the Board of Directors amended the terms of reference of the Committee in line with the newly introduced provisions in SEBI LODR, effective April 1, 2019 and roles of the Audit Committee inter-alia, includes, review of:

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.

- Evaluation of internal financial controls and risk management systems.
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto.
- Compliance with listing and other legal requirements relating to financial statements.
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the company, as and when required.
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company.
- Utilization of loans and/ or advances from/investment by the company to its subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on April 01, 2019.

As per the charter and the terms of reference, the Audit Committee, also:

- Recommends appointment of Auditors and their remuneration and approves the appointment of CFO.
- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditors / Internal Auditors.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited 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 approves payments to statutory auditors for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of listing agreement / SEBI LODR, the audit committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on Related Party Transactions. The audit committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions, including value per transaction, extent and manner of disclosures made to the Audit Committee. On a quarterly basis the Audit Committee reviews related party transactions entered into by the company pursuant to each of the omnibus approval.

The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of internal auditor observations, statutory compliance.

#### 4. **Nomination and Remuneration Committee (NRC)**

##### **Composition, Attendance and Meetings**

The Nomination and Remuneration Committee of the Board (NRC) is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met two (2) times during the year, viz., April 30, 2018 and July 25, 2018. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. M Lakshminarayan	Chairman – Non-Executive & Independent	1
Mr. L Ganesh	Member – Non-Executive, Promoter	2
Ms. Anita Ramachandran	Member – Non-Executive & Independent	1
Mr. L Lakshman	Member – Non-Executive, Promoter	2
Mr. Pradip Kumar Bishnoi ^	Member – Non-Executive & Independent	1

^ Inducted as a member only for the meeting held on April 30, 2018

During the year, the Board of Directors aligned the terms of reference of the Committee with the newly

introduced provisions in SEBI LODR, effective April 01, 2019.

#### Terms of Reference:

- To formulate criteria for determining qualifications, positive attributes and Independence of Director for evaluation of performance of Independent Directors and the Board.
- To approve the remuneration policy of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- To devise policy on Board diversity.
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the CEO / Managing Directors.
- To evaluate performance, recommend and review remuneration of the Executive Directors based on their performance.
- To recommend to the Board, the extension / continuation of term of appointment of Independent Directors based on report of performance evaluation.
- To consider and recommend professional indemnity and liability insurance for Directors, KMP and SMP.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management

#### During the year, the NRC inter alia,

- reviewed the process for evaluation of the Board, its Committee & Directors and the compensation benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) of the Company.
- considered and recommended payment of commission to Mr L Ganesh, Chairman, including seeking approval of shareholders at the 14<sup>th</sup> AGM held on July 25, 2018, for payment of commission not exceeding 2% of net profits to Mr. L Ganesh commencing from period April 1, 2018 and March 31, 2021.

Pursuant to approval accorded by the shareholders at the said 14<sup>th</sup> AGM held on July 25, 2018, Mr. L Ganesh is entitled to receive a commission not exceeding 2% of the net profits of the Company for a period commencing from April 1, 2018 till March 31, 2021, apart from sitting fees.

In addition to the approval already accorded by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder, pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), effective from April 1, 2019, the Board has recommended to the shareholders for approval of payment of commission to Mr. L Ganesh for the year 2018-19.

#### Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available on the website of the Company [www.ranegroup.com](http://www.ranegroup.com). This policy is designed to attract, motivate, and retain talented employees who drive the company's success and aims at aligning compensation to goals of the company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

#### Sitting Fees

The Company has paid sitting fees to all the Directors, apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. Except as disclosed herein, the Company has not paid any other remuneration to the Directors.

The sitting fees payable per meeting of Board and its Committees are as hereunder:

Type of Meeting	Sitting fees per meeting (₹)
Board	40,000
Audit committee	35,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

#### Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2019 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2019 @
Mr. L Ganesh	2,25,000	1,44,22,568	839
Mr. Harish Lakshman	2,20,000	-	750
Mr. L Lakshman	3,85,000	-	-
Mr. M Lakshminarayan	1,65,000	-	-
Ms. Anita Ramachandran	2,95,000	-	-
Mr. Pradip Kumar Bishnoi	3,50,000	-	-

@ includes joint holdings & HUF, if any

**Note:**

- No other remuneration except sitting fees was paid to Non - Executive Directors (other than Chairman).
- Commission to Mr. L Ganesh, Chairman for the year 2018-19 is payable pursuant to the approval accorded by shareholders vide ordinary resolution passed at the 14<sup>th</sup> Annual General Meeting held on July 25, 2018 and subject to additional approval under newly introduced provisions of Reg.17(6)(ca) of SEBI explained in this report.
- No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company. None of the other Directors holds any shares in the Company.
- The Company does not have any Managing Director or Whole-time Director who is in receipt of any remuneration from the holding company or any of the subsidiary companies.

## 5. Stakeholder's Relationship Committee Composition & Attendance of Meetings

The Stakeholder's Relationship Committee looks into grievances of shareholders and redress them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR.

During the year under review, the Board of Directors have adopted a Stakeholder Relationship Committee charter in line with the newly introduced provisions of SEBI LODR effective April 1, 2019, in terms which the role of SRC inter-alia are as under:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Company Secretary is the compliance officer of the company. The Committee met four (4) times during the year, i.e., April 30, 2018, July 25, 2018, October 25, 2018 and January 22, 2019. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non- Executive & Promoter	4
Mr. Harish Lakshman	Member, Non- Executive & Promoter	4
Ms. Anita Ramachandran *	Member, Non-Executive & Independent	3
Mr. Pradip Kumar Bishnoi ^	Member, Non-Executive & Independent	NA ^^

\* Ceased to be a member w.e.f. conclusion of meeting of Board of Directors held on January 22, 2019

^ Inducted as a member w.e.f. conclusion of meeting of Board of Directors held on January 22, 2019

^^ No meeting of committee was held post induction into the Committee.

Details of investor complaints for the year reviewed by the SRC are as under:

Particulars	Nature of Complaint	Received	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI) and Stock Exchanges (BSE / NSE)	Regarding service of documents by speed post	1	1	-
Through Registrar & Transfer Agent	Non-receipt of AGM attendance slip and proxy form	3	3	-
Directly to Company	Non-receipt of transmission process	1	1	-

The Chairman of the SRC was present at the last AGM of the Company held on July 25, 2018 to answer queries of the security holders.

There are no investor complaints pending unresolved at the end of the financial year 2018-19

## 6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) as per the CSR activities of the Company.

The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time.

The Committee met once during the year on April 30, 2018. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non – Executive & Promoter	1
Mr. L Ganesh	Member, Non – Executive & Promoter	1
Ms. Anita Ramachandran	Member, Non – Executive & Independent	1

The Company Secretary acts as the Secretary to the Committee. The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board.

The terms of reference of the Committee are as follows

1. Formulate and recommend CSR Policy, for approval of the Board
2. Approve projects that are in line with the CSR policy
3. Have monitoring mechanisms in place to track the progress of each project
4. Recommend the CSR expenditure to the Board of the company for approval
5. Review new proposals and existing projects' status

The report on CSR projects undertaken during the year 2018-19 as approved by the CSR committee in consultation with the Board is annexed to Director's Report as **Annexure 'C'**.

## 7. Other Committees

### Share Transfer Committee

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / rematerialization, split/consolidation, issue of duplicate share certificates etc. to a committee comprising of such senior officials designated from time to time. The Committee meets on a case to case basis to approve share transfers and transmissions and the details of such transfer / transmissions of securities are placed to the Board. No sitting fees is payable to the committee members.

SEBI vide its notification dated November 30, 2018, amended the provisions of regulation 40 of SEBI LODR, to prohibit transfer of shares in physical form effective April 1, 2019.

The Company has taken initiatives to reach out to investors holding shares in physical form and in terms of this circular effective April 1, 2019, the Company has not been processing transfer of securities in physical form except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders).

### Finance Committee

In order to exercise the borrowing powers delegated by the Board, a Finance Committee comprising of three non-executive Directors who are also part of the Promoters viz., Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. During the year no meeting was held.

### Executive Committee

In order to carry out activities in connection with change in operation of bank accounts and authorization of officials under various legislations and other administrative matters between two consecutive meetings of the Board, an executive committee three Non-Executive Directors, who are also part of the Promoters viz., Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the committee members. During the year one meeting was held on January 04, 2019 to approve matters relating authorizations in connection with lease arrangements and all members of the Committee attended the meeting.

### Allotment Committee

The Allotment Committee has been constituted in connection with preferential issue and allotment of equity shares and convertible warrants to Rane Holdings Limited (RHL / Promoter) and to exercise the such powers delegated by the Board. No sitting fees is payable to the committee members. The committee comprises of three non-executive Directors who are also part of the Promoters viz., Mr. L Ganesh,



Mr. Harish Lakshman and Mr. L Lakshman as its members. During the year one meeting was held on December 28, 2018 and all members of the Committee attended the meeting.

#### Investment Committee

The Investment Committee has been constituted to explore and in detail study any proposal for acquisition, carry out activities in connection with such proposals, submit recommendations to the Board, make investments and give financial support to Intermediate Holding Company (IHC) or Wholly Owned Subsidiary (WOS) or Step Down Subsidiary (SDS) of the Company, from time to time, within the overall limits approved by the Board. The Committee comprises of Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the Committee members. During the year no meeting of the Committee was held.

### 8. Code of conduct

The Board of Directors has laid down a code of conduct, i.e. "Ethical Standards of Behaviour – RANE COMPASS" for all Board members and employees

### 9. General Body Meetings

The details of last three Annual General Meetings (AGM) are as under:

Date of AGM	Special resolutions passed	Time	Venue
July 25, 2018 (Fourteenth AGM)	No Special resolution was passed	10:15 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014
August 24, 2017 (Thirteenth AGM)	1. Re-appointment of Mr. M Lakshminarayan as an Independent Director for a second term 2. Re-appointment of Ms. Anita Ramachandran as an Independent Director for a second term	10:15 hrs	
July 22, 2016 (Twelfth AGM)	No Special resolution was passed	10:15 hrs	

No Extra-Ordinary General Meeting (EGM) was held during the year

### 10. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., except for those disclosed in 'Annexure G' to this report of the Board of Directors. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions as per Ind AS are stated in note no. 33 of the financial statements. The policy on related party transaction is available on the website of the Company at the link : [http://ranegroup.com/rml\\_investors/policy-on-related-party-transactions/](http://ranegroup.com/rml_investors/policy-on-related-party-transactions/)

of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company viz., [http://ranegroup.com/rml\\_investors/code-of-conduct](http://ranegroup.com/rml_investors/code-of-conduct). The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct. Declaration from the Chief Executive Officer of the Company to this effect forms part of this report.

#### Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and "Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at [http://ranegroup.com/rml\\_investors/code-of-fair-disclosure](http://ranegroup.com/rml_investors/code-of-fair-disclosure).

2. 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 during the last three years.
3. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
4. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
5. The Company has complied with all the mandatory requirements prescribed

- under Chapter IV of the SEBI LODR, as explained hereunder:
- i. maintains an office for Mr. L Ganesh, Chairman (non-executive) at the registered office of the Company and allows re-imbursement of expenses incurred in performance of his duties.
  - ii. disseminates to the stakeholders financial performance and summary of significant events through earnings' / conference calls with investors on quarterly basis.
  - iii. adopts best practices to ensure a regime of financial results / statement with unmodified audit opinion.
  - iv. internal auditor directly reports to the Audit Committee.
  - v. appointed separate persons to the posts for Chairman and CEO of the Company is neither a director on the Board of the Company nor in any manner related to the Promoters / Promoter Group or Board of Directors of the Company.
6. In order to comply with all applicable 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 STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. 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.
7. The Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website. (Link: [http://ranegroup.com/rml\\_investors/policy-on-material-subsiidiaries/](http://ranegroup.com/rml_investors/policy-on-material-subsiidiaries/))
  8. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16 read with Regulation 25 and other provisions of the Act and SEBI LODR, as amended from time to time and that they are no aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
  9. In terms of regulation 28 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
  10. 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 required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
  11. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
  12. The Board has accepted / considered all the recommendation(s) made by its Committee(s) during the relevant financial year under review.
  13. The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to Deloitte Haskins and Sells, Chartered Accountants, Statutory Auditor (including all entities in the network firm / network entity) is given as under:

	Paid by the Company	Paid by the Subsidiaries	Paid by the Company	Paid by the Subsidiaries
	2018-19		2017-18	
Deloitte Haskins and Sells, Chartered Accountants (DHS)	₹ 0.47 Crores	-	₹ 0.40 Crores	-
Net Work entities and firms of DHS	₹ 0.10 Crores	-	₹ 0.12 Crores	-
<b>Total</b>	<b>₹ 0.57 Crores</b>	<b>-</b>	<b>₹ 0.52 Crores</b>	<b>-</b>

14. During the year under review ₹ 14.99 Crores was received by the Company on conversion of entire 3,65,630 warrants allotted under preferential allotment by paying the entire exercise price. The entire ₹ 14.99 Crores were utilized by the Company to re-pay outstanding debts, in line with the objects of the issue.

**11. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company does not have any exposure hedged through Commodity derivatives. The Company has well defined forex exposure guidelines approved by the Board of Directors and forex exposures are suitably hedged through plain vanilla forward covers.

**12. Whistle blower mechanism:**

The Company has a whistle blower policy, which provides the vigil 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. During the year under review, the working of the policy was reviewed and approval of the Board was secured to amend certain provisions to strengthen and align the internal mechanism for dealing with any reliable information under this policy. It also addresses the protection to 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. During the year under review the Board of Directors amended certain

provisions to strengthen the policy on procedural matters especially those governing the anonymous disclosures, Committees, ombudsperson and timelines for detailed enquiry. The whistle blower policy has also been posted in the Company's website [http://ranegroup.com/rml\\_investors/whistle-blower-policy/](http://ranegroup.com/rml_investors/whistle-blower-policy/).

No person has been denied access to the ombudsperson / audit committee.

**13. Means of communication**

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

During last year, the shareholders of the Company whose e-mail addresses were registered with the Company / Depository Participants (DPs) were provided with a link to the annual report of the Company via e-mail and those who opted to receive the documents in physical mode were provided with a physical copy.

**14. General Shareholder Information**

- i. Information about Director(s) seeking appointment in the ensuing fifteenth (15th) Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2)

<b>Name of the Director</b>	<b>Mr. Harish Lakshman</b>
<b>Father's Name</b>	Mr. L Lakshman
<b>Director Identification Number (DIN)</b>	00012602
<b>Age (in years)</b>	45
<b>Date of Birth</b>	12 February, 1974
<b>Educational Qualifications</b>	B.E. – BITS Pilani, MSM - Purdue University, USA
<b>Experience</b>	Mr. Harish Lakshman over 24 years of industrial experience and has held various positions in the areas of Marketing, Operations and Business Development Overseas. He currently spearheads the future growth plan for Rane Group. In addition to serving as Vice- Chairman of the Company, he also serves as a Vice Chairman of Rane Engine Valve Limited and Rane Holdings Limited.
<b>Date of first appointment on the Board</b>	March 31, 2004
<b>Terms and Conditions of appointment</b>	Re-Appointed as a non-executive director, liable to retire by rotation
<b>Last drawn remuneration</b>	Sitting fee for FY 2018-19 - ₹ 2,20,000/-
<b>Remuneration sought to be paid</b>	No approval sought for remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.
<b>Relationship with other Directors / Manager / KMP</b>	Son of Mr. L Lakshman
<b>Other Directorships</b>	<p><b>Chairman</b></p> <p>1. Rane t4u Private Limited</p> <p><b>Vice Chairman</b></p> <p>1. Rane Engine Valve Limited 2. Rane Holdings Limited</p> <p><b>Managing Director</b></p> <p>1. Rane TRW Steering Systems Private Limited</p> <p><b>Director</b></p> <p>1. Rane Brake Lining Limited 2. Oriental Hotels Limited (Independent Director) 3. Rane NSK Steering Systems Private Limited 4. Young Presidents Organisation (Chennai Chapter) 5. Savithur Enterprises Private Limited 6. HL Hill Station Properties Private Limited 7. Rane Holdings America Inc. USA 8. Rane Precision Die Casting Inc. USA</p>
<b>Committee Memberships in other Boards</b>	<p><b>Chairman – Stakeholders' Relationship</b></p> <p>Rane Holdings Limited Rane Brake Lining Limited</p> <p><b>Member – Nomination and Remuneration</b></p> <p>Rane Holdings Limited</p>
<b>Number of meetings of the Board attended during the year</b>	Five (5)
<b>Number of equity shares held</b>	Seven Hundred and Fifty (750)

- ii. **Annual General Meeting** **July 24, 2019 (Wednesday) at 10.15 Hrs.**  
The Music Academy (Mini Hall)  
New No.168, T T K Road, Royapettah, Chennai - 600 014

- iii. **Financial Year: April 01 - March 31**

#### Financial Calendar:

Board meeting for approval of	Tentative Date
Audited Annual financial results and financial statements * for the year ended March 31, 2019	May 23, 2019
Un-audited financial results* for the 1st quarter ending June 30, 2019	By fourth week of July 2019
Un-audited financial results* for the 2nd quarter ending September 30, 2019	By fourth week of October 2019
Un-audited financial results* for the 3rd quarter ending December 31, 2019	By fourth week of January 2020

\* Standalone and Consolidated

**iv. Dividend:**

During the year 2018-19, the Board of Directors declared an interim dividend of 40% (i.e., ₹ 4.00 per share) on the equity share capital on January 22, 2019. The interim dividend was paid on February 08, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 01, 2019 (being the Record Date) fixed for this purpose.

The Board of Directors of the Company at their meeting held on May 23, 2019 have considered and recommended a final dividend of 45% (₹ 4.50 per share) on the equity share capital for approval of the shareholders at the ensuing 15th AGM to be held on July 24, 2019. The final dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on July 17, 2019 (being the Record Date) fixed for this purpose.

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Block G, C-1, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RML
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532661

**Listing Fee:**

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has duly paid the Annual Listing fee for the financial year 2019 - 20 to NSE & BSE where the shares of the Company continue to be listed.

**vi. Unpaid / Unclaimed Dividends**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2012 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 within the respective due dates.

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹ 99,413/- for the financial year ended March 31, 2011 and interim dividend amount of ₹ 2,12,729/- for the financial year ended March 31, 2012 to IEPF on September 18, 2018 and March 29, 2019 respectively. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Members who have not encashed the dividend warrants are requested to make their claim to 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 31.03.2019) ^ (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2012	11.07.2012	4.00	1,66,868.00	16.08.2019	15.09.2019
31.03.2013*	23.01.2013	2.00	98,820.00	28.02.2020	29.03.2020
31.03.2013	18.07.2013	5.00	1,92,715.00	23.08.2020	22.09.2020
31.03.2014	31.07.2014	5.50	1,87,286.00	05.09.2021	05.10.2021
31.03.2015	31.07.2015	4.50	1,87,258.50	06.09.2022	06.10.2022
31.03.2016*	10.03.2016	3.50	1,98,553.50	16.04.2023	16.05.2023
31.03.2017*	23.01.2017	2.00	1,12,100.00	29.02.2024	30.03.2024
31.03.2017	24.08.2017	4.00	1,86,068.00	29.09.2024	29.10.2024
31.03.2018*	23.01.2018	4.50	1,57,428.50	28.02.2025	29.03.2025
31.03.2018	25.07.2018	7.50	1,86,015.00	31.08.2025	30.09.2025
31.03.2019	22.01.2019	4.00	1,59,504.00 @	27.02.2026	26.03.2026

# share of paid-up value of ₹10 per share

\* interim dividend

^ amounts reflect the confirmation of balance issued by bank(s)

@ based on bank reconciliation

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on July 25, 2018 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. <http://ranegroup.com>.

**vii. Transfer of shares to IEPF Authority**

Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the company is required to transfer the equity shares in respect of which dividends are not claimed for the last 7 years by any shareholder to the IEPF Authority.

In accordance with the said IEPF rules and its amendments, the Company sent reminder letters to the shareholders whose shares were due to be transferred to IEPF Authority and simultaneously published notices in newspapers. During the year under review, in terms of the IEPF rules, hereunder the Company transferred shares to IEPF Authority as detailed hereunder:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares transferred
2010 – 11 (Final)	897
2011 – 12 (Interim)	1,297

The shareholders, however, may claim the said shares along with corporate actions accrued by following the procedure available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed, to the nodal officer along with the documents enumerated in the Form No.IEPF-5. No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority.

The shares relating to unclaimed dividend for FY 2011-12 (Final) and FY 2012-13 (Interim) are liable to be transferred to IEPF Authority during the current FY 2019-20. An intimation in this regard shall be sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest available registered addresses. In accordance with the said rules, the Company shall also publish notices in newspapers and requisite details would be made available on the Investors section of the Company's website: <http://ranegroup.com/>. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF.

**viii. Unclaimed share suspense**

In accordance with Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

The movement of unclaimed shares in unclaimed suspense account, during the year are as follows:

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	25	3,535
Claim received during the year for transfer	18	2,657
Shares Transferred during the year	18	2,657
Balance at the end of the year	7	878

The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same.

**ix. Share Price Data:**

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE), The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 1, 2018 – March 31, 2019 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
April 2018	1,050.00	855.00	35,213.30	32,972.56	1,050.00	848.00	10,759.00	10,111.30
May 2018	970.00	733.00	35,993.53	34,302.89	962.00	735.10	10,929.20	10,417.80
June 2018	815.00	624.05	35,877.41	34,784.68	790.95	620.10	10,893.25	10,550.90
July 2018	730.00	637.00	37,644.59	35,106.57	732.00	630.10	11,366.00	10,604.65
August 2018	713.20	640.80	38,989.65	37,128.99	709.70	640.30	11,760.20	11,234.95
September 2018	659.00	475.00	38,934.35	35,985.63	659.90	475.60	11,751.80	10,850.30
October 2018	525.00	421.55	36,616.64	33,291.58	525.00	420.65	11,035.65	10,004.55

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
November 2018	475.90	447.00	36,389.22	34,303.38	487.85	446.25	10,922.45	10,341.90
December 2018	540.30	436.00	36,554.99	34,426.29	538.00	427.00	10,985.15	10,333.85
January 2019	517.75	379.00	36,701.03	35,375.51	521.10	383.00	10,987.45	10,583.65
February 2019	406.95	310.10	37,172.18	35,287.16	402.70	315.10	11,118.10	10,585.65
March 2019	438.70	350.00	38,748.54	35,926.94	439.00	349.00	11,630.35	10,817.00

Source: www.bseindia.com & www.nseindia.com

**x. Registrar and Transfer Agent**

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

**Integrated Registry Management Services Private Limited**

SEBI Registration No. INR000000544  
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  
Website: www.integratedindia.in

Name of the contact person:  
Mr. K. Suresh Babu, Director

registered within fifteen days from date of receipt of valid request. On a half-yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

A reconciliation of share capital audit in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges. The report of the PCS has certified 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, except for the quarter ended December 31, 2018 when 3,65,630 equity shares of ₹ 10/- each, fully paid-up were allotted on December 28, 2018 and credit corporate action / admission to NSDL and listing on BSE and NSE were effective subsequently in January 2019.

**xi. Share Transfer System & Share Capital Audit**

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and de-mat / re-mat requests in coordination with the RTA. Share transfers and transmissions are approved and

**xii. Distribution of shareholding as on March 31, 2019**

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	9,062	88.32	7,63,078	6.37
501 – 1000	470	4.58	3,68,301	3.08
1001 – 2000	355	3.46	5,46,071	4.56
2001 – 3000	113	1.1	2,88,151	2.41
3001 – 4000	66	0.64	2,41,826	2.02
4001 – 5000	45	0.44	2,08,475	1.74
5001 – 10000	85	0.83	6,31,100	5.27
10001 & above	65	0.63	89,26,169	74.55
Total	10,261	100.00	1,19,73,171	100.00

**xiii. Shares Dematerialization**

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services

(India) Limited for dematerialisation of the shares held by investors.

As of March 31, 2019, about 99.27% of the shareholdings have been dematerialised.

Comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares		% to total capital	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Physical	87,942	1,11,509	0.73	0.96
Demat	1,18,85,229	1,14,96,032	99.27	99.04
<b>Total</b>	<b>1,19,73,171 ^</b>	<b>1,16,07,541 ^</b>	<b>100.00</b>	<b>100.00</b>

^ The difference is due to allotment of 3,65,630 equity shares consequent to conversion of warrants into equity shares exercised during the year by Rane Holdings Limited on December 28, 2018, pursuant to the preferential allotment made during the previous year viz., 2017-18.

The promoter and promoter group hold their entire shareholding only in dematerialised form. Reconciliation of share capital audited by practicing company secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed.

The Company is taking initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail numerous benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: **INE050H01012**

The Company has not issued any equity share with differential voting rights nor granted stock options nor sweat equity.

**Transfer of shares in demat mode only**

As per SEBI norms, with effect from April 1, 2019 (or such other date as may be notified), only transmission or transposition requests for transfer of securities

shall be processed in physical form. All other transfers shall be processed in dematerialised form only. The Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly.

**xiv. Plant locations - Refer corporate overview section of the annual report**

**xv. Credit Rating**

The details of credit ratings assigned to the debt instruments and total bank loan facilities of the company during the year ended March 31, 2019 are as follows:

Rating Agency	Amount ₹ (in Crores)	Security - Type	Rating
ICRA Limited *	331.50	Long term	A
	25.20	Short term	A1
	40.00	Commercial Paper	A1
CRISIL Limited	127.00	Long term	A
	276.00	Short term	A1
	40.00	Commercial Paper	A1

\*withdrawn effective February 26, 2019

**xvi. Address for communication:**

The Compliance officer  
**Rane (Madras) Limited**  
 Rane Corporate Centre,  
 "Maithri" No.132, Cathedral Road,  
 Chennai - 600 086  
 Ph.28112472/73 Fax: 28112449  
 E-mail: investorservices@ranegroup.com

OR Mr. K Suresh Babu, Director  
**Integrated Registry Management Services Private Limited**  
 II Floor, 'Kences Towers'  
 No.1, Ramakrishna Street, North Usman Road,  
 T. Nagar, Chennai - 600 017  
 Phone: 28140801-03, Fax: 28142479  
 E-mail: corperserv@integratedindia.in



**Annexure (i)**

**Certificate from Company Secretary in Practice**

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We hereby certify that none of the Directors on the Board of Rane (Madras) Limited (“the Company”) as on March 31, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the Directors available in the official web site of MCA;
2. Our verification of the disclosures/ declarations/ confirmations provided by the Directors to the Company; and
3. Information, explanation and representations provided by the Company, its Directors/ officers/ agents.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the Company.

**For S Krishnamurthy & Co.,**  
Company Secretaries,

**K Sriram,**  
Partner.

Membership No. F 6312  
Certificate of Practice No. 2215

Chennai  
May 23, 2019

---

**Annexure (ii)**

To

The Members of  
Rane (Madras) Limited

**Declaration by Chief Executive Officer on Code of Conduct pursuant to Part C of Schedule V of  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with ‘Ethical Standards of Behaviour – RANE COMPASS’, the code of conduct, for the year ended March 31, 2019.

Chennai  
May 23, 2019

**S Parthasarathy**  
Chief Executive Officer

# Independent Auditor's Certificate on Corporate Governance

To  
The Member of  
**Rane (Madras) Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated January 28, 2019
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Rane (Madras) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

## Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

## Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the

Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We 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's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

## Annexure F - To Report of the Board of Directors

**Extract of Annual Return - MGT 9**

as on the financial year ended March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

**I. Registration and Other Details:**

- i. CIN : L65993TN2004PLC052856
- ii. Registration Date : March 31, 2004
- iii. Name of the Company : Rane (Madras) Limited
- iv. Category - Sub-Category of the Company : Public Company - Limited by Shares - Indian-Non-Government Company
- v. Address of the Registered office and contact details : "Maithri", No.132, Cathedral Road, Chennai – 600 086  
Phone: 044 – 2811 2472; Fax: 044 – 2811 2449  
Website: www.ranegroup.com  
E-mail ID: investorservices@ranegroup.com
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details Registrar and Transfer Agent, if any : Integrated Registry Management Services Private Limited  
II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017  
e-mail ID: corpserv@integratedindia.in,  
Phone: 044 2814 0801; Fax: 044 2814 2479  
Contact person: Mr. K Suresh Babu, Director

**II. Principal Business Activities of the Company:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Steering and Suspension linkages	29301	33.98 %
2.	Steering gear products	29301	48.52%
3.	Other articles of aluminium	2432	9.05%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Rane Holdings Limited 'Maithri', No.132, Cathedral Road, Chennai – 600086, Tamil Nadu, India	L35999TN1936PLC002202	Holding Company	61.64%	2(46)
2.	Rane (Madras) International Holdings B.V. Hoogoorddreef 15,1101 BA Amsterdam, The Netherlands	Not applicable	Subsidiary Company	100%	2(87)(ii)
3.	Rane Precision Die Casting Inc., 232 Hopkinsville Road, Russellville, Kentucky – 42276 -1280, United States of America	Not applicable	Step-Down Subsidiary Company	100%	2(87)(ii)

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

During the year, the Company has allotted 3,65,630 equity shares having face value of ₹ 10, fully paid by Rane Holdings Limited on December 28, 2018. Accordingly, the percentage of shareholding for each category and shareholder(s) in this section are computed based on paid up share capital as on March 31, 2018 and March 31, 2019, respectively. Hence, the percentage are not comparable.

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter(s)</b>									
<b>(1) Indian</b>									
a) Individual / HUF	70,121	-	70,121	0.60	65,928	-	65,928	0.55	(0.05)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	70,15,048	-	70,15,048	60.44	73,80,678	-	73,80,678	61.64	1.21
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>70,85,169</b>	<b>-</b>	<b>70,85,169</b>	<b>61.04</b>	<b>74,46,606</b>	<b>-</b>	<b>74,46,606</b>	<b>62.19</b>	<b>1.15</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	73,060	-	73,060	0.63	77,253	-	77,253	0.65	0.02
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>73,060</b>	<b>-</b>	<b>73,060</b>	<b>0.63</b>	<b>77,253</b>	<b>-</b>	<b>77,253</b>	<b>0.65</b>	<b>0.02</b>
<b>Total Public Shareholding (A) = (A)(1)+ (A)(2)</b>	<b>71,58,229</b>	<b>-</b>	<b>71,58,229</b>	<b>61.67</b>	<b>75,23,859</b>	<b>-</b>	<b>75,23,859</b>	<b>62.84</b>	<b>1.17</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	10,866	50	10,916	0.09	10,697	50	10,747	0.09	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	5,002	-	5,002	0.05	13	-	13	0.00	(0.05)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>15,868</b>	<b>50</b>	<b>15,918</b>	<b>0.14</b>	<b>10,710</b>	<b>50</b>	<b>10,760</b>	<b>0.09</b>	<b>(0.05)</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	6,32,234	37	6,32,271	5.45	5,61,200	37	5,61,237	4.69	(0.76)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	24,71,443	1,10,284	25,81,727	22.24	25,90,713	87,855	26,78,568	22.37	0.13
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,43,411	-	10,43,411	8.99	10,25,045	-	10,25,045	8.56	(0.43)
<b>c) Others (specify)</b>									
Non Resident Indians	1,04,649	-	1,04,649	0.90	1,11,292	-	1,11,292	0.93	0.03
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	54,998	-	54,998	0.47	45,727	-	45,727	0.38	(0.09)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – DR	-	-	-	-	-	-	-	-	-
Rane (Madras) Limited - Unclaimed Shares Suspense Account	3,535	-	3,535	0.03	878	-	878	0.01	(0.02)
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	11,665	1,138	12,803	0.11	15,805	-	15,805	0.13	0.02
<b>Sub-total (B)(2):-</b>	<b>43,21,935</b>	<b>1,11,459</b>	<b>44,33,394</b>	<b>38.19</b>	<b>43,50,660</b>	<b>87,892</b>	<b>44,38,552</b>	<b>37.07</b>	<b>(1.12)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>43,37,803</b>	<b>1,11,509</b>	<b>44,49,312</b>	<b>38.33</b>	<b>43,61,370</b>	<b>87,942</b>	<b>44,49,312</b>	<b>37.16</b>	<b>(1.17)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,14,96,032</b>	<b>1,11,509</b>	<b>1,16,07,541</b>	<b>100.00</b>	<b>1,18,85,229</b>	<b>87,942</b>	<b>1,19,73,171</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters:

Sl. No	Shareholder's Name	At the beginning of the year			At the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Rane Holdings Limited	70,15,048	60.44	-	73,80,678	61.64	-	1.21
2.	Shanthi Narayan	24,775	0.21	-	24,775	0.21	-	-
3.	Raman T G G	28,000	0.24	-	28,000	0.24	-	-
4.	Rathika R Sundaresan	20,000	0.17	-	20,000	0.17	-	-
5.	Chithra Sundaresan	12,604	0.11	-	12,604	0.11	-	-
6.	Ranjini R Iyer	12,000	0.10	-	12,000	0.10	-	-
7.	Geetha Raman Subramanyam	12,000	0.10	-	12,000	0.10	-	-
8.	Aditya Ganesh	8,483	0.07	-	8,483	0.07	-	-
9.	Aparna Ganesh	7,851	0.07	-	7,851	0.07	-	-
10.	Vanaja Aghoram	5,010	0.04	-	5,010	0.04	-	-
11.	Malavika Lakshman	4,866	0.04	-	4,866	0.04	-	-
12.	T G Ramani	4,193	0.04	-	-	-	-	(0.04)
13.	Rama R Krishnan (legal heir of T G Ramani)	-	-	-	4,193	0.04	-	0.04
14.	Suchitra Narayan	-	-	-	-	-	-	-
15.	Sumant Narayan	-	-	-	-	-	-	-
16.	Rekha Sundar	1,060	0.01	-	1,060	0.01	-	-
17.	Meenakshi Ganesh	839	0.01	-	839	0.01	-	-
18.	Vinay Lakshman	750	0.01	-	750	0.01	-	-
19.	Harish Lakshman	750	0.01	-	750	0.01	-	-
	<b>Total</b>	<b>71,58,229</b>	<b>61.67</b>	<b>-</b>	<b>75,23,859</b>	<b>62.84</b>	<b>-</b>	<b>1.17</b>

## iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>At the beginning of the year</b>	<b>71,58,229</b>	<b>61.67</b>	<b>71,58,229</b>	<b>61.67</b>
Rane Holdings Limited	70,15,048	60.44	70,15,048	60.44
T G Ramani	4,193	0.04	4,193	0.04
Rama R Krishnan (legal heir of T G Ramani)	-	-	-	-
Other Promoters	13,89,88	1.20	13,89,88	1.20
<b>Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):</b>				
Rane Holdings Limited – Allotment of 3,65,630 equity shares having face value of ₹ 10 each, fully paid-up, arising on conversion of 3,65,630 Warrants 28-12- 2018	3,65,630	3.15	73,80,678	61.64
T G Ramani – Transfer by way of transmission 01-03-2019	(4,193)	(0.04)	-	-
Rama R Krishnan (Legal heir of T G Ramani) – Acquisition by way of transmission 01-03-2019	4,193	0.04	4,193	0.04
<b>At the end of the year</b>	<b>75,23,859</b>	<b>62.84</b>	<b>75,23,859</b>	<b>62.84</b>
Rane Holdings Limited	73,80,678	61.64	73,80,678	61.64
T G Ramani	(4,193)	(0.04)	-	-
Rama R Krishnan (legal heir of T G Ramani)	4,193	0.04	4,193	0.04
Other Promoters	13,89,88	1.16	13,89,88	1.16



**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company					No. of Shares	% of total Shares of the company
1	Kumari Investment Corporation Private Limited	1,46,750	1.23	-	-	-	-	1,46,750	1.23
2	Aadi Financial Advisors LLP	1,25,748	1.05	-	-	-	-	1,25,748	1.05
3	Gautam Jain	1,01,637	0.85	-	-	-	-	1,01,637	0.85
4	Arvind Baburao Joshi	64,855	0.54	25-01-2019	(26,53)	(0.02)	Transfer	62,202	0.52
				01-02-2019	(2,203)	(0.02)	Transfer	59,999	0.50
				08-02-2019	(3,384)	(0.03)	Transfer	56,615	0.47
				15-02-2019	(7,098)	(0.06)	Transfer	49,517	0.41
				22-02-2019	(7,010)	(0.06)	Transfer	42,507	0.36
				01-03-2019	(7,766)	(0.07)	Transfer	34,741	0.29
				08-03-2019	(1,378)	(0.01)	Transfer	33,363	0.28
				15-03-2019	(4,950)	(0.04)	Transfer	28,413	0.24
22-03-2019	(14,193)	(0.12)	Transfer	14,220	0.12				
29-03-2019	(10,820)	(0.09)	Transfer	3,400	0.03				
5	Vallabh Bhanshali	62,874	0.53	-	-	-	-	62,874	0.53
6	Ashwin Radheshyam Agarwal	47,720	0.40	-	-	-	-	47,720	0.40
7	Edelweiss Custodial Services Limited	47,070	0.39	06-04-2018	1,652	0.01	Purchase	48,722	0.41
				13-04-2018	1,803	0.02	Purchase	50,525	0.42
				20-04-2018	(31,314)	(0.26)	Transfer	19,211	0.16
				27-04-2018	1,226	0.01	Purchase	20,437	0.17
				04-05-2018	434	0.00	Purchase	20,871	0.17
				11-05-2018	(459)	(0.00)	Transfer	20,412	0.17
				18-05-2018	(426)	(0.00)	Transfer	19,986	0.17
				25-05-2018	(1,475)	(0.01)	Transfer	18,511	0.16
				01-06-2018	(1,092)	(0.01)	Transfer	17,419	0.15
				08-06-2018	(18)	(0.00)	Transfer	17,401	0.15
				15-06-2018	150	(0.00)	Purchase	17,551	0.15
				22-06-2018	(17)	(0.00)	Transfer	17,534	0.15
				29-06-2018	3	0.00	Purchase	17,537	0.15
				06-07-2018	2,552	0.02	Purchase	20,089	0.17
				13-07-2018	131	0.00	Purchase	20,220	0.17
18-07-2018	1,886	0.02	Purchase	22,106	0.19				
20-07-2018	3,400	0.03	Purchase	25,506	0.21				
27-07-2018	123	0.00	Purchase	25,629	0.21				

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company					No. of Shares	% of total Shares of the company
				03-08-2018	(84)	(0.00)	Transfer	25,545	0.21
				10-08-2018	1	0.00	Purchase	25,546	0.21
				17-08-2018	240	0.00	Purchase	25,786	0.22
				24-08-2018	(2,979)	(0.03)	Transfer	22,807	0.19
				31-08-2018	37	0.00	Purchase	22,844	0.19
				07-09-2018	938	0.01	Purchase	23,782	0.20
				14-09-2018	10	0.00	Purchase	23,792	0.20
				21-09-2018	102	0.00	Purchase	23,894	0.20
				28-09-2018	(2,785)	(0.02)	Transfer	21,109	0.18
				05-10-2018	4,513	0.04	Purchase	25,622	0.21
				12-10-2018	3,866	0.03	Purchase	29,488	0.25
				19-10-2018	2,733	0.02	Purchase	32,221	0.27
				26-10-2018	11	0.00	Purchase	32,232	0.27
				02-11-2018	(480)	(0.00)	Transfer	31,752	0.27
				09-11-2018	(4,949)	(0.04)	Transfer	26,803	0.22
				16-11-2018	1031	0.01	Purchase	27,834	0.23
				23-11-2018	(6,340)	(0.05)	Transfer	21,494	0.18
				30-11-2018	71	0.00	Purchase	21,565	0.18
				07-12-2018	18	0.00	Purchase	21,583	0.18
				14-12-2018	80	0.00	Purchase	21,663	0.18
				21-12-2018	(245)	(0.00)	Transfer	21,418	0.18
				31-12-2018	7	0.00	Purchase	21,425	0.18
				04-01-2019	500	0.00	Purchase	21,925	0.18
				11-01-2019	(1,044)	(0.01)	Transfer	20,881	0.17
				18-01-2019	236	0.00	Purchase	21,117	0.18
				25-01-2019	85	0.00	Purchase	21,202	0.18
				01-02-2019	105	0.00	Purchase	21,307	0.18
				08-02-2019	(92)	(0.00)	Transfer	21,215	0.18
				15-02-2019	(15,316)	(0.13)	Transfer	5,899	0.05
				22-02-2019	7,516	0.06	Purchase	13,415	0.11
				01-03-2019	345	0.00	Purchase	13,760	0.12
				08-03-2019	182	0.00	Purchase	13,942	0.12
				15-03-2019	4,075	0.03	Purchase	18,017	0.15
				22-03-2019	(1,445)	(0.01)	Transfer	16,572	0.14
				29-03-2019	(119)	(0.00)	Transfer	16,453	0.14
8	Kalawati Radheshyam Agarwal	36,173	0.30	-	-	-	-	36,173	0.30
9	Rajeswari V	33,400	0.28	29-06-2018 06-07-2018	1,352 (901)	0.01 (0.01)	Purchase Transfer	34,752 33,851	0.29 0.28

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company					No. of Shares	% of total Shares of the company
10	Hetal Kothari	32,256	0.27	08-06-2018	500	0.00	Purchase	32,756	0.27
				29-06-2018	500	0.00	Purchase	33,256	0.28
				12-10-2018	250	0.00	Purchase	33,506	0.28
				19-10-2018	175	0.00	Purchase	33,681	0.28
				29-03-2019	19,255	0.16	Purchase	52,936	0.44
11	Manish Ramniwas Goyal	29,000	0.24	-	-	-	-	29,000	0.24
12	Nitin Kapil Tandon	28,500	0.24	-	-	-	-	28,500	0.24
13	Palaniappan R	27,071	0.23	-	-	-	-	27,071	0.23
14	Navinder Singh Sahni	27,000	0.23	01-03-2019	1,000	0.01	Purchase	28,000	0.23
				08-03-2019	500	0.00	Purchase	28,500	0.24
				15-03-2019	1,500	0.01	Purchase	30,000	0.25
15	Kedar Shivanand Mankekar	26,492	0.22	-	-	-	-	26,492	0.22
16	Suresh Bhatia	3,258	0.03	06-04-2018	5,298	0.04	Purchase	8,556	0.07
				11-05-2018	13,444	0.11	Purchase	22,000	0.18
				12-10-2018	(1,000)	(0.01)	Transfer	21,000	0.18
				21-12-2018	2,315	0.02	Purchase	23,315	0.20
				08-03-2019	2,258	0.02	Purchase	25,573	0.21
29-03-2019	5,915	0.05	Purchase	31,488	0.26				
17	Vijay Batuklal Bhayani	25,000	0.21	19-10-2018	2,000	0.02	Purchase	27,000	0.23
				08-03-2019	881	0.01	Purchase	27,881	0.23

## v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>At the beginning of the year</b>	<b>1,589</b>	<b>0.02</b>	<b>1,589</b>	<b>0.01</b>
Meenakshi Ganesh & L Ganesh	839	0.01	839	0.00
Harish Lakshman	750	0.01	750	0.00
<b>Date wise Increase / decrease in shareholding during the year specifying the reasons for increase / decrease: No Change</b> (e.g. allotment /transfer / bonus- sweat equity etc.)				
Other Promoters	13,89,88	1.20	13,89,88	1.20
<b>Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):</b>				
<b>At the end of the year</b>	<b>1,589</b>	<b>0.02</b>	<b>1,589</b>	<b>0.01</b>
Meenakshi Ganesh & L Ganesh	839	0.01	839	0.00
Harish Lakshman	750	0.01	750	0.00

**Note:** None of the other Directors and Key Managerial Personnel hold any shares in the Company

V. **Indebtedness:****Indebtedness of the Company including interest outstanding / accrued but not due for payment**

	Secured Loans Excluding Deposits - Long term Loan	Secured Loans Excluding Deposits - Working Capital	Unsecured Loans	Deposits	Amount in ₹ Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	1,32,19,66,641	1,30,11,31,972	8,61,18,430	-	2,70,92,17,043
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	24,69,602	-	-	-	24,69,602
<b>Total (i+ii+iii)</b>	<b>1,32,44,36,243</b>	<b>1,30,11,31,972</b>	<b>8,61,18,430</b>		<b>2,71,16,86,645</b>

	Secured Loans Excluding Deposits - Long term Loan	Secured Loans Excluding Deposits - Working Capital	Unsecured Loans	Deposits	Amount in ₹ Total Indebtedness
<b>Change in Indebtedness during the financial year</b>					
Addition	30,00,00,000	-	35,88,35,609	-	65,88,35,609
Reduction	13,49,02,283	2,70,00,387	-	-	16,19,02,671
<b>Net Change</b>	<b>16,50,97,717</b>	<b>(2,70,00,387)</b>	<b>35,88,35,609</b>	<b>-</b>	<b>49,69,32,939</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	1,48,95,33,960	1,26,64,90,414	44,49,54,039	-	3,20,09,78,414
ii) Interest due but not paid	-	76,41,170	-	-	76,41,170
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,48,95,33,960</b>	<b>1,27,41,31,584</b>	<b>44,49,54,039</b>	<b>-</b>	<b>3,20,86,19,584</b>

**Note:** Movement in Short Term Borrowings - Working Capital is net additions - repayments during the year.

#### VI. Remuneration of Directors and Key Managerial Personnel:

##### A. Remuneration to Managing Director, Whole-time Directors and / or Manager: Not Applicable

##### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of the Directors			Amount in ₹ Total
<b>1</b>	<b>Independent Directors</b>	<b>Mr. M Lakshminarayan</b>	<b>Ms. Anita Ramachandran</b>	<b>Mr. Pradip Kumar Bishnoi</b>	
(a)	Fee for attending Board / committee meetings	1,65,000	2,95,000	3,50,000	<b>8,10,000</b>
(b)	Commission	-	-	-	-
(c)	Others, please specify	-	-	-	-
	<b>Total (B1)</b>	<b>1,65,000</b>	<b>2,95,000</b>	<b>3,50,000</b>	<b>8,10,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Mr. L Ganesh</b>	<b>Mr. L Lakshman</b>	<b>Mr. Harish Lakshman</b>	<b>Total</b>
(a)	Fee for attending Board / committee meetings	2,25,000	3,85,000	2,20,000	8,30,000
(b)	Commission	1,44,22,568	-	-	1,44,22,568
(c)	Others, please specify	-	-	-	-
	<b>Total (B2)</b>	<b>1,46,47,568</b>	<b>3,85,000</b>	<b>2,20,000</b>	<b>1,52,52,568</b>
	<b>Total B = (B1) + (B2)</b>				<b>1,60,62,568</b>

\*Overall ceiling as per Act (being 11% of net profits calculated as per Section 198 of the Companies Act 2013) ₹ **7.93 Crores**

\* The ceiling as per Act does not include sitting fee payable by the company.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Amount in ₹ Total
		Chief Executive Officer	Chief Financial Officer	Company Secretary *	
		S Parthasarathy	J Radha	S Subha Shree	
1	Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,57,61,740	62,57,572	20,08,148	2,40,27,460
(b)	Value of perquisites us 17(2) Income-tax Act, 1961	9,94,570	-	-	9,94,570
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (C)</b>	<b>1,67,56,310</b>	<b>62,57,572</b>	<b>20,08,148</b>	<b>2,50,22,030</b>

\* Paid by Rane Holdings Limited (RHL), as part of the secretarial services availed by the Company.

**VII. Penalties / Punishment / Compounding of Offences:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

**For and on behalf of the Board**

Chennai  
May 23, 2019

**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602

**L Ganesh**  
Chairman  
DIN: 00012583

## Annexure G To The Report Board of Directors

**Form No. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

There were no contracts or arrangements or transactions entered during the year ended March 31, 2018, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mr Aditya Ganesh, Vice President – Marketing Son of Mr L Ganesh, Chairman
b)	Nature of contracts/arrangements/transaction	In employment of the Company in the designation of General Manager Corporate Planning. He will be entitled to allowances, benefits, perquisites, contribution to funds, per the policy of the Company as applicable to employees of similar grade, in force from time to time.
c)	Duration of the contracts/arrangements/transaction	Contract of employment: effective from September 4, 2017. The contract will continue as long as he remains an employee of the Company and shall include any promotion and / or change in designation(s) and corresponding change in terms and conditions of his employment.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	He supporting the CEO in strategic business and annual operating plans of both the steering and die casting division. In addition, he also handles certain specific projects for both the divisions to enhance global sales and customer engagement.
e)	Date of approval by the Board	Approval(s) have been secured in terms of Section 177, 188 & other applicable of the Companies Act, 2013 including rules, as detailed below:  - Audit Committee and Board of Directors at their respective meetings held on August 5, 2017; and  - Members of the Company at the Extra-ordinary General Meeting held on September 1, 2017
f)	Amount paid as advances, if any	NIL

**For and on behalf of the Board**

Chennai  
May 23, 2019

**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602

**L Ganesh**  
Chairman  
DIN: 00012583

# Independent Auditor's Report

To The Members of Rane (Madras) Limited  
Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of Rane (Madras) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by

the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Emphasis of Matter

We draw attention to Note 7 to the standalone financial statements regarding insurance claim receivable of ₹ 10.08 Crores, recognized during the previous year ended March 31, 2018, based on management's assessment of the certainty of recoverability of insurance claim, the settlement of which is subject to survey and admission by the Insurance Company.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Assessment of impairment in a wholly owned step down subsidiary:</b></p> <p>The total financial exposure, representing investment and loans (either directly or through intermediate subsidiary) in Rane Precision Die Casting Inc. (RPDC) aggregated to ₹ 96.83 Crores as at March 31, 2019.</p> <p>The Company's wholly owned step down subsidiary in the US, RPDC, has incurred a net loss of ₹ 36.58 Crores during FY 18-19. The net worth of this subsidiary has fully eroded. These indicators necessitated management to test the investment and loans given to RPDC for impairment.</p> <p>Impairment testing uses projections of future cash flows based on the most recent long-term forecasts approved by management, including estimated sales volumes and pricing. The long-term forecasts are projected over five years.</p> <p>Management engaged external valuers, who used various assumptions such as the valuation approach, probability of projections, risk free rate, market risk premium etc. and assessed that the recoverable amounts were higher than the carrying value of investment and loans given to RPDC.</p> <p>Assessment of impairment involves significant management judgements and estimations and accordingly, we deemed this to be a key audit matter.</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures included, amongst others, testing the Company's controls surrounding the budgeting process and the carrying value of investment and loans to RPDC.</p> <p>Our audit included assessing the Company's budgeting procedures upon which the forecasts are based and the integrity of the discounted cash flow models which management used to prepare the valuations.</p> <p>We challenged the robustness of the key assumptions used to determine the recoverable amounts used in the valuation.</p> <p>We engaged our own valuation specialists to assist us in evaluating the assumptions and methodologies used by management, in particular those relating to the discount rates, risk free rate, market risk premium etc., by comparing relevant assumptions to industry and economic forecasts.</p> <p>We also assessed whether the Company's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflect the risks inherent in the valuation of investment.</p>
2	<p><b>Recoverability of insurance claim:</b></p> <p>The Company lodged a product liability insurance claim in September 2017 and recognized insurance claim receivable for ₹ 10.08 Crores based on management's assessment of the certainty of recoverability of insurance claim.</p> <p>Management's assessment of certainty of recoverability involved judgments based on merits of the case and past trend, supported by independent evaluation by an insurance consultant and a legal opinion.</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures included testing the Company's controls relating to assessment of certainty of insurance claim recoverable.</p> <p>We examined the terms and conditions of the insurance policy coverage as well as the nature and measurability of the claim amount.</p> <p>We evaluated the past trend of management's estimates and the assessment of admissibility of the claim by the insurance consultant appointed by the management and a legal opinion received from external legal consultant on the tenability of the claim.</p> <p>We reviewed the progress of the survey and noted that the queries raised by the surveyor have been satisfactorily responded and the surveyor is in the final stages of submission of his report.</p> <p>Also refer Emphasis of Matter Paragraph above.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge

obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial

reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (refer Note 37 to the standalone financial statements).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

## Annexure “A” To The Independent Auditor’s Report

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Rane (Madras) Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

## Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph (2) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- |  |  |
|--|--|
| <p>(i) In respect of its fixed assets (Property, Plant &amp; Equipment and Intangible assets):</p> <p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets (Property, plant &amp; equipment and Intangible assets).</p> <p>(b) The fixed assets (Property, plant &amp; equipment) were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.</p> <p>(c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.</p> <p>Immovable properties of land and buildings whose title deeds have been pledged with banks as security for term loans, are held in the name of the Company based on the confirmations directly received by us from the lenders.</p> <p>In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset (Property, plant &amp; equipment) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.</p> | <p>In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans, making investments and providing guarantees, as applicable.</p>  |
| <p>(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification</p>   | <p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans, making investments and providing guarantees, as applicable.</p>   |
| <p>(iii) The Company has not granted any loans, secured or unsecured, to copanies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.</p>   | <p>(v) According to the information and explanation given to us, the Company has not accepted any deposit during the year also the Company does not have any unclaimed deposits.</p> <p>(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> <p>(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.</p> |

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Entry Tax and Excise Duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount involved (₹ In crores)	Amount unpaid (₹ In crores)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Tax (Appeals), Chennai	2007-08 to 2011-12	0.13	0.10
Central Excise Act, 1944	Excise Duty	Customs, Goods & Service tax Appellate Tribunal, Chennai	2009-10 & 2012-13	1.14	0.25
Finance Act, 1994	Service Tax	Customs, Goods & Service tax Appellate Tribunal, Chennai	2007-08 to 2011-12	0.72	-
Finance Act, 1994	Service Tax	Customs, Goods & Service tax Appellate Tribunal, Chennai	2007-08 to 2011-12	0.20	0.20
Finance Act, 1994	Service Tax	Assistant Commissioner, Nizamabad	2011-12	0.07	0.04
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Chennai	2010-11 to 2015-16	1.01	0.82
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Chennai	2011-2015	0.30	0.26
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Chennai	2011-2015	0.01	0.01
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Mysore	2010-2015	0.13	0.13
Maharashtra Value Added Tax Act, 2002	Sales Tax	Commissioner (Appeals)	2005-06, 2006-07 & 2008-09	1.10	1.08
Karnataka Tax on Entry of Goods Act, 1979	Sales Tax	Karnataka High Court	2005-06 & 2006-07	0.09	-
Karnataka Tax on Entry of Goods Act, 1979	Sales Tax	Commissioner (Appeals)	2007-08 to 2012-13	0.10	-
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner, Mysore	2011-12, 2012-13 & 2013-14	0.44	-
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), Pondy	2010-11	0.07	0.03
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner, Alandur, Tamilnadu	2014-15	2.20	2.20
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax, Appeal, TN	2011-12 to 2015-16	0.24	0.19
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), PantNagar	2010-11	0.92	0.83
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), PantNagar	2011-12	0.60	0.59
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), Gurgaon	2014-15	0.01	0.01
Telangana Entry of Goods into Local Areas Act, 2001	Sales Tax	AP & Telangana High Court	2011-12 to 2016-17	1.00	0.75
Telangana VAT Act, 2005	Sales Tax	Commissioner (Appeals)	2012-13 to 2015-16	0.07	0.07
Telangana VAT Act, 2005	Sales Tax	Commissioner (Appeals)	2012-13 to 2015-16	-	-
Income Tax Act, 1961	Income Tax	Supreme Court	1997-98	0.31	0.31
Income Tax Act, 1961	Income Tax	High Court	1996-97	0.07	0.07
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2008-09	7.52	5.52
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2009-10	2.76	-

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount involved (₹ In crores)	Amount unpaid (₹ In crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2010-11	1.91	1.91
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2011-12	0.42	0.42
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2012-13	2.39	1.82
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2013-14	0.13	0.13
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2016-17	3.14	3.14

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares or fully or partly convertible debentures during the year under review.
- In respect of the above issue, we further report that:
- (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)



# Standalone Balance Sheet

as at March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. Assets</b>				
<b>Non-Current Assets</b>				
(a)	Property, plant and equipment	2	336.41	337.20
(b)	Capital work in progress	2	12.13	14.02
(c)	Goodwill	3	4.06	4.06
(d)	Other intangible assets	4	1.39	1.60
(e)	Financial assets			
(i)	Investments	5	0.75	0.15
(ii)	Loans Receivable	6	44.70	8.47
(iii)	Other financial assets	7	19.13	17.85
(f)	Income Tax assets (Net)	8	9.95	7.13
(g)	Other non-current assets	9	22.16	15.58
<b>Total Non-Current Assets</b>			<b>450.68</b>	<b>406.06</b>
<b>Current Assets</b>				
(a)	Inventories	10	154.71	135.77
(b)	Financial assets			
(i)	Trade receivables	11	218.88	213.44
(ii)	Cash and cash equivalents	12	10.58	5.60
(iii)	Bank balances other than (ii) above	13	0.14	0.16
(iv)	Loans Receivable	6	0.24	0.21
(v)	Other financial assets	7	5.10	5.89
(c)	Other current assets	9	30.06	44.10
<b>Total Current Assets</b>			<b>419.71</b>	<b>405.17</b>
<b>Total Assets</b>			<b>870.39</b>	<b>811.23</b>
<b>B. Equity and Liabilities</b>				
<b>Equity</b>				
(a)	Equity share capital	14	11.97	11.61
(b)	Other equity	15	299.30	254.82
<b>Total Equity</b>			<b>311.27</b>	<b>266.43</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a)	Financial liabilities			
(i)	Borrowings	16	112.29	118.65
(ii)	Other financial liabilities	17	0.30	0.65
(b)	Provisions	18	6.21	5.46
(c)	Deferred tax liability	20	6.76	2.16
(d)	Other non-current liabilities	19	3.98	3.44
<b>Total Non-Current Liabilities</b>			<b>129.54</b>	<b>130.36</b>
<b>Current Liabilities</b>				
(a)	Financial liabilities			
(i)	Borrowings	16	171.14	138.73
(ii)	Trade payables	21		
(a)	Total outstanding dues of Micro enterprises and Small enterprises		11.54	16.35
(b)	Total outstanding dues of creditors other than Micro enterprises and Small enterprises		179.30	217.22
(iii)	Other financial liabilities	17	47.26	24.72
(b)	Provisions	18	8.31	5.92
(c)	Other current liabilities	19	12.03	11.50
<b>Total Current Liabilities</b>			<b>429.58</b>	<b>414.44</b>
<b>Total Liabilities</b>			<b>559.12</b>	<b>544.80</b>
<b>Total Equity and Liabilities</b>			<b>870.39</b>	<b>811.23</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
Partner**L Ganesh**  
Chairman  
DIN : 00012583**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Parthasarathy**  
Chief Executive OfficerChennai,  
May 23, 2019**J Radha**  
Chief Financial Officer**S Subha Shree**  
Company Secretary

# Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S.No.	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from operations	22	1,370.25	1,239.37
II	Other income	23	10.57	5.64
III	<b>Total income (I+II)</b>		<b>1,380.82</b>	<b>1,245.01</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	24	864.97	761.08
	Changes in inventories of finished goods, work-in-progress and stock in trade	25	1.11	(15.47)
	Excise duty on sale of goods		-	25.42
	Employee benefits expense	26	148.51	136.04
	Finance costs	27	28.35	29.42
	Depreciation and amortisation expense	28	53.03	49.89
	Other expenses	29	214.49	198.45
	<b>Total expenses (IV)</b>		<b>1,310.46</b>	<b>1,184.83</b>
V	<b>Profit before tax (before exceptional items) (III-IV)</b>		<b>70.36</b>	<b>60.18</b>
VI	<b>Exceptional items (Refer note 39)</b>		-	-
VII	<b>Profit before tax (after exceptional items) (V-VI)</b>		<b>70.36</b>	<b>60.18</b>
VIII	<b>Tax expense:</b>			
(1)	Current tax	30	25.23	18.33
(2)	Deferred tax	30	(2.11)	0.04
			<b>23.12</b>	<b>18.37</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>47.24</b>	<b>41.81</b>
	<b>Other Comprehensive Income</b>			
A.	(i) Items that will not be reclassified to statement of profit and loss Remeasurements of the defined benefit plans		(0.82)	(0.78)
			<b>(0.82)</b>	<b>(0.78)</b>
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		0.29	0.27
B.	(i) Items that may be reclassified to statement of profit and loss Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(0.79)	0.79
			<b>(0.79)</b>	<b>0.79</b>
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		0.18	(0.27)
X	<b>Total Other Comprehensive Income (A(i-ii)+B(i-ii))</b>		<b>(1.14)</b>	<b>0.01</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>46.10</b>	<b>41.82</b>
XII	<b>Earnings per equity share (Nominal value per share ₹ 10)</b>			
(a)	Basic (In ₹)	35	40.38	37.61
(b)	Diluted (In ₹)	35	40.38	36.94

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

**L Ganesh**  
Chairman  
DIN : 00012583

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Parthasarathy**  
Chief Executive Officer

Chennai,  
May 23, 2019

**J Radha**  
Chief Financial Officer

**S Subha Shree**  
Company Secretary

For and on behalf of the Board

## Standalone Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### A. Equity Share Capital

Description	Amount
As at April 1, 2017	10.51
Changes in Equity Share Capital	1.10
As at March 31, 2018	11.61
Changes in Equity Share Capital	0.36
<b>As at March 31, 2019</b>	<b>11.97</b>

### B. Other Equity

Description	Reserves and Surplus						Other Reserves			Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Hedge Reserve	Total	
<b>Balance as at April 1, 2017</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>24.78</b>	<b>-</b>	<b>160.35</b>	<b>0.09</b>	<b>0.09</b>	<b>160.44</b>
Profit for the year	-	-	-	-	41.81	-	41.81	-	-	41.81
Other comprehensive income for the year	-	-	-	-	(0.78)	-	(0.78)	0.79	0.79	0.01
Income tax on OCI Items	-	-	-	-	0.27	-	0.27	(0.27)	(0.27)	-
<b>Total Comprehensive Income for the year</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>66.08</b>	<b>-</b>	<b>201.65</b>	<b>0.61</b>	<b>0.61</b>	<b>202.26</b>
Money received against share warrants	-	-	-	-	-	5.00	5.00	-	-	5.00
Premium on preferential issue of equity shares	-	58.90	-	-	-	-	58.90	-	-	58.90
Payment of dividend	-	-	-	-	(9.43)	-	(9.43)	-	-	(9.43)
Tax on dividend	-	-	-	-	(1.91)	-	(1.91)	-	-	(1.91)
Transfer from retained earnings	-	-	8.23	-	(8.23)	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>46.51</b>	<b>5.00</b>	<b>254.21</b>	<b>0.61</b>	<b>0.61</b>	<b>254.82</b>

# Standalone Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Description	Reserves and Surplus						Other Reserves		Total	Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Hedge Reserve			
Profit for the year	-	-	-	-	47.24	-	47.24	-	-	47.24
Other comprehensive income for the year	-	-	-	-	(0.82)	-	(0.82)	(0.79)	(0.79)	(1.61)
Income tax on OCI Items	-	-	-	-	0.29	-	0.29	0.18	0.18	0.47
<b>Total Comprehensive Income for the year</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>93.22</b>	<b>5.00</b>	<b>300.92</b>	<b>-</b>	<b>-</b>	<b>300.92</b>
Money received against share warrants	-	-	-	-	-	(5.00)	(5.00)	-	-	(5.00)
Premium on preferential issue of equity shares	-	19.64	-	-	-	-	19.64	-	-	19.64
Payment of dividend	-	-	-	-	(13.49)	-	(13.49)	-	-	(13.49)
Tax on dividend	-	-	-	-	(2.77)	-	(2.77)	-	-	(2.77)
Transfer from retained earnings	32.36	-	-	-	(32.36)	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>160.06</b>	<b>82.11</b>	<b>12.73</b>	<b>(0.20)</b>	<b>44.60</b>	<b>-</b>	<b>299.30</b>	<b>-</b>	<b>-</b>	<b>299.30</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
PartnerChennai,  
May 23, 2019**L Ganesh**  
Chairman  
DIN : 00012583**J Radha**  
Chief Financial Officer**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Subha Shree**  
Company Secretary

For and on behalf of the Board

**S Parthasarathy**  
Chief Executive Officer

## Standalone Cash Flow Statement

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	47.24	41.81
<b>Adjustments for :</b>		
Income tax expense recognised in profit and loss	23.12	18.37
Finance costs recognised in profit and loss	28.35	29.42
Interest income recognised in profit and loss	(1.49)	(0.65)
Net Loss/(Gain) on disposal of property, plant and equipment	(0.14)	(0.28)
Government grant income	(1.91)	(1.70)
Guarantee Commission	(0.44)	(0.44)
Unrealised Exchange Loss/(Gain)	1.17	(0.35)
Provision for doubtful trade receivables and advances (net of write back)	1.29	1.15
Depreciation and amortisation of non-current assets	53.03	49.89
	<b>150.22</b>	<b>137.22</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in trade and other receivables	(7.49)	(63.43)
(Increase) / decrease in inventories	(18.94)	(25.46)
(Increase) / decrease in other non-current assets	(7.04)	4.68
(Increase) / decrease in other non-current financial assets	(0.20)	(10.37)
(Increase) / decrease in other current financial assets	(0.02)	(1.90)
(Increase) / decrease in other current assets	14.04	(3.99)
(Increase) / decrease in loans receivable	(0.03)	0.07
Increase / (decrease) in trade payables	(42.52)	60.63
Increase / (decrease) in long term provisions	0.75	0.68
Increase / (decrease) in short term provisions	2.39	(0.83)
Increase / (decrease) in other non-current financial liabilities	-	(0.14)
Increase / (decrease) in other current financial liabilities	(0.03)	(0.21)
Increase / (decrease) in other non-current liabilities	0.54	0.02
Increase / (decrease) in other current liabilities	(0.25)	(10.69)
<b>Cash generated from operations</b>	<b>91.42</b>	<b>86.28</b>
Income tax paid	(20.87)	(13.01)
<b>Net cash (used in) / generated by operating activities</b>	<b>70.55</b>	<b>73.27</b>
<b>B. Cash flow from investing activities</b>		
Interest received	0.46	0.40
Non current Investments	(0.60)	-
Loans receivable	(37.31)	(1.98)
Payments for property, plant and equipment	(50.70)	(68.67)
Proceeds from disposal of property, plant and equipment	1.63	0.38
Bank Balances not considered as cash and cash equivalents	0.02	0.19
<b>Net cash (used in) / generated by investing activities</b>	<b>(86.50)</b>	<b>(69.68)</b>

# Standalone Cash Flow Statement

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	0.36	1.10
Proceeds from Share premium on equity shares	19.64	58.90
Money Received against Share warrant	(5.00)	5.00
Proceeds from long term borrowings	30.00	51.48
Repayment of long term borrowings	(13.25)	(72.64)
Proceeds from short term borrowings	33.14	-
Repayment of short term borrowings	-	(2.66)
Dividend paid	(13.49)	(9.43)
Tax on dividend	(2.77)	(1.92)
Interest paid	(27.84)	(30.54)
<b>Net cash (used in)/ generated by financing activities</b>	<b>20.79</b>	<b>(0.71)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4.84</b>	<b>2.88</b>
Cash and cash equivalents at the beginning of the year (Refer note 12)	5.82	2.94
<b>Cash and Cash equivalents at the end of the year (Refer note 12)</b>	<b>10.66</b>	<b>5.82</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

Chennai,  
May 23, 2019

**L Ganesh**  
Chairman  
DIN : 00012583

**J Radha**  
Chief Financial Officer

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Subha Shree**  
Company Secretary

**For and on behalf of the Board**

**S Parthasarathy**  
Chief Executive Officer

# Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

## 1. Summary of significant accounting policies, critical judgements and Key estimates

### General Information

Rane (Madras) Limited (The "Company") is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The Company is engaged in the manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and Farm tractors across the Globe and as such operates in a single reportable business segment of 'components for transportation industry'. The Company is having six manufacturing facilities at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana.

### Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

#### 1.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Act.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified

the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

#### 1.11 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period), as explained below.

#### The principal accounting policies are set out below :

#### 1.12 Property, plant and equipment

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on assets after its purchase / completion is capitalised only if such expenditure results in an increase in the

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

future benefits from such asset beyond its previously assessed standard of performance.

### Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Vehicles	5 Years
Furniture & Fixtures	5 Years
Office Equipments (other than computers)	3 Years
Computers, Server and networks	3-4 Years
Capital Tooling	3-5 Years
Cost of Dies	Per production units method

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### 1.13 Intangible assets Goodwill

Goodwill on acquisition of separate entity is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

### Other Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
License Fees	Over the period of License

### 1.14 Impairment of tangible and intangible assets including goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).



## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

### 1.15 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Discount on Commercial Paper (the difference between the issue price and the redemption value) is amortised over the period of borrowings and recognised as discounting expense.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

### 1.16 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### As a Lessee

##### Finance Lease :

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

##### Operating Lease :

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 1.17 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 1.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash Flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.19 Foreign currency transactions and translations

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

In preparing the standalone financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit and loss on realisation/repayment of the monetary items.

### 1.20 Revenue Recognition

The Company derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic products, Die casting products and other auto components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

### 1.21 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### 1.22 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Such grants are valued at fair value at the initial recognition.

Government grants are recognised in profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit and loss in the period in which they become receivable.

### 1.23 Employee benefits

#### (i) Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

#### (ii) Defined Contribution Plans

##### Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

##### Superannuation Fund

This is a defined contribution Plan. The Company contributes sum equivalent to certain specified percentages of the eligible annual salaries based on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

#### (iii) Defined Benefit Plan

##### Gratuity

The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss.

#### (iv) Other Long term employee benefits

##### Compensated Absence

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

### 1.24 Research and Development expenses

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Items of Property, plant and equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and Intangible assets.

### 1.25 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Provisions for Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

### 1.26 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit under the Income Tax Act for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. As per transition provisions MAT shall be treated as part of deferred tax assets.

### 1.27 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

#### 1.27.1 Subsequent Measurement

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries, which are measured at cost.

##### (i) Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- b) those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

##### (a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

##### (b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other income/ (expense).

##### (c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on these assets that is subsequently measured at fair value through profit and loss is recognised in the statement of profit and loss.

##### (ii) Impairment of financial assets

All financial assets classified as at amortised cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### (iii) Derecognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

### 1.27.2 Financial liabilities and Equity instruments

#### (i) Classification as Equity or Financial liability

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### (a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### (b) Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

#### (c) Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

#### (ii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have

expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

### 1.27.3 Financial and Corporate guarantee contracts

A financial and corporate guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial and corporate guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### 1.28 Derivative financial instruments

The Company is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Company has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 1.29 Hedge Accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

or cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss, and is included in the 'Other income'. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit and loss in the periods when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

### 1.30 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements

is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2-Inventories or value in use in Ind AS 36-Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

### 1.31 Earnings Per Share

**Basic earnings per share** is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders 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 exceptional items, if any) for the period attributable to equity shareholders 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.

### 1.32 Dividend

The final dividend on shares is recorded as a liability on the date of approval by shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

### 1.33 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108-Operating Segments.

### 1.34 Use of estimates and critical accounting judgements

The preparation of financial statements in conformity with Ind AS requires the management to make certain judgements and estimates that may affect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately as possible for the Company. These judgements and estimates only represent management's interpretation as of the dates on which they were prepared.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Actual results may differ from these judgments and estimates.

Important judgements and estimates relate largely to provisions, employee benefit plans, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

### 1.35 Standards issued but not yet effective Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this Appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

#### Amendment to Ind AS 19 - Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

#### New Accounting Standard : Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs.



## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease

expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of the above on its standalone financial statements.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 2. Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Freehold land	26.07	26.07
Buildings	79.00	73.88
Plant and Equipment	226.07	231.27
Furniture and Fixtures	1.31	1.62
Office Equipments	3.67	4.01
Vehicles	0.29	0.35
<b>Sub Total</b>	<b>336.41</b>	<b>337.20</b>
Capital Work-in-progress	12.13	14.02
<b>Total</b>	<b>348.54</b>	<b>351.22</b>

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>26.00</b>	<b>72.14</b>	<b>252.12</b>	<b>2.71</b>	<b>5.70</b>	<b>0.30</b>	<b>358.97</b>
Additions	0.07	7.78	61.66	0.22	2.24	0.28	72.25
Disposals	-	-	(0.09)	(0.01)	-	-	(0.10)
<b>Balance as at March 31, 2018</b>	<b>26.07</b>	<b>79.92</b>	<b>313.69</b>	<b>2.92</b>	<b>7.94</b>	<b>0.58</b>	<b>431.12</b>
Additions	-	8.51	42.46	0.35	1.42	0.06	52.80
Disposals	-	(0.01)	(1.48)	-	-	-	(1.49)
<b>Balance as at March 31, 2019</b>	<b>26.07</b>	<b>88.42</b>	<b>354.67</b>	<b>3.27</b>	<b>9.36</b>	<b>0.64</b>	<b>482.43</b>

#### Accumulated depreciation

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>-</b>	<b>3.03</b>	<b>39.16</b>	<b>0.65</b>	<b>1.92</b>	<b>0.13</b>	<b>44.89</b>
Depreciation expense	-	3.01	43.26	0.65	2.01	0.10	49.03
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>6.04</b>	<b>82.42</b>	<b>1.30</b>	<b>3.93</b>	<b>0.23</b>	<b>93.92</b>
Depreciation expense	-	3.38	46.18	0.66	1.76	0.12	52.10
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>9.42</b>	<b>128.60</b>	<b>1.96</b>	<b>5.69</b>	<b>0.35</b>	<b>146.02</b>
<b>Carrying amount as at March 31, 2018</b>	<b>26.07</b>	<b>73.88</b>	<b>231.27</b>	<b>1.62</b>	<b>4.01</b>	<b>0.35</b>	<b>337.20</b>
<b>Carrying amount as at March 31, 2019</b>	<b>26.07</b>	<b>79.00</b>	<b>226.07</b>	<b>1.31</b>	<b>3.67</b>	<b>0.29</b>	<b>336.41</b>

### 3. Goodwill

Particulars	As at March 31, 2019	As at March 31, 2018
Cost/deemed cost	4.06	4.06
Accumulated impairment losses	-	-
<b>Total</b>	<b>4.06</b>	<b>4.06</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Impairment tests for Goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units.

The Company tests whether Goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Based on the assessment, management has concluded that there is no indicator of impairment for Goodwill.

## 4. Other Intangible Assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Software Licence	1.39	1.60
<b>Total</b>	<b>1.39</b>	<b>1.60</b>

### Software Licence

Particulars	As at
<b>Cost or Deemed cost</b>	
<b>Balance at beginning of the year 2017</b>	<b>2.05</b>
Additions	0.82
Disposals	-
<b>Balance at end of the year 2018</b>	<b>2.87</b>
Additions	0.72
Disposals	-
<b>Balance at end of the year 2019</b>	<b>3.59</b>

### Accumulated amortisation

Particulars	As at
<b>Balance at beginning of the year 2017</b>	<b>0.41</b>
Amortisation expense	0.86
<b>Balance at end of the year 2018</b>	<b>1.27</b>
Amortisation expense	0.93
<b>Balance at end of the year 2019</b>	<b>2.20</b>
<b>Carrying amount as at March 31, 2018</b>	<b>1.60</b>
<b>Carrying amount as at March 31, 2019</b>	<b>1.39</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 5. Investments

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investments in equity instruments (fully paid-up) (Unquoted) At cost</b>		
Capsol Energy Private Limited (6,00,000 number of equity shares @ ₹ 10 each)	0.60	-
<b>Investment In Subsidiaries</b>		
Rane (Madras) International Holdings, B.V (refer note 6.1) (20,000 number of equity shares @ Euro 1 each)	0.15	0.15
<b>Total Non-Current Investments</b>	<b>0.75</b>	<b>0.15</b>
Aggregate carrying value of unquoted investments	0.75	0.15
Aggregate amount of impairment in value of investments	-	-

### 6. Loans receivable

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Loans receivable considered good - Unsecured		
a. Loans/NCRPS to related parties (Refer note 6.1 and 33)	44.70	8.47
<b>Total</b>	<b>44.70</b>	<b>8.47</b>
<b>Current</b>		
Loans receivable considered good - Unsecured		
a. Loans to employees	0.24	0.21
<b>Total</b>	<b>0.24</b>	<b>0.21</b>

6.1 The Company values the shares of the subsidiary annually in order to assess the possibility of any impairment. To carry out the above assessment, projections of future cash flows based on the most recent long-term forecasts, including selling price as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future. Based on the valuation as per the current projections, it has been concluded that there is no impairment of the investments made in/loans and guarantees given to Rane Precision Die Casting Inc.,USA the wholly owned step down subsidiary (either directly or through the intermediate subsidiary, Rane (Madras) International Holdings B.V) aggregating to ₹ 96.83 Crores. The valuation is dependent on successfully securing new businesses and is also subject to fluctuations in the market demand.

### 7. Other Financial Assets

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits	4.73	4.58	-	-
Insurance Claims	10.08	10.08	4.33	4.34
Claims receivable	0.08	-	0.34	0.33
Margin money Deposits	-	-	0.17	0.15
Interest receivable (Refer note 6.1)	2.37	1.32	0.26	0.28
Commission receivable (Refer note 6.1)	1.87	1.87	-	-
Fair value Derivative Hedging receivable	-	-	-	0.79
<b>Total</b>	<b>19.13</b>	<b>17.85</b>	<b>5.10</b>	<b>5.89</b>

**Note:** Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**8. Income Tax Assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	7.13	7.10
Less: Current tax payable for the year	(25.23)	(18.33)
Add: Taxes paid	28.05	18.36
<b>Closing Balance</b>	<b>9.95</b>	<b>7.13</b>

**9. Other Assets**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Other Non Financial Assets</b>				
<b>Unsecured and considered good unless otherwise stated :</b>				
Capital Advances	3.93	4.39	-	-
Advances paid to suppliers	-	-	4.46	10.99
Advance to Employees	-	-	0.20	0.42
Balance with Statutory Authorities	-	-	8.63	18.85
Deposit with Government Authorities	8.49	7.32	-	-
Advance Fringe benefits tax	-	-	0.03	0.03
Prepayment against leasehold land	0.62	0.63	-	-
Tooling advance	9.12	3.24	-	-
Prepaid Expenses	-	-	3.40	2.96
Export Entitlements	-	-	13.34	10.85
<b>Total</b>	<b>22.16</b>	<b>15.58</b>	<b>30.06</b>	<b>44.10</b>

**10. Inventories**

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
Raw materials*	42.47	28.21
Work-in-progress*	12.32	15.21
Finished goods*	75.05	73.21
Stores and spares	18.58	12.79
Goods in transit (Finished Goods)*	6.29	6.35
<b>Total</b>	<b>154.71</b>	<b>135.77</b>

\* Refer Note 40 for details of closing inventories of raw materials, work-in-progress and finished goods  
The cost of inventories recognised as an expense during the year is as per Note No. 24.

The cost of inventories recognised as an expense includes ₹ 0.10 (during 2017-18: ₹ Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2017-18: ₹ 0.31) in respect of the reversal of such write-downs.

The mode of valuation of inventories has been stated in note 1.17

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 11. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables Considered good - Unsecured	218.88	213.44
Trade receivable - Credit impaired	4.92	3.63
<b>Sub Total</b>	<b>223.80</b>	<b>217.07</b>
Less: Allowance for credit impaired (expected credit loss allowance)	(4.92)	(3.63)
<b>Total</b>	<b>218.88</b>	<b>213.44</b>

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due comes to 0% - 10%. The Company as a policy provides for 100% for outstanding above 120 days past due.

#### (i) Movements in allowance for credit losses of receivables as per ECL is as below

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>	<b>3.63</b>	<b>3.74</b>
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.29	(0.11)
<b>Balance at the end of the year</b>	<b>4.92</b>	<b>3.63</b>

### 12. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks (including deposits with original maturity upto 3 months)		
(i) In Current account	3.54	2.89
(ii) In EEFC account	6.46	2.52
(iii) In Deposit account	0.39	-
Cash on hand	0.19	0.19
<b>Total</b>	<b>10.58</b>	<b>5.60</b>

#### Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as above	10.58	5.60
Add: Exchange loss on EEFC account	0.08	0.22
<b>Total</b>	<b>10.66</b>	<b>5.82</b>

### 13. Other Bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in earmarked accounts		
- In Unpaid Dividend account	0.14	0.16
<b>Total</b>	<b>0.14</b>	<b>0.16</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**14. Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>AUTHORISED :</b>		
Equity Shares:		
2,50,00,000 Equity Shares of ₹ 10 each	25.00	25.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
1,19,73,171 Equity Shares of ₹ 10 each fully paid-up	11.97	11.61
1,19,73,171 fully paid Equity shares of ₹ 10 each (as at March 31, 2018 : 1,16,07,541 fully paid Equity shares of ₹ 10 each)	<b>11.97</b>	<b>11.61</b>

**14.1 Movement in Equity Share Capital**

Particulars	2018-19		2017-18	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
<b>Equity Shares of ₹ 10 each fully paid up</b>				
At the beginning of the year	1,16,07,541	11,60,75,410	1,05,10,649	10,51,06,490
Allotment of shares under preferential issue	3,65,630	36,56,300	10,96,892	1,09,68,920
<b>At the end of the year</b>	<b>1,19,73,171</b>	<b>11,97,31,710</b>	<b>1,16,07,541</b>	<b>11,60,75,410</b>

**Rights, preferences and restrictions attached to Shares mentioned above :**

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

Additions during the year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

**14.2 Shares of the Company held by Holding Company**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

**14.3 Details of Shares held by each Shareholder holding more than 5 percent of Equity Shares in the Company:**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 14.4 Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended March 31, 2014, 3,46,504 equity shares of ₹ 10 each fully paid up were allotted to shareholders of Rane Holdings Limited (Holding Company) in the proportion of one equity share of ₹ 10 each in the Company for every 30 equity shares of ₹ 10 each held in the transferor Company (Rane Diecast Limited) pursuant to the Scheme of Arrangement between Rane Diecast Limited and the Company.

## 15. Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve	160.06	127.70
Securities Premium	82.11	62.47
Amalgamation Adjustment account	(0.20)	(0.20)
Capital Redemption reserve	12.73	12.73
Money Received against Share Warrant	-	5.00
Retained Earnings	44.60	46.51
Cash flow hedging reserve	-	0.61
<b>Total</b>	<b>299.30</b>	<b>254.82</b>

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) General Reserve</b>		
Opening balance	127.70	127.70
Add : Addition during the year	32.36	-
<b>Closing balance</b>	<b>160.06</b>	<b>127.70</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

<b>(b) Securities Premium</b>		
Opening balance	62.47	3.57
Add : Addition during the year	19.64	58.90
<b>Closing balance</b>	<b>82.11</b>	<b>62.47</b>

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

<b>(c) Amalgamation Adjustment account</b>		
Opening balance	(0.20)	(0.20)
Add : Addition during the year	-	-
<b>Closing balance</b>	<b>(0.20)</b>	<b>(0.20)</b>

At the time of business combination under common control, amalgamation adjustment reserve of transferor Company becomes the amalgamation adjustment reserve of transferee Company.

<b>(d) Capital Redemption Reserve</b>		
Opening balance	12.73	4.50
Add : Addition during the year	-	8.23
<b>Closing balance</b>	<b>12.73</b>	<b>12.73</b>

Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares to Rane Holdings Limited



**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in current and earlier years.

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(e) Money Received against Share warrant</b>		
Opening balance	5.00	-
Add :Additions/(Deletions) during the year	(5.00)	5.00
<b>Closing balance</b>	<b>-</b>	<b>5.00</b>

Ind AS 33 Earnings per Share defines 'warrants' as "financial instruments which give the holder the right to acquire equity shares". Thus, effectively, warrants are the amount which would ultimately form part of the Shareholders' funds. Since shares were yet to be allotted against the same as at March 31, 2018, these were not reflected as part of Share Capital but as a separate line item - 'Money received against share warrants.'

<b>(f) Retained Earnings</b>		
Balance at the beginning of the year	46.51	24.78
Profit attributable to equity shareholders of the Company	47.24	41.81
Other Comprehensive Income arising from remeasurement of defined benefit obligation net of income tax	(0.53)	(0.51)
Transfer to Capital Redemption reserve	-	(8.23)
Transfer to General Reserve	(32.36)	-
Payment of dividend on equity shares	(16.26)	(11.34)
<b>Balance at the end of the year</b>	<b>44.60</b>	<b>46.51</b>

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

In respect of the year ended March 31, 2019, the Board had declared and paid an interim dividend on equity shares at ₹ 4.00 per equity share amounting to ₹ 5.76 Crores inclusive of Dividend Distribution Tax of ₹ 0.98 Crores (For year ended March 31, 2018 ₹ 4.50 per equity share amounting to ₹ 6.29 Crores inclusive of Dividend Distribution Tax of ₹ 1.06 Crores). The Directors propose that a final dividend of ₹ 4.50 per share (For year ended March 31, 2018 ₹ 7.50 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 5.39 Crores along with Dividend Distribution tax of ₹ 1.11 Crores (For the year ended March 31, 2018 ₹ 8.71 Crores along with Dividend Distribution tax of ₹ 1.79 Crores).

<b>(g) Hedging Reserve</b>		
Balance at the beginning of the year	0.61	0.09
Gain / (loss) recognised on cash flow hedges	(0.79)	0.79
Income tax relating to gain/(loss) recognised on cash flow hedges	0.18	(0.27)
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.61</b>

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit and loss or are included as an adjustment to the cost of the related non-financial hedged item.

The Company has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**16. A. Non-Current borrowings**

Particulars	Non-Current		Current Maturities (Refer Note 17)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>				
Term Loans				
- from banks	15.00	-	-	-
<b>Sub Total</b>	<b>15.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Secured - at amortised cost</b>				
Term Loans				
- from banks	97.36	118.78	36.66	13.55
<b>Sub Total</b>	<b>97.36</b>	<b>118.78</b>	<b>36.66</b>	<b>13.55</b>
Less: Unamortised Borrowing Costs	0.07	0.13	-	-
<b>Total</b>	<b>112.29</b>	<b>118.65</b>	<b>36.66</b>	<b>13.55</b>

**Summary of borrowing arrangements**

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured by a charge created on the Company's fixed assets both present and future (excluding Velachery and Mysuru properties).

**The terms of repayment of term loans are given below  
As at March 31, 2019**

**Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from June 2020 with 1 Year of moratorium period

**Unsecured**

Particulars	Terms of repayment
Axis Bank - INR Long Term Loan	Repayable in single instalment in May 2020

The interest rate for INR loans range from 8.75% p.a. to 9.40% p.a.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**As at March 31, 2018****Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period

The interest rate for INR loans range from 8.50% p.a. to 9.00% p.a.

**Breach of Loan agreement**

There is no breach of loan agreements with banks.

**16. B. Current borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>		
Commercial paper	-	40.00
Other loans from banks (Short term Loan)	40.00	2.00
Bill Discounting*	4.50	6.53
Sales tax deferral	-	0.08
<b>Secured - at amortised cost**</b>		
Loan repayable on demand		
- from banks	0.01	0.03
Other loans from banks	126.63	90.77
	<b>171.14</b>	<b>139.41</b>
Less: Unamortised Borrowing Costs	-	0.68
<b>Total</b>	<b>171.14</b>	<b>138.73</b>

\* Bill discounting represents amount received against finance receivables securitized / assigned, which does not qualify for derecognition.

\*\* Secured loans include cash credit, packing credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 17. Other financial liabilities

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on borrowings	-	-	0.76	0.25
Unclaimed dividends	-	-	0.14	0.16
Current maturities of long-term debt	-	-	36.66	13.55
Financial guarantee*	0.30	0.65	0.37	0.44
Security Deposits - Others	-	-	0.92	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	0.01
Employee benefit payable	-	-	6.18	7.04
Commission payable to Chairman	-	-	1.44	1.24
Payables on purchase of fixed assets	-	-	0.68	1.66
Others	-	-	0.11	0.01
<b>Total</b>	<b>0.30</b>	<b>0.65</b>	<b>47.26</b>	<b>24.72</b>

\* The financial guarantee represent the corporate guarantees given by the Company on behalf of its subsidiary companies. The Company charges an arms' length price for such guarantees. The amount included above represents the higher of a) unamortised guarantee commission income and b) expected loss upon devolvement of the guarantee.

### 18. Provisions

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment (Refer note 34)	6.21	5.46	1.33	1.11
Provision for Warranty	-	-	6.98	4.81
<b>Total</b>	<b>6.21</b>	<b>5.46</b>	<b>8.31</b>	<b>5.92</b>

#### (i) Information about individual provisions and significant estimates

##### Provision for leave encashment

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued.

##### Provision for Warranty

Refer Note 1.25

#### (ii) Movements in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for leave encashment	Provision for Warranty
<b>As at April 1, 2018</b>	<b>6.57</b>	<b>4.81</b>
Charged/ (credited) to profit or loss	3.39	2.23
Amounts utilised during the year	(2.42)	(0.06)
<b>As at March 31, 2019</b>	<b>7.54</b>	<b>6.98</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**19. Other liabilities**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue received in advance				
- Deferred revenue arising from government grant (note (i) below)	3.98	3.44	1.90	1.94
Statutory remittances (Contributions PF and ESIC, Withholding Taxes etc.)	-	-	2.18	2.19
Advances and Deposits from Customers/Others	-	-	0.62	0.83
Accrued Gratuity (Refer note 34)	-	-	7.33	6.54
<b>Total</b>	<b>3.98</b>	<b>3.44</b>	<b>12.03</b>	<b>11.50</b>

**Note :**

- (i) The deferred revenue comprise of the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in property, plant and equipment.

**20. Deferred tax balances****The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	(6.76)	(9.34)
MAT Credit	-	7.18
<b>Total</b>	<b>(6.76)</b>	<b>(2.16)</b>

**Movements in Deferred Tax Liabilities**

Particulars	Provision for expense	Termination benefit under VRS	Depreciation	Cash flow hedge reserve	Others	Total
<b>As at April 1, 2017</b>	<b>5.93</b>	<b>1.88</b>	<b>(21.91)</b>	<b>0.09</b>	<b>4.71</b>	<b>(9.30)</b>
Charged/(Credited)						
- to profit & loss	0.35	(1.10)	0.69	-	0.02	(0.04)
- to other comprehensive income	-	-	-	(0.27)	0.27	-
<b>As at March 31, 2018</b>	<b>6.28</b>	<b>0.78</b>	<b>(21.22)</b>	<b>(0.18)</b>	<b>5.00</b>	<b>(9.34)</b>
Charged/(Credited)						
- to profit & loss	1.57	(0.44)	0.20	-	0.78	2.11
- to other comprehensive income	-	-	-	0.18	0.29	0.47
<b>As at March 31, 2019</b>	<b>7.85</b>	<b>0.34</b>	<b>(21.02)</b>	<b>-</b>	<b>6.07</b>	<b>(6.76)</b>

**21. Trade payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables-Micro enterprises and Small enterprises	11.54	16.35
Trade payables-Other than Micro enterprises and Small enterprises	144.65	171.66
Trade payables-Acceptances	34.65	45.56
<b>Total</b>	<b>190.84</b>	<b>233.57</b>

The dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the management based on the declaration given by such parties and relied upon by the auditors.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 21.1 Micro and Small enterprises

Particulars	As at March 31, 2019	As at March 31, 2018
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	11.54	16.35
- Interest	-	-
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
- Principal	66.36	17.66
- Interest	0.09	0.22
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:		
- Principal	-	0.14
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of the year ( Previous year ₹ Nil Crores) being interest outstanding as at the beginning of the accounting year)	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

### 22 Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sales of Products (including excise duty of ₹ Nil for the year ended March 31,2019; for the year ended March 31, 2018: ₹ 24.57 Crores)*	1,327.32	1,197.17
Other operating revenues		
- Scrap sales	15.82	16.02
- Sale of raw materials	2.89	6.39
- Sale of Tools	12.07	7.09
- Job charges	0.72	2.06
- Export Entitlements	11.43	10.64
<b>Total</b>	<b>1,370.25</b>	<b>1,239.37</b>

\*Note :-

- (i) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended March 31, 2019 and March 31, 2018 are presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - 'Revenue'. The revenue from operations for the year ended March 31, 2018 are inclusive of excise duty till June 2017, and hence are not comparable with the revenue from operations for the year ended March 31, 2019 to that extent.
- (ii) The Company has applied Ind AS 115 'Revenue from contracts with customers' with effect from April 1, 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 22.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Company.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue by Geography</b>		
India	1,041.73	939.35
Outside India	285.59	257.82
<b>Total revenue from contracts with customers</b>	<b>1,327.32</b>	<b>1,197.17</b>
<b>Revenue by offerings</b>		
Manufactured goods		
Steering and Suspension Linkage Products	450.99	418.33
Steering Gear Products	644.03	568.91
Hydraulic Products	59.91	40.42
Diecasting products	120.09	127.58
Other Auto components	52.30	41.93
<b>Total revenue from contracts with customers</b>	<b>1,327.32</b>	<b>1,197.17</b>

### 22.2 Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

### 22.3 Transaction price allocated to the remaining performance obligation

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

## 23 Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.28	0.17
-- On Supplier payments	0.16	0.12
-- On RMIH B.V.	1.05	0.36
Net Gain on foreign currency transactions	-	1.85
Net Gain on disposal of property, plant and equipment	0.14	0.28
Other non-operating income		
-- Guarantee Commission	0.44	0.44
-- Government Grant Income	1.91	1.70
-- Other non-operating Income	6.59	0.72
<b>Total</b>	<b>10.57</b>	<b>5.64</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 24 Cost of Materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock	28.21	19.19
Add: Purchases	814.07	710.95
Less: Closing stock	(42.47)	(28.21)
Raw materials and Components consumed *@	799.81	701.93
Freight inward	15.78	14.96
Job work expenses	49.38	44.19
<b>Total</b>	<b>864.97</b>	<b>761.08</b>
* includes cost of raw materials and components sold	2.62	6.53
@ Refer Note 41 for details of raw materials and components consumed		

### 25 Changes in Inventories of finished goods and work-in-progress

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock:</b>		
Work-in-progress	15.21	10.59
Finished goods	79.56	68.71
<b>Closing Stock:</b>		
Work-in-progress	12.32	15.21
Finished goods	81.34	79.56
<b>(Increase)/Decrease in Stocks</b>	<b>1.11</b>	<b>(15.47)</b>

### 26 Employee Benefit Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Salaries, Wages and Bonus</b>	<b>128.10</b>	<b>112.95</b>
Contribution to Provident and Other Funds	9.11	9.52
Staff Welfare Expenses	11.30	13.57
<b>Total</b>	<b>148.51</b>	<b>136.04</b>

### 27 Finance cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest costs:		
Interest on bank overdrafts and loans (other than those from related parties)	24.85	23.71
Interest on loans from related parties	-	0.01
Discount on Commercial paper	2.25	2.83
Other Borrowing costs	1.25	2.56
<b>Total interest expense for financial liabilities not classified as at FVTPL</b>	<b>28.35</b>	<b>29.11</b>
Dividend on redeemable preference shares	-	0.31
<b>Total</b>	<b>28.35</b>	<b>29.42</b>



**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**28 Depreciation and Amortisation expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Note 2)	52.10	49.03
Amortisation of Intangible assets (Note 4)	0.93	0.86
<b>Total</b>	<b>53.03</b>	<b>49.89</b>

**29 Other Expenses**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel*	31.58	29.39
Rent expense	0.94	1.23
Travelling and Conveyance	10.48	9.32
Repairs and Maintenance		
- Buildings	4.33	3.44
- Plant and Machinery	12.32	11.66
- Others	5.42	4.53
Insurance	4.00	3.89
Rates and Taxes, excluding taxes on income	1.30	1.14
Auditors' Remuneration (Refer Note 29.1)	0.47	0.40
Directors' Sitting Fees	0.16	0.21
Professional Charges	9.89	9.81
Provision for Doubtful Debts and Advances	1.29	1.15
Consumption of stores and spares (Refer note 42)	48.69	50.37
Packing materials consumed	33.63	30.92
Royalty and Technical Fees	0.77	0.80
Information Systems	4.46	4.34
Commission to Chairman	1.44	1.24
Freight Outward and Storage charges	22.36	22.47
Advertisement and Sales Promotion	3.37	2.36
Product Warranty	2.23	1.05
Trade Mark fee	6.46	5.84
Printing and Stationery	1.50	1.29
Postage and Telecom expenses	0.97	0.96
Bank Charges	0.61	0.80
Donation (Refer Note 29.2)	0.89	0.87
Leasehold Land Amortisation	0.01	0.09
Net loss/(gain) on foreign currency transactions	1.49	-
Increase / (decrease) of excise duty on inventory	-	(5.54)
Miscellaneous Expenses (Refer Note 29.2)	3.43	4.42
<b>Total</b>	<b>214.49</b>	<b>198.45</b>

\* Includes ₹ 1.12 Crores (for 2017-18, ₹ 1.31 Crores) paid towards certain operating lease arrangement with third party vendors.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Included in other expenses are the below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>29.1. Payment to auditors</b>		
a) For audit	0.28	0.26
b) For taxation matters	0.05	0.05
c) For limited review fee	0.08	0.06
d) For certification fee	0.05	0.03
e) For reimbursement of expenses	0.01	-
<b>Total</b>	<b>0.47</b>	<b>0.40</b>
<b>29.2. Expenditure incurred for Corporate Social Responsibility</b>		
Total expenditure towards corporate social responsibility (Included under Donation and Miscellaneous expenses)	1.08	0.98
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	1.08	0.98
Amount required to be spent u/s 135 of the Companies Act, 2013	0.71	0.45
Excess / (Shortfall)	0.37	0.53

## 30 Tax Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income taxes</b>		
Income tax recognised in profit or loss		
<b>Current tax</b>		
In respect of current year	25.23	18.33
	25.23	18.33
<b>Deferred tax</b>		
In respect of current year	(2.11)	0.04
Deferred tax recognised in profit or loss		
In India	(2.11)	0.04
<b>Total income tax expense recognised in the current year</b>	<b>23.12</b>	<b>18.37</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	<b>70.36</b>	<b>60.18</b>
Income Tax expense calculated at 34.94% (2017-18: 34.608%)	24.58	20.83
Effect of concessions (research and development related to Capital and Revenue)	(2.46)	(2.59)
Interest expense related to MSME enterprises	0.04	0.04
Income on sale of fixed assets	(0.05)	-
Difference between book and tax written down value of Depreciable assets	1.67	-
Deduction u/s 32AD of The Income Tax Act, 1961	(0.04)	-
Deferred Income impact due to Government Grant (EPCG)	(0.65)	-
Impact due to change in effective tax rate	-	0.08
Donation	0.22	0.15
Income exempt under 80JJAA of the Income Tax Act, 1961	(0.06)	(0.14)
Others	(0.13)	-
<b>Income Tax expense recognised in profit or loss</b>	<b>23.12</b>	<b>18.37</b>

The tax rate used for 2018-19 and 2017-18 tax computation above is the corporate tax rate of 34.94% & 34.608% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31 Financial instruments

#### 31.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company.

The Company's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Company, maintain the Company as a going concern and maintain optimal structure.

The Company determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities as and if the need arises.

The Company monitors the capital structure on the basis of debt to equity, debt to capital employed etc. and the maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Debt *	320.09	270.93
Cash and bank balances	(10.72)	(5.76)
Net debt	309.37	265.17
Total Equity**	311.27	266.43
Net debt to equity ratio	0.99	1.00

\* Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

\*\* Equity includes all capital and reserves of the Company that are managed as capital.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31.2 Fair value measurement Financial instrument by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Loans	-	-	44.94	-	-	8.68
Investments	-	-	0.60	-	-	-
Trade Receivables	-	-	218.88	-	-	213.44
Cash and Cash Equivalents	-	-	10.58	-	-	5.60
Bank balances other than above	-	-	0.14	-	-	0.16
Security Deposits	-	-	4.73	-	-	4.58
Insurance Claims	-	-	14.41	-	-	14.42
Claims receivable	-	-	0.42	-	-	0.33
Margin money Deposits	-	-	0.17	-	-	0.15
Interest receivable	-	-	2.63	-	-	1.60
Commission receivable from related parties	1.87	-	-	1.87	-	-
Fair value Derivative Hedging receivable	-	-	-	-	0.79	-
<b>Total Financial Assets</b>	<b>1.87</b>	<b>-</b>	<b>297.50</b>	<b>1.87</b>	<b>0.79</b>	<b>248.96</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	320.09	-	-	270.93
Interest accrued but not due on borrowings	-	-	0.76	-	-	0.25
Trade Payables	-	-	190.84	-	-	233.57
Unclaimed dividends	-	-	0.14	-	-	0.16
Financial guarantee	0.67	-	-	1.09	-	-
Security Deposits - Others	-	-	0.92	-	-	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	-	-	0.01
Employee benefit payable	-	-	6.18	-	-	7.04
Commission payable to Chairman	-	-	1.44	-	-	1.24
Payables on purchase of fixed assets	-	-	0.68	-	-	1.66
Others	-	-	0.11	-	-	0.01
<b>Total Financial Liabilities</b>	<b>0.67</b>	<b>-</b>	<b>521.16</b>	<b>1.09</b>	<b>-</b>	<b>515.23</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**The below tables summarise the fair value hierarchy of the financial assets/liabilities****i. The fair value hierarchy of financial assets and liabilities carried at fair value**

Particulars	As at March 31, 2019	As at March 31, 2018	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
<b>Financial assets</b>				
Commission receivable from related parties	1.87	1.87	2	The fair value of the guarantee (using the principles of Ind AS 113, Fair Value Measurement) is determined based on the fee that it would be required to pay to a market participant (e.g., a bank) to provide a similar guarantee.
Derivative financial instruments: Fair value Derivative Hedging receivable	-	0.79	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	<b>1.87</b>	<b>2.66</b>		
<b>Financial liabilities</b>				
Financial guarantee	0.67	1.09	2	The fair value of the guarantee (using the principles of Ind AS 113, Fair Value Measurement) is determined based on the fee that it would be required to pay to a market participant (e.g., a bank) to provide a similar guarantee.
Derivative financial liabilities: Fair value Derivative Hedging liability	-	-	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	<b>0.67</b>	<b>1.09</b>		

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**ii. Fair value of financial assets/liabilities ( other than investment in subsidiaries) that are not measured at fair value**

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Particulars	As at March 31, 2019		As at March 31, 2018		Fair Value Hierarchy (Level 1,2,3)*
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Financial assets</b>					
<b>Financial assets at amortised cost:</b>					
Loans	44.94	44.94	8.68	8.68	3
Investments	0.60	0.60	-	-	3
Trade Receivables	218.88	218.88	213.44	213.44	3
Cash and Cash Equivalents	10.58	10.58	5.60	5.60	3
Bank balances other than above	0.14	0.14	0.16	0.16	3
Security Deposits	4.73	4.73	4.58	4.58	3
Insurance Claims	14.41	14.41	14.42	14.42	3
Claims receivable	0.42	0.42	0.33	0.33	3
Margin money Deposits	0.17	0.17	0.15	0.15	3
Interest receivable	2.63	2.63	1.60	1.60	3
<b>Total Financial Assets</b>	<b>297.50</b>	<b>297.50</b>	<b>248.96</b>	<b>248.96</b>	
<b>Financial liabilities</b>					
<b>Financial liabilities held at amortised cost:</b>					
Borrowings	320.09	320.09	270.93	270.93	3
Trade Payables	190.84	190.84	233.57	233.57	3
Unclaimed dividends	0.14	0.14	0.16	0.16	3
Interest accrued but not due on borrowings	0.76	0.76	0.25	0.25	3
Security Deposits - Others	0.92	0.92	0.36	0.36	3
Termination benefit under Voluntary Retirement Scheme	-	-	0.01	0.01	3
Employee benefit payable	6.18	6.18	7.04	7.04	3
Commission payable to Chairman	1.44	1.44	1.24	1.24	3
Payables on purchase of fixed assets	0.68	0.68	1.66	1.66	3
Others	0.11	0.11	0.01	0.01	3
<b>Total Financial Liabilities</b>	<b>521.16</b>	<b>521.16</b>	<b>515.23</b>	<b>515.23</b>	

\* Fair Value Hierarchy (Level 1,2,3)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This consists of listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and deposits included in level 3.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31.3 Financial risk management objectives

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the Company is to hedge risk of change in the foreign currency exchange rates associated with its direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

#### (a) Market risk

The Company operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Company is exposed to foreign exchange risk through its sales in the United States, European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Particulars	As at March 31, 2019		As at March 31, 2018	
	In ₹ (Crores)	In Foreign Currency (Crores)	In ₹ (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
<b>Financial Assets</b>				
<b>USD</b>				
Loans	31.05	0.45	8.47	0.13
Trade Receivable	61.48	0.89	60.68	0.93
Advances	1.58	0.02	2.30	0.04
<b>EUR</b>				
Loans	13.68	0.18	5.08	0.06
Trade Receivable	4.39	0.06	-	-
Advances	0.73	0.01	0.52	0.01
Equity Investments	0.15	-	0.15	0.00
<b>JPY</b>				
Advances	-	-	0.05	0.08
<b>GBP</b>				
Advances	0.14	-	0.06	0.00
<b>Sub Total</b>	<b>113.20</b>		<b>77.31</b>	
<b>Financial Liabilities</b>				
<b>USD</b>				
Loans	(27.14)	(0.39)	(39.98)	(0.61)
Trade Payable	(3.72)	(0.05)	(16.58)	(0.25)
<b>EUR</b>				
Loans	-	-	(3.01)	(0.04)
Trade Payable	(0.24)	-	(0.49)	(0.01)
<b>JPY</b>				
Trade Payable	-	-	(0.05)	(0.08)
<b>Sub Total</b>	<b>(31.10)</b>		<b>(60.11)</b>	
<b>Net Balance</b>	<b>82.11</b>		<b>17.20</b>	

**Foreign Currency sensitivity analysis**

The Company is mainly exposed to US Dollar and EURO currencies. The following table details the Company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a comparable impact on the profit or equity.



**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Currency USD impact		Currency EUR impact		Currency GBP impact	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
<b>Impact on profit or loss for the year</b>						
- Increase by 5%	3.16	0.75	0.25	0.11	0.01	-
- Decrease by 5%	(3.16)	(0.75)	(0.25)	(0.11)	(0.01)	-
<b>Impact on other components of equity as at the end of the reporting period</b>						
- Increase by 5%	3.16	0.75	0.25	0.11	0.01	-
- Decrease by 5%	(3.16)	(0.75)	(0.25)	(0.11)	(0.01)	-

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

**Derivative Financial Instruments**

The Company operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Company to enter into forward foreign exchange and option contracts to cover specific foreign currency payments and receipts within a specific range. The Company also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to one year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) and option contracts outstanding at the end of the reporting period:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign currency (In Crores)	In ₹ (In Crores)	Foreign currency In Crores	In ₹ (In Crores)
Derivatives designated as cash flow hedges				
<b>Forward Contracts</b>				
In USD	-	-	0.10	6.48
<b>Option Contracts</b>				
In USD	-	-	0.42	28.86
<b>Total forwards and options</b>	-	-	<b>0.52</b>	<b>35.34</b>

The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 month	-	2.35
Later than 1 month but not later than 3 months	-	8.77
Later than 3 months upto 6 months	-	12.88
Later than 6 months but not later than 1 year	-	11.34
<b>Total</b>	-	<b>35.34</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2019 is as follows :

Particulars	As at March 31, 2019
Balance at the beginning of the year	0.61
Gain/loss recognised in other comprehensive income during the period	(0.79)
Tax impact on above	0.18
<b>Balance at the end of the year</b>	<b>-</b>

### (b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at cost value and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

#### (i) Expected credit loss for investments, loans and security deposits

The estimated gross carrying amount at default is Nil (March 31, 2018: Nil) for Investments, loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

#### (ii) Expected credit loss for trade receivables under simplified approach

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and percentage used in the provision matrix.

### (c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019.**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	207.80	112.29	-	320.09	320.09
Interest accrued but not due on borrowings	0.76	-	-	0.76	0.76
Trade Payables	190.84	-	-	190.84	190.84
Unclaimed dividends	0.14	-	-	0.14	0.14
Financial guarantee	0.37	0.30	-	0.67	0.67
Security Deposits - Others	0.92	-	-	0.92	0.92
Employee benefit payable	6.18	-	-	6.18	6.18
Commission payable to Chairman	1.44	-	-	1.44	1.44
Payables on purchase of fixed assets	0.68	-	-	0.68	0.68
Others	0.11	-	-	0.11	0.11
<b>Total</b>	<b>409.24</b>	<b>112.59</b>	<b>-</b>	<b>521.83</b>	<b>521.83</b>

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	180.82	90.11	-	270.93	270.93
Interest accrued but not due on borrowings	0.25	-	-	0.25	0.25
Trade Payables	233.57	-	-	233.57	233.57
Unclaimed dividends	0.16	-	-	0.16	0.16
Financial guarantee	0.44	0.65	-	1.09	1.09
Security Deposits - Others	0.36	-	-	0.36	0.36
Termination benefit under Voluntary Retirement Scheme	0.01	-	-	0.01	0.01
Employee benefit payable	7.04	-	-	7.04	7.04
Commission payable to Chairman	1.24	-	-	1.24	1.24
Payables on purchase of fixed assets	1.66	-	-	1.66	1.66
Others	0.01	-	-	0.01	0.01
<b>Total</b>	<b>425.56</b>	<b>90.76</b>	<b>-</b>	<b>516.32</b>	<b>516.32</b>

In addition, the Company is exposed to liquidity risk in relation to Corporate guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is invoked. These Corporate guarantees have been issued to banks under the financing facilities agreements entered into its subsidiaries companies. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. (Refer note 37)

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 32 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

#### 32.1 Product wise break up - Please refer note no. 22.1

#### 32.2 Geographical information

The Company's revenue from external customers by location of operations and information about its non current assets\*\* by location of operations are detailed below.

Particulars	Revenue from external customers		Non-Current assets**	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	1,084.66	981.55	376.15	372.46
Rest of the world	285.59	257.82	-	-
<b>Total</b>	<b>1,370.25</b>	<b>1,239.37</b>	<b>376.15</b>	<b>372.46</b>

The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India.

\*\* Non-Current assets are used in the operations of the Company to generate revenues both in India and outside India.

#### 32.3 Information about major customers

The Company is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic Products, Die casting Products and other auto components for transportation industry.

The Company has three major customers (greater than 10% of total sales) and Revenue from sale of auto components to these major customers aggregated to ₹ 481.40 Crores (March 31,2018, ₹ 448.64 Crores).

#### Related party disclosures

	2018-19	2017-18
(a) List of related parties where control exists		
Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
Subsidiary	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc.(RPDC)	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc.(RPDC)
Other related parties where transaction have taken place during the year		
(b) Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman Harish Lakshman, Vice chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c) Relative of KMP	L Lakshman Aditya Ganesh	L Lakshman Aditya Ganesh
(d) Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(e) Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG) Rane t4u Private Limited	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG)
(f) Joint ventures of the Holding Company	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA) (Upto 14th November 2018)	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of related party transactions and balances :**

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transaction has taken place (Fellow Subsidiaries)		Joint ventures of the Holding Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Transaction during the year																
Professional Charges	3.02	2.93	-	-	-	-	-	-	-	-	-	-	-	-	3.02	2.93
Software Expenses	3.79	3.68	-	-	-	-	-	-	-	-	-	-	-	-	3.79	3.68
Training Expenses	0.86	0.75	-	-	-	-	-	-	-	-	-	-	-	-	0.86	0.75
Miscellaneous Expenses	0.69	0.63	-	-	-	-	-	-	-	-	-	-	-	-	0.69	0.63
Trademark Fee	6.45	5.75	-	-	-	-	-	-	-	-	-	-	-	-	6.45	5.75
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	2.15	1.73	-	-	2.15	1.73
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	-	-	0.72	0.31	-	-	0.72	0.31
Purchases RBL and REVL	-	-	-	-	-	-	-	-	-	-	10.26	10.24	-	-	10.26	10.24
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.38	0.10	0.38	0.10
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	16.70	9.12	16.70	9.12
Sales-JMA	-	-	-	-	-	-	-	-	-	-	-	-	4.43	10.31	4.43	10.31
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	23.54	24.51	23.54	24.51
Sales Machinery-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30	-	0.30
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Donation-Rane Foundation	-	-	-	-	-	-	-	-	0.88	0.87	-	-	-	-	0.88	0.87
Repayment of Term Loan -RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.66)	-	(0.66)
Commission to Chairman	-	-	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
Loan/NCRPS to subsidiary-RMIH	-	-	36.49	1.92	-	-	-	-	-	-	-	-	-	-	36.49	1.92
Repayment of Preference Share Capital	-	(8.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.23)
Preference Dividend Paid	-	0.26	-	-	-	-	-	-	-	-	-	-	-	-	-	0.26
Interest on loan - RMIH	-	-	1.05	0.36	-	-	-	-	-	-	-	-	-	-	1.05	0.36
FMV Financial Guarantee-RPDC	-	-	0.13	0.13	-	-	-	-	-	-	-	-	-	-	0.13	0.13
FMV Financial Guarantee-RMIH	-	-	0.31	0.31	-	-	-	-	-	-	-	-	-	-	0.31	0.31
Financial Guarantee-RPDC	-	-	-	(38.46)	-	-	-	-	-	-	-	-	-	-	-	(38.46)
Salaries - Mr. S Parthasarathy	-	-	-	-	1.68	1.49	-	-	-	-	-	-	-	-	1.68	1.49
Salaries - Mr. Aditya Ganesh	-	-	-	-	-	-	0.48	0.20	-	-	-	-	-	-	0.48	0.20
Sitting Fees	-	-	-	-	0.04	0.03	0.08	0.04	-	-	-	-	-	-	0.12	0.07

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transaction has taken place (Fellow Subsidiaries)		Joint ventures of the Holding Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Balance as at year end 31, March																
Payables	1.84	1.58			1.44	1.24					1.22	0.87	1.99	1.49	6.49	5.18
Receivables	-	-	1.87	1.87	-	-	-	-	-	-	0.05	-	4.78	7.80	6.70	9.67
Equity - RMIH	-	-	0.15	0.15	-	-	-	-	-	-	-	-	-	-	0.15	0.15
Loan/NCRPS to subsidiary-RMIH	-	-	44.70	8.47	-	-	-	-	-	-	-	-	-	-	44.70	8.47
Interest on loan - RMIH	-	-	2.37	1.32	-	-	-	-	-	-	-	-	-	-	2.37	1.32
Financial Guarantee - RMIH	-	-	33.21	31.29	-	-	-	-	-	-	-	-	-	-	33.21	31.29
Financial Guarantee - RPDC	-	-	14.53	13.69	-	-	-	-	-	-	-	-	-	-	14.53	13.69

## Details of Related Party transactions :

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transaction has taken place (Fellow Subsidiaries)		Joint ventures of the Holding Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Payables																
RHL	1.84	1.58	-	-	-	-	-	-	-	-	-	-	-	-	1.84	1.58
Mr L Ganesh	-	-	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
REVL	-	-	-	-	-	-	-	-	-	-	0.55	0.35	-	-	0.55	0.35
RBL	-	-	-	-	-	-	-	-	-	-	0.58	0.43	-	-	0.58	0.43
RHAI	-	-	-	-	-	-	-	-	-	-	0.08	0.09	-	-	0.08	0.09
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.10	0.14	0.10
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	1.85	1.40	1.85	1.40
Receivables																
RHEG	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	-
JMA	-	-	-	-	-	-	-	-	-	-	-	-	-	3.72	-	3.72
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	4.78	4.09	4.78	4.09

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Remuneration to Key Management Personnel**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term benefits paid	3.00	2.63
Other Long term benefits paid	0.12	0.10
Termination Benefits	-	-
<b>Total</b>	<b>3.12</b>	<b>2.73</b>

**34 Employee benefit plans****A. Defined contribution plans**

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

**(a) Provident fund**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

**(b) Superannuation fund**

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Company contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹ 7.26 Crores (for the year ended March 31, 2018: ₹ 7.40 Crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at March 31, 2019, contributions of ₹ 1.07 Crores (as at March 31, 2018: ₹ 1.11 Crores) due in respect to 2018-19 (2017-18) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**B. Defined benefit plans**

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of defined benefit obligation and plan assets:****(a) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 1.33 Crores (March 31, 2018 - ₹ 1.11 Crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

Principal Actuarial Assumptions at Balance Sheet date	2018-19	2017-18
Discount rate	7.60%	7.69%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	6.00%	6.00%
Attrition rate		
- Executives and Staff	8.00%	8.00%
- Operators	3.00%	3.00%

**(b) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts; funded to LIC. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

**(i) Movements in the present value of the defined benefit obligation are as follows.**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	16.95	14.92
Current Service Cost	1.33	1.23
Interest cost	1.26	1.07
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.54	0.65
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(1.36)	(0.92)
<b>Closing defined benefit obligation</b>	<b>18.72</b>	<b>16.95</b>



**(ii) Movements in the fair value of the plan assets**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	10.41	9.36
Interest income	0.82	0.71
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.29)	(0.13)
Contributions from the Employer	1.81	1.39
Benefits paid	(1.36)	(0.92)
<b>Closing fair value of plan assets</b>	<b>11.39</b>	<b>10.41</b>

**(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :**

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	18.72	16.95
Fair value of plan assets	11.39	10.41
<b>Funded status</b>	<b>7.33</b>	<b>6.54</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>7.33</b>	<b>6.54</b>

**(iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current Service cost	1.33	1.23
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	0.43	0.36
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.76</b>	<b>1.59</b>
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	0.54	0.65
Actuarial (gains) / losses arising from changes in financial assumptions	0.27	0.13
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.81</b>	<b>0.78</b>
<b>Total</b>	<b>2.57</b>	<b>2.37</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

**(v) Risk Exposure**

The Company has invested the plan assets with the insurer managed funds. The insurance Company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

**(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
Discount Rate(s)	7.60%	7.69%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Expected rate of return on plan assets	7.60%	7.69%
Attrition Rate		
Executives and Staff	8.00%	8.00%
Operators	3.00%	3.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Sensitivity Analysis**

Change in assumption	Valuation as at	
	March 31, 2019	March 31, 2018
A. Discount Rate + 50 BP	8.10%	8.19%
Defined Benefit Obligation [PVO]	18.08	16.38
Current Service Cost	1.43	1.29
B. Discount Rate - 50 BP	7.1%	7.2%
Defined Benefit Obligation [PVO]	19.41	17.57
Current Service Cost	1.56	1.41
C. Salary Escalation Rate +50 BP	8.5% & 6.5%	8.5% & 6.5%
Defined Benefit Obligation [PVO]	19.43	17.59
Current Service Cost	1.56	1.41
D. Salary Escalation Rate -50 BP	7.5% & 5.5%	7.5% & 5.5%
Defined Benefit Obligation [PVO]	18.05	16.35
Current Service Cost	1.42	1.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 7.7 years (2018-7.7 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Year 1	2.84	1.12
Year 2	2.09	4.18
Year 3	1.47	1.06
Year 4	1.85	1.29
Year 5	1.64	1.59
Next 5 Years	9.15	8.29

**35 Earnings per share**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic Earnings per share		
From continuing operations (in ₹)	40.38	37.61
Diluted Earnings per share		
From continuing operations (in ₹)	40.38	36.94

**Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	47.24	41.81
<b>Earnings used in the calculation of basic earnings per share</b>	<b>47.24</b>	<b>41.81</b>

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Number of equity Shares of ₹ 10 each outstanding at the end of the year	1,19,73,171	1,16,07,541
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,16,98,949	1,11,17,696

**Diluted Earnings per share**

The earnings used in the calculation of diluted earnings per share is as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Earnings used in the calculation of basic earnings per share</b>	<b>47.24</b>	<b>41.81</b>
Interest on convertible notes (after tax at 30%)	-	-
<b>Earnings used in the calculation of diluted earnings per share</b>	<b>47.24</b>	<b>41.81</b>

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	1,16,98,949	1,11,17,696
Convertible warrants	-	2,02,349
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,16,98,949	1,13,20,045

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**36 Operating lease arrangements****The Company as lessee****Land**

The Company has taken land on lease for a periods of ranging from 35 to 90 years (Pantnagar and Singur-90 years, Sanand- 35 years) and the same has been classified as prepayments under other non-current assets. The lease has been considered as operating lease due to indefinite useful life of land.

**Vehicles**

The Company has taken vehicles under operating lease for a period ranging upto 5 years. The details of the maturity profile of future operating lease payments are furnished below:

**Payments recognised as an expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	0.44	0.50
<b>Total</b>	<b>0.44</b>	<b>0.50</b>

**Non-cancellable operating lease commitments**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	0.37	0.35
Later than 1 year and not later than 5 years	0.86	0.30
Later than 5 years	-	-
<b>Total</b>	<b>1.23</b>	<b>0.65</b>

**Cancellable operating Leases**

The Company has cancellable operating leases for business purpose which are renewable on a periodic basis.

The lease payments under cancellable operating lease for the year ended March 31, 2019 amounts to ₹ 0.50 Crores (For the year ended March 31, 2018 ₹ 0.73 Crores).

**37 Contingent Liabilities, Guarantees and Commitment**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debt		
- Income Tax matters under appeal by the Company	18.34	15.20
- Central Excise, Service Tax and Sales tax matters under appeal by the Company	10.34	5.34
- Labour related matters under appeal by the Company	2.36	2.32
- Others- Customer claim disputed by the Company	110.69	104.29
<b>Others</b>		
- Income Tax matters under appeal by the Department	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various authorities		
<b>Guarantees and Letter of credit</b>		
- Outstanding bank guarantees	2.38	1.18
- Financial Guarantee (Refer note 6.1)	47.73	44.97
- Letter of credit	4.59	13.27
<b>Commitments</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	15.18	7.05
<b>Total</b>	<b>211.92</b>	<b>193.93</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**38 Events after the reporting date**

The final dividend amount of ₹ 4.50 per share recommended by the Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

**39 Exceptional item**

During the quarter ended September 30, 2017, the Company had recorded an aggregate claim of ₹ 10.08 Crores from a customer towards certain product quality issues. The Company has an insurance policy to cover product recall/ guarantee claims/ costs. The claim has been intimated to the insurer and the survey is in progress. This has been considered as insurance claim receivable as the Company is confident of recovering this sum under the insurance policy.

**40 Particulars of closing inventories of raw materials, work-in-progress and finished Goods**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw Materials and components</b>		
Steel Forgings	6.49	5.06
Castings	2.48	1.67
Steel Tubes	11.31	0.17
Aluminium	1.08	1.04
Aluminium Pumps & Tubes	0.32	0.97
Others (individually less than 10% of the total raw materials and components inventory)	20.79	19.30
<b>Total</b>	<b>42.47</b>	<b>28.21</b>
<b>Work-in-progress</b>		
Steering and Suspension Linkage Products	4.72	8.16
Steering Gear Products	4.10	4.39
Hydraulic Products	0.79	1.01
Diecasting products	2.71	1.65
<b>Total</b>	<b>12.32</b>	<b>15.21</b>
<b>Finished goods (including Goods in Transit)</b>		
Steering and Suspension Linkage Products	29.30	28.25
Steering Gear Products	25.55	18.72
Hydraulic Products	5.67	2.80
Diecasting products	15.58	26.35
Other Auto components	5.24	3.44
<b>Total</b>	<b>81.34</b>	<b>79.56</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 41 Details of Raw Materials and Components consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Steel Forgings		191.28		194.80
Castings		75.29		62.13
Steel Tubes		136.23		115.91
Aluminium		64.58		52.36
Aluminium pumps and tubes		2.55		7.34
Other Auto parts		42.94		32.28
Others (individually less than 10% of the total consumption)		284.32		230.58
<b>Total</b>		<b>797.19</b>		<b>695.40</b>
Imported	6.26%	49.93	11.09%	77.15
Indigenous	93.74%	747.26	88.91%	618.25
<b>Total</b>	<b>100.00%</b>	<b>797.19</b>	<b>100.00%</b>	<b>695.40</b>

### 42 Stores, Spares and Tools consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Imported	4.93%	2.40	2.17%	1.09
Indigenous	95.07%	46.29	97.83%	49.28
<b>Total</b>	<b>100.00%</b>	<b>48.69</b>	<b>100.00%</b>	<b>50.37</b>

### 43 Value of Imports calculated on CIF basis

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials	30.91	5.47
Components	22.79	27.54
Stores, Spares & Tools	3.41	2.09
Capital goods	7.90	5.15
<b>Total</b>	<b>65.01</b>	<b>40.25</b>

### 44 Research and Development cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	2.91	2.60
Revenue expenditure:		
(i) Materials	0.35	0.36
(ii) Employee benefits	4.03	5.24
(iii) Professional fees	0.16	0.31
(iv) Consumables	0.64	0.72
(v) Travel expenses	0.57	0.54
(vi) Others	1.24	0.89
<b>Total</b>	<b>9.90</b>	<b>10.66</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**45 Expenditure in foreign currency**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling expenses	1.12	0.88
Freight outward, storage charges	2.74	1.59
Sales promotion expenses	2.91	2.11
Interest	0.14	0.35
Royalty, Professional and Technical Fees and others	1.99	2.14
<b>Total</b>	<b>8.90</b>	<b>7.07</b>

**46 Earnings in Foreign exchange**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
FOB Value of Exports	250.18	232.50

**47 Disclosure as per Regulation 34(3) read with Schedule V of SEBI (Listing obligations and disclosure requirements) Regulation, 2015****Loans and advances in the nature of loan**

Name of the Party	Amount outstanding as at 31 March 2019	Maximum balance outstanding during the year
Subsidiaries		
<b>Rane (Madras) International Holdings B.V (RMIH)</b>		
Loan	44.70	44.70
	(8.47)	(8.47)
Interest	2.37	2.37
	(1.32)	(1.32)
Note: Figures in bracket relate to the previous year.		

**48 Details on Derivative Instruments**

I. The following derivative positions are open as at March 31, 2019

- (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.

Outstanding forward exchange contracts and option contracts entered into by the Company as on March 31, 2019

Currency	Buy/Sell	Amount ₹ in Crores	Cross Currency
USD	Sell	-	Rupees
		(35.34)	Rupees

Note: Figures in brackets relate to the previous year

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**49 Particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013**

Name of entity	Amount	Particulars	Purpose
<b>Loans/ NCRPS Given</b>			
Rane (Madras) International Holdings B.V. (Wholly Owned Subsidiary-WOS)	47.07	Loan/NCRPS to WOS (Including Interest accrued on Loan)	For Equity investment of RMIH to RPDC, Payment of EXIM Bank loan interest, meeting local establishment expenses
<b>Investment Made</b>			
Rane (Madras) International Holdings B.V. (WOS)	0.15	Investment in WOS	Equity Investment
<b>Guarantees Given</b>			
Rane (Madras) International Holdings B.V. (WOS)	33.21	Corporate Guarantee on behalf of WOS	Given to EXIM Bank towards the banks Financing arrangement to WOS
Rane Precision Die Casting Inc., (Step Down subsidiary-SDS)	14.53	Corporate Guarantee on behalf of SDS	Given to EXIM Bank towards the banks Financing arrangement to SDS

**50** The figures for the previous year have been regrouped wherever necessary to conform to current year's classification. Figures have also been rounded off to Crores of rupees.

**51 Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on May 23, 2019.



# Independent Auditor's Report

## To The Members of Rane (Madras) Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Rane (Madras) Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter

We draw attention to Note 6 to the consolidated financial statements regarding insurance claim receivable of ₹ 10.08 Crores, recognized during the previous year ended March 31, 2018, based on management's assessment of the certainty of recoverability of insurance claim, the settlement of which is subject to survey and admission by the Insurance Company.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Recoverability of insurance claim:</b> The Company lodged a product liability insurance claim in September 2017 and recognized insurance claim receivable for ₹ 10.08 Crores based on management's assessment of the certainty of recoverability of insurance claim.</p> <p>Management's assessment of certainty of recoverability involved judgments based on merits of the case and past trend, supported by independent evaluation by an insurance consultant and a legal opinion.</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures included testing the company's controls relating to assessment of certainty of insurance claim recoverable.</p> <p>We examined the terms and conditions of the insurance policy coverage as well as the nature and measurability of the claim amount.</p> <p>We evaluated the past trend of management's estimates and the assessment of admissibility of the claim by the insurance consultant appointed by the management and a legal opinion received from external legal consultant on the tenability of the claim.</p> <p>We reviewed the progress of the survey and noted that the queries raised by the surveyor have been satisfactorily responded and the surveyor is in the final stages of submission of his report.</p> <p>Also refer Emphasis of Matter Paragraph above.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's Report and its Annexures, but does not include the consolidated financial statements, standalone financial statements and our Auditor's Report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the

consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. For the entity included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

- (a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 100.69 Crores as at March 31, 2019, total revenues of ₹ 185.30 Crores and net cash inflows amounting to ₹ 2.04 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of

subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary based solely on the reports of the other auditors.

- (b) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 75.48 Crores as at March 31, 2019, total revenues of ₹ Nil and net cash inflows amounting to ₹ 4.19 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company, none of the Directors of the Parent is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the Parent incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent only, since the subsidiaries are incorporated outside India.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 37 to the consolidated financial statements.)
- (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No.008072S)

**Ananthi Amarnath**

Partner  
(Membership No. 209252)

Chennai  
May 23, 2019

## Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Rane (Madras) Limited (hereinafter referred to as “Parent”), as of that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Parent’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

# Consolidated Balance Sheet

as at March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. Assets</b>				
<b>Non-Current Assets</b>				
(a)	Property, Plant and Equipment	2	378.59	378.87
(b)	Capital Work in Progress	2	15.62	16.23
(c)	Goodwill	3	6.03	6.03
(d)	Other Intangible Assets	4	1.39	1.60
(e)	Financial Assets			
(i)	Investments	5	0.60	-
(ii)	Other financial assets	6	16.68	16.64
(f)	Income Tax assets (Net)	7	9.95	7.33
(g)	Other Non Current Assets	8	29.16	19.04
<b>Total Non-Current Assets</b>			<b>458.02</b>	<b>445.74</b>
<b>Current Assets</b>				
(a)	Inventories	9	171.79	152.54
(b)	Financial assets			
(i)	Trade Receivables	10	243.71	245.53
(ii)	Cash and Cash Equivalents	11	17.86	6.88
(iii)	Bank balances other than (ii) above	12	0.14	0.16
(iv)	Loans receivable	13	0.25	0.21
(v)	Other Financial assets	6	5.10	5.88
(c)	Other Current Assets	8	32.34	44.60
<b>Total Current Assets</b>			<b>471.19</b>	<b>455.80</b>
<b>Total Assets</b>			<b>929.21</b>	<b>901.54</b>
<b>B. Equity and Liabilities</b>				
<b>Equity</b>				
(a)	Equity share capital	14	11.97	11.61
(b)	Other Equity	15	218.24	218.13
<b>Total Equity</b>			<b>230.21</b>	<b>229.74</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	16	141.32	149.31
(b)	Provisions	18	6.21	5.46
(c)	Deferred tax liability	21	6.76	2.16
(d)	Other non-current liabilities	19	4.05	4.71
<b>Total Non-Current Liabilities</b>			<b>158.34</b>	<b>161.64</b>
<b>Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	16	223.03	186.95
(ii)	Trade Payables	20		
(a)	Total outstanding dues of Micro enterprises and Small enterprises		11.54	16.35
(b)	Total outstanding dues of creditors other than Micro enterprises and Small enterprises		204.43	239.74
(iii)	Other financial Liabilities	17	64.19	34.59
(b)	Provisions	18	8.31	5.92
(c)	Other Current Liabilities	19	29.16	26.61
<b>Total current liabilities</b>			<b>540.66</b>	<b>510.16</b>
<b>Total Liabilities</b>			<b>699.00</b>	<b>671.80</b>
<b>Total Equity and Liabilities</b>			<b>929.21</b>	<b>901.54</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
Partner**L Ganesh**  
Chairman  
DIN : 00012583Chennai,  
May 23, 2019**J Radha**  
Chief Financial Officer

For and on behalf of the Board

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Parthasarathy**  
Chief Executive Officer**S Subha Shree**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S.No.	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from Operations	22	1,554.62	1,425.25
II	Other Income	23	9.94	8.87
III	<b>Total Income (I+II)</b>		<b>1,564.56</b>	<b>1,434.12</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	24	930.50	819.86
	Changes in Inventories of finished goods, work-in-progress and stock in trade	25	0.44	(15.88)
	Excise duty on sale of goods		-	25.42
	Employee benefits expense	26	230.23	219.39
	Finance costs	27	34.28	33.35
	Depreciation and amortisation expense	28	65.95	61.43
	Other expenses	29	277.53	250.45
	<b>Total Expenses (IV)</b>		<b>1,538.93</b>	<b>1,394.02</b>
V	<b>Profit before tax (before exceptional Items) (III-IV)</b>		<b>25.63</b>	<b>40.10</b>
VI	<b>Exceptional items (Refer Note 39)</b>		-	-
VII	<b>Profit before tax (after Exceptional items) (V-VI)</b>		<b>25.63</b>	<b>40.10</b>
VIII	<b>Tax Expense:</b>			
	(1) Current Tax	30	25.32	18.15
	(2) Deferred Tax	30	(2.11)	(2.27)
			<b>23.21</b>	<b>15.88</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>2.42</b>	<b>24.22</b>
	<b>Other Comprehensive Income</b>			
A.	(i) Items that will not be reclassified to statement of profit and loss			
	(a) Remeasurements of the defined benefit plans		(2.93)	(1.82)
			<b>(2.93)</b>	<b>(1.82)</b>
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		0.29	0.27
B.	(i) Items that may be reclassified to statement of profit and loss			
	(a) Exchange Differences on translation of foreign operations		2.56	(4.30)
	(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(0.79)	0.79
			<b>1.77</b>	<b>(3.51)</b>
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		<b>0.18</b>	<b>(0.27)</b>
X	<b>Total Other Comprehensive Income (A(i-ii)+B(i-ii))</b>		<b>(0.69)</b>	<b>(5.33)</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>1.73</b>	<b>18.89</b>
XII	<b>Earnings per equity share (Nominal value per share ₹ 10)</b>			
	(a) Basic (In ₹)	35	2.07	21.78
	(b) Diluted (In ₹)	35	2.07	21.40

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
Partner**L Ganesh**  
Chairman  
DIN : 00012583**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Parthasarathy**  
Chief Executive OfficerChennai,  
May 23, 2019**J Radha**  
Chief Financial Officer**S Subha Shree**  
Company Secretary

For and on behalf of the Board



# Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

## A. Equity Share Capital

Description	Amount
As at April 1, 2017	10.51
Changes in Equity Share Capital	1.10
As at March 31, 2018	11.61
Changes in Equity Share Capital	0.36
<b>As at March 31, 2019</b>	<b>11.97</b>

## B. Other Equity

Description	Reserves and Surplus						Other Reserves				
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Foreign Currency Translation Reserve	Hedge Reserve	Total	Total Equity
<b>Balance as at April 1, 2017</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>9.34</b>	<b>-</b>	<b>144.91</b>	<b>1.69</b>	<b>0.09</b>	<b>1.78</b>	<b>146.69</b>
Profit for the year	-	-	-	-	24.22	-	24.22	-	-	-	24.22
Other comprehensive income for the year	-	-	-	-	(1.82)	-	(1.82)	(4.30)	0.79	(3.51)	(5.33)
Income tax on OCI Items	-	-	-	-	0.27	-	0.27	-	(0.27)	(0.27)	(0.00)
<b>Total Comprehensive income for the year</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>32.01</b>	<b>-</b>	<b>167.58</b>	<b>(2.61)</b>	<b>0.61</b>	<b>(2.00)</b>	<b>165.58</b>
Money received against share warrants	-	-	-	-	-	5.00	5.00	-	-	-	5.00
Premium on preferential issue of equity shares	-	58.90	-	-	-	-	58.90	-	-	-	58.90
Payment of Dividend	-	-	-	-	(9.43)	-	(9.43)	-	-	-	(9.43)
Tax on Dividend	-	-	-	-	(1.92)	-	(1.92)	-	-	-	(1.92)
Transfer from retained earnings	-	-	8.23	-	(8.23)	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>12.43</b>	<b>5.00</b>	<b>220.13</b>	<b>(2.61)</b>	<b>0.61</b>	<b>(2.00)</b>	<b>218.13</b>
Profit for the year	-	-	-	-	2.42	-	2.42	-	-	-	2.42
Other comprehensive income for the year	-	-	-	-	(2.93)	-	(2.93)	2.56	(0.79)	1.77	(1.16)
Income tax on OCI Items	-	-	-	-	0.29	-	0.29	-	0.18	0.18	0.47
<b>Total Comprehensive income for the year</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>12.21</b>	<b>5.00</b>	<b>219.91</b>	<b>(0.05)</b>	<b>0.00</b>	<b>(0.05)</b>	<b>219.86</b>

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Description	Reserves and Surplus						Other Reserves				Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Foreign Currency Translation Reserve	Hedge Reserve	Total	
Money Received on Share Warrants	-	-	-	-	-	(5.00)	(5.00)	-	-	-	(5.00)
Premium on preferential issue of equity shares	-	19.64	-	-	-	-	19.64	-	-	-	19.64
Payment of Dividend	-	-	-	-	(13.49)	-	(13.49)	-	-	-	(13.49)
Tax on Dividend	-	-	-	-	(2.77)	-	(2.77)	-	-	-	(2.77)
Transfer from retained earnings	32.36	-	-	-	(32.36)	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>160.06</b>	<b>82.11</b>	<b>12.73</b>	<b>(0.20)</b>	<b>(36.41)</b>	<b>-</b>	<b>218.29</b>	<b>(0.05)</b>	<b>0.00</b>	<b>(0.05)</b>	<b>218.24</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

Chennai,  
May 23, 2019

**L Ganesh**  
Chairman  
DIN : 00012583

**J Radha**  
Chief Financial Officer

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Subha Shree**  
Company Secretary

**For and on behalf of the Board**

**S Parthasarathy**  
Chief Executive Officer

# Consolidated Cash Flow Statement

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	<b>2.42</b>	<b>24.22</b>
<b>Adjustments for :</b>		
Income Tax expense recognised in profit and loss	23.21	15.88
Finance costs recognised in profit and loss	34.28	33.35
Interest Income recognised in profit and loss	(0.44)	(0.29)
Net Loss/(Gain) on disposal of Property, Plant and Equipment	(0.06)	(0.28)
Provision for Doubtful Trade receivables and advances (Net of Write back)	1.29	1.15
Government Grant income	(1.91)	(1.70)
Depreciation and Amortisation of non-current assets	65.95	61.43
Unrealised Exchange (Gain)/Loss	0.09	(0.34)
Foreign Currency translation (Gain) / Loss	2.56	(4.30)
Translation (Gain) / Loss on Property, Plant and Equipment	(4.67)	(0.20)
	<b>122.72</b>	<b>128.92</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in Trade and other receivables	(0.23)	(58.10)
(Increase) / decrease in Inventories	(19.25)	(26.17)
(Increase) / decrease in other Non Current assets	(10.06)	2.43
(Increase) / decrease in other Non Current Financial assets	(0.04)	(8.96)
(Increase) / decrease in other Current Financial assets	(0.03)	(1.88)
(Increase) / decrease in other Current assets	12.26	(4.35)
(Increase) / decrease in Loans Receivable	(0.04)	0.08
Increase / (decrease) in Trade payables	(39.92)	59.00
Increase / (decrease) in Long term provisions	0.75	0.68
Increase / (decrease) in Short term provisions	2.39	(0.82)
Increase / (decrease) in other Non Current Financial liabilities	-	(0.14)
Increase / (decrease) in other Current Financial liabilities	(2.12)	1.12
Increase / (decrease) in other Non Current liabilities	(0.66)	(1.43)
Increase / (decrease) in other Current liabilities	(0.33)	(12.08)
<b>Cash generated from operations</b>	<b>65.44</b>	<b>78.30</b>
Income Tax paid	(20.76)	(13.11)
<b>Net cash (used in) / generated by operating activities</b>	<b>44.68</b>	<b>65.19</b>
<b>B. Cash flow from investing activities</b>		
Interest received	0.46	0.40
Non current Investments	(0.60)	-
Payments for Property, Plant and Equipment	(61.33)	(78.88)
Proceeds from disposal of Property, Plant and Equipment	1.63	0.40
Bank Balances not considered as cash and cash equivalents	0.02	0.20
<b>Net cash (used in) / generated by investing activities</b>	<b>(59.82)</b>	<b>(77.88)</b>

# Consolidated Cash Flow Statement

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. Cash flow from Financing activities</b>		
Proceeds from issue of equity shares	0.36	1.10
Proceeds from Share premium on equity shares	19.64	58.90
Money Received against Share warrant	(5.00)	5.00
Proceeds from long term borrowings	38.58	60.54
Repayment of long term borrowings	(14.75)	(72.58)
Proceeds from short term borrowings	36.81	6.69
Dividend paid	(13.49)	(9.43)
Tax on dividend	(2.77)	(1.92)
Interest paid	(33.40)	(34.13)
<b>Net cash (used in)/ generated by financing activities</b>	<b>25.98</b>	<b>14.17</b>
<b>Net increase in cash and cash equivalents</b>	<b>10.84</b>	<b>1.48</b>
Cash and cash equivalents at the beginning of the year (Refer Note 11)	7.10	5.62
<b>Cash and Cash equivalents at the end of the year (Refer Note 11)</b>	<b>17.94</b>	<b>7.10</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

Chennai,  
May 23, 2019

**L Ganesh**  
Chairman  
DIN : 00012583

**J Radha**  
Chief Financial Officer

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Subha Shree**  
Company Secretary

**For and on behalf of the Board**

**S Parthasarathy**  
Chief Executive Officer

# Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

## 1. Summary of significant accounting policies, critical judgements and Key estimates

### General Information

Rane (Madras) Limited (The "Company") is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The Company is engaged in the manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and Farm tractors across the Globe and as such operates in a single reportable business segment of 'components for transportation industry'. The Company including its subsidiaries is having seven manufacturing facilities, six in India at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana and one in USA at Kentucky.

The Company acquired Precision Die Casting Inc.(PDC) in USA in February 2016 and renamed it as Rane Precision Die Casting Inc. which is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. This investment is held by Rane (Madras) International Holdings, B.V, Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS') formed to hold strategic overseas investments of the Company.

### Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the Group consisting of Rane (Madras) Limited and its subsidiaries ("the Group").

### 1.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

Except for the changes below, the Group has

consistently applied accounting policies to all periods.

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Group has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

### 1.11 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention (except for certain financial instruments that are measured at fair value at the end of each reporting period), as explained below.

### Basis of consolidation

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### The principal accounting policies are set out below :

#### 1.12 Property, Plant and Equipment

Property, Plant and Equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method except in respect of the following categories of assets, in which case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the

operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Machinery and Equipment	3-10 Years
Equipment under lease	5-6 Years
Moulds	3-4 Years
Vehicles	4-5 Years
Furniture & Fixtures	5 Years
Office Equipments (other than computers)	3 Years
Computers, Server and networks	3-5 Years
Capital Tooling	3-5 Years
Maintenance Tools	1 Year
Cost of Dies	Per production units method

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

#### 1.13 Intangible assets Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities taken over at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or Groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

### Other Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The amortisation period is reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
License Fees	Over the period of License

### 1.14 Impairment of tangible and intangible assets including goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

### 1.15 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Discount on Commercial Paper (the difference between the issue price and the redemption value) is amortised over the period of borrowings and recognised as discounting expense.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

### 1.16 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### As a Lessee

##### Finance Lease :

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

##### Operating Lease :

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 1.17 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 1.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.19 Foreign currency transactions and translations

#### (i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are



## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit and loss on realisations/repayment of the monetary items.

### (iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :

- assets and liabilities are translated at the closing rate at the date of that Balance Sheet,
- income and expenses are translated at average exchange Rates (unless this is not a reasonable approximation of the cumulative effect of the Rates prevailing on the transaction dates, in which case incomes and expenses are translated at the dates of the transactions), and
- all resulting foreign exchange differences are recognised in other comprehensive income.

The results and financial position of foreign operation which have a functional currency similar to the Group are translated using the same principle enumerated in Note (1.19)(ii) above.

### 1.20 Revenue Recognition

The Group derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering

Gear Products, Hydraulic products, Die casting products & other auto components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

### 1.21 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### 1.22 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Such grants are valued at fair value at the initial recognition.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Government grants are recognised in profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit and loss in the period in which they become receivable.

### 1.23 Employee benefits

#### (i) Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

#### (ii) Defined Contribution Plans

##### Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

##### Superannuation Fund

This is a defined contribution Plan. The Group contributes sum equivalent to certain specified percentages of the eligible annual salaries based on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC). The Group has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

#### In respect of Rane Precision Die Casting Inc. (RPDC) 401k plan

RPDC has a 401k plan set up for its employees. The contributions payable to these plans are at rates specified in the rules of the schemes.

#### (iii) Defined Benefit Plan

##### Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss.

#### In respect of RPDC

##### Pension plan

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:

- \$23:00 multiplied by years of benefit service from December 2003 to October 10, 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to October 9, 2006; plus
- \$25:00 multiplied by years of benefit service from October 9, 2006, to October 8, 2007; plus
- \$26:00 multiplied by years of benefit service from October 5, 2007 to December 16, 2010; plus
- \$16:00 multiplied by benefit service after December 16, 2010.

The liability with regard to the Plan are Determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit credit method. RPDC contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor. RPDC recognizes the net obligation of the Plan in the balance sheet as an asset or liability, respectively, in accordance with Ind AS 19, "Employee benefits". RPDC's overall long term rate of return on assets has been determined based on the available market information and the historical and expected future investment trends of present

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

and expected assets in the Plan. The discount rate is based on the Government securities yield or equivalent corporate bond. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the statement of other comprehensive income in the period in which they arise.

### **(iv) Other Long Term employee benefits Compensated Absence**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

### **1.24 Research and Development expenses**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of Property, Plant and Equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and intangible assets.

### **1.25 Provisions and Contingent Liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying

economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **Provisions for Warranty**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Group provides post-contract services / warranty support to some of its customers. The Group accounts for the post contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

### **1.26 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit under the Income Tax Act for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

“Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.”

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the

effect that the Group will pay normal income tax during the specified period. As per transition provisions MAT shall be treated as part of deferred tax assets.

### 1.27 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

#### Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

#### Subsequent Measurement

##### 1.27.1 Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### (i) Classification of Financial assets

The Group classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- b) those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### (a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**(b) Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other income/ (expense).

**(c) Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

**(ii) Impairment of Financial assets**

All financial assets classified as at amortised cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iii) Derecognition of Financial assets**

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

### 1.27.2 Financial liabilities and Equity Instruments

**(i) Classification as equity or financial liability**

Equity and Debt instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**(a) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

**(b) Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

**(c) Financial liabilities at FVTPL**

Liabilities that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

**(ii) Derecognition of Financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

### 1.27.3 Financial and Corporate Guarantee contracts

A Financial and Corporate guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial and Corporate guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

income recognised in accordance with the principles of Ind AS 18.

### 1.28 Derivative Financial Instruments

The Group is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Group has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 1.29 Hedge Accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss, and is included in the 'Other income'. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the periods when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the

hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

### 1.30 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2-Inventories or value in use in Ind AS 36-Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 1.31 Earnings Per Share

**Basic earnings per share** is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders 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 exceptional items, if any) for the period attributable to equity shareholders 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.

### 1.32 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors.

### 1.33 Segment reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) reviews the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance and the entire operations are classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

### 1.34 Use of estimates and critical accounting judgements

The preparation of financial statements in conformity with Ind AS requires the management to make certain judgements, estimates and assumptions that may affect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately an outlook as possible for the Group. These judgements and estimates only represent management's interpretation as of the dates on which they were prepared.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Actual results may differ from these judgments and estimates.

Important judgements and estimates relate largely to provisions, employee benefit plans, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

### 1.35 Standards issued but not yet effective

#### Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

### **Amendment to Ind AS 19 - Employee Benefits**

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

### **New Accounting Standard : Ind AS 116 - Leases**

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Group is currently evaluating the effect of the above on its consolidated financial statements.



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**2. Property, Plant and Equipment and Capital Work-in-progress**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Freehold land	26.07	26.07
Buildings	79.00	73.88
Plant and equipment	267.41	271.53
Furniture and Fixtures	1.31	1.62
Office Equipments	4.53	5.42
Vehicles	0.27	0.35
<b>Sub Total</b>	<b>378.59</b>	<b>378.87</b>
Capital Work-in-progress	15.62	16.23
<b>Total</b>	<b>394.21</b>	<b>395.10</b>

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>26.00</b>	<b>72.14</b>	<b>306.04</b>	<b>2.70</b>	<b>6.30</b>	<b>0.35</b>	<b>413.53</b>
Additions	0.07	7.78	70.20	0.24	3.47	0.27	82.03
Disposals	-	-	(0.09)	(0.01)	-	(0.02)	(0.12)
Effect of foreign currency exchange differences	-	-	0.43	-	0.02	-	0.45
<b>Balance as at March 31, 2018</b>	<b>26.07</b>	<b>79.92</b>	<b>376.58</b>	<b>2.93</b>	<b>9.79</b>	<b>0.60</b>	<b>495.89</b>
Additions	-	8.51	51.29	0.35	1.42	0.06	61.63
Disposals	-	(0.01)	(1.56)	-	-	-	(1.57)
Effect of foreign currency exchange differences	-	-	6.15	-	0.12	(0.01)	6.26
<b>Balance as at March 31, 2019</b>	<b>26.07</b>	<b>88.42</b>	<b>432.46</b>	<b>3.28</b>	<b>11.33</b>	<b>0.65</b>	<b>562.21</b>

**Accumulated depreciation**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>-</b>	<b>3.03</b>	<b>50.27</b>	<b>0.65</b>	<b>2.12</b>	<b>0.13</b>	<b>56.20</b>
Depreciation expense	-	3.01	54.54	0.66	2.25	0.11	60.57
Effect of foreign currency exchange differences	-	-	0.24	-	-	0.01	0.25
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>6.04</b>	<b>105.05</b>	<b>1.31</b>	<b>4.37</b>	<b>0.25</b>	<b>117.02</b>
Depreciation expense	-	3.38	58.44	0.66	2.42	0.12	65.02
Effect of foreign currency exchange differences	-	-	1.57	-	-	0.01	1.58
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>9.42</b>	<b>165.06</b>	<b>1.97</b>	<b>6.79</b>	<b>0.38</b>	<b>183.62</b>
<b>Carrying amount as at March 31, 2018</b>	<b>26.07</b>	<b>73.88</b>	<b>271.53</b>	<b>1.62</b>	<b>5.42</b>	<b>0.35</b>	<b>378.87</b>
<b>Carrying amount as at March 31, 2019</b>	<b>26.07</b>	<b>79.00</b>	<b>267.41</b>	<b>1.31</b>	<b>4.53</b>	<b>0.27</b>	<b>378.59</b>

**3. Goodwill**

Particulars	As at March 31, 2019	As at March 31, 2018
Cost/deemed cost	6.03	6.03
Accumulated impairment losses	-	-
<b>Total</b>	<b>6.03</b>	<b>6.03</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Based on the assessment, management has concluded that there is no indicator of impairment for Goodwill.

## 4. Other Intangible Assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Software Licence	1.39	1.60
<b>Total</b>	<b>1.39</b>	<b>1.60</b>

### Software Licence

Particulars	As at
<b>Cost or Deemed Cost</b>	
<b>Balance at beginning of the year 2017</b>	<b>2.05</b>
Additions	0.82
Disposals	-
<b>Balance at end of the year 2018</b>	<b>2.87</b>
Additions	0.72
Disposals	-
<b>Balance at end of the year 2019</b>	<b>3.59</b>

### Accumulated amortisation

Particulars	As at
<b>Balance at beginning of the year 2017</b>	<b>0.41</b>
Amortisation expense	0.86
<b>Balance at end of the year 2018</b>	<b>1.27</b>
Amortisation expense	0.93
<b>Balance at end of the year 2019</b>	<b>2.20</b>
<b>Carrying amount as at March 31, 2018</b>	<b>1.60</b>
<b>Carrying amount as at March 31, 2019</b>	<b>1.39</b>

## 5. Investments

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investments in equity instruments (fully paid-up) (Unquoted) At cost</b>		
Capsol Energy Private Limited		
(6,00,000 number of equity shares @ ₹ 10 each)	0.60	-
<b>Total Non-Current Investments</b>	<b>0.60</b>	<b>-</b>
Aggregate carrying value of unquoted investments	0.60	-
Aggregate amount of impairment in value of investments	-	-

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**6. Other Financial Assets**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits	5.87	4.58	-	-
Claims receivable	0.08	-	0.34	0.32
Margin money Deposits	0.65	1.98	0.17	0.15
Interest receivable	-	-	0.26	0.28
Insurance claims	10.08	10.08	4.33	4.34
Fair value Derivative Hedging receivable	-	-	-	0.79
<b>Total</b>	<b>16.68</b>	<b>16.64</b>	<b>5.10</b>	<b>5.88</b>

**Note:** Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees and DSRA account earmarked for EXIM Loan provided to Step Down Subsidiary ( Rane Precision Die Casting Inc.).

**7. Income Tax Assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	7.33	6.97
Less: Current tax payable for the year	(25.32)	(18.15)
Add: Taxes paid	27.94	18.51
<b>Closing Balance</b>	<b>9.95</b>	<b>7.33</b>

**8. Other Assets**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Other Non Financial Assets</b>				
<b>Unsecured and considered good unless otherwise stated :</b>				
Capital Advances	7.60	7.54	-	-
Advances paid to suppliers	-	-	5.68	11.19
Advances to employees	-	-	0.20	0.42
Balance with Statutory Authorities	-	-	8.63	18.85
Deposit with Government Authorities	8.49	7.32	-	-
Advance Fringe benefits tax	-	-	0.03	0.03
Prepayment against leasehold land	1.80	1.95	-	-
Tooling advance	11.27	2.23	-	-
Prepaid Expenses	-	-	3.73	3.26
Export Entitlements	-	-	13.34	10.85
Others	-	-	0.73	-
<b>Total</b>	<b>29.16</b>	<b>19.04</b>	<b>32.34</b>	<b>44.60</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 9. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
Raw materials*	44.15	30.20
Work-in-progress*	18.92	21.31
Finished goods*	75.41	73.40
Stores and spares	27.02	21.28
Goods in transit (Finished Goods)*	6.29	6.35
<b>Total</b>	<b>171.79</b>	<b>152.54</b>

\* Refer Note 40 for details of closing inventories of raw materials, work-in-progress and finished goods

The cost of inventories recognised as an expense during the year is as per Note No. 24

The cost of inventories recognised as an expense includes ₹ 0.10 (during 2017-18: ₹ Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2017-18: ₹ 0.31) in respect of the reversal of such write-downs.

The mode of valuation of inventories has been stated in note 1.17

### 10. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables Considered good - Unsecured	243.71	245.53
Trade Receivable - Credit impaired	4.92	3.63
<b>Sub Total</b>	<b>248.63</b>	<b>249.16</b>
Less: Allowance for credit impaired (expected credit loss allowance)	(4.92)	(3.63)
<b>Total</b>	<b>243.71</b>	<b>245.53</b>

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due comes to 0% - 10%. The Group as a policy provides for 100% for outstanding above 120 days past due.

#### (i) Movements in allowance for credit losses of receivables as per ECL is as below

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>	<b>3.63</b>	<b>3.74</b>
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.29	(0.11)
<b>Balance at the end of the year</b>	<b>4.92</b>	<b>3.63</b>

### 11. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks (including deposits with original maturity up to 3 months)		
(i) In Current account	10.81	4.17
(ii) In EEFC account	6.46	2.52
(iii) In Deposit account	0.39	-
Cash on hand	0.20	0.19
<b>Total</b>	<b>17.86</b>	<b>6.88</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**(i) Reconciliation of cash and cash equivalents to cash flow statement**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as above	17.86	6.88
Exchange (Gain)/Loss on EEFC account	0.08	0.22
<b>Total</b>	<b>17.94</b>	<b>7.10</b>

**12. Other bank balances**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in earmarked accounts		
(i) In Unclaimed Dividend account	0.14	0.16
<b>Total</b>	<b>0.14</b>	<b>0.16</b>

**13. Loans receivable**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Loans receivable considered good - Unsecured		
(i) Loans to employees	0.25	0.21
<b>Total</b>	<b>0.25</b>	<b>0.21</b>

**14. Equity share capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>AUTHORISED :</b>		
Equity Shares:		
2,50,00,000 Equity Shares of ₹ 10 each	25.00	25.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
1,19,73,171 Equity Shares of ₹ 10 each fully paid-up	11.97	11.61
1,19,73,171 fully paid Equity shares of ₹ 10 each (as at March 31, 2018 :	<b>11.97</b>	<b>11.61</b>
1,16,07,541 fully paid Equity shares of ₹ 10 each)		

**14.1 Movement in Equity Share Capital**

Particulars	2018-19		2017-18	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
<b>Equity Shares of ₹ 10 each fully paid up</b>				
At the beginning of the year	1,16,07,541	11,60,75,410	1,05,10,649	10,51,06,490
Allotment of shares under preferential issue	3,65,630	36,56,300	10,96,892	1,09,68,920
<b>At the end of the year</b>	<b>1,19,73,171</b>	<b>11,97,31,710</b>	<b>1,16,07,541</b>	<b>11,60,75,410</b>

**Rights, Preferences and restrictions attached to Shares mentioned above :**

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

Additions during the year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**14.2 Shares of the Company held by holding company**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

**14.3 Details of Shares held by each shareholder holding more than 5 percent of equity shares in the Company:**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

**14.4 Details of Shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date**

During the year ended March 31, 2014, 3,46,504 equity shares of ₹ 10 each fully paid up were allotted to shareholders of Rane Holdings Limited (Holding Company) in the proportion of one equity share of ₹ 10 each in the Company for every 30 equity shares of ₹ 10 each held in the transferor company (Rane Diecast Limited) pursuant to the Scheme of Arrangement between Rane Diecast Limited and the Company.

**15. Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve	160.06	127.70
Securities Premium	82.11	62.47
Amalgamation adjustment account	(0.20)	(0.20)
Capital Redemption reserve	12.73	12.73
Money Received against Share warrant	-	5.00
Retained Earnings	(36.41)	12.43
Foreign Currency translation reserve	(0.05)	(2.61)
Cash flow hedging reserve	-	0.61
<b>Total</b>	<b>218.24</b>	<b>218.13</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>General Reserve</b>		
Opening balance	127.70	127.70
Add : Addition during the year	32.36	-
<b>Closing balance</b>	<b>160.06</b>	<b>127.70</b>
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.		
<b>Securities Premium</b>		
Opening balance	62.47	3.57
Add : Addition during the year	19.64	58.90
<b>Closing balance</b>	<b>82.11</b>	<b>62.47</b>
Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of The Companies Act, 2013 (the "Companies Act").		
Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment		
<b>Amalgamation Adjustment account</b>		
Opening balance	(0.20)	(0.20)
Add : Addition during the year	-	-
<b>Closing balance</b>	<b>(0.20)</b>	<b>(0.20)</b>
At the time of business combination under common control, amalgamation adjustment reserve of transferor Company becomes the amalgamation adjustment reserve of transferee Company.		
<b>Capital Redemption Reserve</b>		
Opening balance	12.73	4.50
Add : Addition during the year	-	8.23
<b>Closing balance</b>	<b>12.73</b>	<b>12.73</b>
Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares to Rane Holdings Limited		
The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in current and earlier years.		
<b>Money Received against Share warrant</b>		
Opening balance	5.00	-
Add :Additions/(Deletions) during the year	(5.00)	5.00
<b>Closing balance</b>	<b>-</b>	<b>5.00</b>
Ind AS 33 Earnings per Share defines 'warrants' as "financial instruments which give the holder the right to acquire equity shares". Thus, effectively, warrants are the amount which would ultimately form part of the Shareholders' funds. Since shares were yet to be allotted against the same as at March 31, 2018, these were not reflected as part of Share Capital but as a separate line item – 'Money received against share warrants.'		

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Retained Earnings</b>		
Balance at the beginning of the year	12.43	9.34
Profit attributable to equity shareholders of the company	2.42	24.22
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(2.64)	(1.55)
Transfer to Capital Redemption reserve	-	(8.23)
Transfer to General Reserve	(32.36)	-
Payment of dividend on equity shares	(16.26)	(11.35)
<b>Balance at the end of the year</b>	<b>(36.41)</b>	<b>12.43</b>

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

In respect of the year ended March 31, 2019, the Board had declared and paid an interim dividend on equity shares at ₹ 4.00 per equity share amounting to ₹ 5.76 Crores inclusive of Dividend Distribution Tax of ₹ 0.98 Crores (For year ended March 31, 2018 ₹ 4.50 per equity share amounting to ₹ 6.29 Crores inclusive of Dividend Distribution Tax of ₹ 1.06 Crores). The Directors propose that a final dividend of ₹ 4.50 per share (For year ended March 31, 2018 ₹ 7.50 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 5.39 Crores along with Dividend Distribution tax of ₹ 1.11 Crores (For the year ended March 31, 2018 ₹ 8.71 Crores along with Dividend Distribution tax of ₹ 1.79 Crores).

<b>Foreign Currency Translation reserve</b>		
Balance at the beginning of the year	(2.61)	1.69
Add :Addition during the year	2.56	(4.30)
<b>Balance at the end of the year</b>	<b>(0.05)</b>	<b>(2.61)</b>

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

<b>Hedging Reserve</b>		
Balance at the beginning of the year	0.79	-
Gain / (loss) recognised on cash flow hedges	(0.79)	0.79
<b>Total</b>	<b>-</b>	<b>0.79</b>
Balance at the beginning of the year	(0.18)	0.09
Income tax relating to gain/loss recognised on cash flow hedges	0.18	(0.27)
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.61</b>

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss are included as an adjustment to the cost of the related non-financial hedged item.

The Company has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**16. A. Non-Current borrowings**

Particulars	Non-Current		Current Maturities (Refer Note 17)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>				
Term Loans				
- from banks	15.00	-	-	-
<b>Sub Total</b>	<b>15.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Secured - at amortised cost</b>				
Term Loans				
- from banks	126.39	149.44	52.34	20.52
<b>Sub Total</b>	<b>126.39</b>	<b>149.44</b>	<b>52.34</b>	<b>20.52</b>
Less: Unamortised Borrowing Costs	0.07	0.13	-	-
<b>Total</b>	<b>141.32</b>	<b>149.31</b>	<b>52.34</b>	<b>20.52</b>

**Summary of borrowing arrangements**

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured by a charge created on the Company's Fixed Assets both present and future (excluding Velachery and Mysuru properties).

EXIM Bank Loan is secured against all movable Property, Plant and Equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

**The terms of repayment of term loans are given below  
As at March 31, 2019****Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from June 2020 with 1 Year of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from February 2019 with 2 Years of Moratorium period

**Unsecured**

Particulars	Terms of repayment
Axis Bank - INR Long Term Loan	Repayable in single Instalment in May 2020

The interest rate for INR loans range from 8.75% p.a to 9.40% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**As at March 31, 2018****Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from February 2019 with 2 Years of Moratorium period

The interest rate for INR loans range from 8.50% p.a to 9.00% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a

**Breach of Loan agreement**

There is no breach of loan agreements with banks.

**16. B. Current borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>		
Commercial paper	-	40.00
Other loans from banks (Short term Loan)	40.00	2.00
Bill Discounting*	4.50	6.53
Sales tax deferral	-	0.08
<b>Secured - at amortised cost**</b>		
Loan repayable on demand		
- from banks	0.01	0.02
Other loans from banks	178.52	139.00
	223.03	187.63
Less: Unamortised Borrowing Costs	-	0.68
<b>Total</b>	<b>223.03</b>	<b>186.95</b>

\* Bill Discounting represent amount received against finance receivables securitized / assigned, which does not qualify for derecognition.

\*\* Secured loans include cash credit, packing credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

\*\* EXIM Bank loan is secured against all movable Property, Plant and Equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**17. Other Financial liabilities**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on borrowings	-	-	1.80	0.92
Unclaimed dividends	-	-	0.14	0.16
Current maturities of long-term debt	-	-	52.34	20.52
Security Deposits - Others	-	-	0.92	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	0.01
Employee benefit payable	-	-	6.75	9.71
Commission payable to Chairman	-	-	1.44	1.24
Payables on purchase of fixed assets	-	-	0.68	1.66
Others	-	-	0.12	0.01
<b>Total</b>	<b>-</b>	<b>-</b>	<b>64.19</b>	<b>34.59</b>

**18. Provisions**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment (Refer Note 34)	6.21	5.46	1.33	1.11
Provision for Warranty	-	-	6.98	4.81
<b>Total</b>	<b>6.21</b>	<b>5.46</b>	<b>8.31</b>	<b>5.92</b>

**(i) Information about individual provisions and significant estimates****Provision for leave encashment**

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued.

**Provision for Warranty**

Refer Note 1.25

**(ii) Movements in provisions**

Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for leave encashment	Provision for Warranty
<b>As at April 1, 2018</b>	<b>6.57</b>	<b>4.81</b>
Charged/(credited) to profit or loss	3.39	2.23
Amounts utilised during the year	(2.42)	(0.06)
<b>As at March 31, 2019</b>	<b>7.54</b>	<b>6.98</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 19. Other Liabilities

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue received in advance				
- Deferred revenue arising from government grant (note (i) below)	3.98	3.44	1.89	1.94
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes etc.)	-	-	2.63	2.39
Advances and Deposits from Customers/Others	-	-	0.62	0.84
Long Term Capital lease obligation	0.07	1.27	1.29	1.44
Accrued Gratuity (Refer Note 34)	-	-	7.33	6.54
Provision for Pension plan (Refer Note 34)	-	-	15.40	13.46
<b>Total</b>	<b>4.05</b>	<b>4.71</b>	<b>29.16</b>	<b>26.61</b>

#### Note :

- (i) The deferred revenue comprise of the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in Property, Plant and Equipment.

### 20. Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables-Micro and Small enterprises	11.54	16.35
Trade payables-Other than Micro enterprises and Small enterprises	169.78	194.18
Trade payables-Acceptances	34.65	45.56
<b>Total</b>	<b>215.97</b>	<b>256.09</b>

The dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the management based on the declaration given by such parties and relied upon by the auditors.

#### 20.1 Micro and Small enterprises

Particulars	As at March 31, 2019	As at March 31, 2018
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	11.54	16.35
- Interest	-	-
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
- Principal	66.36	17.66
- Interest	0.09	0.22
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:		
- Principal	-	0.14
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of the year ( (Previous year ₹ Nil Crores) being interest outstanding as at the beginning of the accounting year)	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**21 Deferred Tax balances****The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities (net)	(6.76)	(9.34)
MAT Credit	-	7.18
<b>Total</b>	<b>(6.76)</b>	<b>(2.16)</b>

**Movements in deferred tax liabilities**

Particulars	Depreciation	Provision for expense	Termination benefits under VRS	Cash flow hedge reserve	Others	Total
<b>As at April 1, 2017</b>	<b>(30.82)</b>	<b>5.91</b>	<b>1.88</b>	<b>0.09</b>	<b>11.33</b>	<b>(11.61)</b>
Charged/(Credited)						
- to profit & loss	9.60	0.37	(1.10)	-	(6.60)	2.27
- to other comprehensive income	-	-	-	(0.27)	0.27	-
<b>As at March 31, 2018</b>	<b>(21.22)</b>	<b>6.28</b>	<b>0.78</b>	<b>(0.18)</b>	<b>5.00</b>	<b>(9.34)</b>
Charged/(Credited)						
- to profit & loss	0.20	1.57	(0.44)	-	0.78	2.11
- to other comprehensive income	-	-	-	0.18	0.29	0.47
<b>As at March 31, 2019</b>	<b>(21.02)</b>	<b>7.85</b>	<b>0.34</b>	<b>-</b>	<b>6.07</b>	<b>(6.76)</b>

**22 Revenue from operations**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sales of Products (including excise duty of ₹ Nil for the year ended March 31, 2019; for the year ended March 31, 2018: ₹ 24.57 Crores)*	1,506.16	1,373.98
Other operating revenues		
- Scrap sales	19.18	17.99
- Sale of raw materials	2.89	6.39
- Sale of Tools	14.23	14.18
- Job charges	0.72	2.07
- Export Entitlements	11.44	10.64
<b>Total</b>	<b>1,554.62</b>	<b>1,425.25</b>

**\*Note :-**

- (i) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended March 31, 2019 and March 31, 2018 are presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - "Revenue". The revenue from operations for the year ended March 31, 2018 are inclusive of excise duty till June 2017, and hence are not comparable with the revenue from operations for the year ended March 31, 2019 to that extent.
- (ii) The company has applied Ind AS 115 'Revenue from contracts with customers' with effect from 1 April 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 22.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Group.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue by Geography</b>		
India	1,041.73	939.35
Outside India	464.43	434.63
<b>Total revenue from contracts with customers</b>	<b>1,506.16</b>	<b>1,373.98</b>
<b>Revenue by offerings</b>		
Manufactured goods		
Steering and Suspension Linkage Products	450.99	418.33
Steering Gear Products	644.03	568.91
Hydraulic Products	59.91	40.42
Diecasting products	298.93	304.39
Other Auto components	52.30	41.93
<b>Total revenue from contracts with customers</b>	<b>1,506.16</b>	<b>1,373.98</b>

### 22.2 Trade Receivables

The Group classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

### 23 Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.28	0.17
-- On Supplier payments	0.16	0.12
Net gain on foreign currency transactions	-	5.69
Net gain on disposal of Property, Plant and Equipment	0.06	0.28
Other non-operating income		
Government Grant Income	1.91	1.70
Other non-operating Income	7.53	0.91
<b>Total</b>	<b>9.94</b>	<b>8.87</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**24 Cost of Materials consumed**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock	30.20	19.46
Add: Purchases	877.54	770.64
Less: Closing stock	(44.15)	(30.20)
Raw materials and Components consumed *@	863.59	759.90
Freight inward	17.53	15.77
Job work expenses	49.38	44.19
<b>Total</b>	<b>930.50</b>	<b>819.86</b>
* includes cost of raw materials and components sold	2.62	6.53
@ Refer Note 41 for details of raw materials and components consumed		

**25 Changes in Inventories of finished goods and work-in-progress**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock:</b>		
Work-in-progress	21.31	15.64
Finished goods	79.75	69.54
<b>Closing Stock:</b>		
Work-in-progress	18.92	21.31
Finished goods	81.70	79.75
<b>(Increase)/Decrease in Stocks</b>	<b>0.44</b>	<b>(15.88)</b>

**26 Employee Benefit Expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Salaries, Wages and Bonus</b>	<b>197.12</b>	<b>178.72</b>
Contribution to Provident and Other Funds	21.56	27.01
Staff Welfare Expenses	11.55	13.66
<b>Total</b>	<b>230.23</b>	<b>219.39</b>

**27 Finance Cost**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest costs:</b>		
Interest on bank overdrafts and loans (other than those from related parties)	30.77	27.63
Interest on loans from related parties	-	0.01
Discount on Commercial paper	2.25	2.83
Other Borrowing costs	1.25	2.57
Other interest expense	0.01	-
Total interest expense for financial liabilities not classified as at FVTPL	34.28	33.04
<b>Dividend on redeemable preference shares</b>	<b>-</b>	<b>0.31</b>
<b>Total</b>	<b>34.28</b>	<b>33.35</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 28 Depreciation and Amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Note 2)	65.02	60.57
Amortisation of Intangible assets (Note 4)	0.93	0.86
<b>Total</b>	<b>65.95</b>	<b>61.43</b>

### 29 Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel*	45.61	40.32
Rent expense	2.46	2.78
Travelling and Conveyance	11.10	9.63
Repairs and Maintenance		
- Buildings	4.33	3.44
- Plant and Machinery	24.52	19.44
- Others	7.73	6.62
Insurance	6.39	5.47
Rates and Taxes, excluding taxes on income	2.72	2.68
Auditors' Remuneration (Refer Note 29.1)	0.64	0.55
Directors' Sitting Fees	0.16	0.21
Professional Charges	12.25	12.15
Provision for Doubtful Debts and Advances	1.29	1.15
Printing and Stationery	1.57	1.29
Consumption of stores and spares (Refer Note 42)	61.03	63.52
Packing materials consumed	36.45	35.08
Royalty and Technical Fees	0.77	0.80
Information Systems	5.00	5.15
Commission to Chairman	1.44	1.24
Freight Outward and Storage charges	26.73	26.68
Advertisement and Sales Promotion	3.37	2.36
Sales Commission	0.45	0.33
Product Warranty	2.23	1.05
Trade Mark fee	6.46	5.84
Postage and Telecom expenses	1.30	1.22
Bank Charges	0.72	1.06
Donation (Refer Note 29.2)	0.90	0.87
Leasehold Land Amortisation	0.23	0.29
Net loss/(gain) on foreign currency transactions	5.76	-
Increase / (decrease) of excise duty on inventory	-	(5.54)
Miscellaneous Expenses (Refer Note 29.2)	3.92	4.77
<b>Total</b>	<b>277.53</b>	<b>250.45</b>

\* Includes ₹ 1.12 Crores (for 2017-18, ₹ 1.31 Crores) paid towards certain operating lease arrangement with third party vendors.



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Included in other expenses are the below:**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>29.1. Payment to Auditors</b>		
a) For audit	0.45	0.41
b) For taxation matters	0.05	0.05
c) For limited review fee	0.08	0.06
d) For certification fee	0.05	0.03
e) For reimbursement of expenses	0.01	-
<b>Total</b>	<b>0.64</b>	<b>0.55</b>
<b>29.2. Expenditure incurred for Corporate Social Responsibility</b>		
Total expenditure towards corporate social responsibility (Included under Donation and Miscellaneous expenses)	1.08	0.98
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	1.08	0.98
Amount required to be spent u/s 135 of the Companies Act, 2013	0.71	0.45
<b>Excess / (Shortfall)</b>	<b>0.37</b>	<b>0.53</b>

**30 Tax Expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income taxes</b>		
Income tax recognised in profit or loss		
<b>Current tax</b>		
In respect of current year	25.32	18.15
	25.32	18.15
<b>Deferred tax</b>		
In respect of current year	(2.11)	(2.27)
Deferred tax recognised in profit or loss		
In India	(2.11)	(2.27)
<b>Total income tax expense recognised in the current year</b>	<b>23.21</b>	<b>15.88</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	<b>25.63</b>	<b>40.10</b>
Income Tax expense calculated at 34.94% (2017-18: 34.608%)	8.96	13.88
Effect of concessions (research and development related to Capital and Revenue)	(2.46)	(2.59)
Interest expense related to MSME enterprises	0.04	0.04
Income on sale of fixed assets	(0.05)	-
Difference between book and tax written down value of Depreciable assets	1.67	-
Impact due to change in effective tax rate	-	0.09
Donation	0.22	0.15
Loss of foreign subsidiary	15.56	4.45
Deduction u/s 32AD of The Income Tax Act, 1961	(0.04)	-
Deferred Income impact due to Government Grant (EPCG)	(0.65)	-
Income exempt under 80JJAA of the Income Tax Act, 1961	(0.06)	(0.14)
Others	0.02	-
<b>Income Tax expense recognised in profit or loss</b>	<b>23.21</b>	<b>15.88</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**31 Financial Instruments****31.1 Capital management**

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group.

The Group's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Group, maintain the Group as a going concern and maintain optimal structure.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities as and if the need arises.

The Group monitors the capital structure on the basis of debt to equity, debt to capital employed etc. and the maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Group.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt *	416.69	356.78
Cash and bank balances	18.00	7.04
Net debt	398.69	349.74
Total Equity**	230.21	229.74
<b>Net debt to equity ratio</b>	<b>1.73</b>	<b>1.52</b>

\* Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

\*\* Equity includes all capital and reserves of the Company that are managed as capital.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**31.2 Fair Value Measurement****Financial instrument by category**

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Loans	-	-	0.25	-	-	0.21
Investments	-	-	0.60	-	-	-
Trade Receivables	-	-	243.71	-	-	245.53
Cash and Cash Equivalents	-	-	17.86	-	-	6.88
Bank balances other than above	-	-	0.14	-	-	0.16
Security Deposits	-	-	5.87	-	-	4.58
Claims receivable	-	-	0.42	-	-	0.32
Margin money Deposits	-	-	0.82	-	-	2.13
Interest receivable	-	-	0.26	-	-	0.28
Insurance claims	-	-	14.41	-	-	14.42
Fair value Derivative Hedging receivable	-	-	-	-	0.79	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>284.34</b>	<b>-</b>	<b>0.79</b>	<b>274.51</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	416.69	-	-	356.78
Trade Payables	-	-	215.97	-	-	256.09
Interest accrued but not due on borrowings	-	-	1.80	-	-	0.92
Unclaimed dividends	-	-	0.14	-	-	0.16
Security Deposits - Others	-	-	0.92	-	-	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	-	-	0.01
Employee benefit payable	-	-	6.75	-	-	9.71
Commission payable to Chairman	-	-	1.44	-	-	1.24
Payables on purchase of fixed assets	-	-	0.68	-	-	1.66
Others	-	-	0.12	-	-	0.01
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>644.51</b>	<b>-</b>	<b>-</b>	<b>626.94</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**The below tables summarise the fair value hierarchy of the financial assets/liabilities****i. The fair value hierarchy of financial assets and liabilities measured at fair value**

Particulars	As at March 31, 2019	As at March 31, 2018	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Derivative financial assets (a) Fair value Derivative Hedging receivable	-	0.79	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	-	<b>0.79</b>		
Derivative financial liabilities (b) Fair value Derivative Hedging liability	-	-	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	-	-		
<b>Net Derivative financial assets / (liabilities) (a - b)</b>	-	0.79		

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**ii. Fair value of financial assets/liabilities ( other than investment in subsidiaries) that are not measured at fair value**

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Particulars	As at March 31, 2019		As at March 31, 2018		Fair Value Hierarchy (Level 1,2,3)*
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Financial Assets</b>					
<b>Financial Assets at amortised cost:</b>					
Loans	0.25	0.25	0.21	0.21	3
Investments	0.60	0.60	-	-	3
Trade Receivables	243.71	243.71	245.53	245.53	3
Cash and Cash Equivalents	17.86	17.86	6.88	6.88	3
Bank balances other than above	0.14	0.14	0.16	0.16	3
Security Deposits	5.87	5.87	4.58	4.58	3
Claims receivable	0.42	0.42	0.32	0.32	3
Margin money Deposits	0.82	0.82	2.13	2.13	3
Interest receivable	0.26	0.26	0.28	0.28	3
Insurance claims	14.41	14.41	14.42	14.42	3
<b>Total Financial Assets</b>	<b>284.34</b>	<b>284.34</b>	<b>274.51</b>	<b>274.51</b>	
<b>Financial Liabilities</b>					
<b>Financial Liabilities held at amortised cost:</b>					
Borrowings	416.69	416.69	356.78	356.78	3
Trade Payables	215.97	215.97	256.09	256.09	3
Interest accrued but not due on borrowings	1.80	1.80	0.92	0.92	3
Unclaimed dividends	0.14	0.14	0.16	0.16	3
Security Deposits - Others	0.92	0.92	0.36	0.36	3
Termination benefit under Voluntary Retirement Scheme	-	-	0.01	0.01	3
Employee benefit payable	6.75	6.75	9.71	9.71	3
Commission payable to Chairman	1.44	1.44	1.24	1.24	3
Payables on purchase of fixed assets	0.68	0.68	1.66	1.66	3
Others	0.12	0.12	0.01	0.01	3
<b>Total Financial Liabilities</b>	<b>644.51</b>	<b>644.51</b>	<b>626.94</b>	<b>626.94</b>	

\* Fair Value Hierarchy (Level 1,2,3)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This consists of listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and deposits included in level 3.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31.3 Financial risk management objectives

The Group's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the Group is to hedge risk of change in the foreign currency exchange rates associated with it's direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Group are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Group and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

#### (a) Market risk

The Group operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Group is exposed to foreign exchange risk through its sales in the United States, European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### (b) Foreign Currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The carrying amounts of the Groups's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Currency	As at March 31, 2019		As at March 31, 2018	
	In ₹ (Crores)	In Foreign Currency (Crores)	In ₹ (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
<b>Financial Assets</b>				
<b>USD</b>				
Trade Receivable	61.48	0.89	60.68	0.93
Advances	1.58	0.02	2.30	0.04
<b>EUR</b>				
Trade Receivable	4.39	0.06	5.08	0.06
Advances	0.73	0.01	0.52	0.01
<b>JPY</b>				
Advances	-	-	0.05	0.08
<b>GBP</b>				
Advances	0.14	-	0.06	-
<b>Sub Total</b>	<b>68.32</b>		<b>68.69</b>	
<b>Financial Liabilities</b>				
<b>USD</b>				
Loans	(27.14)	(0.39)	(39.98)	(0.61)
Trade Payable	(3.72)	(0.05)	(16.58)	(0.25)
<b>EUR</b>				
Loans	-	-	(3.01)	(0.04)
Trade Payable	(0.24)	(0.00)	(0.49)	(0.01)
<b>JPY</b>				
Trade Payable	-	-	(0.05)	(0.08)
<b>Sub Total</b>	<b>(31.10)</b>		<b>(60.11)</b>	
<b>Net Balance</b>	<b>37.22</b>		<b>8.58</b>	

**Foreign Currency sensitivity analysis**

The Group is mainly exposed to US Dollar and EURO currencies. The following table details the Group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a comparable impact on the profit or equity.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Currency USD impact		Currency EUR impact		Currency GBP impact	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
<b>Impact on profit or loss for the year</b>						
- Increase by 5%	1.61	0.32	0.24	0.10	0.01	0.00
- Decrease by 5%	(1.61)	(0.32)	(0.24)	(0.10)	(0.01)	(0.00)
<b>Impact on other components of equity as at the end of the reporting period</b>						
- Increase by 5%	1.61	0.32	0.24	0.10	0.01	0.00
- Decrease by 5%	(1.61)	(0.32)	(0.24)	(0.10)	(0.01)	(0.00)

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

### Derivative Financial Instruments

The Group operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Group to enter into forward foreign exchange and option contracts to cover specific foreign currency payments and receipts within a specific range. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to One year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) and option contracts outstanding at the end of the reporting period:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign currency (In Crores)	In ₹ (In Crores)	Foreign currency In Crores	In ₹ (In Crores)
Derivatives designated as cash flow hedges				
<b>Forward Contracts</b>				
In USD	-	-	0.10	6.48
<b>Option Contracts</b>				
In USD	-	-	0.42	28.86
<b>Total</b>	-	-	<b>0.52</b>	<b>35.34</b>

The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 month	-	2.35
Later than 1 month but not later than 3 months	-	8.77
Later than 3 months up to 6 months	-	12.88
Later than 6 months but not later than 1 year	-	11.34
<b>Total</b>	-	<b>35.34</b>



## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2019 is as follows :

Particulars	As at March 31, 2019
<b>Balance at the beginning of the year</b>	<b>0.61</b>
Gain/loss recognised in other comprehensive income during the period	(0.79)
Tax impact on above	0.18
<b>Balance at the end of the year</b>	<b>-</b>

### (b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, investments carried at cost value and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

#### (i) Expected credit loss for investments, loans and security deposits

The estimated gross carrying amount at default is Nil (March 31, 2018: Nil) for investments, loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

#### (ii) Expected credit loss for trade receivables under simplified approach

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and percentage used in the provision matrix.

### (c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

#### Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019.**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	275.37	141.32	-	416.69	416.69
Trade Payables	215.97	-	-	215.97	215.97
Interest accrued but not due on borrowings	1.80	-	-	1.80	1.80
Unclaimed dividends	0.14	-	-	0.14	0.14
Security Deposits - Others	0.92	-	-	0.92	0.92
Employee Benefit payable	6.75	-	-	6.75	6.75
Commission payable to Chairman	1.44	-	-	1.44	1.44
Payables on purchase of fixed assets	0.68	-	-	0.68	0.68
Others	0.12	-	-	0.12	0.12
<b>Total</b>	<b>503.19</b>	<b>141.32</b>	<b>-</b>	<b>644.51</b>	<b>644.51</b>

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	207.47	149.31	-	356.78	356.78
Trade Payables	256.09	-	-	256.09	256.09
Interest accrued but not due on borrowings	0.92	-	-	0.92	0.92
Unclaimed dividends	0.16	-	-	0.16	0.16
Security Deposits - Others	0.36	-	-	0.36	0.36
Termination benefit under Voluntary Retirement Scheme	0.01	-	-	0.01	0.01
Employee benefit payable	9.71	-	-	9.71	9.71
Commission payable to Chairman	1.24	-	-	1.24	1.24
Payables on purchase of fixed assets	1.66	-	-	1.66	1.66
Others	0.01	-	-	0.01	0.01
<b>Total</b>	<b>477.63</b>	<b>149.31</b>	<b>-</b>	<b>626.94</b>	<b>626.94</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 32 Segment Reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

#### 32.1 Product Wise break up - Please Refer Note no. 22.1

#### 32.2 Geographical Information

The Group's revenue from external customers by location of operations and information about its non current assets\*\* by location of operations are detailed below.

Particulars	Revenue from external customers		Non - Current assets**	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	1,084.66	981.55	376.15	372.46
Rest of the world	469.96	443.70	54.64	49.31
<b>Total</b>	<b>1,554.62</b>	<b>1,425.25</b>	<b>430.79</b>	<b>421.77</b>

The geographical segments considered for disclosure are – India and Rest of the World. The manufacturing facilities are located in India and USA

\*\* Non-Current assets are used in the operations of the Group to generate revenues both in India and outside India.

#### 32.3 Information about major customers

The company is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic Products, Die casting products and other auto components for transportation industry.

The Company has three major customers (greater than 10% of total sales) and Revenue from sale of auto components to these major customers aggregated to ₹ 481.40 Crores (March 31,2018, ₹ 448.64 Crores)

### 33 Related Party Disclosures

	2018-19	2017-18
(a) List of related parties where control exists		
Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
Other related parties where transactions has taken place		
(b) Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman Harish Lakshman, Vice Chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c) Relative of KMP	L Lakshman Aditya Ganesh	L Lakshman Aditya Ganesh
(d) Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(e) Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHA) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG) Rane t4u Private Limited	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHA) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG)
(f) Joint ventures of the Holding company	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA) (Up to 14th November 2018)	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)

**Notes Forming Part of the Consolidated Financial Statements**  
as at and for the year ended March 31, 2019  
(All amounts are in Crores in INR unless otherwise stated)

**Details of related party transactions and balances :**

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Transaction during the year</b>														
Professional Charges-RHL/RHAI	3.28	2.93	-	-	-	-	-	-	-	0.36	-	-	3.28	3.29
Software Expenses-RHL/RHAI	3.79	4.65	-	-	-	-	-	-	-	-	-	-	3.79	4.65
Training Expenses	0.86	0.75	-	-	-	-	-	-	-	-	-	-	0.86	0.75
Miscellaneous Expenses	0.69	0.63	-	-	-	-	-	-	-	-	-	-	0.69	0.63
Trademark Fee	6.45	5.75	-	-	-	-	-	-	-	-	-	-	6.45	5.75
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	2.53	1.73	-	-	2.53	1.73
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	0.72	0.31	-	-	0.72	0.31
Purchases RBL and REV1	-	-	-	-	-	-	-	-	10.26	10.24	-	-	10.26	10.24
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	0.38	0.10	0.38	0.10
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	16.70	9.12	16.70	9.12
Sales-JMA	-	-	-	-	-	-	-	-	-	-	4.43	10.31	4.43	10.31
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	23.54	24.51	23.54	24.51
Sales Machinery-RTSS	-	-	-	-	-	-	-	-	-	-	-	0.30	-	0.30
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Donation-Rane Foundation	-	-	-	-	-	-	0.88	0.87	-	-	-	-	0.88	0.87
Repayment of Term Loan -RTSS	-	-	-	-	-	-	-	-	-	-	-	(0.66)	-	(0.66)
Repayment of Preference Share Capital	-	(8.23)	-	-	-	-	-	-	-	-	-	-	-	(8.23)
Preference Dividend Paid	-	0.26	-	-	-	-	-	-	-	-	-	-	-	0.26
Commission to Chairman	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
Salaries - Mr. S Parthasarathy	-	-	1.68	1.49	-	-	-	-	-	-	-	-	1.68	1.49
Salaries - Mr. Aditya Ganesh	-	-	-	-	0.48	0.20	-	-	-	-	-	-	0.48	0.20
Sitting Fees	-	-	0.04	0.03	0.08	0.04	-	-	-	-	-	-	0.12	0.07
<b>Balance as at year end 31, March</b>														
Receivables	-	-	-	-	-	-	-	-	0.05	-	4.78	7.79	4.83	7.79
Payables	1.95	1.83	1.44	1.24	-	-	-	-	1.59	1.19	1.99	1.49	6.97	5.75

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of Related Party transactions :**

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions have taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Payables</b>														
RHL	1.95	1.83	-	-	-	-	-	-	-	-	-	-	1.95	1.83
Mr L Ganesh	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
REVL	-	-	-	-	-	-	-	-	0.55	0.35	-	-	0.55	0.35
RBL	-	-	-	-	-	-	-	-	0.58	0.43	-	-	0.58	0.43
RHAI	-	-	-	-	-	-	-	-	0.46	0.41	-	-	0.46	0.41
RTSS	-	-	-	-	-	-	-	-	-	-	0.14	0.10	0.14	0.10
RNSS	-	-	-	-	-	-	-	-	-	-	1.85	1.40	1.85	1.40
<b>Receivables</b>														
RHEG	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	-
JMA	-	-	-	-	-	-	-	-	-	-	-	3.70	-	3.70
RTSS	-	-	-	-	-	-	-	-	-	-	4.78	4.09	4.78	4.09

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Remuneration to Key Management Personnel**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term benefits paid	3.00	2.63
Other Long term benefits paid	0.12	0.10
Termination Benefits	-	-
<b>Total</b>	<b>3.12</b>	<b>2.73</b>

**34 Employee benefit plans****A. Defined contribution plans**

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

**(a) Provident fund**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

**(b) Superannuation fund**

The Group has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Group contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Group does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹ 7.26 Crores (for the year ended March 31, 2018: ₹ 7.40 Crores) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2019, contributions of ₹ 1.07 Crores (as at March 31, 2018: ₹ 1.11 Crores) due in respect to 2018-19 (2017-18) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**B. Defined benefit plans**

The defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of defined benefit obligation and plan assets:****(a) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 1.33 Crores (March 31, 2018 - ₹ 1.11 Crores) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

**Principal Actuarial Assumptions at Balance Sheet date**

Particulars	2018-19	2017-18
Discount rate	7.60%	7.69%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	6.00%	6.00%
Attrition rate		
- Executives and Staff	8.00%	8.00%
- Operators	3.00%	3.00%

**(b) Gratuity**

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds established as trusts; funded to LIC. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

**(i) Movements in the present value of the defined benefit obligation are as follows.**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	16.95	14.92
Current Service Cost	1.33	1.23
Interest cost	1.26	1.07
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.54	0.65
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(1.36)	(0.92)
<b>Closing defined benefit obligation</b>	<b>18.72</b>	<b>16.95</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### (ii) Movements in the fair value of the plan assets

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	10.41	9.36
Interest income	0.82	0.71
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.29)	(0.13)
Contributions from the Employer	1.81	1.39
Benefits paid	(1.36)	(0.92)
<b>Closing fair value of plan assets</b>	<b>11.39</b>	<b>10.41</b>

### (iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	18.72	16.95
Fair value of plan assets	11.39	10.41
<b>Funded status</b>	<b>7.33</b>	<b>6.54</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>7.33</b>	<b>6.54</b>

### (iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current Service cost	1.33	1.23
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	0.43	0.36
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.76</b>	<b>1.59</b>
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.54	0.65
Actuarial (gains) / losses arising from changes in financial assumptions	0.27	0.13
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.81</b>	<b>0.78</b>
<b>Total</b>	<b>2.57</b>	<b>2.37</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

### (v) Risk Exposure

The Group has invested the plan assets with the insurer managed funds. The insurance Group has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the Group's policy for plan asset management and other relevant factors.

**(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	As at March 31, 2019	As at March 31, 2018
Discount Rate(s)	7.60%	7.69%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Expected rate of return on plan assets	7.60%	7.69%
Attrition Rate		
Executives and Staff	8.00%	8.00%
Operators	3.00%	3.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Sensitivity Analysis**

Particulars	Valuation as at	
	As at March 31, 2019	As at March 31, 2018
A. Discount Rate + 50 BP	8.10%	8.19%
Defined Benefit Obligation [PVO]	18.08	16.38
Current Service Cost	1.43	1.29
B. Discount Rate - 50 BP	7.1%	7.2%
Defined Benefit Obligation [PVO]	19.41	17.57
Current Service Cost	1.56	1.41
C. Salary Escalation Rate +50 BP	8.5% & 6.5%	8.5% & 6.5%
Defined Benefit Obligation [PVO]	19.43	17.59
Current Service Cost	1.56	1.41
D. Salary Escalation Rate -50 BP	7.5% & 5.5%	7.5% & 5.5%
Defined Benefit Obligation [PVO]	18.05	16.35
Current Service Cost	1.42	1.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 7.7 years (2018-7.7 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Year 1	2.84	1.12
Year 2	2.09	4.18
Year 3	1.47	1.06
Year 4	1.85	1.29
Year 5	1.64	1.59
Next 5 Years	9.15	8.29

### In respect of subsidiary (RPDC)

#### A. Defined contribution plans

RPDC has a 401k plan set up for its employees. The contributions payable to these plans by RPDC are at rates specified in the rules of the schemes.

#### B. Defined benefit plans :

Pension -

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:

- \$23:00 multiplied by years of benefit service from December 2003 to October 10, 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to October 9, 2006; plus
- \$25:00 multiplied by years of benefit service from October 9, 2006, to October 8, 2007; plus
- \$26:00 multiplied by years of benefit service from October 5, 2007 to December 16, 2010; plus
- \$16:00 multiplied by benefit service after December 16, 2010."

#### Disability benefit:

The benefit will be payable in the form of a lifetime pension until the earliest of: recovery, death or normal retirement date.

#### Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year. The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. RPDC contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor.

#### RPDC is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes RPDC to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** RPDC has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Pension (Funded)	
	2018-19	2017-18
<b>Present Value of obligations at the beginning of the year</b>	<b>36.35</b>	<b>34.34</b>
Current service cost	0.78	0.68
Interest Cost	1.52	1.38
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	0.66	0.11
- Actuarial gains and losses arising from financial assumptions	0.87	0.56
Benefits paid	(1.13)	(0.94)
Foreign currency translation adjustment	2.21	0.22
<b>Present Value of obligations at the end of the year</b>	<b>41.26</b>	<b>36.35</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at beginning of year</b>	<b>22.89</b>	<b>21.03</b>
Interest Income	0.96	0.85
Expected Return on plan assets	-	-
Contributions from the employer	2.36	2.19
Benefits Paid	(1.13)	(0.94)
Return on Plan Assets, Excluding Interest Income	(0.61)	(0.38)
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	1.39	0.14
<b>Fair Value of plan assets at the end of the year</b>	<b>25.86</b>	<b>22.89</b>
<b>Amounts recognized in the Balance Sheet</b>	<b>(15.40)</b>	<b>(13.46)</b>
Projected benefit obligation at the end of the year	(41.26)	(36.35)
Fair value of plan assets at end of the year	25.86	22.89
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>(15.40)</b>	<b>(13.46)</b>
<b>Components of defined benefit cost recognised in profit or loss</b>		
Current service cost	0.78	0.68
Net Interest Expense	0.56	0.54
Past service cost	-	-
<b>Net Cost in Profit or Loss</b>	<b>1.34</b>	<b>1.22</b>
<b>Components of defined benefit cost recognised in Other Comprehensive income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	1.51	0.66
Return on plan assets	0.61	0.38
<b>Net Income / (Cost) in Other Comprehensive Income</b>	<b>2.12</b>	<b>1.04</b>
<b>Assumptions</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Expected Return on Plan Assets	3.75%	3.91%
Discount rate	3.75%	3.91%
Expected rate of salary increases		
Executives Managers & Below / Senior Manager & Above	0.00%	0.00%
Operators	0.00%	0.00%
Expected rate of attrition		
Executives and Staff		
Operators		
Average age of members		
Average remaining working life		
Rate of Employee Turnover	90% of	90% of
	2003 SoA SPAT Table	2003 SoA SPAT Table

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

RPDC has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Sensitivity Analysis	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	41.26	36.35
Delta Effect of +0.5% Change in Rate of Discounting	(2.96)	(2.73)
Delta Effect of -0.5% Change in Rate of Discounting	3.10	2.78

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

## 35 Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic Earnings per share		
From continuing operations (in ₹)	2.07	21.78
Diluted Earnings per share		
From continuing operations (in ₹)	2.07	21.40

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	2.42	24.22
<b>Earnings used in the calculation of basic earnings per share</b>	<b>2.42</b>	<b>24.22</b>

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Number of equity Shares of ₹ 10 each outstanding at the end of the year	1,19,73,171	1,16,07,541
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,16,98,949	1,11,17,696

**Diluted Earnings per share**

The earnings used in the calculation of diluted earnings per share is as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Earnings used in the calculation of basic earnings per share	2.42	24.22
Earnings used in the calculation of diluted earnings per share	2.42	24.22

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	1,16,98,949	1,11,17,696
Convertible warrants	-	2,02,349
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,16,98,949	1,13,20,045

**36 Operating lease arrangements****The Group as lessee****Land**

The Group has taken land on lease for a periods of ranging from 5 to 90 years (Pantnagar and Singur-90 Years, Sanand- 35 years, RPDC-5 Years) and the same has been classified as prepayments under other non-current assets. The lease has been considered as operating lease due to indefinite useful life of land.

**Vehicles**

The Group has taken vehicles under operating lease for a period ranging upto 5 years. The details of the maturity profile of future operating lease payments are furnished below:

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Payments recognised as an expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	0.95	1.02
Contingent rentals	-	-
Sub-lease payments received	-	-
<b>Total</b>	<b>0.95</b>	<b>1.02</b>

### Non-cancellable operating lease commitments

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	0.88	0.86
Later than 1 year and not later than 5 years	1.23	0.81
Later than 5 years	-	-
<b>Total</b>	<b>2.11</b>	<b>1.67</b>

### Cancellable Operating Leases

The Group has cancellable operating leases for business purpose which are renewable on a periodic basis.

The lease payments under cancellable operating lease for the year ended March 31, 2019 amounts to ₹ 1.51 Crores (For the year ended March 31, 2018 ₹ 1.76 Crores)

## 37 Contingent liabilities, guarantees and commitment

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent Liabilities</b>		
Claims against the Group not acknowledged as debt		
- Income Tax matters under appeal by the Group	18.34	15.20
- Central Excise, Service Tax and Sales tax matters under appeal by the Group	10.34	5.34
- Labour related matters under appeal by the Group	2.36	2.32
- Others- Customer claim disputed by the Group	110.69	104.29
<b>Others</b>		
- Income Tax matters under appeal by the Department	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various authorities		
<b>Guarantees and Letter of credit</b>		
- Outstanding bank guarantees	2.38	1.18
- Letter of credit	4.59	13.27
<b>Commitments</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	21.31	7.27
<b>Total</b>	<b>170.32</b>	<b>149.18</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**38 Events after the reporting date**

The final dividend amount of ₹ 4.50 Per share recommended by the Directors is subject to the approval of shareholders in ensuing annual general meeting.

**39 Exceptional item**

During the quarter ended September 30, 2017, the Group had recorded an aggregate claim of ₹ 10.08 Crores from a customer towards certain product quality issues. The Group has an insurance policy to cover product recall/ guarantee claims/ costs. The claim has been intimated to the insurer and the survey is in progress. This has been considered as insurance claim receivable as the Group is confident of recovering this sum under the insurance policy.

**40 Particulars of closing inventories of raw materials, work-in-progress and finished Goods**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw Materials and components</b>		
Steel Forgings	6.49	5.06
Castings	2.48	1.67
Steel Tubes	11.31	0.17
Aluminium	2.77	1.04
Aluminium Pumps & Tubes	0.32	0.97
Others (individually less than 10% of the total raw materials and components inventory)	20.78	21.29
<b>Total</b>	<b>44.15</b>	<b>30.20</b>
<b>Work-in-progress</b>		
Steering and Suspension Linkage Products	4.72	8.16
Steering Gear Products	4.10	4.39
Hydraulic Products	0.79	1.01
Diecasting products	9.31	7.75
<b>Total</b>	<b>18.92</b>	<b>21.31</b>
<b>Finished goods (including Goods in Transit)</b>		
Steering and Suspension Linkage Products	29.29	28.25
Steering Gear Products	25.55	18.72
Hydraulic Products	5.67	2.80
Diecasting products	15.95	26.54
Other Auto components	5.24	3.44
<b>Total</b>	<b>81.70</b>	<b>79.75</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 41 Details of Raw Materials and Components consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Steel Forgings		191.28		194.80
Castings		75.29		62.13
Steel Tubes		136.23		115.91
Aluminium		130.11		111.06
Aluminium pumps and tubes		2.55		7.34
Other Auto parts		42.94		32.38
Others (individually less than 10% of the total consumption)		282.57		229.75
<b>Total</b>		<b>860.97</b>		<b>753.37</b>
Imported	5.80%	49.93	10.24%	77.15
Indigenous	94.20%	811.04	89.76%	676.22
<b>Total</b>	<b>100.00%</b>	<b>860.97</b>	<b>100.00%</b>	<b>753.37</b>

### 42 Stores, Spares and Tools consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Imported	3.93%	2.40	1.72%	1.09
Indigenous	96.07%	58.63	98.28%	62.43
<b>Total</b>	<b>100.00%</b>	<b>61.03</b>	<b>100.00%</b>	<b>63.52</b>

### 43 Value of Imports calculated on CIF basis

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials	30.91	5.47
Components	22.79	27.54
Stores, Spares & Tools	3.41	2.09
Capital goods	7.90	5.15
<b>Total</b>	<b>65.01</b>	<b>40.25</b>

### 44 Research and Development cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	2.91	2.60
Revenue expenditure:		
(i) Materials	0.35	0.36
(ii) Employee benefits	4.03	5.24
(iii) Professional fees	0.16	0.31
(iv) Consumables	0.64	0.72
(v) Travel expenses	0.57	0.54
(vi) Others	1.24	0.89
<b>Total</b>	<b>9.90</b>	<b>10.66</b>



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**45 Expenditure in Foreign Currency**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling expenses	1.12	0.88
Freight outward and storage charges	2.74	1.59
Sales promotion expenses	2.91	2.11
Interest	0.14	0.35
Royalty, Professional and Technical Fees and others	1.99	2.14
<b>Total</b>	<b>8.90</b>	<b>7.07</b>

**46 Earnings in Foreign Exchange**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
FOB Value of Exports	250.18	232.50

**47 Details on Derivative Instruments**

I. The following derivative positions are open as at 31 March 2019

- (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.

Outstanding forward exchange contracts and option contracts entered into by the Company as on 31 March 2019

Currency	Buy/Sell	Amount ₹ in Crores	Cross Currency
USD	Sell	-	Rupees
		(35.34)	Rupees

Note: Figures in brackets relate to the previous year

**48 Interest in other entities****Subsidiaries**

The Group's subsidiaries as at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/Country of Incorporation	Ownership Interest held by the group		Ownership interest held by non-controlling interests		Principal Activities
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Rane (Madras) International Holdings B.V (RMIH)	Netherlands	100%	100%	0%	0%	Strategic overseas investment
Rane Precision Die Casting Inc. (RPDC)	USA	100%	100%	0%	0%	Manufacture of High pressure aluminium die casting

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 49 Additional Information required by Schedule III

Name of the entity in the Group	Net Assets (total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated other comprehensive income	Amount
<b>Parent</b>						
Rane (Madras) Limited						
March 31, 2019	135%	310.97	2174%	46.98	165%	(1.14)
March 31, 2018	116%	266.44	173%	41.81	0%	0.01
<b>Subsidiaries</b>						
Rane (Madras) International Holdings B.V (RMIH)						
March 31, 2019	-2%	(5.66)	-361%	(7.80)	-77%	0.53
March 31, 2018	1%	1.62	9%	2.15	6%	(0.33)
Rane Precision Die Casting Inc. (RPDC)						
March 31, 2019	-3%	(5.76)	-1693%	(36.58)	12%	(0.08)
March 31, 2018	-2%	(3.85)	-80%	(19.31)	94%	(5.01)
Consolidation adjustments						
March 31, 2019	-30%	(69.63)	-20%	(0.44)	0%	-
March 31, 2018	-15%	(34.46)	-2%	(0.43)	0%	-
<b>Total</b>						
March 31, 2019	100%	229.92	100%	2.16	100%	(0.69)
March 31, 2018	100%	229.75	100%	24.22	100%	(5.33)

50 The figures for the previous year have been regrouped wherever necessary to conform to current year's classification. Figures have also been rounded off to Crores of rupees.

### 51 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 23, 2019.

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries  
(Information in respect of each subsidiary to be presented with amounts in INR )

₹ in Crores  
USD in Lakhs  
EUR in Lakhs

S.No	Particulars	1		2	
1	Name of the subsidiary	Rane (Madras) International Holdings, B.V		Rane Precision Die Casting, Inc.,	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period				
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	EUR		USD	
		1EUR=₹ 77.67		1USD=₹ 69.18	
		EUR	INR	USD	INR
4	Share capital	0.20	0.15	100.00	68.26
5	Reserves & surplus	(7.48)	(5.81)	(107.00)	(74.02)
6	Total assets	97.18	75.48	145.55	100.69
7	Total Liabilities	104.47	81.14	153.87	106.45
8	Investments	87.88	68.26	-	-
9	Turnover (including other Income)	-	-	265.07	185.23
10	Profit before taxation	(9.64)	(7.80)	(52.22)	(36.49)
11	Provision for taxation	-	-	0.13	0.09
12	Profit after taxation	(9.64)	(7.80)	(52.35)	(36.58)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

See accompanying notes forming part of the Consolidated Financial Statements  
In terms of our report attached

For and on behalf of the Board

**L Ganesh**  
Chairman  
DIN : 00012583

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Parthasarathy**  
Chief Executive Officer

Chennai,  
May 23, 2019

**J Radha**  
Chief Financial Officer

**S Subha Shree**  
Company Secretary

## Annexure to the Report of the Board of Directors

## Particulars of Directors, Key Managerial Personnel and Employees for the year 2018-19

### A. Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### 1. Remuneration paid to Directors and Key Managerial Personnel

Name	Designation	Remuneration FY 2018-19 (in ₹ Crs.)	% increase/ (decrease) of remuneration FY 2017-18	Ratio of remuneration of each Director to median remuneration of employees
Mr. L Ganesh	Non - Executive Chairman	1.44	17%	3025%
<b>Key Managerial Personnel</b>				
Mr. S Parthasarathy	Chief Executive Officer (CEO)	1.68	12.08 %	
Ms. J Radha	Chief Financial Officer (CFO)	0.63	16.98 %	Not Applicable
Ms. S Subha Shree	Company Secretary (Refer Note iii)	0.21	16.67 %	

#### Note:

- (i) None of the other Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board/ Committee(s) thereof.
  - (ii) Remuneration considered based on annual emoluments and designation as on date.
  - (iii) Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
2. Median remuneration of the employees of the Company for FY 2018-19 is ₹ 4.76 Lakhs. Increase in median remuneration during the year: 6%
  3. Number of permanent employees on the rolls of the Company as on March 31, 2019 was 1128 as against 1107 as on March 31, 2018.
  4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 6%, as against an percentile increase in managerial remuneration: 11%. The increase in managerial remuneration is in line with present industry standards.
  5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

**B. Details as per Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**  
**1. Top ten employees in terms of remuneration drawn:**

Name	Designation	Remuneration (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if So, name of director / manager)
Mr. S Parthasarthy	Chief Executive Officer	₹. 1,67,56,310	Permanent	B.E, MBA (OUBS) UK & 34 years	May 17, 1985	61	Ralliwolf	-	-
Ms. Gowri Kailasam	President - SLD	₹. 1,09,72,268	Permanent	B.Tech (Chemical Engg.) & MS in Chemical Engg. MBA & 25 years	August 18, 2003	52	Ford India	-	-
Mr. Sundar D	President - DCD	₹. 76,58,464	Permanent	DME, BE, MBA & 39 years	August 31, 1994	58	Dev Fasteners	-	-
Mr. T Giriprasad	Senior Vice President - Rane Auto Parts	₹. 71,31,588	Permanent	B.Sc.(Physics), BE (Metallurgy), MBA & 27 years	March 03, 2004	55	Jai Parabolic Ltd	-	-
Ms. J Radha	Vice President - Finance & CFO	₹. 62,57,572	Permanent	CA, CS (Inter) & 25 years	June 04, 2015	53	Blue Star Limited	-	-
Mr. A Makesh	Senior Vice President - Materials	₹.58,38,528	Permanent	BE (Mechanical), PGDMM, MBA (IIM,K) & 27 years	July 01, 1999	52	ALSTOM Transport Ltd.	-	-
Mr. D Satheshkumar	Vice President - Operations	₹. 52,00,944	Permanent	B.E & 24 years	April 21, 2017	46	Mafoi Connecting Dots Advisory (P) Ltd	-	-
Mr. Aditya Ganesh	Vice President - Marketing	₹. 47,51,935	Permanent	M.S(I.E), MBA(GM)	September 04, 2017	31	--	0.07	Son of Mr. L. Ganesh

**B. Details as per Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**  
**1. Top ten employees in terms of remuneration drawn:**

Name	Designation	Remuneration (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if So, name of director / manager)
Mr. A Murugapandian	Vice President R&D	₹. 46,58,608	Permanent	M.E. Automobile Engineering & 28 years	February 02, 1994	51	Pentafour Energy & Fuellyst Ltd	-	-
Mr. Ravi G	Vice President - MESD	₹. 39,80,596	Permanent	B.TechMBA & 25 years	August 20, 1985	59	-	-	-

2. Employed throughout the financial year with remuneration not less than ₹1.02 Crores per annum (excluding details of top ten employee(s) given in (i) above): NIL
3. Employees whose remuneration was not less than ₹ 8.50 lakhs per month (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above): NIL
4. Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof): NIL

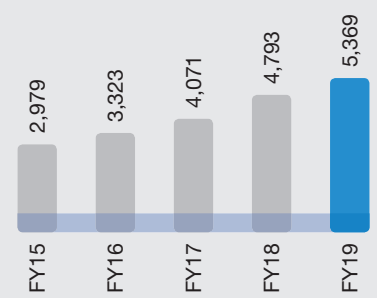
## Our Parentage

### RANE HOLDINGS LIMITED

Founded in 1929, Rane Holdings Limited (RHL), through its group companies is engaged in the manufacturing and marketing of automotive components for the transportation industry. Rane Group is a preferred supplier to major OEMs in India and abroad. The group's product portfolio includes Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility Solutions. It's products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationery Engines. The group has manufacturing presence across 25 locations in India and one in the USA.



### Total Income (₹ in Crores)



### Subsidiaries

Rane (Madras) Limited

- Rane (Madras) International Holdings, B.V., The Netherlands
  - Rane Precision Die Casting Inc., USA

Rane Brake Lining Limited

Rane Engine Valve Limited

Rane t4u Private Limited

Rane Holdings America Inc., USA

Rane Holdings Europe GmbH, Germany

### Joint Ventures

Rane TRW Steering Systems Private Limited

Rane NSK Steering Systems Private Limited



## **Rane (Madras) Limited**

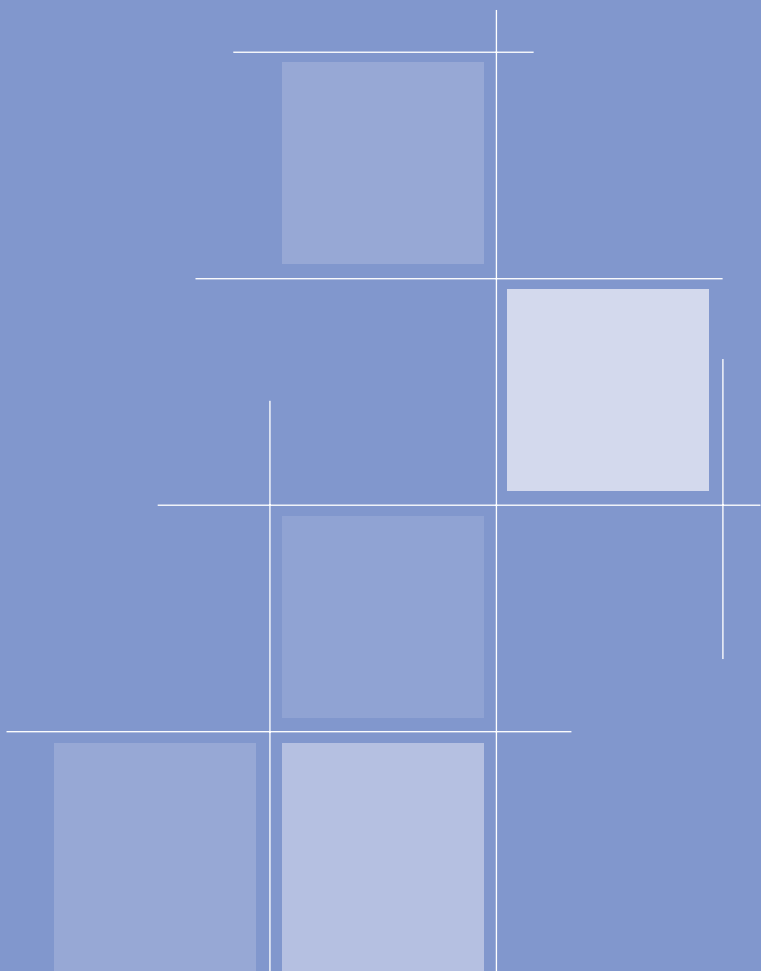
CIN: L65993TN2004PLC052856

"Maithri", 132, Cathedral Road,  
Chennai-600086, India

Phone: +91 44 28112472 / 73

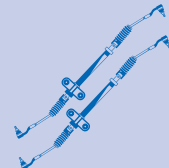
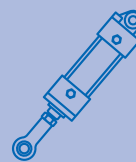
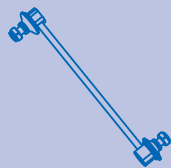
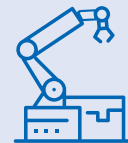
Fax: +91 44 28112449

**[www.ranegroup.com](http://www.ranegroup.com)**





# Driven by determination. Progressing with optimism.



# Read Inside

## Company Overview

- Company at a glance 2
- Our report card 4
- Business highlights 5
- From the Chairman's desk 6
- Corporate information 8

## Management Reports

- Report of the Board of Directors 9
- Management Discussion and Analysis 15
- Corporate Governance Report 31

## Financial Statements

### Standalone

- Balance Sheet 70
- Statement of Profit and Loss 71
- Statement of Changes in Equity 72
- Cash Flow Statement 74
- Notes 76

### Consolidated

- Balance Sheet 132
- Statement of Profit and loss 133
- Statement of Changes in Equity 134
- Cash Flow Statement 136
- Notes 138

## Forward-looking statements

In this annual report, we have disclosed some 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 know 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.

Follow us and join the conversation



www.ranegroup.com



ranegroup



ranegroup



## Numbers in 2018-19

₹ 1380.8 Crores

↑ 13.2%

Total Income

₹ 151.7 Crores

↑ 8.8%

EBITDA



₹ 47.2 Crores

↑ 13.0%

PAT

## Our products portfolio

Steering and Suspension Linkage Products

Steering Gears

Hydrostatics Steering Systems

Die Casting Products

# Our five-decade long journey has been about embracing the opportunities and enduring the challenges of changing times.

The year 2018-19 was no different. After a period of buoyancy, demand suddenly turned sluggish in the latter half and we witnessed inflationary pressure on material cost.

The challenging environment, however, strengthened our resolve of getting our plans back on track and renewed our focus on robust execution. We continued to win customer accolades, remained their partner of choice, aggressively pursued new businesses, expanded capacity and capabilities.

We remain optimistic about the opportunities in the auto components industry and structural trends remain positive in the long term.

We are working closely with customers to develop innovative solutions and embrace the technological changes in the industry. We are determined to grow and enhance value for our stakeholders, supported by our business excellence programme, dynamic team and disciplined financial architecture.

**We are driven by determination and progressing with optimism.**

## Rane (Madras) at a glance

Established in 1929, Rane (Madras) Limited (RML) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. RML has two divisions namely Steering and Linkage Division (SLD) and Die Casting Division (DCD). SLD manufactures mechanical steering gears, hydrostatic steering systems and steering and suspension linkage products. DCD manufactures low porosity, high-quality aluminum die castings such as steering housings and engine case covers. Its overseas subsidiary, Rane Precision Die Casting Inc., manufactures and supplies complex thin-walled, low porosity cast and machined aluminum die castings, from its manufacturing facility at Russellville, Kentucky, USA.








### Our divisions

- Steering and Linkage Division
- Die Casting Division

### Company snapshot

	Steering and Linkage Division	Die Casting Division
	Established in 1960	Established in 2006
	Market leader in India	Expertise in complex precision components
	Worldwide exports	Exports to Europe and North America
	Application in every segment of automobile industry	Die Cast machines ranging from 600 to 1400 tons
	State-of-the-art R&D facilities	Integrated facility with modern machinery

### Manufacturing locations

Location	Products
 Varanavasi (Chennai)	Steering and Suspension Linkage Products, Steering Gears Products
 Mysuru	Steering and Suspension Linkage Products, Steering Gears Products and Hydrostatic Steering Systems
 Puducherry	Steering and Suspension Linkage Products, Steering Gears Products
 Uttarakhand	Steering and Suspension Linkage Products, Steering Gears Products
 Bollaram (Hyderabad)	Die Casting Products
 Sadasivpet (Hyderabad)	Die Casting Products
 Russellville, Kentucky (USA)	Die Casting Products

**Our vision**

**Steering and Linkage Division**

To be the leader in the domestic steering business and establish global presence

**Die casting Division**

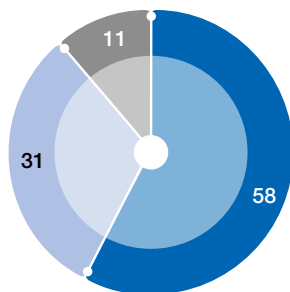
To be a Globally Preferred Supplier of Specialized Precision Light Weight Components

**Key customers**



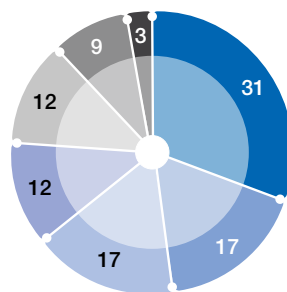
**Revenue split (Total income ₹ 1380.80 Crores)**

By market (%)



- India OEM & OES
- International OEM
- India Aftermarket

By vehicle segment (%)



- Passenger car
- MUV
- FT
- SCV
- M & HCV
- LCV
- MPV

**Technology capabilities**

The journey to continuously enhance product life and reliability has seen various initiatives in deploying appropriate product and process technologies. We have comprehensive design facilities to simulate varied environmental scenarios and state-of-the-art test facility to validate product feature parameters, functional parameters, endurance and environmental integrity. The focus areas for Steering and Linkage Division include light weighting and reducing friction and need for service. The Die Casting Division has fully automated and computer controlled horizontal and vertical machining centres.

**Quality standards**

Being a market leader, our focus on product longevity and quality is unparalleled. We have received several recognitions and awards from OE customers and our operations are accredited and certified for quality, occupational health and safety management systems.

**Quality Accreditations**

- **ISO 27001:2013 – ISMS Certification**  
Information Security Management System for Steering and Linkage & Die casting Divisions
- **IATF16949:2016**  
Quality Management; All six plants in India certified
- **ISO 14001**  
Environmental Management: All four plants of Steering and Linkage Division certified
- **OHSAS 18001**  
Occupational Health and Safety Management: All four plants of Steering and Linkage Division certified
- **Deming Prize**  
Steering and Linkage Division: Total Quality Management (TQM)
- **Deming Grand Prize**  
Steering and Linkage Division: Excellence in TQM

## Our report card

(₹ in Crores)

### OPERATIONAL PERFORMANCE

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Total Income*	<b>1,380.83</b>	1,219.60	992.62	862.49	779.97	727.51	641.36	673.11	585.46	420.68
EBITDA	<b>151.75</b>	139.49	99.38	79.70	69.67	69.16	57.84	62.98	50.39	34.84
Profit Before Tax (PBT)	<b>70.37</b>	60.18	26.29	18.66	16.84	19.68	30.06	37.17	30.83	20.04
Profit After Tax (PAT)	<b>47.25</b>	41.81	20.67	14.09	12.44	16.78	23.42	27.40	24.57	13.81

### KEY PERFORMANCE HIGHLIGHTS

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
RoCE (%)	<b>16.8</b>	17.8	11.9	9.9	10.6	15.8	17.3	23.7	26.9	19.1
RoNW (%)	<b>16.4</b>	19.1	13	9	9	12	19	26	27	18
Earnings Per Share (₹)	<b>40.38</b>	37.61	19.66	12.77	11.20	15.35	23.04	26.95	24.18	13.59
Dividend (%) @	<b>85.00</b>	120.00	60.00	45.00	45.00	55.00	70.00	95.00	70.00	45.00
Dividend payout ratio@	<b>25.97</b>	40.13	37	40	46	40	35	41	34	39
Book Value per Share (₹)	<b>259.97</b>	229.53	162.65	144.98	138.43	133.41	127.97	113.20	96.99	81.12

### BALANCE SHEET HIGHLIGHTS\*\*

(₹ in Crores)

FINANCIAL YEAR	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	<b>11.97</b>	11.61	10.51	10.51	10.51	10.51	10.16	10.16	10.16
Shareholders' Funds	<b>311.27</b>	266.43	170.95	160.62	153.73	148.45	130.07	115.06	98.58
Non-Current Liabilities	<b>129.53</b>	130.37	140.05	139.67	62.97	49.90	40.79	50.19	47.61
Current Liabilities	<b>429.58</b>	414.44	379.53	312.66	317.33	256.27	190.23	175.78	131.65
Non-Current Assets	<b>450.69</b>	406.07	389.51	343.46	300.59	245.12	179.09	165.52	124.41
Current Assets	<b>419.73</b>	405.16	301.02	269.49	233.44	209.51	182.00	175.51	153.43

\*\* pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only corresponding figures reported for the previous years.

\* Total Income are net of excise duty; (@) Includes final dividend, if any, recommended by the Board for the respective financial years.

Note : 1. Figures for FY 18 and FY 17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.

2. EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.



## Awards and accolades

### Customers



### Awards

Quality award

Best supplier award

### Customers



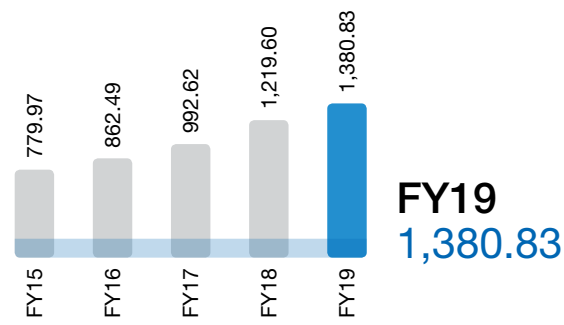
### Awards

Best supplier award

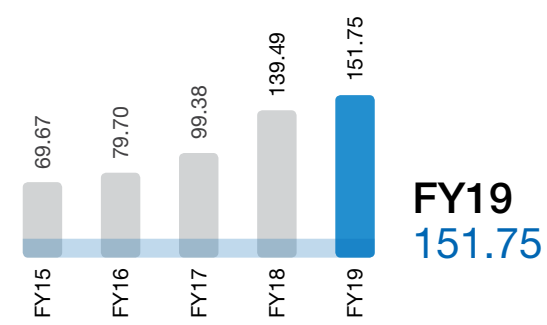
Quality award to Rane Precision Die Casting

## KEY PERFORMANCE INDICATORS

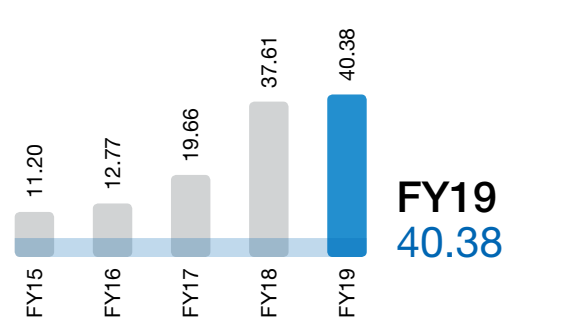
## Total Income (₹ in Crores)



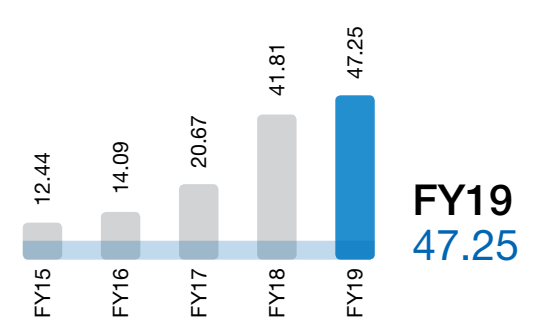
## EBITDA (₹ in Crores)



## EPS (₹)



## PAT (₹ in Crores)



## Business highlights, FY 2018-19

1

The plants responded well to the fluctuating demand for steering products and maintained optimal capacity utilisation

2

Strong traction for hydraulic business, which grew 50%

3

The R&D facilities were upgraded both at Chennai and at Puducherry to meet the increased product performance requirements

4

Significant focus on operational improvements in Die Casting business

5

RPDC secured new business from three new customers

## From the Chairman's desk



We are “Driven by Determination” and remain confident of our strategy and approach to deliver profitable growth.

### Dear Shareholders,

The global automotive industry landscape continues to transform, and along with it the auto components industry. With India already cementing its place as a global component sourcing hub, we are well positioned to navigate through the emerging challenges and capitalise on the upcoming opportunities. Our tradition of pursuing excellence and keeping ‘customer at the core’ remained intact this year as well, backed by determination, prudent foresight and strong business fundamentals.

#### Economy overview

The synchronised upswing in the global economy that began around mid-2016 suddenly changed course in the second half of 2018 as the continued momentum in manufacturing and trade dissipated. Sentiments were further dampened by the hardening of US interest rates, volatile crude prices, along with uncertainty over Brexit and heightened rhetoric around protectionism.

The Indian GDP growth dipped below 7% for full financial year 2018-19, after growing at 7.5% in the first half, due to weak industrial output, and overall subdued demand. However, with the election overhang now behind us, the economy should grow at over 7% going forward, driven by the Government’s resolve towards achieving fiscal consolidation and continued push for structural reforms.



The Indian automobile industry too had started FY 2018-19 on a positive note, supported by normal monsoon, rising rural demand, the Government's infrastructure push and rise in industrial activity. However, most vehicle segments witnessed a considerable slowdown in the second half due to higher fuel prices, lower financing availability, steep price increase on account of insurance regulation changes in September 2018.

### Driven by determination

Our growth was supported by performance of steering and linkage division. Our plants responded well to the market fluctuations and maintained optimal capacity utilisation. Hydraulic products experienced a strong traction with customers. We engaged various lean measures to improve operational performance which helped to partially mitigate the inflationary pressures on material costs. We upgraded our R&D facilities in both Puducherry and Chennai.

The operational performance of die casting business in India continued to improve and further cost reduction initiatives are planned in the upcoming year as well. The order book of die casting business in India is still not healthy and capacity utilisation is under stress.

The performance of our overseas subsidiary, Rane Precision Die Casting Inc. (RPDC) continues to remain a concern for us. We envisaged losses for three years when we acquired this business in 2016. There were few setbacks as the subsidiary could not secure adequate new business and achieve planned operational

improvements. RPDC secured new businesses which will help in sales growth. We still see a lot of scope for operational improvements and are undertaking several initiatives including deputing some senior managers from our Group.

We are 'Driven by Determination' and remain confident of our strategy and approach to deliver profitable growth.

### Progressing with optimism

The first half of FY 2019-20 appears challenging with slowing demand in most of the vehicle segments. The anticipated pre-buy on account of transition to BS VI, normal monsoon, the Government's continued reforms and infrastructure push are likely to propel growth. We remain optimistic about the evolving opportunities in the auto component industry and the structural trends remain positive in the long term.

We will continue to invest in R&D and drive innovations to build value-add products. We will introduce new technologies in India and tap into opportunities to supply in export markets.

**We will continue to invest in R&D, drive innovations to build value-add products. We will introduce new technologies in India and tap into opportunities to supply in export markets.**

Our steering and linkage division is expected to continue its growth at a stable pace, aided by market growth and new business launches. We succeeded in securing orders from new customers for the Indian die casting division, which will likely get reflected in fiscal 2020-21. RPDC's pursuit to become profitable looks possible over the next two years and is dependent on securing profitable new orders and achieving sustainable improvements in operation over the next 3-4 quarters.

We are progressing with optimism on long term market opportunities and determined to drive efficiencies to create value for all our stakeholders.

On behalf of the Board of Rane (Madras) Limited, I would like to thank all our stakeholders – customers, employees, partners, vendors, bankers, government, communities and most importantly you – our shareholders, who have been part of this exciting journey.

Yours sincerely,  
**L Ganesh**  
Chairman

## Corporate information

### Board of Directors

Mr. L Ganesh, Chairman  
Mr. Harish Lakshman, Vice Chairman  
Ms. Anita Ramachandran  
Mr. L Lakshman  
Mr. M Lakshminarayan  
Mr. Pradip Kumar Bishnoi

### Audit Committee

Mr. Pradip Kumar Bishnoi, Chairman  
Ms. Anita Ramachandran  
Mr. M Lakshminarayan  
Mr. L Lakshman

### Stakeholders' Relationship Committee

Mr. L Lakshman, Chairman  
Mr. Harish Lakshman  
Mr. Pradip Kumar Bishnoi

### Nomination and Remuneration Committee

Mr. M Lakshminarayan, Chairman  
Ms. Anita Ramachandran  
Mr. L Ganesh  
Mr. L Lakshman

### Corporate Social Responsibility Committee

Mr. L Lakshman, Chairman  
Ms. Anita Ramachandran  
Mr. L Ganesh

### Chief Executive Officer

Mr. S Parthasarathy

### Vice President - Finance and Chief Financial Officer

Ms. J Radha

### Company Secretary

Ms. S Subha Shree

### Listing of Shares on

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

### Statutory Auditors

M/s. Deloitte Haskins & Sells  
Chartered Accountants,  
ASVN Ramana Towers, 7<sup>th</sup> Floor,  
Old No. 37, New No. 52  
Venkatanarayana Road,  
T. Nagar, Chennai-600 017

### Secretarial Auditors

M/s. S Krishnamurthy & Co.  
Company Secretaries,  
"Sreshtam", Old No.17, New No.16,  
Pattammal Street, Mandaveli,  
Chennai - 600 028

### Bankers

**Axis Bank,**  
Chennai – 600 002  
**Canara Bank,**  
Chennai - 600 002  
**DBS Bank Limited,**  
Chennai - 600 002  
**HDFC Bank Limited,**  
Chennai - 600 002  
**ICICI Bank,**  
Chennai - 600 018  
**Kotak Mahindra Bank Limited,**  
Chennai - 600 002  
**Standard Chartered Bank,**  
Chennai - 600 001  
**YES Bank Limited,**  
Chennai - 600 002

### Registered Office

**Rane (Madras) Limited**  
CIN: L65993TN2004PLC052856  
"MAITHRI", 132, Cathedral Road,  
Chennai 600 086  
Phone: 044-28112472/73  
Fax: 044-28112449  
Email: investorservices@ranegroup.com  
Website: www.ranegroup.com

### Head Office

"GANAPATHI BUILDINGS"  
154, Velachery Road,  
Chennai - 600 042

### Plants

- 79/84, Hootagally Industrial Area  
Mysuru - 570 018, Karnataka
- 77, Thirubuvanai Main Road  
Thirubuvanai Village,  
Puducherry - 605 107
- Ambakkam, Varanavasi Village  
Varanavasi Post,  
Kancheepuram - 631 604,  
Tamil Nadu
- Plot No. 27, Sector 11, Integral  
Industrial Estate Pant Nagar,  
Uttarakhand - 263 153
- 143/A, SV Co-op Industrial Estate  
IDA Bollaram, Medak  
District - 502 325, Telangana
- Survey No. 789/AA, 781, 781/AA,  
790/A & 779 Sadasivpet Municipal  
Limits, Sadasivpet Mandal - 502 291,  
Medak Dist., Telangana

### Registrar and Transfer Agent

Integrated Registry Management  
Services Private Limited  
II Floor, "Kences Towers",  
No 1 Ramakrishna Street,  
North Usman Road,  
T Nagar, Chennai 600 017  
E-mail: corpseiv@integratedindia.in  
Website: www.integratedindia.in

# Report of the Board of Directors

Your Directors have pleasure in presenting their Fifteenth Annual Report together with the accounts for the year ended March 31, 2019 and other prescribed particulars:

## 1. State of Company's affairs

### 1.1 Financial Performance

The standalone financial highlights for the year under review are as follows:

(₹ in Crores)

Particulars	2018-19	2017-18
Sales and Operating Revenues (net of Excise duty)	1370.25	1213.95
Other Income	10.57	5.64
Profit Before Tax (PBT)	70.36	60.18
Provision for tax :		
Current	25.23	18.33
Deferred	(2.11)	0.04
MAT Credit availed	-	-
Profit After Tax (PAT)	47.24	41.81
Total Comprehensive Income	46.10	41.82
Surplus brought forward	46.51	24.78
Amount transferred to Capital Redemption Reserve (CRR)	-	8.23
Amount transferred to General Reserve	32.36	-
Amount available for appropriation	60.86	57.85

Key performance indicators, operational performance and balance sheet highlights are furnished on page nos 4 and 5 of this Annual Report.

The total stand-alone turnover of the company was ₹ 1370.25 Crores, which is a growth of 13% over the previous year. The revenue from steering and linkage products was ₹ 1154.95 Crores, a growth of 15 % over the previous year. The revenue from die casting business was ₹ 120.09 Crores, which is 5% decline from the previous year. The auto parts division of the Company registered a turnover of ₹ 52.29 Crores as against the turnover of ₹ 40.69 Crores recorded during the previous year.

The Company netted a profit before tax of ₹ 70.36 Crores, which is 5% of the turnover. This resulted in earnings per share as ₹ 40.38 for FY 2018-19 as against ₹ 37.61 for FY 2017-18.

There was no material change or commitments, affecting the financial position of the Company between the end of the financial year of the Company and date of the report other than those disclosed in the financial statements section of this annual report. There was no change in the nature of business during the year. The Company continues to be a subsidiary of Rane Holdings Limited (RHL / Holding company). The Company does not have any associate or joint venture.

### 1.2. Overseas Subsidiaries

Rane Precision Die Casting Inc. (RPDC), USA, is a step down subsidiary of the Company. This investment is held through Rane (Madras) International Holdings,

B.V., The Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS'). RPDC is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. During FY 2018-19, RPDC earned a revenue of ₹ 184.36 Crores from its operations.

During FY 2018-19, the Company invested Euro 1.76 million in the preference share capital of RMIH, towards making onward investments in RPDC and for meeting its own operating expenses. The total investment in the equity capital of RPDC through RMIH as on March 31, 2019 is USD 10 million. As on March 31, 2019, the Company had issued corporate guarantee to EXIM Bank for US\$ 2.1 Million and US\$ 4.8 Million against the lending of EXIM Bank to RPDC and RMIH, respectively

As on March 31, 2019, a loan of ₹ 44.70 Crores is outstanding for repayment to the Company by RMIH.

### 1.3. Changes in Share Capital

#### 1.3.1. Conversion of warrants into equity shares

On December 28, 2018, the Company had allotted 3,65,630 equity shares having a face value of ₹ 10/- each to Rane Holdings Limited, Promoter / Promoter Group, (RHL), consequent to conversion of warrants by RHL upon payment of the balance amount of ₹ 14.99 Crores, being the warrant exercise price. The equity shares arising on conversion rank pari-passu with the existing shares of the Company and are also listed and permitted to be traded on

the stock exchanges viz., Bombay Stock Exchange Limited and National Stock Exchange of India Limited, effective January 22, 2019.

#### 1.4. Appropriation

The Board of Directors declared and paid an interim dividend at the rate of 40% (i.e., ₹ 4.00 per equity share of ₹ 10/- each, fully paid-up) on February 08, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 01, 2019, being the Record Date fixed for this purpose.

An amount of ₹ 60.86 Crores of the profit is available for appropriation. The Board Directors of the Company, at its meeting held on May 23, 2019, have considered and has recommended a final dividend of 45% (i.e., ₹ 4.50/- per equity share of ₹ 10/- each fully paid-up) for approval by the shareholders at the ensuing 15<sup>th</sup> Annual General Meeting (AGM) scheduled to be held on July 24, 2019.

The total final dividend amount paid/payable on equity shares for FY 2018-19 including the distribution tax thereon would be ₹ 12.27 Crores. On declaration of the final dividend by the shareholders, it will be paid on July 29, 2019 to all the eligible shareholders whose name appears in the register of members of the Company as on July 17, 2019, being the Record Date fixed for this purpose.

The Board has retained ₹ 44.60 Crores as surplus in the Statement of Profit and Loss account after transferring ₹ 32.36 Crores to the General Reserves.

#### 1.5. Management Discussion & Analysis

The business of your Company is manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products. An analysis on the performance of the industry, the Company, internal control systems, risk management are presented in the Management Discussion and Analysis report annexed as 'Annexure A' forming part of this report.

#### 1.6. Consolidated Financial Statements

The consolidated financial statements of the Company are prepared based on the financial statements of the subsidiary companies viz., Rane (Madras) International Holdings B.V, The Netherlands, Wholly Owned Subsidiary ('RMIH' / 'WOS') and Rane Precision Die Casting Inc., USA, Step Down Subsidiary ('RPDC' / 'SDS'). The Company has followed the methodology prescribed under applicable accounting standards for consolidation of financial statements of the subsidiary companies i.e., each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. On consolidation, the assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing

at the reporting date and their statements of profit or loss are translated at average of daily exchange rates prevailing during the year.

The financial statements of the subsidiary companies are not attached in terms of the provisions of Section 136 of the Companies Act, 2013. However the salient features of financial statement of these subsidiary companies are disclosed in this annual report. The Company undertakes to make available a soft or hard copy of the financial statement of the subsidiary companies to members, as may be required by them, on demand. The annual financial statements of the subsidiary companies have been posted on the website of the Company viz. [www.ranegroup.com](http://www.ranegroup.com) and also kept open for inspection by any member at the registered office of the Company. The consolidated financial statement presented by the Company, which forms part of this annual report, include financial results of the WOS and SDS.

## 2. Board of Directors

### 2.1. Composition

The Corporate Governance Report given in 'Annexure E' to this report contains the composition of the Board of Directors of the Company.

There is no change in the composition of Board of Directors with reference to the previous year. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at [http://ranegroup.com/rml\\_investors/terms-conditions-appointment-id/](http://ranegroup.com/rml_investors/terms-conditions-appointment-id/).

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. The Board of Directors at its first meeting of the FY 2018-19 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year the Board had not appointed any person as an Alternate Director for an Independent director on the Board.

The Company has obtained a certificate from a Company Secretary in practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

### 2.2. Retirement by rotation

Mr. Harish Lakshman, Director (DIN: 00012602) is retiring by rotation at the ensuing 15<sup>th</sup> AGM. Being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Harish Lakshman as a Director is included in the notice convening the 15<sup>th</sup> AGM.

### 2.3. Board Meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, five (5) Board Meetings were held, the details of which are given in the Corporate Governance Report. The gap between two consecutive meetings of the Board of Directors was less than 120 days.

### 2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors expressed that the current flow of information and contents were good to effectively perform their duties. They also reviewed the performance of the non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other Non-Executive Directors.

## 3. Board and Management

### 3.1. Board evaluation

During the year, the Board carried out an annual evaluation of its performance as well as of the working of its Committees and individual Directors, including Chairman. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman and individual Directors, as per the criteria laid down by Nomination and Remuneration Committee. The Chairman's performance evaluation was also reviewed by Independent Directors at a separate meeting during the year.

The evaluation methodology, questionnaire and process were judiciously formulated taking into consideration the following parameters of the Board's functioning:

- a) Board structure and processes: Composition, appointment process, diversity, approach towards risk assessment, monitoring mechanism for any related party transactions, ethical standards and fairness in decision making.
- b) Meetings and discussions: Adequacy, relevance of information, follow up actions, discussions and debate especially on critical and dissenting views, if any.
- c) Board Information and functioning: Adequacy of time for strategic discussions, integrity of accounting and financial reporting systems and feedback of Independent Directors.
- d) Board committee effectiveness: clarity of charter laid down, effectiveness of reports of the Committees, its mandates and working procedures, its transparency and independency and contributions towards recommendations made to the Board.

The individual Directors' evaluation was carried out with an unbiased approach through peer evaluation focussing on following areas:

- a) Group dynamics i.e., exhibiting positive behaviours, framing of constructive contents and staying engaged while expressing honest opinions.
- b) Competency attributes like having sufficient understanding and knowledge of the Company and operating sector and fulfilling functions assigned to them by the Board and governing laws ; and
- c) Commitment in terms of exercising own judgement, voicing independent opinions and responsibility towards the Company and its success.

The outcome of the evaluation is also considered by the Nomination and Remuneration Committee while considering re-appointments of Directors on the Board and appointment in various Committees.

The Board acknowledged the key areas of improvement emerging through this exercise and the Chairman discussed with the other Board members during the meetings, the action plans including the need for revisiting the Board meeting schedule to allow sufficient time for discussions on matters of strategic importance and scheduling Directors' visits to the manufacturing facilities and facilitating interaction with the business and functional heads.

Certain strategic discussions at the Board and committee meetings brought to the fore were around long-term strategy in terms of industry trends, technology developments, measures to enhance productivity, innovation and competitiveness and sustainable business models.

Discussions on initiatives taken across the Rane group on areas like Human Resource development especially in the context of talent acquisition & management, succession planning, employee engagement, leadership development at Senior Management level and Information and Technology challenges, were given extensive time and focus by the Board.

### 3.2. Familiarisation program for Independent Directors

The familiarisation program for independent Directors and details of familiarization programmes to independent Directors are available at [http://ranegroup.com/rml\\_investors/familiarisation-programme-for-independent-directors/](http://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors/)

### 3.3. Key Managerial Personnel

Mr. S Parthasarathy, Chief Executive Officer (CEO), Ms. J Radha, Chief Financial Officer (CFO) and Ms. S Subha Shree, Company Secretary, hold the office of Key Managerial Personnel, respectively within the meaning of Section 2(51) of the Companies

Act, 2013. During the year there was no change in the Key Managerial Personnel (KMP).

### 3.4. Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) as laid down by the Nomination and Remuneration Committee (NRC) of the Board is available on the website of the company [www.ranegroup.com](http://www.ranegroup.com)

In accordance with the said policy and approval obtained from the shareholders at the 14<sup>th</sup> AGM held on July 25, 2018, a commission of ₹ 1.44 Crores is payable to Mr. L Ganesh, the Chairman for financial year 2018-19. This commission amount does not exceed 2% of the net profits of the Company for FY 2018-19.

In addition to the approval already obtained from shareholders by way of a special resolution under Section 197 of the Companies Act, 2013 and the Rules made thereunder, specific approval of shareholders is sought again, pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), for payment of commission to Mr L Ganesh for FY 2018-19.

The details of remuneration paid / payable to the Directors during the financial year 2018-19, is furnished in the Corporate Governance report annexed to this report of the Board.

## 4. Audit

### 4.1. Audit Committee

The terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance Report section of the Annual Report. The Audit Committee of the Board acts in accordance with the above terms of reference, which is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR and other applicable provision of SEBI LODR, as amended from time to time.

### 4.2. Statutory Auditors

M/s. Deloitte Haskins & Sells (DHS) were appointed in their second term as Statutory Auditors at the 13<sup>th</sup> Annual General Meeting (AGM) held on August 24, 2017, for a period of five years i.e., until the conclusion of the 18<sup>th</sup> AGM (2022).

DHS has confirmed that they do not suffer from any disqualification under 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.

During the year under review, DHS has not reported any matter under Section 143(12) of the Companies

Act, 2013 requiring disclosure under Section 134(3)(ca) of the Companies Act, 2013.

The statutory auditors report to the members for the year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer.

### 4.3. Cost Audit & Maintenance of Cost Records

Appointment of Cost auditor is not applicable to the Company under Companies (Cost Records and Audit) Rules, 2014.

Further, the maintenance of cost records as prescribed under provisions of Sec 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

### 4.4. Secretarial Auditors

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, are the Secretarial Auditors of the Company. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on May 23, 2019. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance Report, (hereinafter referred to as 'compliance report'), for FY 2018-19 issued by M/s. S Krishnamurthy & Co., the Secretarial Auditors of the Company, have confirmed compliance with securities laws applicable to the Company and the same has been taken on record by the Board of Directors at its meeting held on May 23, 2019. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

### 4.5. Internal Auditors

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, continues to be the Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, review of statutory and legal compliances with applicable statutes / laws and assessing the internal control strengths in all these areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on a regular basis to improve efficiency in operations. The internal auditors report directly to the Audit Committee and the Audit Committee while reviewing their performance scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz internal audit structure, staffing and seniority of the officials proposed to be deployed etc. which are adequate and commensurate to the

scope, functioning, periodicity and methodology for conducting the internal audit.

For FY 2018-19, the Audit Committee has taken on record their certification to the effect that:

- i. They have evaluated the internal control systems and risk management systems and reviewed the risk management systems and management's process of identification and mitigation of risks and controls;
- ii. There were no significant findings requiring follow-up thereon and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the Audit Committee/Board;
- iii. Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;
- iv. There were no deficiencies in the design or operation of internal controls;
- v. There were no significant changes in the internal control over financial reporting during the year under review;
- vi. There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting and;
- vii. The Company has a proper system for ensuring compliance with all applicable laws and the same is adequate and working effectively.

## 5. Directors' Responsibility Statement

In terms of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, based on the information and explanations obtained by them, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;
- b) they had selected such accounting policies and applied them consistently and made judgements 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;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- d) they had prepared the financial statements for the financial year on a 'going concern' basis;

- e) they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 6. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Company has not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., except for those disclosed in 'Annexure G' to this report. There are no materially significant related party transactions made by the Company with Related Parties which may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis. The Company has put in place proper system for identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link: [http://ranegroup.com/rml\\_investors/policy-on-related-party-transactions/](http://ranegroup.com/rml_investors/policy-on-related-party-transactions/)

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material, financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

## 7. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: "To be a socially and environmentally responsive organization committed to improve quality of life within and outside". The CSR activities of Rane Group focus on four specific areas viz.: (a) Education (b) Healthcare (c) Community Development; and (d) Environment.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Director and Ms. Anita Ramachandran, an Independent Director, as its members. The 'Annexure C' to this report contains the annual report on CSR activities of the Company for FY 2018-19. The CSR policy of the Company is posted on our website [http://ranegroup.com/rml\\_investors/corporate-social-responsibility-policy](http://ranegroup.com/rml_investors/corporate-social-responsibility-policy).

**8. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo**

The 'Annexure D' to this report contains the information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

**9. Particulars of Directors, Key Managerial Personnel and Employees**

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided in the full version of the Annual Report. The full version of the Annual Report is available for inspection by the members at the registered office during business hours on a working day of the Company up to the date of the ensuing Annual General Meeting. The full annual report including the aforesaid information is being sent electronically to all those members who have registered their e-mail address and is available on the Company's website www.ranegroup.com.

**10. Corporate Governance Report**

Your Company is a leader in compliance with the corporate governance norms under the SEBI regulations. The Corporate Governance report and the certificate issued by the Statutory Auditors are available in 'Annexure E' to this report.

**11. Other Disclosures**

- a) Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
- b) The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- c) There was no significant / material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d) The policies approved and adopted by the Board have been made available on the Corporate Governance section of the Investor page on the website of the Company viz. www.ranegroup.com.
- e) The extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is available on the website of the Company at www.ranegroup.com and in 'Annexure F' to this report.
- f) The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of Board of Directors and SS-2 on general meetings issued by Institute of

Company Secretaries of India as per Section 118(10) of the Companies Act, 2013.

- g) The Company does not accept any deposit falling under the provisions of Section 73 of the Companies Act, 2013 and the rules framed thereunder.
- h) The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company.
- i) The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under in accordance with provisions of the Companies Act, 2013, as amended from time to time.
  - No. of complaints received during the financial year – Nil
  - No. of complaints disposed during the financial year – Nil
  - No. of complaints pending as at end of the financial year – Nil
  - There was no complaints reported during the year under review through this mechanism.
- j) Electronic copies of the Annual Report and the notice convening the 15th Annual General meeting (AGM) would be sent to the members whose email address are registered with the Company or their respective Depository Participants. For members who have not registered their email address, physical copies of the Notice and Annual Report would be sent in the permitted mode.

For and on behalf of the Board

Chennai  
May 23, 2019

**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602

**L Ganesh**  
Chairman  
DIN: 00012583



## Annexure A to Report of the Board of Directors

# Management Discussion And Analysis

## 1. Company Overview

The Company manufactures steering & suspension linkage products, steering gear products and high precision aluminium die casting products. The Company is a significant supplier to major manufacturers of passenger cars (PC), utility vehicles (UV) and farm tractors (FT) in India and globally. The Company operates predominantly in a single reportable segment viz., components for the transportation industry.

## 2. Economic Review

### 2.1 Global Economy

Global economy growth started on a strong note fuelled partly by U.S. tax cuts and rising demand for imports. However, as the year progressed, momentum faded and growth started to wane as the increasing interest rates, trade frictions and the imposition of import tariffs hurt economic activity worldwide. According to International Monetary Fund (IMF) estimates, global growth is estimated to have slightly tapered down to 3.7% in 2018 and is expected to decline further to 3.5% in 2019 amid weakening sentiment in the global financial markets and further erosion of business and consumer confidence. A range of triggers including trade wars, Brexit, slowdown in China rising interest rates and tightening financial conditions globally could spark a further deterioration in risk sentiment and derail growth prospects.

### 2.2 Indian Economy

According to estimates provided by the Central Statistics Office (CSO), India's economy grew at a modest 6.8% in FY19 lower than 7.2% in the previous fiscal. This Slowdown has been attributed to slow rural consumption demand, lapses in the manufacturing sector, agricultural distress and unemployment. Tighter financial conditions owing to disruption in the Non-Banking Financial Company (NBFC) sector, higher oil prices, adverse terms of trade, lower growth in partner countries continue to be major overhang. Slowdown in growth combined with declining inflation has provided policy makers with room for softening of interest rates to stimulate growth in the economy. As per IMF, Indian economy is expected to expand to 7.10% in FY20 benefiting from lower oil prices and softening interest rates.

## 3. Automobile Industry

### 3.1 Global Automobile Industry

The U.S. auto industry ended 2018 with sales of 17.3 million new vehicles, 0.3% increase over 2017. While interest rates are rising and used-vehicle supplies are growing, new-vehicle sales continue to be supported by light-truck demand, employment

gains, healthy economic growth and lower fuel prices. Generous discounts and steady economic growth fuelled new-vehicle sales throughout the year. There is a clear shift in car buyers' preferences from traditional sedans to SUVs and trucks driven by lower fuel prices. Global economic slowdown, ongoing tariff wars, impact of new vehicle technologies, and the preferences of millennial and Gen Z consumers will determine the course of future demand. According to Centre for Automotive Research (CAR), total industry sales in 2019 is forecast to decline to 16.8 million to 17 million units.

According to European Automobile Manufacturers' Association (ACEA), car sales in the European Union (EU) remained flat at 15.2 million new registrations with full year growth of 0.1% owing to slowing demand in some Western European countries and disruption caused by the introduction of the new worldwide harmonised light-duty vehicle test procedure (WLTP) emissions test in September 2018. Results were diverse among the five major EU markets, with Spain (+7.0%) and France (+3.0%) posting growth, registrations falling slightly in Germany (-0.2%) and demand contracting in Italy (-3.1%) and the United Kingdom (-6.8%) last year. The SUV and crossover segments experienced growth at the expense of sedans and hatchbacks. According to forecasts by ACEA, auto sales is expected to remain flat staying close to 15 million units. Slowdown in economy, Brexit and tougher WLTP emission test poses serious headwinds to growth outlook.

The global automotive industry is going through an unprecedented change with advancements in innovative technologies and changing consumer preferences. Technology-driven trends such as Connected Vehicles, Autonomous Vehicles, Shared Mobility and Electric Vehicles presents huge opportunities as well as challenges.

### 3.2 Indian Automobile Industry

Indian automobile industry started the fiscal year on a positive note supported by healthy monsoon, rising rural demand, government's infrastructure push and rise in industrial activity. However, the momentum faded away in the latter part of the fiscal year due to an unabated increase in fuel prices, lower financing availability, steep price increase on account of insurance regulation changes in September 2018, floods in Kerala and heavy monsoons in certain parts of the country.

The Passenger Vehicle (PV) segment experienced muted growth of 0.1% owing to slowdown in the

market. With the continued shift of preference from Passenger Car (PC) segment to Utility vehicle (UV) segment by the end users, the UV segment grew by 0.5% whereas the PC segment volume declined by 1.3%.

Volumes in the Domestic Commercial Vehicle (CV) segment volumes soared to an all time high, representing 24.1% growth as the segment benefited from a lower base as truck sales were hit by the transition to stricter emission norms, Bharat Stage (BS) IV, last year. The Medium and Heavy Commercial Vehicles (M&HCV) segment's growth of 28.4% for the year can be attributed to buoyant demand from the infrastructure industry and benefit of lower base on transition to BS IV last year. Despite the introduction of new axle-load norms, medium and heavy commercial vehicles (M&HCV) segment continued with the strong growth momentum in the first half of the fiscal year. However, there was a sharp decline in the M&HCV segment in the second half of the fiscal due to liquidity crunch amid NBFC crisis and volume alignment post axle load norms. The Light Commercial Vehicles (LCV) segment reported strong volume growth of 12.4% driven by healthy rural demand and improved demand from the e-commerce sector. The Small Commercial Vehicles (SCV) segment reported substantial volume growth of 39.7%.

Farm tractors (FT) experienced growth of 11.3% as the farm sentiments remained healthy led by higher farm output, better crop prices, and government interventions in the run-up to the 2019 general elections. However lack of financing due to liquidity constraints in the lending sector and decline in crop area proved to be the dampener in Q4 of FY 2019.

During the year under review, the volume growth in Indian automotive industry is represented in the following table:-

Vehicle Segment	Production	
	Volume Growth (%)	
	FY 19	FY 18
Passenger Cars (PC)	(1.3)	1.3
Multi-Utility Vehicles (MUV)	0.5	20.2
Multi-Purpose Vans (MPV)	20.6	0.3
Passenger Vehicles (PV)	0.1	5.8
Small Commercial Vehicles (SCV)	39.7	26.8
Light Commercial Vehicles (LCV)	12.4	14.0
Medium & Heavy Commercial Vehicles (M& HCV)	28.4	2.7
Commercial Vehicles (CV)	24.1	11.2
Farm Tractors (FT)	11.3	14.4

Source: Society of Indian Automobile Manufacturers (SIAM)

## 4. Business Review

### 4.1 Domestic Market

The Company's sales witnessed 14% increase in the domestic market.

The Steering and Linkages business registered strong growth across all vehicle segments. The growth was supported by increasing share of business in existing models and also due to supply for new models in the Passenger Vehicle and M&HCV segments. In the Farm Tractor Segment, growth was driven by winning new customers and growth in the Hydraulic business.

The break-up of the domestic sales by products is given below:

(₹ in Crores)			
Products	FY 19	FY 18	Growth in %
Steering Gear Products	519.76	498.12	4
Suspension and Linkage Products	377.28	310.36	22
Hydraulic Products	58.55	38.03	54
Die Casting Products	37.24	31.79	17
Other Automotive Parts	48.90	36.48	34
<b>Total</b>	<b>1041.73</b>	<b>914.78</b>	<b>14</b>

The sales to Aftermarket customers experienced steady growth of 26% owing to the successful introduction of new parts in the PC range.

The break-up of domestic sales between OEM and Aftermarket is given below:

(₹ in Crores)			
Products	FY 19	FY 18	Growth in %
OEM & OES	870.93	769.02	13
Aftermarket	170.80	145.76	17
<b>Total</b>	<b>1041.73</b>	<b>914.78</b>	<b>14</b>

### 4.2 Exports

The Steering and Linkages business grew significantly during the financial year due to robust demand and increase in the share of the All-Terrain Vehicle (ATV) segment in North America. We continue to win new businesses in North America and Europe in Suspension linkage and steering gear products.

The Die casting business witnessed significant decline over last year as the consumer preference shifted more towards SUVs and due to closure of some plants of end customers in North America.

The break-up of the export sales is given below:

(₹ in Crores)			
Products	FY 19	FY 18	Growth in %
Suspension	73.71	68.90	7
Linkage Products			
Steering Gear Products	124.27	89.42	39
Hydraulic Products	1.36	1.05	30
Die Casting Products	82.85	94.24	-12
Other Automotive Parts	3.40	4.21	-19
<b>Total</b>	<b>285.59</b>	<b>257.82</b>	<b>11</b>

### 4.3 Operational and Financial Performance

#### 4.3.1 Financial Review

##### Standalone Financial Highlights

- Revenue from Sale of Products increased by 13% to ₹ 1,327.32 Crores in FY 2018-19 from ₹ 1,172.60 Crores in FY 2017-18.
- EBITDA increased by 9% to ₹ 151.74 Crores in FY 2018-19 from ₹ 139.50 Crores in FY 2017-18
- PAT increased by 13% to ₹ 47.24 Crores in 2018-19 from ₹ 41.82 Crores in FY 2017-18

The Company achieved Sales of ₹ 1,327.32 Crores, a growth of 13% over last year, driven largely by pickup in the Steering and Linkages business in the Domestic and the Exports market. The growth in the domestic Die casting business was offset by the decline in the exports market, resulting in a marginal drop in sales over previous year. The improvement in profits was largely driven by increased volumes and ongoing cost control measures, improvement in capacity utilization in the steering business.

##### Consolidated Financial Highlights

- Revenue from Sale of Products increased by 12% to ₹ 1506.16 Crores in FY 2018-19 from ₹ 1,349.41 Crores in FY 2017-18
- EBITDA decreased by 7% to ₹ 125.87 Crores in FY 2018-19 from ₹ 134.88 Crores in FY 2017-18
- PAT decreased by 90% to ₹ 2.42 Crores in FY 2018-19 from ₹ 24.22 Crores in FY 2017-18

#### 4.3.2 Operations and Manufacturing Review

In the Steering and linkages business, all the plants responded well to the increased demand in the first half and suitably scaled the operations during the second half. The supply chain also responded well and supported the plants to achieve the production targets.

The Hydraulics division in Mysuru responded very well to meet the higher demand of both Hydrostatic Steering Unit (HSU) and the Cylinders. The capacity of HSU units increased with some significant productivity & tooling improvements. The Hydraulics Business grew by almost 50% when compared to FY 18.

The Management team continued to engage in various lean measures to improve productivity and also reduce manpower. Further, various cost reduction projects identified in the areas of power, stores & spares and packing were all implemented successfully which helped in mitigating the inflationary trend on various fronts.

Similar to the past, continuous evaluation of in-house vs outsourcing decision along with some significant

tooling improvements helped the Company to optimize capital expenditure in FY 19.

The supply chain and plants responded well during the implementation of E-way bill and ensured no disruption on supplies to customers.

The R&D facilities were upgraded both at Chennai and at Puducherry to meet the increased product performance requirements and also to support the new product development. The company also successfully developed new range of products to meet the future growth aspirations.

In the Die Casting business, significant focus was placed on operational improvement in the areas of new product development, die tool management and enhancement in the overall robustness in the manufacturing process. This will help improve profitability once capacity utilisation improves.

#### 4.4 Rane Precision Die Casting

The performance of the company's overseas subsidiary, Rane Precision Diecasting Inc. (RPDC) continues to remain a concern for the company. During FY19, there were few setbacks as the business incurred higher cost on utilities, unexpected machine downtime resulting in increased production costs and higher repairs and tooling maintenance. Further, the lack of expected volume and inability to flex the cost extended the loss further.

The focus areas for RPDC business in FY19 were a) Securing new business and b) Improving operational performance.

The company has seen considerable progress on new business and had secured orders from three new customers during this year. These orders will diversify RPDC's customer and industry base. The management team is working on winning additional businesses that can ensure the long term sustainability of the subsidiary company

RPDC initiated several operational improvements initiatives.

- RPDC improved delivery performance with customers, which resulted in enhanced customer satisfaction levels and new opportunities.
- The management team is working on further operational improvements. Practices such as preventive maintenance, Total Productive Maintenance (TPM), etc. are being initiated.
- Awarded "Perfect Quality for 2018" by Nexteer.

- Strengthened the operations team by sending a senior person from India and will continue to provide necessary functional support as may be required in future.
- Implemented Manufacturing Execution System (MES) to capture the real time information on production and machine maintenance data.
- Key tools and equipment were refurbished or rebuilt as appropriate. More such initiatives planned this year.
- Technical training of shop floor operators and supervisory staff will continue with rigour.

RPDC's is likely to turn profitable over a period of next 2 years and is dependent on the progress of securing profitable new business orders and achieving sustainable improvements in the operation over the next 3-4 quarters.

#### 4.5 Pursuit of business excellence

The Company continued to focus on the 'Business Excellence Model' which was built on the solid foundation of existing TQM practices.

Several new systems and processes have been revisited and the business processes are re-engineered for efficiency and effectiveness. A strong internal process audit has been established across all Plants to continuously identify and implement improvement areas. To focus and improve operational performance, the Operating Committee carries out weekly reviews involving all plants and functions, to understand and resolve issues which impact the business performance.

These helped the Company to win the following awards from customers:

- Best Business Partner of the year from M&M Rane Group)
- Quality Award from Maruti Suzuki India Ltd
- Best supplier award from TAFE
- Best supplier award from Mahindra Swaraj

#### 4.6 Opportunities and Threats

Indian auto component industry is in a strong position with proven credentials of cost-effectiveness and globally-recognized engineering capabilities. Favourable demographics, growing economy, low penetration of cars and a major thrust on infrastructure by the government bodes well for the industry and the Company. Increased awareness on safety features in the vehicles and OEMs preference to improve safety rating of vehicles will increase application rates of occupant safety products.

The main threats facing the auto component industry are:

- Economic slowdown leading to contraction in demand remains one of the major threat which could lead to decreased volumes and capacity utilisation
- Political uncertainty and looming trade war
- Continuing cost reduction demand from OEMs who are expected to be the major growth drivers in future
- Increasing commodity prices and volatile forex movements

#### 4.7 Outlook

The global economy is expected to clock lower growth in 2019 with factors such as ongoing trade wars, Brexit, slowdown in China impacting the momentum global economy, further deteriorating risk sentiment and derailing growth prospects.

At the start of FY20, the domestic consumption and consumer confidence are not encouraging impacting the automotive sales. Though the first half of the fiscal year 2019-20 looks challenging, anticipated pre-buy on account of transition to BS VI, favourable monsoon and macro-economic policy direction is likely to stimulate consumption. In this scenario, the Company remains cautiously optimistic and prepared to handle the headwinds in the sector.

The Steering and Linkage business is expected to grow by winning new businesses in both domestic and export Passenger Car segment and domestic Hydraulics business and also due to targeted increase in market share in the Medium and Heavy Commercial Vehicle segment. After Market and Exports will continue to be a focus area to mitigate dependence on the domestic OEM business.

Having stabilized operations in the domestic plants, the domestic Die-casting business is now pursuing new export businesses to drive growth. The US subsidiary is focused on getting new business and improving operational efficiencies.

### 5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. 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. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with risk mitigation plan to the Board of Directors on half-yearly basis. The strategic risks are taken into

consideration in the annual planning process with their mitigation plan. Other risks are covered as part of internal audit process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. 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 of Directors once in two years for their review.

	<b>Risk</b>	<b>Nature of Risk</b>	<b>Risk Mitigation Strategies</b>
<b>Strategic</b>	Industry / Market risk	75% of revenue is derived from Indian Automotive sector. Hence, any drop in vehicle production will have a significant impact to the Company's business	The Company constantly strives to a) increase revenue from international markets (outside of India) b) add new products to increase organic revenue and diversify customers across vehicle segments c) improve presence in Aftermarket segment which presents opportunity to compensate for any drop in OE segment
	Technology Obsolescence Risk	Auto Industry and customer preference undergoes changes resulting in technology obsolescence	The company has consistently delivered cutting edge technology products with enhanced R&D capabilities, localization of testing and validation capabilities  Proactive engagement with customers at an early stage helps the Company to capture and work on the new technology development
	Competition	Maintaining market share in the Competitive market and availability of unorganized players further pose challenge	The Company's long standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. We periodically conduct customer survey to understand customer feedback and work in furthering our relationship.
<b>Operational</b>	Quality / Processes	Quality and Delivery are sacrosanct for safety critical products supplied by the Group	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help us to mitigate quality and delivery risks.
	People Risk	Attrition of key personnel could impact business operations and growth.	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports to build functional capabilities and develop strong leadership pipeline. The performance management system and other employee engagement initiatives help to develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is significant part of the cost and volatility in the price of raw material costs will erode margin	The Company constantly strives to mitigate the impact of input cost increases by. a) Implementing a Procurement function that will work on cost reduction initiatives through alternate sourcing, localization, etc. b) Negotiating and passing through input cost, which increases suitably, to the customers. c) Working on process improvements, yield improvements, etc.
<b>Financial</b>	Currency Risk	Exposed to foreign currency exchange risk as we export our products to various countries and import raw materials.	The Company uses a multi-pronged approach as suitable to the scenarios. This approach includes : a) Optimally balance the import and export to create natural hedge. b) Working with customer to index prices to mitigate currency fluctuations. c) Taking simple forward Contracts on a rolling basis to protect its export realization.
	Interest Rate Risk	Use of borrowings to fund expansion exposes the Company to interest rate risk	The Company manages interest rate risk on the following basis: a) Maintaining optimal debt-equity levels b) Using of internal accruals to fund expansion c) Constantly optimizing working capital to reduce interest costs

## 6. Human Resource Development and Industrial Relations

### 6.1 Talent Transformation Initiatives

In FY 19, the company focused on Functional and Leadership capacity enhancement through the following initiatives.

- 10 employees completed Rane Manufacturing Systems Professional program (RMSP), an 18-month intervention, with the objective to build manufacturing capability focusing on manufacturing processes and systems with a blended learning approach comprising of gemba, class-room and online courses.
- “Supply chain as a Source of Competitive Advantage” initiative was rolled out in collaboration with IIM-Bangalore to enhance the understanding on the best practices and recent developments for supply chain professionals.
- A program for aftermarket team was organized to reimagine the focus on lead indicators, group synergy and integrated market intelligence.
- Lean Production System has been strengthened through implementation of Cross Company Learning. To sustain the Business Excellence practices, select employees who are part of high potential leadership development track were trained as internal auditors for Rane Business Excellence Audit (R-BEAT).
- Young Leadership Development (YLD) intervention was launched for first-time managers. 10 employees across group companies underwent the intervention that has been designed to enhance their organizational, personal and team effectiveness and imparting leadership behaviours through experiential learning.
- The Company continued with the High Potential Leadership Development (HPLD) program and 2 employees were identified for the fifth batch. They have undergone a development journey comprising of development centre, experiential learning and Customised Management Development Program TOP GEAR at Great Lakes Institute of Management and pursued Action Learning Projects on business specific challenges.
- A first of its kind program called “Leader as Coach” was introduced with the objective of developing leaders in becoming competent at employee development and engaging in deeper conversations with the team to realize

increased commitment towards business results. Leaders were provided inputs on cultivating appreciation of how change can happen and develop understanding of generic coaching skills and processes that are critical to address employee development.

- The Senior management team went through a program on “Making an Informed Choice” to enhance the effectiveness of hiring decisions

### 6.2 Employee Engagement

The human resource function at Rane goes beyond boundaries of compensation and helps employees to build meaningful and stable careers. The company constantly engages with employees to receive their feedback through annual survey and group discussions. Based on the feedback, several positive changes are introduced in the practices to provide a holistic experience. In recognition of our efforts, the Company has been certified for the second consecutive year as Great Place to Work Company.

### 6.3 HR Technology

HR digital platform continues to evolve at a rapid pace creating new service delivery models in distributed ecosystem.

- Employee Lifecycle Management – OnBoarding application was launched to enable the new hires to capture the data, repopulate repetitive information in various forms and seamlessly transition data to Human Resource Management (HCM), thus significantly enhancing the efficiency.
- Compensation & Benefits – Workflow was introduced to enable employees to include dependents, opt in for enhanced sum insured by paying additional premium at competitive rates and track claims.
- The Company will implement a comprehensive learning management solution to design and deliver programs and disseminate analytics on various learning and development initiatives.

This augments well with our already implemented digital initiatives such as performance assessment and development system, internal job posting etc.

### 6.4. Policy Initiatives

Rane Group believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Rane Whistle Blower Policy was amended to further strengthen the vigil mechanism and speed up the enquiry process.

## 6.5. Industrial Relations

During the financial year, long term wage settlements with employee's union was signed in one of the plants. The industrial relations were generally cordial in all the plants.

## 7. Corporate Social Responsibility (CSR)

The Company continues to be a very responsible corporate citizen and places significant weightage on carrying out its Corporate Social Responsibility duties to create a positive impact on the society. We are committed to make meaningful contribution to the society as part of our CSR initiatives.

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education and Healthcare in FY19.

After establishing Rane Polytechnic, the next significant project of RF is Rane Vidyalaya (RV) which was established in June 2018 at Theerampalayam, Manachannallur Taluk, Tiruchirappalli District with a mission of providing quality education for rural children. The school began functioning for the academic year 2018 – 19 with classes from Nursery to Class II and follows CBSE curriculum. In the year 2019 – 20, RV will extend admissions for upto Class V and will progressively grow to become a higher secondary school.

Major CSR activities carried out by the Company during the Financial Year is given below:

- **Education** – The Company supports mid-day meal programme for the students of Government school in Mysuru (Karnataka). This led to steep decline in absenteeism rate from 45% to 18%. In Uttaranchal, the Company provided infrastructure facilities such as tables and chairs to the school children of Government and in Mysuru it provided library facility to Government run ITI college in Pandavapura.
- **Environment** – The Company contributed towards restoration of the 110 acres of Serappanancherry lake located near Oragadam Industrial belt by removing weeds, plastics and unwanted waste and levelling the lake and strengthening the bunds by planting more than 100 trees.

- **Healthcare** – The Company constructed toilets for government schools near the Puducherry and Uttaranchal plants. School children were educated on sanitation and hygienic practices to avoid communicable diseases. More than thousand school children benefited through this program.

- **Community Development** – The Company joined hands with Chennai police department and helped in installing CCTV cameras at main junctions as a part of its regular community development program.

The implemented CSR programs are being monitored on a regular basis by the HR function and necessary support in maintaining the facilities.

## 8. Internal Control Systems

The Company has setup a robust internal control system to prevent operational risks through a framework of internal controls and processes. These controls ensure that the business transactions are recorded in a timely and complete manner in the financial records, resources are utilised effectively and the assets are safeguarded.

The internal audit function is 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 scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meeting for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations including resource utilization and system efficacy.

## 9. Cautionary Statement

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

**Annexure B to Report of the Board of Directors**

# Secretarial Audit Report

for the Financial year ended March 31, 2019

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members of  
**Rane (Madras) Limited**  
[CIN: L65993TN2004PLC052856]  
"Maithri", No.132, Cathedral Road,  
Chennai – 600 086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE (MADRAS) LIMITED** ('the Company') during the financial year from April 01, 2018 to March 31, 2019 ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related action taken by the Company, during the year as well as after March 31, 2019, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the directors / key managerial personnel of the Company, and noted by the Board of Directors;
- (iii) Report regarding compliance with certain factory related laws given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on March 31, 2019, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

## 1. Compliance with specific statutory provisions

### We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:
  - (i) The Companies Act, 2013, and the rules made thereunder.
  - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
  - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
  - (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Overseas Direct Investment ('FEMA').
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
  - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').



- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2019 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) Generally complied with the applicable provisions of the Act, Rules, Regulations and Agreements, mentioned in paragraph 1.1 (i) to (vi) above; and
- (ii) Generally complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3), being non-mandatory has not been adopted by the Company. Secretarial Standards – 4 (SS-4) on 'Report of the Board of Directors' (non- mandatory) came into effect from October 01, 2018, after approval of the report of the Board of Directors for the financial year ended March 31, 2018; and hence compliance with same did not arise during the year.
- 1.3. We are informed that, during / in respect of the year:
- (i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms or returns under:
- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations ['SEBI ICDR'], 2009 (upto November 09, 2018) and the SEBI ICDR, 2018 (from November 10, 2018);
- (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
- (g) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.
- 2. Board processes**
- We further report that:**
- 2.1 Board constitution and balance**
- (i) The constitution of the Board of directors of the Company during the year, was in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), and SEBI LODR.
- (ii) As on March 31, 2019, the Board of Directors of the Company comprises of:
- (a) 3 (three) Non-Executive Non-Independent Directors; and
- (b) 3 (three) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The Company was not required to appoint an Executive Director since it has appointed a whole-time key managerial personnel in the position of Chief Executive Officer, in terms of Section 203(1)(i) of the Act.
- (iv) The processes relating to the following change in the composition of the Board of Directors during the year, was carried out in compliance with the applicable provisions of the Act and SEBI LODR:
- (a) Re-appointment of Mr. L Lakshman (DIN: 00012554) as a Director, upon retirement by rotation at the 14th Annual General Meeting held on July 25, 2018.
- 2.2 Board meetings**
- (i) Adequate notice was given to all the directors to enable them plan their schedule for the Board Meetings.

- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings:
  - (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
  - (b) Additional subjects / information / presentations and supplementary notes.

**2.3 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.**

**2.4 We are informed that, at the Board meetings held during the year:**

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

### **3. Compliance mechanism**

**We further report that:**

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

### **4. Specific events / actions**

**We further report that:**

- 4.1 During the audit period, the following specific events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:
  - (a) 3,65,630 Equity shares of ₹ 10/- each fully paid-up were allotted to Rane Holdings Limited (RHL) on December 28, 2018, pursuant to exercise of 3,65,630 warrants allotted to RHL on September 11, 2017 on preferential basis at a price of ₹ 547/-, and payment of the warrant exercise price of ₹ 14,99,99,707.50/- (being the entire balance 75% of the total issue price). The equity shareholding of RHL in the Company increased from 60.44% to 61.64% consequent to this allotment.
  - (b) Further Overseas Direct Investment of Euro 1.76 million was made in the preference capital of Rane (Madras) International Holdings B.V., wholly-owned subsidiary of the Company.

**For S. Krishnamurthy & Co.,**  
Company Secretaries

Chennai  
May 23, 2019

**K Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215

**Annexure – A to Secretarial Audit Report of even date**

To  
The Members of  
**Rane (Madras) Limited**  
[CIN: L65993TN2004PLC052856]  
“Maithri”, No.132, Cathedral Road,  
Chennai – 600 086.

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2019 is to be read along with this letter.**

1. The Company’s management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2019, but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
7. We have obtained the Management’s representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For S. Krishnamurthy & Co.,**  
Company Secretaries

Chennai  
May 23, 2019

**K Sriram**  
Partner  
Membership No: F6312  
Certificate of Practice No: 2215

## Annexure C to the Report of the Board of Directors

**Annual Report on CSR activities**

(For Financial Year 2018-19)

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

The Company's CSR vision is committed to contributing towards its societal responsibilities beyond statutory obligations. RML's Corporate Social Responsibility (CSR) philosophy is to function in a socially and environmentally sustainable manner recognizing the interests of all its stakeholders.

Our CSR vision is 'to be a socially and environmentally responsible corporate citizen'. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our business partners and motivate people to make the right choices for the business, communities and planet.

Our belief in good citizenship drives us to create maximum impact in areas of:

- (a) Education
- (b) Health Care
- (c) Environment and;
- (d) Community Development

The policy on CSR recommended by the CSR Committee was approved and adopted by the Board of Directors is available on the website of the Company (web link: [http://ranegroup.com/rml\\_investors/corporate-social-responsibility-policy/](http://ranegroup.com/rml_investors/corporate-social-responsibility-policy/))

**Overview of projects implemented during 2018-19**

- Contributed fund towards Rane Foundation for the promotion of education at RPTC & Rane Vidyalaya.
- Installation of CCTV cameras
- Free Mid-day meal to government school children.
- Library set up in ITI college
- Construction of toilets in Government High School
- Conservation of water bodies

- Construction of roads
- Infrastructure facilities to Govt schools

**2. The Composition of the CSR Committee**

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of RML is headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Management CSR Committee of the Company to act on their behalf. The members of the CSR committee are:

Board CSR committee	Management CSR committee
Mr. L Lakshman Committee Chairman, Non-Executive & Promoter Director	Ms. Gowri Kailasam & Mr. D Sundar Business Heads
Mr. L Ganesh Chairman, Non-Executive & Promoter Director	Ms. J Radha Vice President – Finance & CFO
Ms. Anita Ramachandran Non-Executive & Independent Director	Mr. T A Dayalan General Manager – Human Resource

**3. Average net profit of the Company for last three financial years**

Particulars	(₹ in Crores)		
	2015-16	2016-17	2017-18
Net profit for the year (PAT)	14.09	18.96	41.81
Adjusted Net profit (as per Section 198)	20.98	25.37	60.53
Average Net profit	35.63		

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 71.26 Lakhs****5. Details of CSR spent during the financial year.**

- (a) Total amount to be spent for the financial year: ₹ 71.26 Lakhs
- (b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

S.No	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend -Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
1		Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled persons.	Other Trichy (Tamil Nadu)	88.40	88.40	88.40	Implementing Agency: Rane Foundation (Registered Trust): 88.40
2		Improving the nutritional status of children at Koorgalli Higher Primary Govt. School which encourages poor children, belonging to disadvantaged sections, to attend school more regularly and help them concentrate on classroom activities.	Local Mysuru (Karnataka)	3.00	2.50	90.90	Implementing Agency: Akshaya Patra (Registered Trust): 2.50
3	Education	Set up Library in Pandavapura ITI College sponsoring about 400 books related to ITI course (along with library racks).	Local Mysuru (Karnataka)	1.50	2.00	92.90	Direct
4		a) Provide Infrastructure facility to Government Schools and colleges b) Set up library for Government College	Local Chennai (Velachery)	0.50	-	92.90	Direct
5		Infrastructure facility to Govt School	Local Rudrapur (Uttarakhand)	0.60	0.10	93.00	Direct
6		Construction of gate fixing work and donation of fan in Varanavasi for Government School	Local Varanavasi (Kancheepuram)	1.00	0.52	93.52	Direct
7		Construction of toilets in Government High School	Local Thirubhuvanai (Pondicherry)	2.00	2.00	95.52	Direct
8	Healthcare	Construction of toilets in Government High School	Local Rudrapur (Uttarakhand)	1.00	1.50	97.02	Direct
9		Conservation of water bodies- Cleaning lake by removing weeds, and planting trees	Local Varanavasi (Kancheepuram)	5.00	5.00	102.02	Implementing Agency - Abhinava Theertham: 5.00
10	Environment	To create awareness about tree plantation and sampling drive	Local Chennai (Velachery)	0.50	-	102.02	Direct

S.No	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend -Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
11		Construction of roads near Varanavasi	Local Varanavasi (Kancheepuram)		1:00	103.02	Direct
12	Community Development	Installation of CCTV cameras	Local Chennai (Velachery)		1.00	104.02	Direct
13		To train differently abled woman on tailoring and provide tailoring Machine.	Local Varanavasi (Kancheepuram)	0.50	-	104.02	Direct
14	Health Care	Nutrition Programme - to increase the longevity of HIV infected kids, provide them with protein supplements to help increase their immunity.	Local Medak, Hyderabad (Telangana)	3.50	3.46	107.48	Implementing Agency: Desire Society, Hyderabad (Registered Trust): 3.46
15	CSR Capacity Building			0.50	0.50	107.98	Direct
<b>Total</b>				<b>108.00</b>	<b>107.98</b>		

**6. In case the company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**  
Not Applicable

**7. Responsibility statement of the CSR Committee.**

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above.

All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

For and on behalf of the Board

Chennai

May 23, 2019  
Chairman of the Committee  
DIN: 00012554

**L Lakshman**

**S Parthasarathy**  
Chief Executive Officer

## Annexure D to Report of the Board of Directors

# Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

## A. Conservation of Energy

### Steps taken or impact on conservation Minimising power consumption

- ❖ Ceramic Lining to furnaces
- ❖ Thyristor power control, PDI control for conservation of energy on furnaces
- ❖ Use of LED lighting for office, rest rooms and street lights
- ❖ Use of 5 star rating air conditioners.
- ❖ GCF batch capacity increase from 400 to 500 Nos.
- ❖ Chiller in place of cooling tower
- ❖ Derating of induction motors
- ❖ Auto control of temperature in Heat treatment

### Eliminating Wastage

- ❖ Customized power pack on machining centres to reduce power consumption
- ❖ Implementation of VFD projects for motors
- ❖ Need based auto - ON/OFF for machines
- ❖ Energy saving through air leak arresting
- ❖ Elimination of compressors by consumption reduction
- ❖ Switching off compressors during unwanted period (C-shift).
- ❖ Auto switch On/Off for dining hall AC as per lunch/dinner timing.
- ❖ APFC Panel up gradation for reducing waster energy (PF-0.99 to 1.00).

### Impact of such conservation projects

- ❖ 36 energy saving projects completed across all plants with annual units savings of 10.75 lacs and cost savings of ₹ 1.02 Crores

### Steps taken for utilising alternate sources of energy

- ❖ Not applicable

### Capital investment in energy conservation equipment

- ❖ Not applicable

## B. Technology Absorption

### Efforts towards technology absorption

- ❖ Designed and developed in-house machine for bearing pressing

### Benefits derived (product improvement, cost reduction, product development or import substitution)

#### Rack & Pinion:

##### Product Improvement

- ❖ Variable ratio gear developed effort reduction
- ❖ Hybrid Rack for advantage in weight

##### Cost Reduction (VAVE)

- ❖ Rubbermount material change from NBR to EPDM
- ❖ Gundrilling elimination in rack
- ❖ Alternate material for Double O-ring Rackbush

##### Localising to Reduce Imports

- ❖ Bellows localised to India.

##### Other

- ❖ All new model steering parts changed to compliance with ELV requirements.
- ❖ Returnable packing introduced.

##### Steering linkages and ball joints:

- ❖ Fail safe ball joint: Safety enhancement
- ❖ Longer linkages more than 2 m with 2 plane bending to cater HCV twin front axle application
- ❖ Aluminium housing ball joints: Validation completed, Proposed to domestic leading passenger car customer

**Hydraulic Products:**

- ❖ Cylinders for construction equipment - Clamp Cylinders & Steering Cylinders
- ❖ Cost reduction identification of 10 to 15% on hydraulic cylinders through alternate material and process
- ❖ Antishock valve - Hydrostatic steering units

**EPS for Non Passenger cars:**

- ❖ Proto sample development and samples submitted to 3 Wheeler major OEM and vehicle level validation under progress\
- ❖ Advanced stage of technical engagement with major SCV manufacturer for EPS with RCB Steering gear proposal

**Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2018-19)**

Technology imported	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action
		Not Applicable	

**Research and Development expenditure incurred**

(₹ in Crores)

Particulars	2018-19	2017-18
A Capital expenditure	2.91	2.60
B Recurring expenditure	6.99	8.06
C Total	9.90	10.66
D Total R & D expenses as a percentage of total turnover	0.72%	0.86%

**C. Foreign Exchange Earnings and Outgo**

(₹ in Crores)

Foreign Exchange	2018-19	2017-18
Earnings	250.18	232.50
Outgo	73.91	47.32

For and on behalf of the Board

Chennai  
May 23, 2019**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602**L Ganesh**  
Chairman  
DIN: 00012583



## Annexure E to the Report of the Board of Directors

## Corporate Governance Report

### 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 of shareholder value within this framework. Directors' code of conduct and employee behaviour is nourished by this culture and is governed through a policy document "Ethical Standards of Behaviour – RANE COMPASS".

Our belief in good corporate citizenship enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment, drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR).

### 2. Board of Directors

#### Composition, Attendance & Meetings

As on March 31, 2019, Board comprised of six non-executive Directors with majority of them (50%) being Independent Directors.

The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director. The composition of the Board

is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the Board and the same as at end of FY 2018-19 is in conformity the Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serves as an Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in listed Company not more than three (3) listed Companies is served by him / her as an Independent Director. Similarly, none of the Directors on the Board, is a member of more than 10 Committees or Chairperson of more than 5 Committees across all listed and unlisted public companies in which he/she is a Director in terms of Regulation 26 of SEBI LODR.

The Board met five (5) times during the FY 2018-19 on April 30, 2018; July 25, 2018; October 25, 2018; January 22, 2019 and March 21, 2019. The names and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee memberships / chairperson position(s) held by them in other public companies as on March 31, 2019 are given below:

Name of the Director / (DIN)	Category in the Company	No. of Board meetings attended	Attendance at the last AGM (July 25, 2018)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	5	-	7
Mr. Harish Lakshman (00012602)	Vice Chairman, Non-Executive & Promoter	5	Yes	1*	5*	2	2
Ms. Anita Ramachandran (00118188)	Non-Executive & Independent	4	No	-	9	1	8
Mr. L Lakshman (00012554)	Non-Executive & Promoter	5	Yes	-	5	-	3
Mr. M Lakshminarayan (00064750)	Non-Executive & Independent	3	Yes	1	7	1	4
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	5	Yes	-	1	-	2

# Excludes Directorships held on the Boards of private Companies, Section 8 Companies and Companies incorporated outside India.

\* Includes Chairpersonship & Directorship held in deemed public company

@ Membership in Audit Committee and Stakeholder Relationship Committee of other public Companies are only considered as per Regulation 26 of SEBI LODR and membership includes the positions held as chairperson of the Committee.

The details of other Directorship held by the Directors of this Company in other listed entities are as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. M Lakshminarayan	Kirloskar Oil Engines Limited	Non-Executive & Independent
	WABCO India Limited	Chairman - Non-Executive & Independent
	TVS Electronics Limited	Non-Executive & Independent
	ASM Technologies Limited	Non-Executive & Independent
	Wendt (India) Limited	Non-Executive & Independent
	Suprajit Engineering Limited	Non-Executive & Independent
Ms. Anita Ramachandran	Grasim Industries Limited	Non-Executive & Independent
	Utkarsh Small Finance Bank Limited	Non-Executive & Independent
	Aditya Birla Housing Finance Limited	Non-Executive & Independent
	3D PLM Software Solutions Limited*	Non-Executive & Independent
Mr. Pradip Kumar Bishnoi	Avadh Sugar & Energy Limited	Non-Executive & Independent
Mr. L Ganesh	Rane Brake Lining Limited	Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Managing Director and Promoter
	Rane Holdings Limited	Chairman & Managing Director and Promoter
	EIH Limited	Non-Executive & Independent
	EIH Associated Hotels Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Vice Chairman, Non-Executive & Promoter
	Rane Holdings Limited	Vice Chairman, Non-Executive & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Mr. L Lakshman	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Non-Executive & Promoter
	Rane Holdings Limited	Chairman Emeritus, Non-Executive & Promoter
	SRF Limited	Non-Executive & Independent
	D C M Limited	Non-Executive & Independent

\* Ceased to be Director effective April 30, 2019

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

The matters specified pursuant to Regulation 17(7) of SEBI LODR under PART A of Schedule II and in particular the annual operating plans and budgets, quarterly results for the Company, minutes of meetings of audit committee and other Committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. were discussed by the Board.

Annual calendar for the Board and its Committee meetings was circulated in advance to the Directors and Directors were provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. Post Board meeting reviews were held by the Chairman to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

The disclosure regarding meeting of Independent Directors, Board and Directors' performance evaluation are discussed in detail in the Directors Report.

In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.

The details of familiarisation programme for the independent Directors are disclosed in the website of the Company at the link: [http://ranegroup.com/rml\\_investors/familiarisation-programme-for-independent-directors/](http://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors/).

#### **Skills, expertise and competence of the Board**

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and Committees. The Board ensures and maintains highest standards of corporate governance.

The skills, expertise and competencies identified by the Board in the context of the automotive business in which the Company operates for it to function effectively inter-alia are as follows:

- **Industry and Technology:** Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network.
- **Business development:** Experience in driving business success across various geographies, diverse business environment, economic conditions cultures and global market opportunities.
- **Allied disciplines:** Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, human resource.
- **Governance:** Having insight into maintaining effective Board and management relationship, protecting stakeholders interest and observing appropriate governance practices.

Certificate from a Company Secretary in practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director(s) of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority is provided as Annexure (i) to this Report.

### 3. Audit Committee

#### Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year April 30, 2018; July 25, 2018; October 25, 2018 and January 22, 2019. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. Pradip Kumar Bishnoi ^	Chairperson – Non - Executive & Independent	4
Mr. M Lakshminarayan *	Member – Non - Executive & Independent	1
Mr. L Lakshman	Member – Non - Executive, Promoter	4
Ms. Anita Ramachandran ^^ #	Member – Non - Executive & Independent	3

^ Appointed as Chairperson of the Committee w.e.f. January 22, 2019

\* Ceased to be a Chairman & continues to be a member of the Committee w.e.f. January 22, 2019

^^ Inducted as a member only for the meeting(s) held on April 30, 2018 and October 25, 2018

# Inducted as a member of the Committee w.e.f. January 22, 2019

All the members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Statutory Auditors and the Internal Auditors were present as invitees in all the meetings. The Chief Executive Officer (CEO), Business Head(s) and Vice President - Finance & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

The Chairman of the Audit Committee was present at the last AGM of the Company held on July 25, 2018.

#### Overall purpose and terms of reference

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

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013 (Act) and other applicable provisions of SEBI LODR and Act, as amended from time to time. In line with these provisions, the Company framed an Audit Committee Charter, which is subject to review by the Audit Committee.

During the year, the Board of Directors amended the terms of reference of the Committee in line with the newly introduced provisions in SEBI LODR, effective April 1, 2019 and roles of the Audit Committee inter-alia, includes, review of:

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.

- Evaluation of internal financial controls and risk management systems.
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto.
- Compliance with listing and other legal requirements relating to financial statements.
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the company, as and when required.
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company.
- Utilization of loans and/ or advances from/investment by the company to its subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on April 01, 2019.

As per the charter and the terms of reference, the Audit Committee, also:

- Recommends appointment of Auditors and their remuneration and approves the appointment of CFO.
- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditors / Internal Auditors.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited 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 approves payments to statutory auditors for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of listing agreement / SEBI LODR, the audit committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on Related Party Transactions. The audit committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions, including value per transaction, extent and manner of disclosures made to the Audit Committee. On a quarterly basis the Audit Committee reviews related party transactions entered into by the company pursuant to each of the omnibus approval.

The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of internal auditor observations, statutory compliance.

#### 4. **Nomination and Remuneration Committee (NRC)**

##### **Composition, Attendance and Meetings**

The Nomination and Remuneration Committee of the Board (NRC) is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met two (2) times during the year, viz., April 30, 2018 and July 25, 2018. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. M Lakshminarayan	Chairman – Non-Executive & Independent	1
Mr. L Ganesh	Member – Non-Executive, Promoter	2
Ms. Anita Ramachandran	Member – Non-Executive & Independent	1
Mr. L Lakshman	Member – Non-Executive, Promoter	2
Mr. Pradip Kumar Bishnoi ^	Member – Non-Executive & Independent	1

^ Inducted as a member only for the meeting held on April 30, 2018

During the year, the Board of Directors aligned the terms of reference of the Committee with the newly

introduced provisions in SEBI LODR, effective April 01, 2019.

**Terms of Reference:**

- To formulate criteria for determining qualifications, positive attributes and Independence of Director for evaluation of performance of Independent Directors and the Board.
- To approve the remuneration policy of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- To devise policy on Board diversity.
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the CEO / Managing Directors.
- To evaluate performance, recommend and review remuneration of the Executive Directors based on their performance.
- To recommend to the Board, the extension / continuation of term of appointment of Independent Directors based on report of performance evaluation.
- To consider and recommend professional indemnity and liability insurance for Directors, KMP and SMP.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management

**During the year, the NRC inter alia,**

- reviewed the process for evaluation of the Board, its Committee & Directors and the compensation benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) of the Company.
- considered and recommended payment of commission to Mr L Ganesh, Chairman, including seeking approval of shareholders at the 14<sup>th</sup> AGM held on July 25, 2018, for payment of commission not exceeding 2% of net profits to Mr. L Ganesh commencing from period April 1, 2018 and March 31, 2021.

Pursuant to approval accorded by the shareholders at the said 14<sup>th</sup> AGM held on July 25, 2018, Mr. L Ganesh is entitled to receive a commission not exceeding 2% of the net profits of the Company for a period commencing from April 1, 2018 till March 31, 2021, apart from sitting fees.

In addition to the approval already accorded by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder, pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), effective from April 1, 2019, the Board has recommended to the shareholders for approval of payment of commission to Mr. L Ganesh for the year 2018-19.

**Remuneration Policy**

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available on the website of the Company [www.ranegroup.com](http://www.ranegroup.com). This policy is designed to attract, motivate, and retain talented employees who drive the company's success and aims at aligning compensation to goals of the company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

**Sitting Fees**

The Company has paid sitting fees to all the Directors, apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. Except as disclosed herein, the Company has not paid any other remuneration to the Directors.

The sitting fees payable per meeting of Board and its Committees are as hereunder:

Type of Meeting	Sitting fees per meeting (₹)
Board	40,000
Audit committee	35,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

**Details of Remuneration paid to Directors**

The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2019 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2019 @
Mr. L Ganesh	2,25,000	1,44,22,568	839
Mr. Harish Lakshman	2,20,000	-	750
Mr. L Lakshman	3,85,000	-	-
Mr. M Lakshminarayan	1,65,000	-	-
Ms. Anita Ramachandran	2,95,000	-	-
Mr. Pradip Kumar Bishnoi	3,50,000	-	-

@ includes joint holdings & HUF, if any

**Note:**

- No other remuneration except sitting fees was paid to Non - Executive Directors (other than Chairman).
- Commission to Mr. L Ganesh, Chairman for the year 2018-19 is payable pursuant to the approval accorded by shareholders vide ordinary resolution passed at the 14<sup>th</sup> Annual General Meeting held on July 25, 2018 and subject to additional approval under newly introduced provisions of Reg.17(6)(ca) of SEBI explained in this report.
- No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company. None of the other Directors holds any shares in the Company.
- The Company does not have any Managing Director or Whole-time Director who is in receipt of any remuneration from the holding company or any of the subsidiary companies.

**5. Stakeholder's Relationship Committee****Composition & Attendance of Meetings**

The Stakeholder's Relationship Committee looks into grievances of shareholders and redress them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR.

During the year under review, the Board of Directors have adopted a Stakeholder Relationship Committee charter in line with the newly introduced provisions of SEBI LODR effective April 1, 2019, in terms which the role of SRC inter-alia are as under:

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Company Secretary is the compliance officer of the company. The Committee met four (4) times during the year, i.e., April 30, 2018, July 25, 2018, October 25, 2018 and January 22, 2019. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non- Executive & Promoter	4
Mr. Harish Lakshman	Member, Non- Executive & Promoter	4
Ms. Anita Ramachandran *	Member, Non-Executive & Independent	3
Mr. Pradip Kumar Bishnoi ^	Member, Non-Executive & Independent	NA ^^

\* Ceased to be a member w.e.f. conclusion of meeting of Board of Directors held on January 22, 2019

^ Inducted as a member w.e.f. conclusion of meeting of Board of Directors held on January 22, 2019

^^ No meeting of committee was held post induction into the Committee.

Details of investor complaints for the year reviewed by the SRC are as under:

Particulars	Nature of Complaint	Received	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI) and Stock Exchanges (BSE / NSE)	Regarding service of documents by speed post	1	1	-
Through Registrar & Transfer Agent	Non-receipt of AGM attendance slip and proxy form	3	3	-
Directly to Company	Non-receipt of transmission process	1	1	-

The Chairman of the SRC was present at the last AGM of the Company held on July 25, 2018 to answer queries of the security holders.

There are no investor complaints pending unresolved at the end of the financial year 2018-19

## 6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) as per the CSR activities of the Company.

The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time.

The Committee met once during the year on April 30, 2018. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non – Executive & Promoter	1
Mr. L Ganesh	Member, Non – Executive & Promoter	1
Ms. Anita Ramachandran	Member, Non – Executive & Independent	1

The Company Secretary acts as the Secretary to the Committee. The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board.

The terms of reference of the Committee are as follows

1. Formulate and recommend CSR Policy, for approval of the Board
2. Approve projects that are in line with the CSR policy
3. Have monitoring mechanisms in place to track the progress of each project
4. Recommend the CSR expenditure to the Board of the company for approval
5. Review new proposals and existing projects' status

The report on CSR projects undertaken during the year 2018-19 as approved by the CSR committee in consultation with the Board is annexed to Director's Report as **Annexure 'C'**.

## 7. Other Committees

### Share Transfer Committee

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / rematerialization, split/consolidation, issue of duplicate share certificates etc. to a committee comprising of such senior officials designated from time to time. The Committee meets on a case to case basis to approve share transfers and transmissions and the details of such transfer / transmissions of securities are placed to the Board. No sitting fees is payable to the committee members.

SEBI vide its notification dated November 30, 2018, amended the provisions of regulation 40 of SEBI LODR, to prohibit transfer of shares in physical form effective April 1, 2019.

The Company has taken initiatives to reach out to investors holding shares in physical form and in terms of this circular effective April 1, 2019, the Company has not been processing transfer of securities in physical form except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders).

### Finance Committee

In order to exercise the borrowing powers delegated by the Board, a Finance Committee comprising of three non-executive Directors who are also part of the Promoters viz., Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. During the year no meeting was held.

### Executive Committee

In order to carry out activities in connection with change in operation of bank accounts and authorization of officials under various legislations and other administrative matters between two consecutive meetings of the Board, an executive committee three Non-Executive Directors, who are also part of the Promoters viz., Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the committee members. During the year one meeting was held on January 04, 2019 to approve matters relating authorizations in connection with lease arrangements and all members of the Committee attended the meeting.

### Allotment Committee

The Allotment Committee has been constituted in connection with preferential issue and allotment of equity shares and convertible warrants to Rane Holdings Limited (RHL / Promoter) and to exercise the such powers delegated by the Board. No sitting fees is payable to the committee members. The committee comprises of three non-executive Directors who are also part of the Promoters viz., Mr. L Ganesh,

Mr. Harish Lakshman and Mr. L Lakshman as its members. During the year one meeting was held on December 28, 2018 and all members of the Committee attended the meeting.

#### Investment Committee

The Investment Committee has been constituted to explore and in detail study any proposal for acquisition, carry out activities in connection with such proposals, submit recommendations to the Board, make investments and give financial support to Intermediate Holding Company (IHC) or Wholly Owned Subsidiary (WOS) or Step Down Subsidiary (SDS) of the Company, from time to time, within the overall limits approved by the Board. The Committee comprises of Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the Committee members. During the year no meeting of the Committee was held.

### 8. Code of conduct

The Board of Directors has laid down a code of conduct, i.e. "Ethical Standards of Behaviour – RANE COMPASS" for all Board members and employees

### 9. General Body Meetings

The details of last three Annual General Meetings (AGM) are as under:

Date of AGM	Special resolutions passed	Time	Venue
July 25, 2018 (Fourteenth AGM)	No Special resolution was passed	10:15 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014
August 24, 2017 (Thirteenth AGM)	1. Re-appointment of Mr. M Lakshminarayan as an Independent Director for a second term 2. Re-appointment of Ms. Anita Ramachandran as an Independent Director for a second term	10:15 hrs	
July 22, 2016 (Twelfth AGM)	No Special resolution was passed	10:15 hrs	

No Extra-Ordinary General Meeting (EGM) was held during the year

### 10. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., except for those disclosed in 'Annexure G' to this report of the Board of Directors. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions as per Ind AS are stated in note no. 33 of the financial statements. The policy on related party transaction is available on the website of the Company at the link : [http://ranegroup.com/rml\\_investors/policy-on-related-party-transactions/](http://ranegroup.com/rml_investors/policy-on-related-party-transactions/)

of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company viz., [http://ranegroup.com/rml\\_investors/code-of-conduct](http://ranegroup.com/rml_investors/code-of-conduct). The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct. Declaration from the Chief Executive Officer of the Company to this effect forms part of this report.

#### Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and "Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at [http://ranegroup.com/rml\\_investors/code-of-fair-disclosure](http://ranegroup.com/rml_investors/code-of-fair-disclosure).

- 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 during the last three years.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- The Company has complied with all the mandatory requirements prescribed



- under Chapter IV of the SEBI LODR, as explained hereunder:
- i. maintains an office for Mr. L Ganesh, Chairman (non-executive) at the registered office of the Company and allows re-imbursement of expenses incurred in performance of his duties.
  - ii. disseminates to the stakeholders financial performance and summary of significant events through earnings' / conference calls with investors on quarterly basis.
  - iii. adopts best practices to ensure a regime of financial results / statement with unmodified audit opinion.
  - iv. internal auditor directly reports to the Audit Committee.
  - v. appointed separate persons to the posts for Chairman and CEO of the Company is neither a director on the Board of the Company nor in any manner related to the Promoters / Promoter Group or Board of Directors of the Company.
6. In order to comply with all applicable 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 STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. 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.
7. The Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website. (Link: [http://ranegroup.com/rml\\_investors/policy-on-material-subsiaries/](http://ranegroup.com/rml_investors/policy-on-material-subsiaries/))
  8. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16 read with Regulation 25 and other provisions of the Act and SEBI LODR, as amended from time to time and that they are no aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
  9. In terms of regulation 28 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
  10. 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 required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
  11. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
  12. The Board has accepted / considered all the recommendation(s) made by its Committee(s) during the relevant financial year under review.
  13. The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to Deloitte Haskins and Sells, Chartered Accountants, Statutory Auditor (including all entities in the network firm / network entity) is given as under:

	Paid by the Company	Paid by the Subsidiaries	Paid by the Company	Paid by the Subsidiaries
	2018-19		2017-18	
Deloitte Haskins and Sells, Chartered Accountants (DHS)	₹ 0.47 Crores	-	₹ 0.40 Crores	-
Net Work entities and firms of DHS	₹ 0.10 Crores	-	₹ 0.12 Crores	-
<b>Total</b>	<b>₹ 0.57 Crores</b>	<b>-</b>	<b>₹ 0.52 Crores</b>	<b>-</b>

14. During the year under review ₹ 14.99 Crores was received by the Company on conversion of entire 3,65,630 warrants allotted under preferential allotment by paying the entire exercise price. The entire ₹ 14.99 Crores were utilized by the Company to re-pay outstanding debts, in line with the objects of the issue.

**11. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities**

The Company does not have any exposure hedged through Commodity derivatives. The Company has well defined forex exposure guidelines approved by the Board of Directors and forex exposures are suitably hedged through plain vanilla forward covers.

**12. Whistle blower mechanism:**

The Company has a whistle blower policy, which provides the vigil 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. During the year under review, the working of the policy was reviewed and approval of the Board was secured to amend certain provisions to strengthen and align the internal mechanism for dealing with any reliable information under this policy. It also addresses the protection to 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. During the year under review the Board of Directors amended certain

provisions to strengthen the policy on procedural matters especially those governing the anonymous disclosures, Committees, ombudsperson and timelines for detailed enquiry. The whistle blower policy has also been posted in the Company's website [http://ranegroup.com/rml\\_investors/whistle-blower-policy/](http://ranegroup.com/rml_investors/whistle-blower-policy/).

No person has been denied access to the ombudsperson / audit committee.

**13. Means of communication**

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

During last year, the shareholders of the Company whose e-mail addresses were registered with the Company / Depository Participants (DPs) were provided with a link to the annual report of the Company via e-mail and those who opted to receive the documents in physical mode were provided with a physical copy.

**14. General Shareholder Information**

- i. Information about Director(s) seeking appointment in the ensuing fifteenth (15th) Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2)

<b>Name of the Director</b>	<b>Mr. Harish Lakshman</b>
<b>Father's Name</b>	Mr. L Lakshman
<b>Director Identification Number (DIN)</b>	00012602
<b>Age (in years)</b>	45
<b>Date of Birth</b>	12 February, 1974
<b>Educational Qualifications</b>	B.E. – BITS Pilani, MSM - Purdue University, USA
<b>Experience</b>	Mr. Harish Lakshman over 24 years of industrial experience and has held various positions in the areas of Marketing, Operations and Business Development Overseas. He currently spearheads the future growth plan for Rane Group. In addition to serving as Vice- Chairman of the Company, he also serves as a Vice Chairman of Rane Engine Valve Limited and Rane Holdings Limited.
<b>Date of first appointment on the Board</b>	March 31, 2004
<b>Terms and Conditions of appointment</b>	Re-Appointed as a non-executive director, liable to retire by rotation
<b>Last drawn remuneration</b>	Sitting fee for FY 2018-19 - ₹ 2,20,000/-
<b>Remuneration sought to be paid</b>	No approval sought for remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.
<b>Relationship with other Directors / Manager / KMP</b>	Son of Mr. L Lakshman
<b>Other Directorships</b>	<p><b>Chairman</b></p> <p>1. Rane t4u Private Limited</p> <p><b>Vice Chairman</b></p> <p>1. Rane Engine Valve Limited 2. Rane Holdings Limited</p> <p><b>Managing Director</b></p> <p>1. Rane TRW Steering Systems Private Limited</p> <p><b>Director</b></p> <p>1. Rane Brake Lining Limited 2. Oriental Hotels Limited (Independent Director) 3. Rane NSK Steering Systems Private Limited 4. Young Presidents Organisation (Chennai Chapter) 5. Savithur Enterprises Private Limited 6. HL Hill Station Properties Private Limited 7. Rane Holdings America Inc. USA 8. Rane Precision Die Casting Inc. USA</p>
<b>Committee Memberships in other Boards</b>	<p><b>Chairman – Stakeholders' Relationship</b></p> <p>Rane Holdings Limited Rane Brake Lining Limited</p> <p><b>Member – Nomination and Remuneration</b></p> <p>Rane Holdings Limited</p>
<b>Number of meetings of the Board attended during the year</b>	Five (5)
<b>Number of equity shares held</b>	Seven Hundred and Fifty (750)

- ii. **Annual General Meeting** **July 24, 2019 (Wednesday) at 10.15 Hrs.**  
The Music Academy (Mini Hall)  
New No.168, T T K Road, Royapettah, Chennai - 600 014

- iii. **Financial Year: April 01 - March 31**

#### Financial Calendar:

Board meeting for approval of	Tentative Date
Audited Annual financial results and financial statements * for the year ended March 31, 2019	May 23, 2019
Un-audited financial results* for the 1st quarter ending June 30, 2019	By fourth week of July 2019
Un-audited financial results* for the 2nd quarter ending September 30, 2019	By fourth week of October 2019
Un-audited financial results* for the 3rd quarter ending December 31, 2019	By fourth week of January 2020

\* Standalone and Consolidated

**iv. Dividend:**

During the year 2018-19, the Board of Directors declared an interim dividend of 40% (i.e., ₹ 4.00 per share) on the equity share capital on January 22, 2019. The interim dividend was paid on February 08, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 01, 2019 (being the Record Date) fixed for this purpose.

The Board of Directors of the Company at their meeting held on May 23, 2019 have considered and recommended a final dividend of 45% (₹ 4.50 per share) on the equity share capital for approval of the shareholders at the ensuing 15th AGM to be held on July 24, 2019. The final dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on July 17, 2019 (being the Record Date) fixed for this purpose.

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, Block G, C-1, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RML
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532661

**Listing Fee:**

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has duly paid the Annual Listing fee for the financial year 2019 - 20 to NSE & BSE where the shares of the Company continue to be listed.

**vi. Unpaid / Unclaimed Dividends**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2012 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 within the respective due dates.

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹ 99,413/- for the financial year ended March 31, 2011 and interim dividend amount of ₹ 2,12,729/- for the financial year ended March 31, 2012 to IEPF on September 18, 2018 and March 29, 2019 respectively. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Members who have not encashed the dividend warrants are requested to make their claim to 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 31.03.2019) ^ (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2012	11.07.2012	4.00	1,66,868.00	16.08.2019	15.09.2019
31.03.2013*	23.01.2013	2.00	98,820.00	28.02.2020	29.03.2020
31.03.2013	18.07.2013	5.00	1,92,715.00	23.08.2020	22.09.2020
31.03.2014	31.07.2014	5.50	1,87,286.00	05.09.2021	05.10.2021
31.03.2015	31.07.2015	4.50	1,87,258.50	06.09.2022	06.10.2022
31.03.2016*	10.03.2016	3.50	1,98,553.50	16.04.2023	16.05.2023
31.03.2017*	23.01.2017	2.00	1,12,100.00	29.02.2024	30.03.2024
31.03.2017	24.08.2017	4.00	1,86,068.00	29.09.2024	29.10.2024
31.03.2018*	23.01.2018	4.50	1,57,428.50	28.02.2025	29.03.2025
31.03.2018	25.07.2018	7.50	1,86,015.00	31.08.2025	30.09.2025
31.03.2019	22.01.2019	4.00	1,59,504.00 @	27.02.2026	26.03.2026

# share of paid-up value of ₹10 per share

\* interim dividend

^ amounts reflect the confirmation of balance issued by bank(s)

@ based on bank reconciliation

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on July 25, 2018 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. <http://ranegroup.com>.

**vii. Transfer of shares to IEPF Authority**

Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the company is required to transfer the equity shares in respect of which dividends are not claimed for the last 7 years by any shareholder to the IEPF Authority.

In accordance with the said IEPF rules and its amendments, the Company sent reminder letters to the shareholders whose shares were due to be transferred to IEPF Authority and simultaneously published notices in newspapers. During the year under review, in terms of the IEPF rules, hereunder the Company transferred shares to IEPF Authority as detailed hereunder:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares transferred
2010 – 11 (Final)	897
2011 – 12 (Interim)	1,297

The shareholders, however, may claim the said shares along with corporate actions accrued by following the procedure available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed, to the nodal officer along with the documents enumerated in the Form No.IEPF-5. No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority.

The shares relating to unclaimed dividend for FY 2011-12 (Final) and FY 2012-13 (Interim) are liable to be transferred to IEPF Authority during the current FY 2019-20. An intimation in this regard shall be sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest available registered addresses. In accordance with the said rules, the Company shall also publish notices in newspapers and requisite details would be made available on the Investors section of the Company's website: <http://ranegroup.com/>. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF.

**viii. Unclaimed share suspense**

In accordance with Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

The movement of unclaimed shares in unclaimed suspense account, during the year are as follows:

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	25	3,535
Claim received during the year for transfer	18	2,657
Shares Transferred during the year	18	2,657
Balance at the end of the year	7	878

The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same.

**ix. Share Price Data:**

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE), The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 1, 2018 – March 31, 2019 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
April 2018	1,050.00	855.00	35,213.30	32,972.56	1,050.00	848.00	10,759.00	10,111.30
May 2018	970.00	733.00	35,993.53	34,302.89	962.00	735.10	10,929.20	10,417.80
June 2018	815.00	624.05	35,877.41	34,784.68	790.95	620.10	10,893.25	10,550.90
July 2018	730.00	637.00	37,644.59	35,106.57	732.00	630.10	11,366.00	10,604.65
August 2018	713.20	640.80	38,989.65	37,128.99	709.70	640.30	11,760.20	11,234.95
September 2018	659.00	475.00	38,934.35	35,985.63	659.90	475.60	11,751.80	10,850.30
October 2018	525.00	421.55	36,616.64	33,291.58	525.00	420.65	11,035.65	10,004.55

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
November 2018	475.90	447.00	36,389.22	34,303.38	487.85	446.25	10,922.45	10,341.90
December 2018	540.30	436.00	36,554.99	34,426.29	538.00	427.00	10,985.15	10,333.85
January 2019	517.75	379.00	36,701.03	35,375.51	521.10	383.00	10,987.45	10,583.65
February 2019	406.95	310.10	37,172.18	35,287.16	402.70	315.10	11,118.10	10,585.65
March 2019	438.70	350.00	38,748.54	35,926.94	439.00	349.00	11,630.35	10,817.00

Source: www.bseindia.com & www.nseindia.com

**x. Registrar and Transfer Agent**

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

**Integrated Registry Management Services Private Limited**

SEBI Registration No. INR000000544  
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  
Website: www.integratedindia.in

Name of the contact person:  
Mr. K. Suresh Babu, Director

registered within fifteen days from date of receipt of valid request. On a half-yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

A reconciliation of share capital audit in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges. The report of the PCS has certified 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, except for the quarter ended December 31, 2018 when 3,65,630 equity shares of ₹ 10/- each, fully paid-up were allotted on December 28, 2018 and credit corporate action / admission to NSDL and listing on BSE and NSE were effective subsequently in January 2019.

**xi. Share Transfer System & Share Capital Audit**

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and de-mat / re-mat requests in coordination with the RTA. Share transfers and transmissions are approved and

**xii. Distribution of shareholding as on March 31, 2019**

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	9,062	88.32	7,63,078	6.37
501 – 1000	470	4.58	3,68,301	3.08
1001 – 2000	355	3.46	5,46,071	4.56
2001 – 3000	113	1.1	2,88,151	2.41
3001 – 4000	66	0.64	2,41,826	2.02
4001 – 5000	45	0.44	2,08,475	1.74
5001 – 10000	85	0.83	6,31,100	5.27
10001 & above	65	0.63	89,26,169	74.55
Total	10,261	100.00	1,19,73,171	100.00

**xiii. Shares Dematerialization**

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services

(India) Limited for dematerialisation of the shares held by investors.

As of March 31, 2019, about 99.27% of the shareholdings have been dematerialised.

Comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares		% to total capital	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Physical	87,942	1,11,509	0.73	0.96
Demat	1,18,85,229	1,14,96,032	99.27	99.04
<b>Total</b>	<b>1,19,73,171 ^</b>	<b>1,16,07,541 ^</b>	<b>100.00</b>	<b>100.00</b>

^ The difference is due to allotment of 3,65,630 equity shares consequent to conversion of warrants into equity shares exercised during the year by Rane Holdings Limited on December 28, 2018, pursuant to the preferential allotment made during the previous year viz., 2017-18.

The promoter and promoter group hold their entire shareholding only in dematerialised form. Reconciliation of share capital audited by practicing company secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed.

The Company is taking initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail numerous benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: **INE050H01012**

The Company has not issued any equity share with differential voting rights nor granted stock options nor sweat equity.

**Transfer of shares in demat mode only**

As per SEBI norms, with effect from April 1, 2019 (or such other date as may be notified), only transmission or transposition requests for transfer of securities

shall be processed in physical form. All other transfers shall be processed in dematerialised form only. The Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly.

**xiv. Plant locations - Refer corporate overview section of the annual report**

**xv. Credit Rating**

The details of credit ratings assigned to the debt instruments and total bank loan facilities of the company during the year ended March 31, 2019 are as follows:

Rating Agency	Amount ₹ (in Crores)	Security - Type	Rating
ICRA Limited *	331.50	Long term	A
	25.20	Short term	A1
	40.00	Commercial Paper	A1
CRISIL Limited	127.00	Long term	A
	276.00	Short term	A1
	40.00	Commercial Paper	A1

\*withdrawn effective February 26, 2019

**xvi. Address for communication:**

The Compliance officer  
**Rane (Madras) Limited**  
 Rane Corporate Centre,  
 "Maithri" No.132, Cathedral Road,  
 Chennai - 600 086  
 Ph.28112472/73 Fax: 28112449  
 E-mail: investorservices@ranegroup.com

OR Mr. K Suresh Babu, Director  
**Integrated Registry Management Services Private Limited**  
 II Floor, 'Kences Towers'  
 No.1, Ramakrishna Street, North Usman Road,  
 T. Nagar, Chennai - 600 017  
 Phone: 28140801-03, Fax: 28142479  
 E-mail: corperserv@integratedindia.in

**Annexure (i)**

**Certificate from Company Secretary in Practice**

(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

We hereby certify that none of the Directors on the Board of Rane (Madras) Limited (“the Company”) as on March 31, 2019, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the Directors available in the official web site of MCA;
2. Our verification of the disclosures/ declarations/ confirmations provided by the Directors to the Company; and
3. Information, explanation and representations provided by the Company, its Directors/ officers/ agents.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the Company.

**For S Krishnamurthy & Co.,**  
Company Secretaries,

**K Sriram,**  
Partner.

Membership No. F 6312  
Certificate of Practice No. 2215

Chennai  
May 23, 2019

---

**Annexure (ii)**

To

The Members of  
Rane (Madras) Limited

**Declaration by Chief Executive Officer on Code of Conduct pursuant to Part C of Schedule V of  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with ‘Ethical Standards of Behaviour – RANE COMPASS’, the code of conduct, for the year ended March 31, 2019.

Chennai  
May 23, 2019

**S Parthasarathy**  
Chief Executive Officer



# Independent Auditor's Certificate on Corporate Governance

To  
The Member of  
**Rane (Madras) Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated January 28, 2019
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Rane (Madras) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

## Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

## Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the

Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We 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's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

## Annexure F - To Report of the Board of Directors

**Extract of Annual Return - MGT 9**

as on the financial year ended March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies Management and Administration) Rules, 2014]

**I. Registration and Other Details:**

- i. CIN : L65993TN2004PLC052856
- ii. Registration Date : March 31, 2004
- iii. Name of the Company : Rane (Madras) Limited
- iv. Category - Sub-Category of the Company : Public Company - Limited by Shares - Indian-Non-Government Company
- v. Address of the Registered office and contact details : "Maithri", No.132, Cathedral Road, Chennai – 600 086  
Phone: 044 – 2811 2472; Fax: 044 – 2811 2449  
Website: www.ranegroup.com  
E-mail ID: investorservices@ranegroup.com
- vi. Whether listed company : Yes
- vii. Name, Address and Contact details Registrar and Transfer Agent, if any : Integrated Registry Management Services Private Limited  
II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017  
e-mail ID: corpserv@integratedindia.in,  
Phone: 044 2814 0801; Fax: 044 2814 2479  
Contact person: Mr. K Suresh Babu, Director

**II. Principal Business Activities of the Company:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Steering and Suspension linkages	29301	33.98 %
2.	Steering gear products	29301	48.52%
3.	Other articles of aluminium	2432	9.05%

**III. Particulars of Holding, Subsidiary and Associate Companies**

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Rane Holdings Limited 'Maithri', No.132, Cathedral Road, Chennai – 600086, Tamil Nadu, India	L35999TN1936PLC002202	Holding Company	61.64%	2(46)
2.	Rane (Madras) International Holdings B.V. Hoogoorddreef 15,1101 BA Amsterdam, The Netherlands	Not applicable	Subsidiary Company	100%	2(87)(ii)
3.	Rane Precision Die Casting Inc., 232 Hopkinsville Road, Russellville, Kentucky – 42276 -1280, United States of America	Not applicable	Step-Down Subsidiary Company	100%	2(87)(ii)

**IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)**

During the year, the Company has allotted 3,65,630 equity shares having face value of ₹ 10, fully paid by Rane Holdings Limited on December 28, 2018. Accordingly, the percentage of shareholding for each category and shareholder(s) in this section are computed based on paid up share capital as on March 31, 2018 and March 31, 2019, respectively. Hence, the percentage are not comparable.

**i) Category-wise Share Holding:**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter(s)</b>									
<b>(1) Indian</b>									
a) Individual / HUF	70,121	-	70,121	0.60	65,928	-	65,928	0.55	(0.05)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	70,15,048	-	70,15,048	60.44	73,80,678	-	73,80,678	61.64	1.21
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>70,85,169</b>	<b>-</b>	<b>70,85,169</b>	<b>61.04</b>	<b>74,46,606</b>	<b>-</b>	<b>74,46,606</b>	<b>62.19</b>	<b>1.15</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	73,060	-	73,060	0.63	77,253	-	77,253	0.65	0.02
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>73,060</b>	<b>-</b>	<b>73,060</b>	<b>0.63</b>	<b>77,253</b>	<b>-</b>	<b>77,253</b>	<b>0.65</b>	<b>0.02</b>
<b>Total Public Shareholding (A) = (A)(1)+ (A)(2)</b>	<b>71,58,229</b>	<b>-</b>	<b>71,58,229</b>	<b>61.67</b>	<b>75,23,859</b>	<b>-</b>	<b>75,23,859</b>	<b>62.84</b>	<b>1.17</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	10,866	50	10,916	0.09	10,697	50	10,747	0.09	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	5,002	-	5,002	0.05	13	-	13	0.00	(0.05)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>15,868</b>	<b>50</b>	<b>15,918</b>	<b>0.14</b>	<b>10,710</b>	<b>50</b>	<b>10,760</b>	<b>0.09</b>	<b>(0.05)</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	6,32,234	37	6,32,271	5.45	5,61,200	37	5,61,237	4.69	(0.76)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	24,71,443	1,10,284	25,81,727	22.24	25,90,713	87,855	26,78,568	22.37	0.13
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,43,411	-	10,43,411	8.99	10,25,045	-	10,25,045	8.56	(0.43)
<b>c) Others (specify)</b>									
Non Resident Indians	1,04,649	-	1,04,649	0.90	1,11,292	-	1,11,292	0.93	0.03
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Clearing Members	54,998	-	54,998	0.47	45,727	-	45,727	0.38	(0.09)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – DR	-	-	-	-	-	-	-	-	-
Rane (Madras) Limited - Unclaimed Shares Suspense Account	3,535	-	3,535	0.03	878	-	878	0.01	(0.02)
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	11,665	1,138	12,803	0.11	15,805	-	15,805	0.13	0.02
<b>Sub-total (B)(2):-</b>	<b>43,21,935</b>	<b>1,11,459</b>	<b>44,33,394</b>	<b>38.19</b>	<b>43,50,660</b>	<b>87,892</b>	<b>44,38,552</b>	<b>37.07</b>	<b>(1.12)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>43,37,803</b>	<b>1,11,509</b>	<b>44,49,312</b>	<b>38.33</b>	<b>43,61,370</b>	<b>87,942</b>	<b>44,49,312</b>	<b>37.16</b>	<b>(1.17)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,14,96,032</b>	<b>1,11,509</b>	<b>1,16,07,541</b>	<b>100.00</b>	<b>1,18,85,229</b>	<b>87,942</b>	<b>1,19,73,171</b>	<b>100.00</b>	<b>-</b>

## ii) Shareholding of Promoters:

Sl. No	Shareholder's Name	At the beginning of the year			At the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Rane Holdings Limited	70,15,048	60.44	-	73,80,678	61.64	-	1.21
2.	Shanthi Narayan	24,775	0.21	-	24,775	0.21	-	-
3.	Raman T G G	28,000	0.24	-	28,000	0.24	-	-
4.	Rathika R Sundaresan	20,000	0.17	-	20,000	0.17	-	-
5.	Chithra Sundaresan	12,604	0.11	-	12,604	0.11	-	-
6.	Ranjini R Iyer	12,000	0.10	-	12,000	0.10	-	-
7.	Geetha Raman Subramanyam	12,000	0.10	-	12,000	0.10	-	-
8.	Aditya Ganesh	8,483	0.07	-	8,483	0.07	-	-
9.	Aparna Ganesh	7,851	0.07	-	7,851	0.07	-	-
10.	Vanaja Aghoram	5,010	0.04	-	5,010	0.04	-	-
11.	Malavika Lakshman	4,866	0.04	-	4,866	0.04	-	-
12.	T G Ramani	4,193	0.04	-	-	-	-	(0.04)
13.	Rama R Krishnan (legal heir of T G Ramani)	-	-	-	4,193	0.04	-	0.04
14.	Suchitra Narayan	-	-	-	-	-	-	-
15.	Sumant Narayan	-	-	-	-	-	-	-
16.	Rekha Sundar	1,060	0.01	-	1,060	0.01	-	-
17.	Meenakshi Ganesh	839	0.01	-	839	0.01	-	-
18.	Vinay Lakshman	750	0.01	-	750	0.01	-	-
19.	Harish Lakshman	750	0.01	-	750	0.01	-	-
	<b>Total</b>	<b>71,58,229</b>	<b>61.67</b>	<b>-</b>	<b>75,23,859</b>	<b>62.84</b>	<b>-</b>	<b>1.17</b>

## iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>At the beginning of the year</b>	<b>71,58,229</b>	<b>61.67</b>	<b>71,58,229</b>	<b>61.67</b>
Rane Holdings Limited	70,15,048	60.44	70,15,048	60.44
T G Ramani	4,193	0.04	4,193	0.04
Rama R Krishnan (legal heir of T G Ramani)	-	-	-	-
Other Promoters	13,89,88	1.20	13,89,88	1.20
<b>Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):</b>				
Rane Holdings Limited – Allotment of 3,65,630 equity shares having face value of ₹ 10 each, fully paid-up, arising on conversion of 3,65,630 Warrants 28-12- 2018	3,65,630	3.15	73,80,678	61.64
T G Ramani – Transfer by way of transmission 01-03-2019	(4,193)	(0.04)	-	-
Rama R Krishnan (Legal heir of T G Ramani) – Acquisition by way of transmission 01-03-2019	4,193	0.04	4,193	0.04
<b>At the end of the year</b>	<b>75,23,859</b>	<b>62.84</b>	<b>75,23,859</b>	<b>62.84</b>
Rane Holdings Limited	73,80,678	61.64	73,80,678	61.64
T G Ramani	(4,193)	(0.04)	-	-
Rama R Krishnan (legal heir of T G Ramani)	4,193	0.04	4,193	0.04
Other Promoters	13,89,88	1.16	13,89,88	1.16

**iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company					No. of Shares	% of total Shares of the company
1	Kumari Investment Corporation Private Limited	1,46,750	1.23	-	-	-	-	1,46,750	1.23
2	Aadi Financial Advisors LLP	1,25,748	1.05	-	-	-	-	1,25,748	1.05
3	Gautam Jain	1,01,637	0.85	-	-	-	-	1,01,637	0.85
4	Arvind Baburao Joshi	64,855	0.54	25-01-2019	(26,53)	(0.02)	Transfer	62,202	0.52
				01-02-2019	(2,203)	(0.02)	Transfer	59,999	0.50
				08-02-2019	(3,384)	(0.03)	Transfer	56,615	0.47
				15-02-2019	(7,098)	(0.06)	Transfer	49,517	0.41
				22-02-2019	(7,010)	(0.06)	Transfer	42,507	0.36
				01-03-2019	(7,766)	(0.07)	Transfer	34,741	0.29
				08-03-2019	(1,378)	(0.01)	Transfer	33,363	0.28
				15-03-2019	(4,950)	(0.04)	Transfer	28,413	0.24
22-03-2019	(14,193)	(0.12)	Transfer	14,220	0.12				
29-03-2019	(10,820)	(0.09)	Transfer	3,400	0.03				
5	Vallabh Bhanshali	62,874	0.53	-	-	-	-	62,874	0.53
6	Ashwin Radheshyam Agarwal	47,720	0.40	-	-	-	-	47,720	0.40
7	Edelweiss Custodial Services Limited	47,070	0.39	06-04-2018	1,652	0.01	Purchase	48,722	0.41
				13-04-2018	1,803	0.02	Purchase	50,525	0.42
				20-04-2018	(31,314)	(0.26)	Transfer	19,211	0.16
				27-04-2018	1,226	0.01	Purchase	20,437	0.17
				04-05-2018	434	0.00	Purchase	20,871	0.17
				11-05-2018	(459)	(0.00)	Transfer	20,412	0.17
				18-05-2018	(426)	(0.00)	Transfer	19,986	0.17
				25-05-2018	(1,475)	(0.01)	Transfer	18,511	0.16
				01-06-2018	(1,092)	(0.01)	Transfer	17,419	0.15
				08-06-2018	(18)	(0.00)	Transfer	17,401	0.15
				15-06-2018	150	(0.00)	Purchase	17,551	0.15
				22-06-2018	(17)	(0.00)	Transfer	17,534	0.15
				29-06-2018	3	0.00	Purchase	17,537	0.15
				06-07-2018	2,552	0.02	Purchase	20,089	0.17
				13-07-2018	131	0.00	Purchase	20,220	0.17
18-07-2018	1,886	0.02	Purchase	22,106	0.19				
20-07-2018	3,400	0.03	Purchase	25,506	0.21				
27-07-2018	123	0.00	Purchase	25,629	0.21				



## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company					No. of Shares	% of total Shares of the company
				03-08-2018	(84)	(0.00)	Transfer	25,545	0.21
				10-08-2018	1	0.00	Purchase	25,546	0.21
				17-08-2018	240	0.00	Purchase	25,786	0.22
				24-08-2018	(2,979)	(0.03)	Transfer	22,807	0.19
				31-08-2018	37	0.00	Purchase	22,844	0.19
				07-09-2018	938	0.01	Purchase	23,782	0.20
				14-09-2018	10	0.00	Purchase	23,792	0.20
				21-09-2018	102	0.00	Purchase	23,894	0.20
				28-09-2018	(2,785)	(0.02)	Transfer	21,109	0.18
				05-10-2018	4,513	0.04	Purchase	25,622	0.21
				12-10-2018	3,866	0.03	Purchase	29,488	0.25
				19-10-2018	2,733	0.02	Purchase	32,221	0.27
				26-10-2018	11	0.00	Purchase	32,232	0.27
				02-11-2018	(480)	(0.00)	Transfer	31,752	0.27
				09-11-2018	(4,949)	(0.04)	Transfer	26,803	0.22
				16-11-2018	1031	0.01	Purchase	27,834	0.23
				23-11-2018	(6,340)	(0.05)	Transfer	21,494	0.18
				30-11-2018	71	0.00	Purchase	21,565	0.18
				07-12-2018	18	0.00	Purchase	21,583	0.18
				14-12-2018	80	0.00	Purchase	21,663	0.18
				21-12-2018	(245)	(0.00)	Transfer	21,418	0.18
				31-12-2018	7	0.00	Purchase	21,425	0.18
				04-01-2019	500	0.00	Purchase	21,925	0.18
				11-01-2019	(1,044)	(0.01)	Transfer	20,881	0.17
				18-01-2019	236	0.00	Purchase	21,117	0.18
				25-01-2019	85	0.00	Purchase	21,202	0.18
				01-02-2019	105	0.00	Purchase	21,307	0.18
				08-02-2019	(92)	(0.00)	Transfer	21,215	0.18
				15-02-2019	(15,316)	(0.13)	Transfer	5,899	0.05
				22-02-2019	7,516	0.06	Purchase	13,415	0.11
				01-03-2019	345	0.00	Purchase	13,760	0.12
				08-03-2019	182	0.00	Purchase	13,942	0.12
				15-03-2019	4,075	0.03	Purchase	18,017	0.15
				22-03-2019	(1,445)	(0.01)	Transfer	16,572	0.14
				29-03-2019	(119)	(0.00)	Transfer	16,453	0.14
8	Kalawati Radheshyam Agarwal	36,173	0.30	-	-	-	-	36,173	0.30
9	Rajeswari V	33,400	0.28	29-06-2018 06-07-2018	1,352 (901)	0.01 (0.01)	Purchase Transfer	34,752 33,851	0.29 0.28

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company					No. of Shares	% of total Shares of the company
10	Hetal Kothari	32,256	0.27	08-06-2018	500	0.00	Purchase	32,756	0.27
				29-06-2018	500	0.00	Purchase	33,256	0.28
				12-10-2018	250	0.00	Purchase	33,506	0.28
				19-10-2018	175	0.00	Purchase	33,681	0.28
				29-03-2019	19,255	0.16	Purchase	52,936	0.44
11	Manish Ramniwas Goyal	29,000	0.24	-	-	-	-	29,000	0.24
12	Nitin Kapil Tandon	28,500	0.24	-	-	-	-	28,500	0.24
13	Palaniappan R	27,071	0.23	-	-	-	-	27,071	0.23
14	Navinder Singh Sahni	27,000	0.23	01-03-2019	1,000	0.01	Purchase	28,000	0.23
				08-03-2019	500	0.00	Purchase	28,500	0.24
				15-03-2019	1,500	0.01	Purchase	30,000	0.25
15	Kedar Shivanand Mankekar	26,492	0.22	-	-	-	-	26,492	0.22
16	Suresh Bhatia	3,258	0.03	06-04-2018	5,298	0.04	Purchase	8,556	0.07
				11-05-2018	13,444	0.11	Purchase	22,000	0.18
				12-10-2018	(1,000)	(0.01)	Transfer	21,000	0.18
				21-12-2018	2,315	0.02	Purchase	23,315	0.20
				08-03-2019	2,258	0.02	Purchase	25,573	0.21
29-03-2019	5,915	0.05	Purchase	31,488	0.26				
17	Vijay Batuklal Bhayani	25,000	0.21	19-10-2018	2,000	0.02	Purchase	27,000	0.23
				08-03-2019	881	0.01	Purchase	27,881	0.23

## v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
<b>At the beginning of the year</b>	<b>1,589</b>	<b>0.02</b>	<b>1,589</b>	<b>0.01</b>
Meenakshi Ganesh & L Ganesh	839	0.01	839	0.00
Harish Lakshman	750	0.01	750	0.00
<b>Date wise Increase / decrease in shareholding during the year specifying the reasons for increase / decrease: No Change</b> (e.g. allotment /transfer / bonus- sweat equity etc.)				
Other Promoters	13,89,88	1.20	13,89,88	1.20
<b>Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease</b> (e.g. allotment / transfer / bonus / sweat equity etc.):				
<b>At the end of the year</b>	<b>1,589</b>	<b>0.02</b>	<b>1,589</b>	<b>0.01</b>
Meenakshi Ganesh & L Ganesh	839	0.01	839	0.00
Harish Lakshman	750	0.01	750	0.00

**Note:** None of the other Directors and Key Managerial Personnel hold any shares in the Company

V. **Indebtedness:****Indebtedness of the Company including interest outstanding / accrued but not due for payment**

	Secured Loans Excluding Deposits - Long term Loan	Secured Loans Excluding Deposits - Working Capital	Unsecured Loans	Deposits	Amount in ₹ Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
i) Principal Amount	1,32,19,66,641	1,30,11,31,972	8,61,18,430	-	2,70,92,17,043
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	24,69,602	-	-	-	24,69,602
<b>Total (i+ii+iii)</b>	<b>1,32,44,36,243</b>	<b>1,30,11,31,972</b>	<b>8,61,18,430</b>		<b>2,71,16,86,645</b>

	Secured Loans Excluding Deposits - Long term Loan	Secured Loans Excluding Deposits - Working Capital	Unsecured Loans	Deposits	Amount in ₹ Total Indebtedness
<b>Change in Indebtedness during the financial year</b>					
Addition	30,00,00,000	-	35,88,35,609	-	65,88,35,609
Reduction	13,49,02,283	2,70,00,387	-	-	16,19,02,671
<b>Net Change</b>	<b>16,50,97,717</b>	<b>(2,70,00,387)</b>	<b>35,88,35,609</b>	<b>-</b>	<b>49,69,32,939</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	1,48,95,33,960	1,26,64,90,414	44,49,54,039	-	3,20,09,78,414
ii) Interest due but not paid	-	76,41,170	-	-	76,41,170
iii) Interest accrued but not due	-	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>1,48,95,33,960</b>	<b>1,27,41,31,584</b>	<b>44,49,54,039</b>	<b>-</b>	<b>3,20,86,19,584</b>

**Note:** Movement in Short Term Borrowings - Working Capital is net additions - repayments during the year.

#### VI. Remuneration of Directors and Key Managerial Personnel:

##### A. Remuneration to Managing Director, Whole-time Directors and / or Manager: Not Applicable

##### B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of the Directors			Amount in ₹ Total
<b>1</b>	<b>Independent Directors</b>	<b>Mr. M Lakshminarayan</b>	<b>Ms. Anita Ramachandran</b>	<b>Mr. Pradip Kumar Bishnoi</b>	
(a)	Fee for attending Board / committee meetings	1,65,000	2,95,000	3,50,000	<b>8,10,000</b>
(b)	Commission	-	-	-	-
(c)	Others, please specify	-	-	-	-
	<b>Total (B1)</b>	<b>1,65,000</b>	<b>2,95,000</b>	<b>3,50,000</b>	<b>8,10,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>Mr. L Ganesh</b>	<b>Mr. L Lakshman</b>	<b>Mr. Harish Lakshman</b>	<b>Total</b>
(a)	Fee for attending Board / committee meetings	2,25,000	3,85,000	2,20,000	8,30,000
(b)	Commission	1,44,22,568	-	-	1,44,22,568
(c)	Others, please specify	-	-	-	-
	<b>Total (B2)</b>	<b>1,46,47,568</b>	<b>3,85,000</b>	<b>2,20,000</b>	<b>1,52,52,568</b>
	<b>Total B = (B1) + (B2)</b>				<b>1,60,62,568</b>

\*Overall ceiling as per Act (being 11% of net profits calculated as per Section 198 of the Companies Act 2013) ₹ **7.93 Crores**

\* The ceiling as per Act does not include sitting fee payable by the company.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Amount in ₹ Total
		Chief Executive Officer	Chief Financial Officer	Company Secretary *	
		S Parthasarathy	J Radha	S Subha Shree	
1	Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,57,61,740	62,57,572	20,08,148	2,40,27,460
(b)	Value of perquisites us 17(2) Income-tax Act, 1961	9,94,570	-	-	9,94,570
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (C)</b>	<b>1,67,56,310</b>	<b>62,57,572</b>	<b>20,08,148</b>	<b>2,50,22,030</b>

\* Paid by Rane Holdings Limited (RHL), as part of the secretarial services availed by the Company.

**VII. Penalties / Punishment / Compounding of Offences:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

**For and on behalf of the Board**

Chennai  
May 23, 2019

**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602

**L Ganesh**  
Chairman  
DIN: 00012583

## Annexure G To The Report Board of Directors

**Form No. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis.**

There were no contracts or arrangements or transactions entered during the year ended March 31, 2018, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mr Aditya Ganesh, Vice President – Marketing  Son of Mr L Ganesh, Chairman
b)	Nature of contracts/arrangements/transaction	In employment of the Company in the designation of General Manager Corporate Planning. He will be entitled to allowances, benefits, perquisites, contribution to funds, per the policy of the Company as applicable to employees of similar grade, in force from time to time.
c)	Duration of the contracts/arrangements/transaction	Contract of employment: effective from September 4, 2017. The contract will continue as long as he remains an employee of the Company and shall include any promotion and / or change in designation(s) and corresponding change in terms and conditions of his employment.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	He supporting the CEO in strategic business and annual operating plans of both the steering and die casting division. In addition, he also handles certain specific projects for both the divisions to enhance global sales and customer engagement.
e)	Date of approval by the Board	Approval(s) have been secured in terms of Section 177, 188 & other applicable of the Companies Act, 2013 including rules, as detailed below:  - Audit Committee and Board of Directors at their respective meetings held on August 5, 2017; and  - Members of the Company at the Extra-ordinary General Meeting held on September 1, 2017
f)	Amount paid as advances, if any	NIL

**For and on behalf of the Board**

Chennai  
May 23, 2019

**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602

**L Ganesh**  
Chairman  
DIN: 00012583

# Independent Auditor's Report

To The Members of Rane (Madras) Limited  
Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the accompanying standalone financial statements of Rane (Madras) Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by

the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Emphasis of Matter

We draw attention to Note 7 to the standalone financial statements regarding insurance claim receivable of ₹ 10.08 Crores, recognized during the previous year ended March 31, 2018, based on management's assessment of the certainty of recoverability of insurance claim, the settlement of which is subject to survey and admission by the Insurance Company.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Assessment of impairment in a wholly owned step down subsidiary:</b></p> <p>The total financial exposure, representing investment and loans (either directly or through intermediate subsidiary) in Rane Precision Die Casting Inc. (RPDC) aggregated to ₹ 96.83 Crores as at March 31, 2019.</p> <p>The Company's wholly owned step down subsidiary in the US, RPDC, has incurred a net loss of ₹ 36.58 Crores during FY 18-19. The net worth of this subsidiary has fully eroded. These indicators necessitated management to test the investment and loans given to RPDC for impairment.</p> <p>Impairment testing uses projections of future cash flows based on the most recent long-term forecasts approved by management, including estimated sales volumes and pricing. The long-term forecasts are projected over five years.</p> <p>Management engaged external valuers, who used various assumptions such as the valuation approach, probability of projections, risk free rate, market risk premium etc. and assessed that the recoverable amounts were higher than the carrying value of investment and loans given to RPDC.</p> <p>Assessment of impairment involves significant management judgements and estimations and accordingly, we deemed this to be a key audit matter.</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures included, amongst others, testing the Company's controls surrounding the budgeting process and the carrying value of investment and loans to RPDC.</p> <p>Our audit included assessing the Company's budgeting procedures upon which the forecasts are based and the integrity of the discounted cash flow models which management used to prepare the valuations.</p> <p>We challenged the robustness of the key assumptions used to determine the recoverable amounts used in the valuation.</p> <p>We engaged our own valuation specialists to assist us in evaluating the assumptions and methodologies used by management, in particular those relating to the discount rates, risk free rate, market risk premium etc., by comparing relevant assumptions to industry and economic forecasts.</p> <p>We also assessed whether the Company's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflect the risks inherent in the valuation of investment.</p>
2	<p><b>Recoverability of insurance claim:</b></p> <p>The Company lodged a product liability insurance claim in September 2017 and recognized insurance claim receivable for ₹ 10.08 Crores based on management's assessment of the certainty of recoverability of insurance claim.</p> <p>Management's assessment of certainty of recoverability involved judgments based on merits of the case and past trend, supported by independent evaluation by an insurance consultant and a legal opinion.</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures included testing the Company's controls relating to assessment of certainty of insurance claim recoverable.</p> <p>We examined the terms and conditions of the insurance policy coverage as well as the nature and measurability of the claim amount.</p> <p>We evaluated the past trend of management's estimates and the assessment of admissibility of the claim by the insurance consultant appointed by the management and a legal opinion received from external legal consultant on the tenability of the claim.</p> <p>We reviewed the progress of the survey and noted that the queries raised by the surveyor have been satisfactorily responded and the surveyor is in the final stages of submission of his report.</p> <p>Also refer Emphasis of Matter Paragraph above.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge



obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that if there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and 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 including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial

reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements (refer Note 37 to the standalone financial statements).
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

## Annexure “A” To The Independent Auditor’s Report

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

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Rane (Madras) Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

## Annexure “B” To The Independent Auditor’s Report

(Referred to in paragraph (2) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- |  |  |
|--|--|
| <p>(i) In respect of its fixed assets (Property, Plant &amp; Equipment and Intangible assets):</p> <p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets (Property, plant &amp; equipment and Intangible assets).</p> <p>(b) The fixed assets (Property, plant &amp; equipment) were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.</p> <p>(c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of registered sale deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.</p> <p>Immovable properties of land and buildings whose title deeds have been pledged with banks as security for term loans, are held in the name of the Company based on the confirmations directly received by us from the lenders.</p> <p>In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset (Property, plant &amp; equipment) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.</p> | <p>In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans, making investments and providing guarantees, as applicable.</p>  |
| <p>(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification</p>   | <p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans, making investments and providing guarantees, as applicable.</p>   |
| <p>(iii) The Company has not granted any loans, secured or unsecured, to copanies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.</p>   | <p>(v) According to the information and explanation given to us, the Company has not accepted any deposit during the year also the Company does not have any unclaimed deposits.</p> <p>(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> <p>(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.</p> <p>(b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.</p> |

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Entry Tax and Excise Duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount involved (₹ In crores)	Amount unpaid (₹ In crores)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Tax (Appeals), Chennai	2007-08 to 2011-12	0.13	0.10
Central Excise Act, 1944	Excise Duty	Customs, Goods & Service tax Appellate Tribunal, Chennai	2009-10 & 2012-13	1.14	0.25
Finance Act, 1994	Service Tax	Customs, Goods & Service tax Appellate Tribunal, Chennai	2007-08 to 2011-12	0.72	-
Finance Act, 1994	Service Tax	Customs, Goods & Service tax Appellate Tribunal, Chennai	2007-08 to 2011-12	0.20	0.20
Finance Act, 1994	Service Tax	Assistant Commissioner, Nizamabad	2011-12	0.07	0.04
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Chennai	2010-11 to 2015-16	1.01	0.82
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Chennai	2011-2015	0.30	0.26
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Chennai	2011-2015	0.01	0.01
Finance Act, 1994	Service Tax	Commissioner of Central Tax (Appeals), Mysore	2010-2015	0.13	0.13
Maharashtra Value Added Tax Act, 2002	Sales Tax	Commissioner (Appeals)	2005-06, 2006-07 & 2008-09	1.10	1.08
Karnataka Tax on Entry of Goods Act, 1979	Sales Tax	Karnataka High Court	2005-06 & 2006-07	0.09	-
Karnataka Tax on Entry of Goods Act, 1979	Sales Tax	Commissioner (Appeals)	2007-08 to 2012-13	0.10	-
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner, Mysore	2011-12, 2012-13 & 2013-14	0.44	-
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), Pondy	2010-11	0.07	0.03
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner, Alandur, Tamilnadu	2014-15	2.20	2.20
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax, Appeal, TN	2011-12 to 2015-16	0.24	0.19
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), PantNagar	2010-11	0.92	0.83
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), PantNagar	2011-12	0.60	0.59
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeals), Gurgaon	2014-15	0.01	0.01
Telangana Entry of Goods into Local Areas Act, 2001	Sales Tax	AP & Telangana High Court	2011-12 to 2016-17	1.00	0.75
Telangana VAT Act, 2005	Sales Tax	Commissioner (Appeals)	2012-13 to 2015-16	0.07	0.07
Telangana VAT Act, 2005	Sales Tax	Commissioner (Appeals)	2012-13 to 2015-16	-	-
Income Tax Act, 1961	Income Tax	Supreme Court	1997-98	0.31	0.31
Income Tax Act, 1961	Income Tax	High Court	1996-97	0.07	0.07
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2008-09	7.52	5.52
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2009-10	2.76	-

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount involved (₹ In crores)	Amount unpaid (₹ In crores)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2010-11	1.91	1.91
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2011-12	0.42	0.42
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2012-13	2.39	1.82
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2013-14	0.13	0.13
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2016-17	3.14	3.14

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares or fully or partly convertible debentures during the year under review.
- In respect of the above issue, we further report that:
- (a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
- (b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

# Standalone Balance Sheet

as at March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. Assets</b>				
<b>Non-Current Assets</b>				
(a)	Property, plant and equipment	2	336.41	337.20
(b)	Capital work in progress	2	12.13	14.02
(c)	Goodwill	3	4.06	4.06
(d)	Other intangible assets	4	1.39	1.60
(e)	Financial assets			
(i)	Investments	5	0.75	0.15
(ii)	Loans Receivable	6	44.70	8.47
(iii)	Other financial assets	7	19.13	17.85
(f)	Income Tax assets (Net)	8	9.95	7.13
(g)	Other non-current assets	9	22.16	15.58
<b>Total Non-Current Assets</b>			<b>450.68</b>	<b>406.06</b>
<b>Current Assets</b>				
(a)	Inventories	10	154.71	135.77
(b)	Financial assets			
(i)	Trade receivables	11	218.88	213.44
(ii)	Cash and cash equivalents	12	10.58	5.60
(iii)	Bank balances other than (ii) above	13	0.14	0.16
(iv)	Loans Receivable	6	0.24	0.21
(v)	Other financial assets	7	5.10	5.89
(c)	Other current assets	9	30.06	44.10
<b>Total Current Assets</b>			<b>419.71</b>	<b>405.17</b>
<b>Total Assets</b>			<b>870.39</b>	<b>811.23</b>
<b>B. Equity and Liabilities</b>				
<b>Equity</b>				
(a)	Equity share capital	14	11.97	11.61
(b)	Other equity	15	299.30	254.82
<b>Total Equity</b>			<b>311.27</b>	<b>266.43</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a)	Financial liabilities			
(i)	Borrowings	16	112.29	118.65
(ii)	Other financial liabilities	17	0.30	0.65
(b)	Provisions	18	6.21	5.46
(c)	Deferred tax liability	20	6.76	2.16
(d)	Other non-current liabilities	19	3.98	3.44
<b>Total Non-Current Liabilities</b>			<b>129.54</b>	<b>130.36</b>
<b>Current Liabilities</b>				
(a)	Financial liabilities			
(i)	Borrowings	16	171.14	138.73
(ii)	Trade payables	21		
(a)	Total outstanding dues of Micro enterprises and Small enterprises		11.54	16.35
(b)	Total outstanding dues of creditors other than Micro enterprises and Small enterprises		179.30	217.22
(iii)	Other financial liabilities	17	47.26	24.72
(b)	Provisions	18	8.31	5.92
(c)	Other current liabilities	19	12.03	11.50
<b>Total Current Liabilities</b>			<b>429.58</b>	<b>414.44</b>
<b>Total Liabilities</b>			<b>559.12</b>	<b>544.80</b>
<b>Total Equity and Liabilities</b>			<b>870.39</b>	<b>811.23</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
Partner**L Ganesh**  
Chairman  
DIN : 00012583**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Parthasarathy**  
Chief Executive OfficerChennai,  
May 23, 2019**J Radha**  
Chief Financial Officer**S Subha Shree**  
Company Secretary



# Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S.No.	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from operations	22	1,370.25	1,239.37
II	Other income	23	10.57	5.64
III	<b>Total income (I+II)</b>		<b>1,380.82</b>	<b>1,245.01</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	24	864.97	761.08
	Changes in inventories of finished goods, work-in-progress and stock in trade	25	1.11	(15.47)
	Excise duty on sale of goods		-	25.42
	Employee benefits expense	26	148.51	136.04
	Finance costs	27	28.35	29.42
	Depreciation and amortisation expense	28	53.03	49.89
	Other expenses	29	214.49	198.45
	<b>Total expenses (IV)</b>		<b>1,310.46</b>	<b>1,184.83</b>
V	<b>Profit before tax (before exceptional items) (III-IV)</b>		<b>70.36</b>	<b>60.18</b>
VI	<b>Exceptional items (Refer note 39)</b>		-	-
VII	<b>Profit before tax (after exceptional items) (V-VI)</b>		<b>70.36</b>	<b>60.18</b>
VIII	<b>Tax expense:</b>			
(1)	Current tax	30	25.23	18.33
(2)	Deferred tax	30	(2.11)	0.04
			<b>23.12</b>	<b>18.37</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>47.24</b>	<b>41.81</b>
	<b>Other Comprehensive Income</b>			
A.	(i) Items that will not be reclassified to statement of profit and loss Remeasurements of the defined benefit plans		(0.82)	(0.78)
			<b>(0.82)</b>	<b>(0.78)</b>
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		0.29	0.27
B.	(i) Items that may be reclassified to statement of profit and loss Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(0.79)	0.79
			<b>(0.79)</b>	<b>0.79</b>
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		0.18	(0.27)
X	<b>Total Other Comprehensive Income (A(i-ii)+B(i-ii))</b>		<b>(1.14)</b>	<b>0.01</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>46.10</b>	<b>41.82</b>
XII	<b>Earnings per equity share (Nominal value per share ₹ 10)</b>			
(a)	Basic (In ₹)	35	40.38	37.61
(b)	Diluted (In ₹)	35	40.38	36.94

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

**L Ganesh**  
Chairman  
DIN : 00012583

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Parthasarathy**  
Chief Executive Officer

Chennai,  
May 23, 2019

**J Radha**  
Chief Financial Officer

**S Subha Shree**  
Company Secretary

For and on behalf of the Board

## Standalone Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### A. Equity Share Capital

Description	Amount
As at April 1, 2017	10.51
Changes in Equity Share Capital	1.10
As at March 31, 2018	11.61
Changes in Equity Share Capital	0.36
<b>As at March 31, 2019</b>	<b>11.97</b>

### B. Other Equity

Description	Reserves and Surplus						Other Reserves			Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Hedge Reserve	Total	
<b>Balance as at April 1, 2017</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>24.78</b>	<b>-</b>	<b>160.35</b>	<b>0.09</b>	<b>0.09</b>	<b>160.44</b>
Profit for the year	-	-	-	-	41.81	-	41.81	-	-	41.81
Other comprehensive income for the year	-	-	-	-	(0.78)	-	(0.78)	0.79	0.79	0.01
Income tax on OCI Items	-	-	-	-	0.27	-	0.27	(0.27)	(0.27)	-
<b>Total Comprehensive Income for the year</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>66.08</b>	<b>-</b>	<b>201.65</b>	<b>0.61</b>	<b>0.61</b>	<b>202.26</b>
Money received against share warrants	-	-	-	-	-	5.00	5.00	-	-	5.00
Premium on preferential issue of equity shares	-	58.90	-	-	-	-	58.90	-	-	58.90
Payment of dividend	-	-	-	-	(9.43)	-	(9.43)	-	-	(9.43)
Tax on dividend	-	-	-	-	(1.91)	-	(1.91)	-	-	(1.91)
Transfer from retained earnings	-	-	8.23	-	(8.23)	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>46.51</b>	<b>5.00</b>	<b>254.21</b>	<b>0.61</b>	<b>0.61</b>	<b>254.82</b>

# Standalone Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Description	Reserves and Surplus						Other Reserves		Total	Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Hedge Reserve			
Profit for the year	-	-	-	-	47.24	-	47.24	-	-	47.24
Other comprehensive income for the year	-	-	-	-	(0.82)	-	(0.82)	(0.79)	(0.79)	(1.61)
Income tax on OCI Items	-	-	-	-	0.29	-	0.29	0.18	0.18	0.47
<b>Total Comprehensive Income for the year</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>93.22</b>	<b>5.00</b>	<b>300.92</b>	<b>-</b>	<b>-</b>	<b>300.92</b>
Money received against share warrants	-	-	-	-	-	(5.00)	(5.00)	-	-	(5.00)
Premium on preferential issue of equity shares	-	19.64	-	-	-	-	19.64	-	-	19.64
Payment of dividend	-	-	-	-	(13.49)	-	(13.49)	-	-	(13.49)
Tax on dividend	-	-	-	-	(2.77)	-	(2.77)	-	-	(2.77)
Transfer from retained earnings	32.36	-	-	-	(32.36)	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>160.06</b>	<b>82.11</b>	<b>12.73</b>	<b>(0.20)</b>	<b>44.60</b>	<b>-</b>	<b>299.30</b>	<b>-</b>	<b>-</b>	<b>299.30</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
PartnerChennai,  
May 23, 2019**L Ganesh**  
Chairman  
DIN : 00012583**J Radha**  
Chief Financial Officer**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Subha Shree**  
Company Secretary

For and on behalf of the Board

**S Parthasarathy**  
Chief Executive Officer

# Standalone Cash Flow Statement

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	47.24	41.81
<b>Adjustments for :</b>		
Income tax expense recognised in profit and loss	23.12	18.37
Finance costs recognised in profit and loss	28.35	29.42
Interest income recognised in profit and loss	(1.49)	(0.65)
Net Loss/(Gain) on disposal of property, plant and equipment	(0.14)	(0.28)
Government grant income	(1.91)	(1.70)
Guarantee Commission	(0.44)	(0.44)
Unrealised Exchange Loss/(Gain)	1.17	(0.35)
Provision for doubtful trade receivables and advances (net of write back)	1.29	1.15
Depreciation and amortisation of non-current assets	53.03	49.89
	<b>150.22</b>	<b>137.22</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in trade and other receivables	(7.49)	(63.43)
(Increase) / decrease in inventories	(18.94)	(25.46)
(Increase) / decrease in other non-current assets	(7.04)	4.68
(Increase) / decrease in other non-current financial assets	(0.20)	(10.37)
(Increase) / decrease in other current financial assets	(0.02)	(1.90)
(Increase) / decrease in other current assets	14.04	(3.99)
(Increase) / decrease in loans receivable	(0.03)	0.07
Increase / (decrease) in trade payables	(42.52)	60.63
Increase / (decrease) in long term provisions	0.75	0.68
Increase / (decrease) in short term provisions	2.39	(0.83)
Increase / (decrease) in other non-current financial liabilities	-	(0.14)
Increase / (decrease) in other current financial liabilities	(0.03)	(0.21)
Increase / (decrease) in other non-current liabilities	0.54	0.02
Increase / (decrease) in other current liabilities	(0.25)	(10.69)
<b>Cash generated from operations</b>	<b>91.42</b>	<b>86.28</b>
Income tax paid	(20.87)	(13.01)
<b>Net cash (used in) / generated by operating activities</b>	<b>70.55</b>	<b>73.27</b>
<b>B. Cash flow from investing activities</b>		
Interest received	0.46	0.40
Non current Investments	(0.60)	-
Loans receivable	(37.31)	(1.98)
Payments for property, plant and equipment	(50.70)	(68.67)
Proceeds from disposal of property, plant and equipment	1.63	0.38
Bank Balances not considered as cash and cash equivalents	0.02	0.19
<b>Net cash (used in) / generated by investing activities</b>	<b>(86.50)</b>	<b>(69.68)</b>

# Standalone Cash Flow Statement

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	0.36	1.10
Proceeds from Share premium on equity shares	19.64	58.90
Money Received against Share warrant	(5.00)	5.00
Proceeds from long term borrowings	30.00	51.48
Repayment of long term borrowings	(13.25)	(72.64)
Proceeds from short term borrowings	33.14	-
Repayment of short term borrowings	-	(2.66)
Dividend paid	(13.49)	(9.43)
Tax on dividend	(2.77)	(1.92)
Interest paid	(27.84)	(30.54)
<b>Net cash (used in)/ generated by financing activities</b>	<b>20.79</b>	<b>(0.71)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4.84</b>	<b>2.88</b>
Cash and cash equivalents at the beginning of the year (Refer note 12)	5.82	2.94
<b>Cash and Cash equivalents at the end of the year (Refer note 12)</b>	<b>10.66</b>	<b>5.82</b>

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

Chennai,  
May 23, 2019

**L Ganesh**  
Chairman  
DIN : 00012583

**J Radha**  
Chief Financial Officer

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Subha Shree**  
Company Secretary

**For and on behalf of the Board**

**S Parthasarathy**  
Chief Executive Officer

# Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

## 1. Summary of significant accounting policies, critical judgements and Key estimates

### General Information

Rane (Madras) Limited (The "Company") is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The Company is engaged in the manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and Farm tractors across the Globe and as such operates in a single reportable business segment of 'components for transportation industry'. The Company is having six manufacturing facilities at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana.

### Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

#### 1.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the Act.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified

the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

#### 1.11 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period), as explained below.

#### The principal accounting policies are set out below :

#### 1.12 Property, plant and equipment

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on assets after its purchase / completion is capitalised only if such expenditure results in an increase in the

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

future benefits from such asset beyond its previously assessed standard of performance.

### Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under, based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Vehicles	5 Years
Furniture & Fixtures	5 Years
Office Equipments (other than computers)	3 Years
Computers, Server and networks	3-4 Years
Capital Tooling	3-5 Years
Cost of Dies	Per production units method

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

### 1.13 Intangible assets Goodwill

Goodwill on acquisition of separate entity is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

### Other Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. The amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
License Fees	Over the period of License

### 1.14 Impairment of tangible and intangible assets including goodwill

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

### 1.15 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Discount on Commercial Paper (the difference between the issue price and the redemption value) is amortised over the period of borrowings and recognised as discounting expense.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

### 1.16 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### As a Lessee

##### Finance Lease :

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

##### Operating Lease :

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised



## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 1.17 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 1.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash Flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.19 Foreign currency transactions and translations

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

In preparing the standalone financial statement, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit and loss on realisation/repayment of the monetary items.

### 1.20 Revenue Recognition

The Company derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic products, Die casting products and other auto components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

### 1.21 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

### 1.22 Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Such grants are valued at fair value at the initial recognition.

Government grants are recognised in profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit and loss in the period in which they become receivable.

### 1.23 Employee benefits

#### (i) Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

#### (ii) Defined Contribution Plans

##### Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

##### Superannuation Fund

This is a defined contribution Plan. The Company contributes sum equivalent to certain specified percentages of the eligible annual salaries based on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

#### (iii) Defined Benefit Plan

##### Gratuity

The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss.

#### (iv) Other Long term employee benefits

##### Compensated Absence

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

### 1.24 Research and Development expenses

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Items of Property, plant and equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and Intangible assets.

### 1.25 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Provisions for Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

### 1.26 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit under the Income Tax Act for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. As per transition provisions MAT shall be treated as part of deferred tax assets.

### 1.27 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

#### Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

#### 1.27.1 Subsequent Measurement

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries, which are measured at cost.

##### (i) Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- b) those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

##### (a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

##### (b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other income/ (expense).

##### (c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit and loss. A gain or loss on these assets that is subsequently measured at fair value through profit and loss is recognised in the statement of profit and loss.

##### (ii) Impairment of financial assets

All financial assets classified as at amortised cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

##### (iii) Derecognition of financial assets

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

### 1.27.2 Financial liabilities and Equity instruments

#### (i) Classification as Equity or Financial liability

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### (a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

#### (b) Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

#### (c) Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

#### (ii) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have

expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

### 1.27.3 Financial and Corporate guarantee contracts

A financial and corporate guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial and corporate guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### 1.28 Derivative financial instruments

The Company is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Company has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 1.29 Hedge Accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

or cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss, and is included in the 'Other income'. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to profit and loss in the periods when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit and loss.

### 1.30 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements

is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2-Inventories or value in use in Ind AS 36-Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

### 1.31 Earnings Per Share

**Basic earnings per share** is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders 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 exceptional items, if any) for the period attributable to equity shareholders 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.

### 1.32 Dividend

The final dividend on shares is recorded as a liability on the date of approval by shareholders and interim dividends are recorded as liability on the date of declaration by the Company's Board of Directors.

### 1.33 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108-Operating Segments.

### 1.34 Use of estimates and critical accounting judgements

The preparation of financial statements in conformity with Ind AS requires the management to make certain judgements and estimates that may affect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately as possible for the Company. These judgements and estimates only represent management's interpretation as of the dates on which they were prepared.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Actual results may differ from these judgments and estimates.

Important judgements and estimates relate largely to provisions, employee benefit plans, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

### 1.35 Standards issued but not yet effective Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this Appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distribution to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

#### Amendment to Ind AS 19 - Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

#### New Accounting Standard : Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease

expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of the above on its standalone financial statements.



## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 2. Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Freehold land	26.07	26.07
Buildings	79.00	73.88
Plant and Equipment	226.07	231.27
Furniture and Fixtures	1.31	1.62
Office Equipments	3.67	4.01
Vehicles	0.29	0.35
<b>Sub Total</b>	<b>336.41</b>	<b>337.20</b>
Capital Work-in-progress	12.13	14.02
<b>Total</b>	<b>348.54</b>	<b>351.22</b>

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>26.00</b>	<b>72.14</b>	<b>252.12</b>	<b>2.71</b>	<b>5.70</b>	<b>0.30</b>	<b>358.97</b>
Additions	0.07	7.78	61.66	0.22	2.24	0.28	72.25
Disposals	-	-	(0.09)	(0.01)	-	-	(0.10)
<b>Balance as at March 31, 2018</b>	<b>26.07</b>	<b>79.92</b>	<b>313.69</b>	<b>2.92</b>	<b>7.94</b>	<b>0.58</b>	<b>431.12</b>
Additions	-	8.51	42.46	0.35	1.42	0.06	52.80
Disposals	-	(0.01)	(1.48)	-	-	-	(1.49)
<b>Balance as at March 31, 2019</b>	<b>26.07</b>	<b>88.42</b>	<b>354.67</b>	<b>3.27</b>	<b>9.36</b>	<b>0.64</b>	<b>482.43</b>

#### Accumulated depreciation

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>-</b>	<b>3.03</b>	<b>39.16</b>	<b>0.65</b>	<b>1.92</b>	<b>0.13</b>	<b>44.89</b>
Depreciation expense	-	3.01	43.26	0.65	2.01	0.10	49.03
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>6.04</b>	<b>82.42</b>	<b>1.30</b>	<b>3.93</b>	<b>0.23</b>	<b>93.92</b>
Depreciation expense	-	3.38	46.18	0.66	1.76	0.12	52.10
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>9.42</b>	<b>128.60</b>	<b>1.96</b>	<b>5.69</b>	<b>0.35</b>	<b>146.02</b>
<b>Carrying amount as at March 31, 2018</b>	<b>26.07</b>	<b>73.88</b>	<b>231.27</b>	<b>1.62</b>	<b>4.01</b>	<b>0.35</b>	<b>337.20</b>
<b>Carrying amount as at March 31, 2019</b>	<b>26.07</b>	<b>79.00</b>	<b>226.07</b>	<b>1.31</b>	<b>3.67</b>	<b>0.29</b>	<b>336.41</b>

### 3. Goodwill

Particulars	As at March 31, 2019	As at March 31, 2018
Cost/deemed cost	4.06	4.06
Accumulated impairment losses	-	-
<b>Total</b>	<b>4.06</b>	<b>4.06</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Impairment tests for Goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units.

The Company tests whether Goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Based on the assessment, management has concluded that there is no indicator of impairment for Goodwill.

## 4. Other Intangible Assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Software Licence	1.39	1.60
<b>Total</b>	<b>1.39</b>	<b>1.60</b>

### Software Licence

Particulars	As at
<b>Cost or Deemed cost</b>	
<b>Balance at beginning of the year 2017</b>	<b>2.05</b>
Additions	0.82
Disposals	-
<b>Balance at end of the year 2018</b>	<b>2.87</b>
Additions	0.72
Disposals	-
<b>Balance at end of the year 2019</b>	<b>3.59</b>

### Accumulated amortisation

Particulars	As at
<b>Balance at beginning of the year 2017</b>	<b>0.41</b>
Amortisation expense	0.86
<b>Balance at end of the year 2018</b>	<b>1.27</b>
Amortisation expense	0.93
<b>Balance at end of the year 2019</b>	<b>2.20</b>
<b>Carrying amount as at March 31, 2018</b>	<b>1.60</b>
<b>Carrying amount as at March 31, 2019</b>	<b>1.39</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 5. Investments

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investments in equity instruments (fully paid-up) (Unquoted) At cost</b>		
Capsol Energy Private Limited (6,00,000 number of equity shares @ ₹ 10 each)	0.60	-
<b>Investment In Subsidiaries</b>		
Rane (Madras) International Holdings, B.V (refer note 6.1) (20,000 number of equity shares @ Euro 1 each)	0.15	0.15
<b>Total Non-Current Investments</b>	<b>0.75</b>	<b>0.15</b>
Aggregate carrying value of unquoted investments	0.75	0.15
Aggregate amount of impairment in value of investments	-	-

### 6. Loans receivable

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-Current</b>		
Loans receivable considered good - Unsecured		
a. Loans/NCRPS to related parties (Refer note 6.1 and 33)	44.70	8.47
<b>Total</b>	<b>44.70</b>	<b>8.47</b>
<b>Current</b>		
Loans receivable considered good - Unsecured		
a. Loans to employees	0.24	0.21
<b>Total</b>	<b>0.24</b>	<b>0.21</b>

6.1 The Company values the shares of the subsidiary annually in order to assess the possibility of any impairment. To carry out the above assessment, projections of future cash flows based on the most recent long-term forecasts, including selling price as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future. Based on the valuation as per the current projections, it has been concluded that there is no impairment of the investments made in/loans and guarantees given to Rane Precision Die Casting Inc.,USA the wholly owned step down subsidiary (either directly or through the intermediate subsidiary, Rane (Madras) International Holdings B.V) aggregating to ₹ 96.83 Crores. The valuation is dependent on successfully securing new businesses and is also subject to fluctuations in the market demand.

### 7. Other Financial Assets

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits	4.73	4.58	-	-
Insurance Claims	10.08	10.08	4.33	4.34
Claims receivable	0.08	-	0.34	0.33
Margin money Deposits	-	-	0.17	0.15
Interest receivable (Refer note 6.1)	2.37	1.32	0.26	0.28
Commission receivable (Refer note 6.1)	1.87	1.87	-	-
Fair value Derivative Hedging receivable	-	-	-	0.79
<b>Total</b>	<b>19.13</b>	<b>17.85</b>	<b>5.10</b>	<b>5.89</b>

**Note:** Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**8. Income Tax Assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	7.13	7.10
Less: Current tax payable for the year	(25.23)	(18.33)
Add: Taxes paid	28.05	18.36
<b>Closing Balance</b>	<b>9.95</b>	<b>7.13</b>

**9. Other Assets**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Other Non Financial Assets</b>				
<b>Unsecured and considered good unless otherwise stated :</b>				
Capital Advances	3.93	4.39	-	-
Advances paid to suppliers	-	-	4.46	10.99
Advance to Employees	-	-	0.20	0.42
Balance with Statutory Authorities	-	-	8.63	18.85
Deposit with Government Authorities	8.49	7.32	-	-
Advance Fringe benefits tax	-	-	0.03	0.03
Prepayment against leasehold land	0.62	0.63	-	-
Tooling advance	9.12	3.24	-	-
Prepaid Expenses	-	-	3.40	2.96
Export Entitlements	-	-	13.34	10.85
<b>Total</b>	<b>22.16</b>	<b>15.58</b>	<b>30.06</b>	<b>44.10</b>

**10. Inventories**

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
Raw materials*	42.47	28.21
Work-in-progress*	12.32	15.21
Finished goods*	75.05	73.21
Stores and spares	18.58	12.79
Goods in transit (Finished Goods)*	6.29	6.35
<b>Total</b>	<b>154.71</b>	<b>135.77</b>

\* Refer Note 40 for details of closing inventories of raw materials, work-in-progress and finished goods  
The cost of inventories recognised as an expense during the year is as per Note No. 24.

The cost of inventories recognised as an expense includes ₹ 0.10 (during 2017-18: ₹ Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2017-18: ₹ 0.31) in respect of the reversal of such write-downs.

The mode of valuation of inventories has been stated in note 1.17

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 11. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables Considered good - Unsecured	218.88	213.44
Trade receivable - Credit impaired	4.92	3.63
<b>Sub Total</b>	<b>223.80</b>	<b>217.07</b>
Less: Allowance for credit impaired (expected credit loss allowance)	(4.92)	(3.63)
<b>Total</b>	<b>218.88</b>	<b>213.44</b>

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due comes to 0% - 10%. The Company as a policy provides for 100% for outstanding above 120 days past due.

#### (i) Movements in allowance for credit losses of receivables as per ECL is as below

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>	<b>3.63</b>	<b>3.74</b>
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.29	(0.11)
<b>Balance at the end of the year</b>	<b>4.92</b>	<b>3.63</b>

### 12. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks (including deposits with original maturity upto 3 months)		
(i) In Current account	3.54	2.89
(ii) In EEFC account	6.46	2.52
(iii) In Deposit account	0.39	-
Cash on hand	0.19	0.19
<b>Total</b>	<b>10.58</b>	<b>5.60</b>

#### Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as above	10.58	5.60
Add: Exchange loss on EEFC account	0.08	0.22
<b>Total</b>	<b>10.66</b>	<b>5.82</b>

### 13. Other Bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in earmarked accounts		
- In Unpaid Dividend account	0.14	0.16
<b>Total</b>	<b>0.14</b>	<b>0.16</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**14. Equity Share Capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>AUTHORISED :</b>		
Equity Shares:		
2,50,00,000 Equity Shares of ₹ 10 each	25.00	25.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
1,19,73,171 Equity Shares of ₹ 10 each fully paid-up	11.97	11.61
1,19,73,171 fully paid Equity shares of ₹ 10 each (as at March 31, 2018 : 1,16,07,541 fully paid Equity shares of ₹ 10 each)	<b>11.97</b>	<b>11.61</b>

**14.1 Movement in Equity Share Capital**

Particulars	2018-19		2017-18	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
<b>Equity Shares of ₹ 10 each fully paid up</b>				
At the beginning of the year	1,16,07,541	11,60,75,410	1,05,10,649	10,51,06,490
Allotment of shares under preferential issue	3,65,630	36,56,300	10,96,892	1,09,68,920
<b>At the end of the year</b>	<b>1,19,73,171</b>	<b>11,97,31,710</b>	<b>1,16,07,541</b>	<b>11,60,75,410</b>

**Rights, preferences and restrictions attached to Shares mentioned above :**

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

Additions during the year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

**14.2 Shares of the Company held by Holding Company**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

**14.3 Details of Shares held by each Shareholder holding more than 5 percent of Equity Shares in the Company:**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 14.4 Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended March 31, 2014, 3,46,504 equity shares of ₹ 10 each fully paid up were allotted to shareholders of Rane Holdings Limited (Holding Company) in the proportion of one equity share of ₹ 10 each in the Company for every 30 equity shares of ₹ 10 each held in the transferor Company (Rane Diecast Limited) pursuant to the Scheme of Arrangement between Rane Diecast Limited and the Company.

## 15. Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve	160.06	127.70
Securities Premium	82.11	62.47
Amalgamation Adjustment account	(0.20)	(0.20)
Capital Redemption reserve	12.73	12.73
Money Received against Share Warrant	-	5.00
Retained Earnings	44.60	46.51
Cash flow hedging reserve	-	0.61
<b>Total</b>	<b>299.30</b>	<b>254.82</b>

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) General Reserve</b>		
Opening balance	127.70	127.70
Add : Addition during the year	32.36	-
<b>Closing balance</b>	<b>160.06</b>	<b>127.70</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

<b>(b) Securities Premium</b>		
Opening balance	62.47	3.57
Add : Addition during the year	19.64	58.90
<b>Closing balance</b>	<b>82.11</b>	<b>62.47</b>

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

<b>(c) Amalgamation Adjustment account</b>		
Opening balance	(0.20)	(0.20)
Add : Addition during the year	-	-
<b>Closing balance</b>	<b>(0.20)</b>	<b>(0.20)</b>

At the time of business combination under common control, amalgamation adjustment reserve of transferor Company becomes the amalgamation adjustment reserve of transferee Company.

<b>(d) Capital Redemption Reserve</b>		
Opening balance	12.73	4.50
Add : Addition during the year	-	8.23
<b>Closing balance</b>	<b>12.73</b>	<b>12.73</b>

Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares to Rane Holdings Limited

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in current and earlier years.

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(e) Money Received against Share warrant</b>		
Opening balance	5.00	-
Add :Additions/(Deletions) during the year	(5.00)	5.00
<b>Closing balance</b>	<b>-</b>	<b>5.00</b>

Ind AS 33 Earnings per Share defines 'warrants' as "financial instruments which give the holder the right to acquire equity shares". Thus, effectively, warrants are the amount which would ultimately form part of the Shareholders' funds. Since shares were yet to be allotted against the same as at March 31, 2018, these were not reflected as part of Share Capital but as a separate line item – 'Money received against share warrants.'

<b>(f) Retained Earnings</b>		
Balance at the beginning of the year	46.51	24.78
Profit attributable to equity shareholders of the Company	47.24	41.81
Other Comprehensive Income arising from remeasurement of defined benefit obligation net of income tax	(0.53)	(0.51)
Transfer to Capital Redemption reserve	-	(8.23)
Transfer to General Reserve	(32.36)	-
Payment of dividend on equity shares	(16.26)	(11.34)
<b>Balance at the end of the year</b>	<b>44.60</b>	<b>46.51</b>

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

In respect of the year ended March 31, 2019, the Board had declared and paid an interim dividend on equity shares at ₹ 4.00 per equity share amounting to ₹ 5.76 Crores inclusive of Dividend Distribution Tax of ₹ 0.98 Crores (For year ended March 31, 2018 ₹ 4.50 per equity share amounting to ₹ 6.29 Crores inclusive of Dividend Distribution Tax of ₹ 1.06 Crores). The Directors propose that a final dividend of ₹ 4.50 per share (For year ended March 31, 2018 ₹ 7.50 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 5.39 Crores along with Dividend Distribution tax of ₹ 1.11 Crores (For the year ended March 31, 2018 ₹ 8.71 Crores along with Dividend Distribution tax of ₹ 1.79 Crores).

<b>(g) Hedging Reserve</b>		
Balance at the beginning of the year	0.61	0.09
Gain / (loss) recognised on cash flow hedges	(0.79)	0.79
Income tax relating to gain/(loss) recognised on cash flow hedges	0.18	(0.27)
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.61</b>

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit and loss or are included as an adjustment to the cost of the related non-financial hedged item.

The Company has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.



**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**16. A. Non-Current borrowings**

Particulars	Non-Current		Current Maturities (Refer Note 17)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>				
Term Loans				
- from banks	15.00	-	-	-
<b>Sub Total</b>	<b>15.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Secured - at amortised cost</b>				
Term Loans				
- from banks	97.36	118.78	36.66	13.55
<b>Sub Total</b>	<b>97.36</b>	<b>118.78</b>	<b>36.66</b>	<b>13.55</b>
Less: Unamortised Borrowing Costs	0.07	0.13	-	-
<b>Total</b>	<b>112.29</b>	<b>118.65</b>	<b>36.66</b>	<b>13.55</b>

**Summary of borrowing arrangements**

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured by a charge created on the Company's fixed assets both present and future (excluding Velachery and Mysuru properties).

**The terms of repayment of term loans are given below  
As at March 31, 2019**

**Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from June 2020 with 1 Year of moratorium period

**Unsecured**

Particulars	Terms of repayment
Axis Bank - INR Long Term Loan	Repayable in single instalment in May 2020

The interest rate for INR loans range from 8.75% p.a. to 9.40% p.a.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**As at March 31, 2018****Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period

The interest rate for INR loans range from 8.50% p.a. to 9.00% p.a.

**Breach of Loan agreement**

There is no breach of loan agreements with banks.

**16. B. Current borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>		
Commercial paper	-	40.00
Other loans from banks (Short term Loan)	40.00	2.00
Bill Discounting*	4.50	6.53
Sales tax deferral	-	0.08
<b>Secured - at amortised cost**</b>		
Loan repayable on demand		
- from banks	0.01	0.03
Other loans from banks	126.63	90.77
	<b>171.14</b>	<b>139.41</b>
Less: Unamortised Borrowing Costs	-	0.68
<b>Total</b>	<b>171.14</b>	<b>138.73</b>

\* Bill discounting represents amount received against finance receivables securitized / assigned, which does not qualify for derecognition.

\*\* Secured loans include cash credit, packing credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**17. Other financial liabilities**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on borrowings	-	-	0.76	0.25
Unclaimed dividends	-	-	0.14	0.16
Current maturities of long-term debt	-	-	36.66	13.55
Financial guarantee*	0.30	0.65	0.37	0.44
Security Deposits - Others	-	-	0.92	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	0.01
Employee benefit payable	-	-	6.18	7.04
Commission payable to Chairman	-	-	1.44	1.24
Payables on purchase of fixed assets	-	-	0.68	1.66
Others	-	-	0.11	0.01
<b>Total</b>	<b>0.30</b>	<b>0.65</b>	<b>47.26</b>	<b>24.72</b>

\* The financial guarantee represent the corporate guarantees given by the Company on behalf of its subsidiary companies. The Company charges an arms' length price for such guarantees. The amount included above represents the higher of a) unamortised guarantee commission income and b) expected loss upon devolvement of the guarantee.

**18. Provisions**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment (Refer note 34)	6.21	5.46	1.33	1.11
Provision for Warranty	-	-	6.98	4.81
<b>Total</b>	<b>6.21</b>	<b>5.46</b>	<b>8.31</b>	<b>5.92</b>

**(i) Information about individual provisions and significant estimates****Provision for leave encashment**

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued.

**Provision for Warranty**

Refer Note 1.25

**(ii) Movements in provisions**

Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for leave encashment	Provision for Warranty
<b>As at April 1, 2018</b>	<b>6.57</b>	<b>4.81</b>
Charged/ (credited) to profit or loss	3.39	2.23
Amounts utilised during the year	(2.42)	(0.06)
<b>As at March 31, 2019</b>	<b>7.54</b>	<b>6.98</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**19. Other liabilities**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue received in advance				
- Deferred revenue arising from government grant (note (i) below)	3.98	3.44	1.90	1.94
Statutory remittances (Contributions PF and ESIC, Withholding Taxes etc.)	-	-	2.18	2.19
Advances and Deposits from Customers/Others	-	-	0.62	0.83
Accrued Gratuity (Refer note 34)	-	-	7.33	6.54
<b>Total</b>	<b>3.98</b>	<b>3.44</b>	<b>12.03</b>	<b>11.50</b>

**Note :**

- (i) The deferred revenue comprise of the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in property, plant and equipment.

**20. Deferred tax balances****The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	(6.76)	(9.34)
MAT Credit	-	7.18
<b>Total</b>	<b>(6.76)</b>	<b>(2.16)</b>

**Movements in Deferred Tax Liabilities**

Particulars	Provision for expense	Termination benefit under VRS	Depreciation	Cash flow hedge reserve	Others	Total
<b>As at April 1, 2017</b>	<b>5.93</b>	<b>1.88</b>	<b>(21.91)</b>	<b>0.09</b>	<b>4.71</b>	<b>(9.30)</b>
Charged/(Credited)						
- to profit & loss	0.35	(1.10)	0.69	-	0.02	(0.04)
- to other comprehensive income	-	-	-	(0.27)	0.27	-
<b>As at March 31, 2018</b>	<b>6.28</b>	<b>0.78</b>	<b>(21.22)</b>	<b>(0.18)</b>	<b>5.00</b>	<b>(9.34)</b>
Charged/(Credited)						
- to profit & loss	1.57	(0.44)	0.20	-	0.78	2.11
- to other comprehensive income	-	-	-	0.18	0.29	0.47
<b>As at March 31, 2019</b>	<b>7.85</b>	<b>0.34</b>	<b>(21.02)</b>	<b>-</b>	<b>6.07</b>	<b>(6.76)</b>

**21. Trade payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables-Micro enterprises and Small enterprises	11.54	16.35
Trade payables-Other than Micro enterprises and Small enterprises	144.65	171.66
Trade payables-Acceptances	34.65	45.56
<b>Total</b>	<b>190.84</b>	<b>233.57</b>

The dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the management based on the declaration given by such parties and relied upon by the auditors.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 21.1 Micro and Small enterprises

Particulars	As at March 31, 2019	As at March 31, 2018
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	11.54	16.35
- Interest	-	-
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
- Principal	66.36	17.66
- Interest	0.09	0.22
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:		
- Principal	-	0.14
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of the year ( Previous year ₹ Nil Crores) being interest outstanding as at the beginning of the accounting year)	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

### 22 Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sales of Products (including excise duty of ₹ Nil for the year ended March 31,2019; for the year ended March 31, 2018: ₹ 24.57 Crores)*	1,327.32	1,197.17
Other operating revenues		
- Scrap sales	15.82	16.02
- Sale of raw materials	2.89	6.39
- Sale of Tools	12.07	7.09
- Job charges	0.72	2.06
- Export Entitlements	11.43	10.64
<b>Total</b>	<b>1,370.25</b>	<b>1,239.37</b>

\*Note :-

- (i) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended March 31, 2019 and March 31, 2018 are presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - 'Revenue'. The revenue from operations for the year ended March 31, 2018 are inclusive of excise duty till June 2017, and hence are not comparable with the revenue from operations for the year ended March 31, 2019 to that extent.
- (ii) The Company has applied Ind AS 115 'Revenue from contracts with customers' with effect from April 1, 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 22.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Company.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue by Geography</b>		
India	1,041.73	939.35
Outside India	285.59	257.82
<b>Total revenue from contracts with customers</b>	<b>1,327.32</b>	<b>1,197.17</b>
<b>Revenue by offerings</b>		
Manufactured goods		
Steering and Suspension Linkage Products	450.99	418.33
Steering Gear Products	644.03	568.91
Hydraulic Products	59.91	40.42
Diecasting products	120.09	127.58
Other Auto components	52.30	41.93
<b>Total revenue from contracts with customers</b>	<b>1,327.32</b>	<b>1,197.17</b>

### 22.2 Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

### 22.3 Transaction price allocated to the remaining performance obligation

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

## 23 Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.28	0.17
-- On Supplier payments	0.16	0.12
-- On RMIH B.V.	1.05	0.36
Net Gain on foreign currency transactions	-	1.85
Net Gain on disposal of property, plant and equipment	0.14	0.28
Other non-operating income		
-- Guarantee Commission	0.44	0.44
-- Government Grant Income	1.91	1.70
-- Other non-operating Income	6.59	0.72
<b>Total</b>	<b>10.57</b>	<b>5.64</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 24 Cost of Materials consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock	28.21	19.19
Add: Purchases	814.07	710.95
Less: Closing stock	(42.47)	(28.21)
Raw materials and Components consumed *@	799.81	701.93
Freight inward	15.78	14.96
Job work expenses	49.38	44.19
<b>Total</b>	<b>864.97</b>	<b>761.08</b>
* includes cost of raw materials and components sold	2.62	6.53
@ Refer Note 41 for details of raw materials and components consumed		

### 25 Changes in Inventories of finished goods and work-in-progress

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock:</b>		
Work-in-progress	15.21	10.59
Finished goods	79.56	68.71
<b>Closing Stock:</b>		
Work-in-progress	12.32	15.21
Finished goods	81.34	79.56
<b>(Increase)/Decrease in Stocks</b>	<b>1.11</b>	<b>(15.47)</b>

### 26 Employee Benefit Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Salaries, Wages and Bonus</b>	<b>128.10</b>	<b>112.95</b>
Contribution to Provident and Other Funds	9.11	9.52
Staff Welfare Expenses	11.30	13.57
<b>Total</b>	<b>148.51</b>	<b>136.04</b>

### 27 Finance cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest costs:		
Interest on bank overdrafts and loans (other than those from related parties)	24.85	23.71
Interest on loans from related parties	-	0.01
Discount on Commercial paper	2.25	2.83
Other Borrowing costs	1.25	2.56
<b>Total interest expense for financial liabilities not classified as at FVTPL</b>	<b>28.35</b>	<b>29.11</b>
Dividend on redeemable preference shares	-	0.31
<b>Total</b>	<b>28.35</b>	<b>29.42</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**28 Depreciation and Amortisation expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Note 2)	52.10	49.03
Amortisation of Intangible assets (Note 4)	0.93	0.86
<b>Total</b>	<b>53.03</b>	<b>49.89</b>

**29 Other Expenses**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel*	31.58	29.39
Rent expense	0.94	1.23
Travelling and Conveyance	10.48	9.32
Repairs and Maintenance		
- Buildings	4.33	3.44
- Plant and Machinery	12.32	11.66
- Others	5.42	4.53
Insurance	4.00	3.89
Rates and Taxes, excluding taxes on income	1.30	1.14
Auditors' Remuneration (Refer Note 29.1)	0.47	0.40
Directors' Sitting Fees	0.16	0.21
Professional Charges	9.89	9.81
Provision for Doubtful Debts and Advances	1.29	1.15
Consumption of stores and spares (Refer note 42)	48.69	50.37
Packing materials consumed	33.63	30.92
Royalty and Technical Fees	0.77	0.80
Information Systems	4.46	4.34
Commission to Chairman	1.44	1.24
Freight Outward and Storage charges	22.36	22.47
Advertisement and Sales Promotion	3.37	2.36
Product Warranty	2.23	1.05
Trade Mark fee	6.46	5.84
Printing and Stationery	1.50	1.29
Postage and Telecom expenses	0.97	0.96
Bank Charges	0.61	0.80
Donation (Refer Note 29.2)	0.89	0.87
Leasehold Land Amortisation	0.01	0.09
Net loss/(gain) on foreign currency transactions	1.49	-
Increase / (decrease) of excise duty on inventory	-	(5.54)
Miscellaneous Expenses (Refer Note 29.2)	3.43	4.42
<b>Total</b>	<b>214.49</b>	<b>198.45</b>

\* Includes ₹ 1.12 Crores (for 2017-18, ₹ 1.31 Crores) paid towards certain operating lease arrangement with third party vendors.



## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Included in other expenses are the below:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>29.1. Payment to auditors</b>		
a) For audit	0.28	0.26
b) For taxation matters	0.05	0.05
c) For limited review fee	0.08	0.06
d) For certification fee	0.05	0.03
e) For reimbursement of expenses	0.01	-
<b>Total</b>	<b>0.47</b>	<b>0.40</b>
<b>29.2. Expenditure incurred for Corporate Social Responsibility</b>		
Total expenditure towards corporate social responsibility (Included under Donation and Miscellaneous expenses)	1.08	0.98
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	1.08	0.98
Amount required to be spent u/s 135 of the Companies Act, 2013	0.71	0.45
Excess / (Shortfall)	0.37	0.53

## 30 Tax Expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income taxes</b>		
Income tax recognised in profit or loss		
<b>Current tax</b>		
In respect of current year	25.23	18.33
	25.23	18.33
<b>Deferred tax</b>		
In respect of current year	(2.11)	0.04
Deferred tax recognised in profit or loss		
In India	(2.11)	0.04
<b>Total income tax expense recognised in the current year</b>	<b>23.12</b>	<b>18.37</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	<b>70.36</b>	<b>60.18</b>
Income Tax expense calculated at 34.94% (2017-18: 34.608%)	24.58	20.83
Effect of concessions (research and development related to Capital and Revenue)	(2.46)	(2.59)
Interest expense related to MSME enterprises	0.04	0.04
Income on sale of fixed assets	(0.05)	-
Difference between book and tax written down value of Depreciable assets	1.67	-
Deduction u/s 32AD of The Income Tax Act, 1961	(0.04)	-
Deferred Income impact due to Government Grant (EPCG)	(0.65)	-
Impact due to change in effective tax rate	-	0.08
Donation	0.22	0.15
Income exempt under 80JJAA of the Income Tax Act, 1961	(0.06)	(0.14)
Others	(0.13)	-
<b>Income Tax expense recognised in profit or loss</b>	<b>23.12</b>	<b>18.37</b>

The tax rate used for 2018-19 and 2017-18 tax computation above is the corporate tax rate of 34.94% & 34.608% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31 Financial instruments

#### 31.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company.

The Company's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Company, maintain the Company as a going concern and maintain optimal structure.

The Company determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities as and if the need arises.

The Company monitors the capital structure on the basis of debt to equity, debt to capital employed etc. and the maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Debt *	320.09	270.93
Cash and bank balances	(10.72)	(5.76)
Net debt	309.37	265.17
Total Equity**	311.27	266.43
Net debt to equity ratio	0.99	1.00

\* Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

\*\* Equity includes all capital and reserves of the Company that are managed as capital.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31.2 Fair value measurement Financial instrument by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Loans	-	-	44.94	-	-	8.68
Investments	-	-	0.60	-	-	-
Trade Receivables	-	-	218.88	-	-	213.44
Cash and Cash Equivalents	-	-	10.58	-	-	5.60
Bank balances other than above	-	-	0.14	-	-	0.16
Security Deposits	-	-	4.73	-	-	4.58
Insurance Claims	-	-	14.41	-	-	14.42
Claims receivable	-	-	0.42	-	-	0.33
Margin money Deposits	-	-	0.17	-	-	0.15
Interest receivable	-	-	2.63	-	-	1.60
Commission receivable from related parties	1.87	-	-	1.87	-	-
Fair value Derivative Hedging receivable	-	-	-	-	0.79	-
<b>Total Financial Assets</b>	<b>1.87</b>	<b>-</b>	<b>297.50</b>	<b>1.87</b>	<b>0.79</b>	<b>248.96</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	320.09	-	-	270.93
Interest accrued but not due on borrowings	-	-	0.76	-	-	0.25
Trade Payables	-	-	190.84	-	-	233.57
Unclaimed dividends	-	-	0.14	-	-	0.16
Financial guarantee	0.67	-	-	1.09	-	-
Security Deposits - Others	-	-	0.92	-	-	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	-	-	0.01
Employee benefit payable	-	-	6.18	-	-	7.04
Commission payable to Chairman	-	-	1.44	-	-	1.24
Payables on purchase of fixed assets	-	-	0.68	-	-	1.66
Others	-	-	0.11	-	-	0.01
<b>Total Financial Liabilities</b>	<b>0.67</b>	<b>-</b>	<b>521.16</b>	<b>1.09</b>	<b>-</b>	<b>515.23</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**The below tables summarise the fair value hierarchy of the financial assets/liabilities****i. The fair value hierarchy of financial assets and liabilities carried at fair value**

Particulars	As at March 31, 2019	As at March 31, 2018	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
<b>Financial assets</b>				
Commission receivable from related parties	1.87	1.87	2	The fair value of the guarantee (using the principles of Ind AS 113, Fair Value Measurement) is determined based on the fee that it would be required to pay to a market participant (e.g., a bank) to provide a similar guarantee.
Derivative financial instruments: Fair value Derivative Hedging receivable	-	0.79	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	<b>1.87</b>	<b>2.66</b>		
<b>Financial liabilities</b>				
Financial guarantee	0.67	1.09	2	The fair value of the guarantee (using the principles of Ind AS 113, Fair Value Measurement) is determined based on the fee that it would be required to pay to a market participant (e.g., a bank) to provide a similar guarantee.
Derivative financial liabilities: Fair value Derivative Hedging liability	-	-	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	<b>0.67</b>	<b>1.09</b>		

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**ii. Fair value of financial assets/liabilities ( other than investment in subsidiaries) that are not measured at fair value**

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Particulars	As at March 31, 2019		As at March 31, 2018		Fair Value Hierarchy (Level 1,2,3)*
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Financial assets</b>					
<b>Financial assets at amortised cost:</b>					
Loans	44.94	44.94	8.68	8.68	3
Investments	0.60	0.60	-	-	3
Trade Receivables	218.88	218.88	213.44	213.44	3
Cash and Cash Equivalents	10.58	10.58	5.60	5.60	3
Bank balances other than above	0.14	0.14	0.16	0.16	3
Security Deposits	4.73	4.73	4.58	4.58	3
Insurance Claims	14.41	14.41	14.42	14.42	3
Claims receivable	0.42	0.42	0.33	0.33	3
Margin money Deposits	0.17	0.17	0.15	0.15	3
Interest receivable	2.63	2.63	1.60	1.60	3
<b>Total Financial Assets</b>	<b>297.50</b>	<b>297.50</b>	<b>248.96</b>	<b>248.96</b>	
<b>Financial liabilities</b>					
<b>Financial liabilities held at amortised cost:</b>					
Borrowings	320.09	320.09	270.93	270.93	3
Trade Payables	190.84	190.84	233.57	233.57	3
Unclaimed dividends	0.14	0.14	0.16	0.16	3
Interest accrued but not due on borrowings	0.76	0.76	0.25	0.25	3
Security Deposits - Others	0.92	0.92	0.36	0.36	3
Termination benefit under Voluntary Retirement Scheme	-	-	0.01	0.01	3
Employee benefit payable	6.18	6.18	7.04	7.04	3
Commission payable to Chairman	1.44	1.44	1.24	1.24	3
Payables on purchase of fixed assets	0.68	0.68	1.66	1.66	3
Others	0.11	0.11	0.01	0.01	3
<b>Total Financial Liabilities</b>	<b>521.16</b>	<b>521.16</b>	<b>515.23</b>	<b>515.23</b>	

\* Fair Value Hierarchy (Level 1,2,3)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This consists of listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and deposits included in level 3.

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31.3 Financial risk management objectives

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the Company is to hedge risk of change in the foreign currency exchange rates associated with its direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

#### (a) Market risk

The Company operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Company is exposed to foreign exchange risk through its sales in the United States, European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Particulars	As at March 31, 2019		As at March 31, 2018	
	In ₹ (Crores)	In Foreign Currency (Crores)	In ₹ (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
<b>Financial Assets</b>				
<b>USD</b>				
Loans	31.05	0.45	8.47	0.13
Trade Receivable	61.48	0.89	60.68	0.93
Advances	1.58	0.02	2.30	0.04
<b>EUR</b>				
Loans	13.68	0.18	5.08	0.06
Trade Receivable	4.39	0.06	-	-
Advances	0.73	0.01	0.52	0.01
Equity Investments	0.15	-	0.15	0.00
<b>JPY</b>				
Advances	-	-	0.05	0.08
<b>GBP</b>				
Advances	0.14	-	0.06	0.00
<b>Sub Total</b>	<b>113.20</b>		<b>77.31</b>	
<b>Financial Liabilities</b>				
<b>USD</b>				
Loans	(27.14)	(0.39)	(39.98)	(0.61)
Trade Payable	(3.72)	(0.05)	(16.58)	(0.25)
<b>EUR</b>				
Loans	-	-	(3.01)	(0.04)
Trade Payable	(0.24)	-	(0.49)	(0.01)
<b>JPY</b>				
Trade Payable	-	-	(0.05)	(0.08)
<b>Sub Total</b>	<b>(31.10)</b>		<b>(60.11)</b>	
<b>Net Balance</b>	<b>82.11</b>		<b>17.20</b>	

**Foreign Currency sensitivity analysis**

The Company is mainly exposed to US Dollar and EURO currencies. The following table details the Company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a comparable impact on the profit or equity.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Currency USD impact		Currency EUR impact		Currency GBP impact	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
<b>Impact on profit or loss for the year</b>						
- Increase by 5%	3.16	0.75	0.25	0.11	0.01	-
- Decrease by 5%	(3.16)	(0.75)	(0.25)	(0.11)	(0.01)	-
<b>Impact on other components of equity as at the end of the reporting period</b>						
- Increase by 5%	3.16	0.75	0.25	0.11	0.01	-
- Decrease by 5%	(3.16)	(0.75)	(0.25)	(0.11)	(0.01)	-

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

**Derivative Financial Instruments**

The Company operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Company to enter into forward foreign exchange and option contracts to cover specific foreign currency payments and receipts within a specific range. The Company also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to one year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) and option contracts outstanding at the end of the reporting period:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign currency (In Crores)	In ₹ (In Crores)	Foreign currency In Crores	In ₹ (In Crores)
Derivatives designated as cash flow hedges				
<b>Forward Contracts</b>				
In USD	-	-	0.10	6.48
<b>Option Contracts</b>				
In USD	-	-	0.42	28.86
<b>Total forwards and options</b>	-	-	<b>0.52</b>	<b>35.34</b>

The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 month	-	2.35
Later than 1 month but not later than 3 months	-	8.77
Later than 3 months upto 6 months	-	12.88
Later than 6 months but not later than 1 year	-	11.34
<b>Total</b>	-	<b>35.34</b>



## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2019 is as follows :

Particulars	As at March 31, 2019
Balance at the beginning of the year	0.61
Gain/loss recognised in other comprehensive income during the period	(0.79)
Tax impact on above	0.18
<b>Balance at the end of the year</b>	<b>-</b>

### (b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at cost value and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

#### (i) Expected credit loss for investments, loans and security deposits

The estimated gross carrying amount at default is Nil (March 31, 2018: Nil) for Investments, loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

#### (ii) Expected credit loss for trade receivables under simplified approach

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and percentage used in the provision matrix.

### (c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Liquidity and interest risk tables**

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019.**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	207.80	112.29	-	320.09	320.09
Interest accrued but not due on borrowings	0.76	-	-	0.76	0.76
Trade Payables	190.84	-	-	190.84	190.84
Unclaimed dividends	0.14	-	-	0.14	0.14
Financial guarantee	0.37	0.30	-	0.67	0.67
Security Deposits - Others	0.92	-	-	0.92	0.92
Employee benefit payable	6.18	-	-	6.18	6.18
Commission payable to Chairman	1.44	-	-	1.44	1.44
Payables on purchase of fixed assets	0.68	-	-	0.68	0.68
Others	0.11	-	-	0.11	0.11
<b>Total</b>	<b>409.24</b>	<b>112.59</b>	<b>-</b>	<b>521.83</b>	<b>521.83</b>

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	180.82	90.11	-	270.93	270.93
Interest accrued but not due on borrowings	0.25	-	-	0.25	0.25
Trade Payables	233.57	-	-	233.57	233.57
Unclaimed dividends	0.16	-	-	0.16	0.16
Financial guarantee	0.44	0.65	-	1.09	1.09
Security Deposits - Others	0.36	-	-	0.36	0.36
Termination benefit under Voluntary Retirement Scheme	0.01	-	-	0.01	0.01
Employee benefit payable	7.04	-	-	7.04	7.04
Commission payable to Chairman	1.24	-	-	1.24	1.24
Payables on purchase of fixed assets	1.66	-	-	1.66	1.66
Others	0.01	-	-	0.01	0.01
<b>Total</b>	<b>425.56</b>	<b>90.76</b>	<b>-</b>	<b>516.32</b>	<b>516.32</b>

In addition, the Company is exposed to liquidity risk in relation to Corporate guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is invoked. These Corporate guarantees have been issued to banks under the financing facilities agreements entered into its subsidiaries companies. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. (Refer note 37)

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 32 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

#### 32.1 Product wise break up - Please refer note no. 22.1

#### 32.2 Geographical information

The Company's revenue from external customers by location of operations and information about its non current assets\*\* by location of operations are detailed below.

Particulars	Revenue from external customers		Non-Current assets**	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	1,084.66	981.55	376.15	372.46
Rest of the world	285.59	257.82	-	-
<b>Total</b>	<b>1,370.25</b>	<b>1,239.37</b>	<b>376.15</b>	<b>372.46</b>

The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India.

\*\* Non-Current assets are used in the operations of the Company to generate revenues both in India and outside India.

#### 32.3 Information about major customers

The Company is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic Products, Die casting Products and other auto components for transportation industry.

The Company has three major customers (greater than 10% of total sales) and Revenue from sale of auto components to these major customers aggregated to ₹ 481.40 Crores (March 31,2018, ₹ 448.64 Crores).

#### Related party disclosures

	2018-19	2017-18
(a) List of related parties where control exists		
Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
Subsidiary	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc.(RPDC)	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc.(RPDC)
Other related parties where transaction have taken place during the year		
(b) Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman Harish Lakshman, Vice chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c) Relative of KMP	L Lakshman Aditya Ganesh	L Lakshman Aditya Ganesh
(d) Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(e) Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG) Rane t4u Private Limited	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG)
(f) Joint ventures of the Holding Company	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA) (Upto 14th November 2018)	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of related party transactions and balances :**

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transaction has taken place (Fellow Subsidiaries)		Joint ventures of the Holding Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Transaction during the year																
Professional Charges	3.02	2.93	-	-	-	-	-	-	-	-	-	-	-	-	3.02	2.93
Software Expenses	3.79	3.68	-	-	-	-	-	-	-	-	-	-	-	-	3.79	3.68
Training Expenses	0.86	0.75	-	-	-	-	-	-	-	-	-	-	-	-	0.86	0.75
Miscellaneous Expenses	0.69	0.63	-	-	-	-	-	-	-	-	-	-	-	-	0.69	0.63
Trademark Fee	6.45	5.75	-	-	-	-	-	-	-	-	-	-	-	-	6.45	5.75
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	2.15	1.73	-	-	2.15	1.73
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	-	-	0.72	0.31	-	-	0.72	0.31
Purchases RBL and REVL	-	-	-	-	-	-	-	-	-	-	10.26	10.24	-	-	10.26	10.24
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.38	0.10	0.38	0.10
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	16.70	9.12	16.70	9.12
Sales-JMA	-	-	-	-	-	-	-	-	-	-	-	-	4.43	10.31	4.43	10.31
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	23.54	24.51	23.54	24.51
Sales Machinery-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30	-	0.30
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Donation-Rane Foundation	-	-	-	-	-	-	-	-	0.88	0.87	-	-	-	-	0.88	0.87
Repayment of Term Loan -RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.66)	-	(0.66)
Commission to Chairman	-	-	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
Loan/NCRPS to subsidiary-RMIH	-	-	36.49	1.92	-	-	-	-	-	-	-	-	-	-	36.49	1.92
Repayment of Preference Share Capital	-	(8.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.23)
Preference Dividend Paid	-	0.26	-	-	-	-	-	-	-	-	-	-	-	-	-	0.26
Interest on loan - RMIH	-	-	1.05	0.36	-	-	-	-	-	-	-	-	-	-	1.05	0.36
FMV Financial Guarantee-RPDC	-	-	0.13	0.13	-	-	-	-	-	-	-	-	-	-	0.13	0.13
FMV Financial Guarantee-RMIH	-	-	0.31	0.31	-	-	-	-	-	-	-	-	-	-	0.31	0.31
Financial Guarantee-RPDC	-	-	-	(38.46)	-	-	-	-	-	-	-	-	-	-	-	(38.46)
Salaries - Mr. S Parthasarathy	-	-	-	-	1.68	1.49	-	-	-	-	-	-	-	-	1.68	1.49
Salaries - Mr. Aditya Ganesh	-	-	-	-	-	-	0.48	0.20	-	-	-	-	-	-	0.48	0.20
Sitting Fees	-	-	-	-	0.04	0.03	0.08	0.04	-	-	-	-	-	-	0.12	0.07

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transaction has taken place (Fellow Subsidiaries)		Joint ventures of the Holding Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Balance as at year end 31, March																
Payables	1.84	1.58			1.44	1.24					1.22	0.87	1.99	1.49	6.49	5.18
Receivables	-	-	1.87	1.87	-	-	-	-	-	-	0.05	-	4.78	7.80	6.70	9.67
Equity - RMIH	-	-	0.15	0.15	-	-	-	-	-	-	-	-	-	-	0.15	0.15
Loan/NCRPS to subsidiary-RMIH	-	-	44.70	8.47	-	-	-	-	-	-	-	-	-	-	44.70	8.47
Interest on loan - RMIH	-	-	2.37	1.32	-	-	-	-	-	-	-	-	-	-	2.37	1.32
Financial Guarantee - RMIH	-	-	33.21	31.29	-	-	-	-	-	-	-	-	-	-	33.21	31.29
Financial Guarantee - RPDC	-	-	14.53	13.69	-	-	-	-	-	-	-	-	-	-	14.53	13.69

## Details of Related Party transactions :

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transaction has taken place (Fellow Subsidiaries)		Joint ventures of the Holding Company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Payables																
RHL	1.84	1.58	-	-	-	-	-	-	-	-	-	-	-	-	1.84	1.58
Mr L Ganesh	-	-	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
REVL	-	-	-	-	-	-	-	-	-	-	0.55	0.35	-	-	0.55	0.35
RBL	-	-	-	-	-	-	-	-	-	-	0.58	0.43	-	-	0.58	0.43
RHAI	-	-	-	-	-	-	-	-	-	-	0.08	0.09	-	-	0.08	0.09
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.14	0.10	0.14	0.10
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	1.85	1.40	1.85	1.40
Receivables																
RHEG	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	-
JMA	-	-	-	-	-	-	-	-	-	-	-	-	-	3.72	-	3.72
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	4.78	4.09	4.78	4.09

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Remuneration to Key Management Personnel**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term benefits paid	3.00	2.63
Other Long term benefits paid	0.12	0.10
Termination Benefits	-	-
<b>Total</b>	<b>3.12</b>	<b>2.73</b>

**34 Employee benefit plans****A. Defined contribution plans**

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

**(a) Provident fund**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

**(b) Superannuation fund**

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Company contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹ 7.26 Crores (for the year ended March 31, 2018: ₹ 7.40 Crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at March 31, 2019, contributions of ₹ 1.07 Crores (as at March 31, 2018: ₹ 1.11 Crores) due in respect to 2018-19 (2017-18) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**B. Defined benefit plans**

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of defined benefit obligation and plan assets:****(a) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 1.33 Crores (March 31, 2018 - ₹ 1.11 Crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

Principal Actuarial Assumptions at Balance Sheet date	2018-19	2017-18
Discount rate	7.60%	7.69%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	6.00%	6.00%
Attrition rate		
- Executives and Staff	8.00%	8.00%
- Operators	3.00%	3.00%

**(b) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts; funded to LIC. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

**(i) Movements in the present value of the defined benefit obligation are as follows.**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	16.95	14.92
Current Service Cost	1.33	1.23
Interest cost	1.26	1.07
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.54	0.65
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(1.36)	(0.92)
<b>Closing defined benefit obligation</b>	<b>18.72</b>	<b>16.95</b>

**(ii) Movements in the fair value of the plan assets**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	10.41	9.36
Interest income	0.82	0.71
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.29)	(0.13)
Contributions from the Employer	1.81	1.39
Benefits paid	(1.36)	(0.92)
<b>Closing fair value of plan assets</b>	<b>11.39</b>	<b>10.41</b>

**(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :**

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	18.72	16.95
Fair value of plan assets	11.39	10.41
<b>Funded status</b>	<b>7.33</b>	<b>6.54</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>7.33</b>	<b>6.54</b>

**(iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current Service cost	1.33	1.23
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	0.43	0.36
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.76</b>	<b>1.59</b>
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	0.54	0.65
Actuarial (gains) / losses arising from changes in financial assumptions	0.27	0.13
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.81</b>	<b>0.78</b>
<b>Total</b>	<b>2.57</b>	<b>2.37</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

**(v) Risk Exposure**

The Company has invested the plan assets with the insurer managed funds. The insurance Company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.



The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the Company's policy for plan asset management and other relevant factors.

**(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
Discount Rate(s)	7.60%	7.69%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Expected rate of return on plan assets	7.60%	7.69%
Attrition Rate		
Executives and Staff	8.00%	8.00%
Operators	3.00%	3.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Sensitivity Analysis**

Change in assumption	Valuation as at	
	March 31, 2019	March 31, 2018
A. Discount Rate + 50 BP	8.10%	8.19%
Defined Benefit Obligation [PVO]	18.08	16.38
Current Service Cost	1.43	1.29
B. Discount Rate - 50 BP	7.1%	7.2%
Defined Benefit Obligation [PVO]	19.41	17.57
Current Service Cost	1.56	1.41
C. Salary Escalation Rate +50 BP	8.5% & 6.5%	8.5% & 6.5%
Defined Benefit Obligation [PVO]	19.43	17.59
Current Service Cost	1.56	1.41
D. Salary Escalation Rate -50 BP	7.5% & 5.5%	7.5% & 5.5%
Defined Benefit Obligation [PVO]	18.05	16.35
Current Service Cost	1.42	1.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 7.7 years (2018-7.7 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Year 1	2.84	1.12
Year 2	2.09	4.18
Year 3	1.47	1.06
Year 4	1.85	1.29
Year 5	1.64	1.59
Next 5 Years	9.15	8.29

**35 Earnings per share**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic Earnings per share		
From continuing operations (in ₹)	40.38	37.61
Diluted Earnings per share		
From continuing operations (in ₹)	40.38	36.94

**Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	47.24	41.81
<b>Earnings used in the calculation of basic earnings per share</b>	<b>47.24</b>	<b>41.81</b>

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Number of equity Shares of ₹ 10 each outstanding at the end of the year	1,19,73,171	1,16,07,541
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,16,98,949	1,11,17,696

**Diluted Earnings per share**

The earnings used in the calculation of diluted earnings per share is as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Earnings used in the calculation of basic earnings per share</b>	<b>47.24</b>	<b>41.81</b>
Interest on convertible notes (after tax at 30%)	-	-
<b>Earnings used in the calculation of diluted earnings per share</b>	<b>47.24</b>	<b>41.81</b>

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	1,16,98,949	1,11,17,696
Convertible warrants	-	2,02,349
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,16,98,949	1,13,20,045

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**36 Operating lease arrangements****The Company as lessee****Land**

The Company has taken land on lease for a periods of ranging from 35 to 90 years (Pantnagar and Singur-90 years, Sanand- 35 years) and the same has been classified as prepayments under other non-current assets. The lease has been considered as operating lease due to indefinite useful life of land.

**Vehicles**

The Company has taken vehicles under operating lease for a period ranging upto 5 years. The details of the maturity profile of future operating lease payments are furnished below:

**Payments recognised as an expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	0.44	0.50
<b>Total</b>	<b>0.44</b>	<b>0.50</b>

**Non-cancellable operating lease commitments**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	0.37	0.35
Later than 1 year and not later than 5 years	0.86	0.30
Later than 5 years	-	-
<b>Total</b>	<b>1.23</b>	<b>0.65</b>

**Cancellable operating Leases**

The Company has cancellable operating leases for business purpose which are renewable on a periodic basis.

The lease payments under cancellable operating lease for the year ended March 31, 2019 amounts to ₹ 0.50 Crores (For the year ended March 31, 2018 ₹ 0.73 Crores).

**37 Contingent Liabilities, Guarantees and Commitment**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debt		
- Income Tax matters under appeal by the Company	18.34	15.20
- Central Excise, Service Tax and Sales tax matters under appeal by the Company	10.34	5.34
- Labour related matters under appeal by the Company	2.36	2.32
- Others- Customer claim disputed by the Company	110.69	104.29
<b>Others</b>		
- Income Tax matters under appeal by the Department	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various authorities		
<b>Guarantees and Letter of credit</b>		
- Outstanding bank guarantees	2.38	1.18
- Financial Guarantee (Refer note 6.1)	47.73	44.97
- Letter of credit	4.59	13.27
<b>Commitments</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	15.18	7.05
<b>Total</b>	<b>211.92</b>	<b>193.93</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**38 Events after the reporting date**

The final dividend amount of ₹ 4.50 per share recommended by the Directors is subject to the approval of shareholders in ensuing Annual General Meeting.

**39 Exceptional item**

During the quarter ended September 30, 2017, the Company had recorded an aggregate claim of ₹ 10.08 Crores from a customer towards certain product quality issues. The Company has an insurance policy to cover product recall/ guarantee claims/ costs. The claim has been intimated to the insurer and the survey is in progress. This has been considered as insurance claim receivable as the Company is confident of recovering this sum under the insurance policy.

**40 Particulars of closing inventories of raw materials, work-in-progress and finished Goods**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw Materials and components</b>		
Steel Forgings	6.49	5.06
Castings	2.48	1.67
Steel Tubes	11.31	0.17
Aluminium	1.08	1.04
Aluminium Pumps & Tubes	0.32	0.97
Others (individually less than 10% of the total raw materials and components inventory)	20.79	19.30
<b>Total</b>	<b>42.47</b>	<b>28.21</b>
<b>Work-in-progress</b>		
Steering and Suspension Linkage Products	4.72	8.16
Steering Gear Products	4.10	4.39
Hydraulic Products	0.79	1.01
Diecasting products	2.71	1.65
<b>Total</b>	<b>12.32</b>	<b>15.21</b>
<b>Finished goods (including Goods in Transit)</b>		
Steering and Suspension Linkage Products	29.30	28.25
Steering Gear Products	25.55	18.72
Hydraulic Products	5.67	2.80
Diecasting products	15.58	26.35
Other Auto components	5.24	3.44
<b>Total</b>	<b>81.34</b>	<b>79.56</b>

## Notes Forming Part of the Standalone Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 41 Details of Raw Materials and Components consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Steel Forgings		191.28		194.80
Castings		75.29		62.13
Steel Tubes		136.23		115.91
Aluminium		64.58		52.36
Aluminium pumps and tubes		2.55		7.34
Other Auto parts		42.94		32.28
Others (individually less than 10% of the total consumption)		284.32		230.58
<b>Total</b>		<b>797.19</b>		<b>695.40</b>
Imported	6.26%	49.93	11.09%	77.15
Indigenous	93.74%	747.26	88.91%	618.25
<b>Total</b>	<b>100.00%</b>	<b>797.19</b>	<b>100.00%</b>	<b>695.40</b>

### 42 Stores, Spares and Tools consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Imported	4.93%	2.40	2.17%	1.09
Indigenous	95.07%	46.29	97.83%	49.28
<b>Total</b>	<b>100.00%</b>	<b>48.69</b>	<b>100.00%</b>	<b>50.37</b>

### 43 Value of Imports calculated on CIF basis

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials	30.91	5.47
Components	22.79	27.54
Stores, Spares & Tools	3.41	2.09
Capital goods	7.90	5.15
<b>Total</b>	<b>65.01</b>	<b>40.25</b>

### 44 Research and Development cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	2.91	2.60
Revenue expenditure:		
(i) Materials	0.35	0.36
(ii) Employee benefits	4.03	5.24
(iii) Professional fees	0.16	0.31
(iv) Consumables	0.64	0.72
(v) Travel expenses	0.57	0.54
(vi) Others	1.24	0.89
<b>Total</b>	<b>9.90</b>	<b>10.66</b>

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**45 Expenditure in foreign currency**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling expenses	1.12	0.88
Freight outward, storage charges	2.74	1.59
Sales promotion expenses	2.91	2.11
Interest	0.14	0.35
Royalty, Professional and Technical Fees and others	1.99	2.14
<b>Total</b>	<b>8.90</b>	<b>7.07</b>

**46 Earnings in Foreign exchange**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
FOB Value of Exports	250.18	232.50

**47 Disclosure as per Regulation 34(3) read with Schedule V of SEBI (Listing obligations and disclosure requirements) Regulation, 2015****Loans and advances in the nature of loan**

Name of the Party	Amount outstanding as at 31 March 2019	Maximum balance outstanding during the year
Subsidiaries		
<b>Rane (Madras) International Holdings B.V (RMIH)</b>		
Loan	44.70	44.70
	(8.47)	(8.47)
Interest	2.37	2.37
	(1.32)	(1.32)
Note: Figures in bracket relate to the previous year.		

**48 Details on Derivative Instruments**

I. The following derivative positions are open as at March 31, 2019

- (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.

Outstanding forward exchange contracts and option contracts entered into by the Company as on March 31, 2019

Currency	Buy/Sell	Amount ₹ in Crores	Cross Currency
USD	Sell	-	Rupees
		(35.34)	Rupees

Note: Figures in brackets relate to the previous year

**Notes Forming Part of the Standalone Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**49 Particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013**

Name of entity	Amount	Particulars	Purpose
<b>Loans/ NCRPS Given</b>			
Rane (Madras) International Holdings B.V. (Wholly Owned Subsidiary-WOS)	47.07	Loan/NCRPS to WOS (Including Interest accrued on Loan)	For Equity investment of RMIH to RPDC, Payment of EXIM Bank loan interest, meeting local establishment expenses
<b>Investment Made</b>			
Rane (Madras) International Holdings B.V. (WOS)	0.15	Investment in WOS	Equity Investment
<b>Guarantees Given</b>			
Rane (Madras) International Holdings B.V. (WOS)	33.21	Corporate Guarantee on behalf of WOS	Given to EXIM Bank towards the banks Financing arrangement to WOS
Rane Precision Die Casting Inc., (Step Down subsidiary-SDS)	14.53	Corporate Guarantee on behalf of SDS	Given to EXIM Bank towards the banks Financing arrangement to SDS

**50** The figures for the previous year have been regrouped wherever necessary to conform to current year's classification. Figures have also been rounded off to Crores of rupees.

**51 Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on May 23, 2019.

# Independent Auditor's Report

To The Members of Rane (Madras) Limited

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the accompanying consolidated financial statements of Rane (Madras) Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditors on separate financial statements of the subsidiary referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the sub-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Emphasis of Matter

We draw attention to Note 6 to the consolidated financial statements regarding insurance claim receivable of ₹ 10.08 Crores, recognized during the previous year ended March 31, 2018, based on management's assessment of the certainty of recoverability of insurance claim, the settlement of which is subject to survey and admission by the Insurance Company.

Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.



S. No.	Key Audit Matter	Auditor's Response
1	<p><b>Recoverability of insurance claim:</b> The Company lodged a product liability insurance claim in September 2017 and recognized insurance claim receivable for ₹ 10.08 Crores based on management's assessment of the certainty of recoverability of insurance claim.</p> <p>Management's assessment of certainty of recoverability involved judgments based on merits of the case and past trend, supported by independent evaluation by an insurance consultant and a legal opinion.</p>	<p>Principal audit procedures performed:</p> <p>Our audit procedures included testing the company's controls relating to assessment of certainty of insurance claim recoverable.</p> <p>We examined the terms and conditions of the insurance policy coverage as well as the nature and measurability of the claim amount.</p> <p>We evaluated the past trend of management's estimates and the assessment of admissibility of the claim by the insurance consultant appointed by the management and a legal opinion received from external legal consultant on the tenability of the claim.</p> <p>We reviewed the progress of the survey and noted that the queries raised by the surveyor have been satisfactorily responded and the surveyor is in the final stages of submission of his report.</p> <p>Also refer Emphasis of Matter Paragraph above.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's Report and its Annexures, but does not include the consolidated financial statements, standalone financial statements and our Auditor's Report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditors, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to

the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the

consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. For the entity included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

- (a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 100.69 Crores as at March 31, 2019, total revenues of ₹ 185.30 Crores and net cash inflows amounting to ₹ 2.04 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of

subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary based solely on the reports of the other auditors.

- (b) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 75.48 Crores as at March 31, 2019, total revenues of ₹ Nil and net cash inflows amounting to ₹ 4.19 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company, none of the Directors of the Parent is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the Parent incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent only, since the subsidiaries are incorporated outside India.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (Refer Note 37 to the consolidated financial statements.)

- (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent.

**For Deloitte Haskins & Sells**

Chartered Accountants  
(Firm's Registration No.008072S)

**Ananthi Amarnath**

Partner  
(Membership No. 209252)

Chennai  
May 23, 2019

## Annexure “A” to the Independent Auditor’s Report

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Rane (Madras) Limited (hereinafter referred to as “Parent”), as of that date.

### Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the Parent’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over

financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Parent’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over

Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**  
Chartered Accountants  
(Firm's Registration No.008072S)

Chennai  
May 23, 2019

**Ananthi Amarnath**  
Partner  
(Membership No. 209252)

# Consolidated Balance Sheet

as at March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>A. Assets</b>				
<b>Non-Current Assets</b>				
(a)	Property, Plant and Equipment	2	378.59	378.87
(b)	Capital Work in Progress	2	15.62	16.23
(c)	Goodwill	3	6.03	6.03
(d)	Other Intangible Assets	4	1.39	1.60
(e)	Financial Assets			
(i)	Investments	5	0.60	-
(ii)	Other financial assets	6	16.68	16.64
(f)	Income Tax assets (Net)	7	9.95	7.33
(g)	Other Non Current Assets	8	29.16	19.04
<b>Total Non-Current Assets</b>			<b>458.02</b>	<b>445.74</b>
<b>Current Assets</b>				
(a)	Inventories	9	171.79	152.54
(b)	Financial assets			
(i)	Trade Receivables	10	243.71	245.53
(ii)	Cash and Cash Equivalents	11	17.86	6.88
(iii)	Bank balances other than (ii) above	12	0.14	0.16
(iv)	Loans receivable	13	0.25	0.21
(v)	Other Financial assets	6	5.10	5.88
(c)	Other Current Assets	8	32.34	44.60
<b>Total Current Assets</b>			<b>471.19</b>	<b>455.80</b>
<b>Total Assets</b>			<b>929.21</b>	<b>901.54</b>
<b>B. Equity and Liabilities</b>				
<b>Equity</b>				
(a)	Equity share capital	14	11.97	11.61
(b)	Other Equity	15	218.24	218.13
<b>Total Equity</b>			<b>230.21</b>	<b>229.74</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	16	141.32	149.31
(b)	Provisions	18	6.21	5.46
(c)	Deferred tax liability	21	6.76	2.16
(d)	Other non-current liabilities	19	4.05	4.71
<b>Total Non-Current Liabilities</b>			<b>158.34</b>	<b>161.64</b>
<b>Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Borrowings	16	223.03	186.95
(ii)	Trade Payables	20		
(a)	Total outstanding dues of Micro enterprises and Small enterprises		11.54	16.35
(b)	Total outstanding dues of creditors other than Micro enterprises and Small enterprises		204.43	239.74
(iii)	Other financial Liabilities	17	64.19	34.59
(b)	Provisions	18	8.31	5.92
(c)	Other Current Liabilities	19	29.16	26.61
<b>Total current liabilities</b>			<b>540.66</b>	<b>510.16</b>
<b>Total Liabilities</b>			<b>699.00</b>	<b>671.80</b>
<b>Total Equity and Liabilities</b>			<b>929.21</b>	<b>901.54</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
Partner**L Ganesh**  
Chairman  
DIN : 00012583Chennai,  
May 23, 2019**J Radha**  
Chief Financial Officer

For and on behalf of the Board

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Parthasarathy**  
Chief Executive Officer**S Subha Shree**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

S.No.	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from Operations	22	1,554.62	1,425.25
II	Other Income	23	9.94	8.87
III	<b>Total Income (I+II)</b>		<b>1,564.56</b>	<b>1,434.12</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	24	930.50	819.86
	Changes in Inventories of finished goods, work-in-progress and stock in trade	25	0.44	(15.88)
	Excise duty on sale of goods		-	25.42
	Employee benefits expense	26	230.23	219.39
	Finance costs	27	34.28	33.35
	Depreciation and amortisation expense	28	65.95	61.43
	Other expenses	29	277.53	250.45
	<b>Total Expenses (IV)</b>		<b>1,538.93</b>	<b>1,394.02</b>
V	<b>Profit before tax (before exceptional Items) (III-IV)</b>		<b>25.63</b>	<b>40.10</b>
VI	<b>Exceptional items (Refer Note 39)</b>		-	-
VII	<b>Profit before tax (after Exceptional items) (V-VI)</b>		<b>25.63</b>	<b>40.10</b>
VIII	<b>Tax Expense:</b>			
	(1) Current Tax	30	25.32	18.15
	(2) Deferred Tax	30	(2.11)	(2.27)
			<b>23.21</b>	<b>15.88</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>2.42</b>	<b>24.22</b>
	<b>Other Comprehensive Income</b>			
A.	(i) Items that will not be reclassified to statement of profit and loss			
	(a) Remeasurements of the defined benefit plans		(2.93)	(1.82)
			<b>(2.93)</b>	<b>(1.82)</b>
	(ii) Income tax relating to items that will not be reclassified to statement of profit and loss		0.29	0.27
B.	(i) Items that may be reclassified to statement of profit and loss			
	(a) Exchange Differences on translation of foreign operations		2.56	(4.30)
	(b) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		(0.79)	0.79
			<b>1.77</b>	<b>(3.51)</b>
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		<b>0.18</b>	<b>(0.27)</b>
X	<b>Total Other Comprehensive Income (A(i-ii)+B(i-ii))</b>		<b>(0.69)</b>	<b>(5.33)</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>1.73</b>	<b>18.89</b>
XII	<b>Earnings per equity share (Nominal value per share ₹ 10)</b>			
	(a) Basic (In ₹)	35	2.07	21.78
	(b) Diluted (In ₹)	35	2.07	21.40

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants**Ananthi Amarnath**  
Partner**L Ganesh**  
Chairman  
DIN : 00012583**Harish Lakshman**  
Vice Chairman  
DIN : 00012602**S Parthasarathy**  
Chief Executive OfficerChennai,  
May 23, 2019**J Radha**  
Chief Financial Officer**S Subha Shree**  
Company Secretary

For and on behalf of the Board

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

## A. Equity Share Capital

Description	Amount
As at April 1, 2017	10.51
Changes in Equity Share Capital	1.10
As at March 31, 2018	11.61
Changes in Equity Share Capital	0.36
<b>As at March 31, 2019</b>	<b>11.97</b>

## B. Other Equity

Description	Reserves and Surplus						Other Reserves				
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Foreign Currency Translation Reserve	Hedge Reserve	Total	Total Equity
<b>Balance as at April 1, 2017</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>9.34</b>	<b>-</b>	<b>144.91</b>	<b>1.69</b>	<b>0.09</b>	<b>1.78</b>	<b>146.69</b>
Profit for the year	-	-	-	-	24.22	-	24.22	-	-	-	24.22
Other comprehensive income for the year	-	-	-	-	(1.82)	-	(1.82)	(4.30)	0.79	(3.51)	(5.33)
Income tax on OCI Items	-	-	-	-	0.27	-	0.27	-	(0.27)	(0.27)	(0.00)
<b>Total Comprehensive income for the year</b>	<b>127.70</b>	<b>3.57</b>	<b>4.50</b>	<b>(0.20)</b>	<b>32.01</b>	<b>-</b>	<b>167.58</b>	<b>(2.61)</b>	<b>0.61</b>	<b>(2.00)</b>	<b>165.58</b>
Money received against share warrants	-	-	-	-	-	5.00	5.00	-	-	-	5.00
Premium on preferential issue of equity shares	-	58.90	-	-	-	-	58.90	-	-	-	58.90
Payment of Dividend	-	-	-	-	(9.43)	-	(9.43)	-	-	-	(9.43)
Tax on Dividend	-	-	-	-	(1.92)	-	(1.92)	-	-	-	(1.92)
Transfer from retained earnings	-	-	8.23	-	(8.23)	-	-	-	-	-	-
<b>Balance as at March 31, 2018</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>12.43</b>	<b>5.00</b>	<b>220.13</b>	<b>(2.61)</b>	<b>0.61</b>	<b>(2.00)</b>	<b>218.13</b>
Profit for the year	-	-	-	-	2.42	-	2.42	-	-	-	2.42
Other comprehensive income for the year	-	-	-	-	(2.93)	-	(2.93)	2.56	(0.79)	1.77	(1.16)
Income tax on OCI Items	-	-	-	-	0.29	-	0.29	-	0.18	0.18	0.47
<b>Total Comprehensive income for the year</b>	<b>127.70</b>	<b>62.47</b>	<b>12.73</b>	<b>(0.20)</b>	<b>12.21</b>	<b>5.00</b>	<b>219.91</b>	<b>(0.05)</b>	<b>0.00</b>	<b>(0.05)</b>	<b>219.86</b>



# Consolidated Statement of Changes in Equity

For the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Description	Reserves and Surplus						Other Reserves				Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Foreign Currency Translation Reserve	Hedge Reserve	Total	
Money Received on Share Warrants	-	-	-	-	-	(5.00)	(5.00)	-	-	-	(5.00)
Premium on preferential issue of equity shares	-	19.64	-	-	-	-	19.64	-	-	-	19.64
Payment of Dividend	-	-	-	-	(13.49)	-	(13.49)	-	-	-	(13.49)
Tax on Dividend	-	-	-	-	(2.77)	-	(2.77)	-	-	-	(2.77)
Transfer from retained earnings	32.36	-	-	-	(32.36)	-	-	-	-	-	-
<b>Balance as at March 31, 2019</b>	<b>160.06</b>	<b>82.11</b>	<b>12.73</b>	<b>(0.20)</b>	<b>(36.41)</b>	<b>-</b>	<b>218.29</b>	<b>(0.05)</b>	<b>0.00</b>	<b>(0.05)</b>	<b>218.24</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

Chennai,  
May 23, 2019

**L Ganesh**  
Chairman  
DIN : 00012583

**J Radha**  
Chief Financial Officer

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Subha Shree**  
Company Secretary

**For and on behalf of the Board**

**S Parthasarathy**  
Chief Executive Officer

# Consolidated Cash Flow Statement

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>A. Cash flow from operating activities</b>		
<b>Profit for the year</b>	<b>2.42</b>	<b>24.22</b>
<b>Adjustments for :</b>		
Income Tax expense recognised in profit and loss	23.21	15.88
Finance costs recognised in profit and loss	34.28	33.35
Interest Income recognised in profit and loss	(0.44)	(0.29)
Net Loss/(Gain) on disposal of Property, Plant and Equipment	(0.06)	(0.28)
Provision for Doubtful Trade receivables and advances (Net of Write back)	1.29	1.15
Government Grant income	(1.91)	(1.70)
Depreciation and Amortisation of non-current assets	65.95	61.43
Unrealised Exchange (Gain)/Loss	0.09	(0.34)
Foreign Currency translation (Gain) / Loss	2.56	(4.30)
Translation (Gain) / Loss on Property, Plant and Equipment	(4.67)	(0.20)
	<b>122.72</b>	<b>128.92</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in Trade and other receivables	(0.23)	(58.10)
(Increase) / decrease in Inventories	(19.25)	(26.17)
(Increase) / decrease in other Non Current assets	(10.06)	2.43
(Increase) / decrease in other Non Current Financial assets	(0.04)	(8.96)
(Increase) / decrease in other Current Financial assets	(0.03)	(1.88)
(Increase) / decrease in other Current assets	12.26	(4.35)
(Increase) / decrease in Loans Receivable	(0.04)	0.08
Increase / (decrease) in Trade payables	(39.92)	59.00
Increase / (decrease) in Long term provisions	0.75	0.68
Increase / (decrease) in Short term provisions	2.39	(0.82)
Increase / (decrease) in other Non Current Financial liabilities	-	(0.14)
Increase / (decrease) in other Current Financial liabilities	(2.12)	1.12
Increase / (decrease) in other Non Current liabilities	(0.66)	(1.43)
Increase / (decrease) in other Current liabilities	(0.33)	(12.08)
<b>Cash generated from operations</b>	<b>65.44</b>	<b>78.30</b>
Income Tax paid	(20.76)	(13.11)
<b>Net cash (used in) / generated by operating activities</b>	<b>44.68</b>	<b>65.19</b>
<b>B. Cash flow from investing activities</b>		
Interest received	0.46	0.40
Non current Investments	(0.60)	-
Payments for Property, Plant and Equipment	(61.33)	(78.88)
Proceeds from disposal of Property, Plant and Equipment	1.63	0.40
Bank Balances not considered as cash and cash equivalents	0.02	0.20
<b>Net cash (used in) / generated by investing activities</b>	<b>(59.82)</b>	<b>(77.88)</b>

# Consolidated Cash Flow Statement

for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>C. Cash flow from Financing activities</b>		
Proceeds from issue of equity shares	0.36	1.10
Proceeds from Share premium on equity shares	19.64	58.90
Money Received against Share warrant	(5.00)	5.00
Proceeds from long term borrowings	38.58	60.54
Repayment of long term borrowings	(14.75)	(72.58)
Proceeds from short term borrowings	36.81	6.69
Dividend paid	(13.49)	(9.43)
Tax on dividend	(2.77)	(1.92)
Interest paid	(33.40)	(34.13)
<b>Net cash (used in)/ generated by financing activities</b>	<b>25.98</b>	<b>14.17</b>
<b>Net increase in cash and cash equivalents</b>	<b>10.84</b>	<b>1.48</b>
Cash and cash equivalents at the beginning of the year (Refer Note 11)	7.10	5.62
<b>Cash and Cash equivalents at the end of the year (Refer Note 11)</b>	<b>17.94</b>	<b>7.10</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

Chennai,  
May 23, 2019

**L Ganesh**  
Chairman  
DIN : 00012583

**J Radha**  
Chief Financial Officer

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Subha Shree**  
Company Secretary

**For and on behalf of the Board**

**S Parthasarathy**  
Chief Executive Officer

# Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

## 1. Summary of significant accounting policies, critical judgements and Key estimates

### General Information

Rane (Madras) Limited (The "Company") is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The Company is engaged in the manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and Farm tractors across the Globe and as such operates in a single reportable business segment of 'components for transportation industry'. The Company including its subsidiaries is having seven manufacturing facilities, six in India at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana and one in USA at Kentucky.

The Company acquired Precision Die Casting Inc.(PDC) in USA in February 2016 and renamed it as Rane Precision Die Casting Inc. which is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. This investment is held by Rane (Madras) International Holdings, B.V, Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS') formed to hold strategic overseas investments of the Company.

### Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the Group consisting of Rane (Madras) Limited and its subsidiaries ("the Group").

#### 1.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

Except for the changes below, the Group has

consistently applied accounting policies to all periods.

The Group has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Group has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

#### 1.11 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention (except for certain financial instruments that are measured at fair value at the end of each reporting period), as explained below.

### Basis of consolidation

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### The principal accounting policies are set out below :

#### 1.12 Property, Plant and Equipment

Property, Plant and Equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

#### Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method except in respect of the following categories of assets, in which case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the

operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Machinery and Equipment	3-10 Years
Equipment under lease	5-6 Years
Moulds	3-4 Years
Vehicles	4-5 Years
Furniture & Fixtures	5 Years
Office Equipments (other than computers)	3 Years
Computers, Server and networks	3-5 Years
Capital Tooling	3-5 Years
Maintenance Tools	1 Year
Cost of Dies	Per production units method

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

#### 1.13 Intangible assets Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities taken over at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or Groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

### Other Intangible assets

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

The intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Group for its use. The amortisation period is reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

### Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
License Fees	Over the period of License

### 1.14 Impairment of tangible and intangible assets including goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

### 1.15 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Discount on Commercial Paper (the difference between the issue price and the redemption value) is amortised over the period of borrowings and recognised as discounting expense.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

### 1.16 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### As a Lessee

##### Finance Lease :

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the period in which they are incurred.

##### Operating Lease :

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 1.17 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 1.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.19 Foreign currency transactions and translations

#### (i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

#### (ii) Transactions and balances

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit and loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit and loss on realisations/repayment of the monetary items.

### (iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :

- assets and liabilities are translated at the closing rate at the date of that Balance Sheet,
- income and expenses are translated at average exchange Rates (unless this is not a reasonable approximation of the cumulative effect of the Rates prevailing on the transaction dates, in which case incomes and expenses are translated at the dates of the transactions), and
- all resulting foreign exchange differences are recognised in other comprehensive income.

The results and financial position of foreign operation which have a functional currency similar to the Group are translated using the same principle enumerated in Note (1.19)(ii) above.

### 1.20 Revenue Recognition

The Group derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering

Gear Products, Hydraulic products, Die casting products & other auto components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

Revenue from services has been recognised as and when the service has been performed.

### 1.21 Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

### 1.22 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Such grants are valued at fair value at the initial recognition.



## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Government grants are recognised in profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit and loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit and loss in the period in which they become receivable.

### 1.23 Employee benefits

#### (i) Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

#### (ii) Defined Contribution Plans

##### Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

##### Superannuation Fund

This is a defined contribution Plan. The Group contributes sum equivalent to certain specified percentages of the eligible annual salaries based on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC). The Group has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

#### In respect of Rane Precision Die Casting Inc. (RPDC) 401k plan

RPDC has a 401k plan set up for its employees. The contributions payable to these plans are at rates specified in the rules of the schemes.

#### (iii) Defined Benefit Plan

##### Gratuity

The Group provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit and loss.

#### In respect of RPDC

##### Pension plan

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:

- \$23:00 multiplied by years of benefit service from December 2003 to October 10, 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to October 9, 2006; plus
- \$25:00 multiplied by years of benefit service from October 9, 2006, to October 8, 2007; plus
- \$26:00 multiplied by years of benefit service from October 5, 2007 to December 16, 2010; plus
- \$16:00 multiplied by benefit service after December 16, 2010.

The liability with regard to the Plan are Determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit credit method. RPDC contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor. RPDC recognizes the net obligation of the Plan in the balance sheet as an asset or liability, respectively, in accordance with Ind AS 19, "Employee benefits". RPDC's overall long term rate of return on assets has been determined based on the available market information and the historical and expected future investment trends of present

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

and expected assets in the Plan. The discount rate is based on the Government securities yield or equivalent corporate bond. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the statement of other comprehensive income in the period in which they arise.

### **(iv) Other Long Term employee benefits Compensated Absence**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

### **1.24 Research and Development expenses**

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of Property, Plant and Equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and intangible assets.

### **1.25 Provisions and Contingent Liabilities**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying

economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **Provisions for Warranty**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Group provides post-contract services / warranty support to some of its customers. The Group accounts for the post contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

### **1.26 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit under the Income Tax Act for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

“Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.”

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the

effect that the Group will pay normal income tax during the specified period. As per transition provisions MAT shall be treated as part of deferred tax assets.

### 1.27 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

#### Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in the statement of profit and loss.

#### Subsequent Measurement

##### 1.27.1 Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### (i) Classification of Financial assets

The Group classifies its financial assets in the following measurement categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit and loss), and
- b) those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

#### (a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit and loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**(b) Fair value through other comprehensive income (FVTOCI)**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss and recognised in other income/ (expense).

**(c) Fair value through profit or loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

**(ii) Impairment of Financial assets**

All financial assets classified as at amortised cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model.

For trade receivables, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iii) Derecognition of Financial assets**

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset. Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset.

### 1.27.2 Financial liabilities and Equity Instruments

**(i) Classification as equity or financial liability**

Equity and Debt instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**(a) Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

**(b) Financial liabilities at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

**(c) Financial liabilities at FVTPL**

Liabilities that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

**(ii) Derecognition of Financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

### 1.27.3 Financial and Corporate Guarantee contracts

A Financial and Corporate guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial and Corporate guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

income recognised in accordance with the principles of Ind AS 18.

### 1.28 Derivative Financial Instruments

The Group is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Group has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

### 1.29 Hedge Accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

#### Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit and loss, and is included in the 'Other income'. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit and loss in the periods when the hedged item affects profit and loss, in the same line as the recognised hedged item. However, when the

hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit and loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

### 1.30 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2-Inventories or value in use in Ind AS 36-Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 1.31 Earnings Per Share

**Basic earnings per share** is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders 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 exceptional items, if any) for the period attributable to equity shareholders 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.

### 1.32 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors.

### 1.33 Segment reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) reviews the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance and the entire operations are classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

### 1.34 Use of estimates and critical accounting judgements

The preparation of financial statements in conformity with Ind AS requires the management to make certain judgements, estimates and assumptions that may affect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately an outlook as possible for the Group. These judgements and estimates only represent management's interpretation as of the dates on which they were prepared.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Actual results may differ from these judgments and estimates.

Important judgements and estimates relate largely to provisions, employee benefit plans, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

### 1.35 Standards issued but not yet effective

#### Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

### **Amendment to Ind AS 19 - Employee Benefits**

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit and loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

### **New Accounting Standard : Ind AS 116 - Leases**

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Group is currently evaluating the effect of the above on its consolidated financial statements.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**2. Property, Plant and Equipment and Capital Work-in-progress**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Freehold land	26.07	26.07
Buildings	79.00	73.88
Plant and equipment	267.41	271.53
Furniture and Fixtures	1.31	1.62
Office Equipments	4.53	5.42
Vehicles	0.27	0.35
<b>Sub Total</b>	<b>378.59</b>	<b>378.87</b>
Capital Work-in-progress	15.62	16.23
<b>Total</b>	<b>394.21</b>	<b>395.10</b>

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>26.00</b>	<b>72.14</b>	<b>306.04</b>	<b>2.70</b>	<b>6.30</b>	<b>0.35</b>	<b>413.53</b>
Additions	0.07	7.78	70.20	0.24	3.47	0.27	82.03
Disposals	-	-	(0.09)	(0.01)	-	(0.02)	(0.12)
Effect of foreign currency exchange differences	-	-	0.43	-	0.02	-	0.45
<b>Balance as at March 31, 2018</b>	<b>26.07</b>	<b>79.92</b>	<b>376.58</b>	<b>2.93</b>	<b>9.79</b>	<b>0.60</b>	<b>495.89</b>
Additions	-	8.51	51.29	0.35	1.42	0.06	61.63
Disposals	-	(0.01)	(1.56)	-	-	-	(1.57)
Effect of foreign currency exchange differences	-	-	6.15	-	0.12	(0.01)	6.26
<b>Balance as at March 31, 2019</b>	<b>26.07</b>	<b>88.42</b>	<b>432.46</b>	<b>3.28</b>	<b>11.33</b>	<b>0.65</b>	<b>562.21</b>

**Accumulated depreciation**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
<b>Balance as at April 1, 2017</b>	<b>-</b>	<b>3.03</b>	<b>50.27</b>	<b>0.65</b>	<b>2.12</b>	<b>0.13</b>	<b>56.20</b>
Depreciation expense	-	3.01	54.54	0.66	2.25	0.11	60.57
Effect of foreign currency exchange differences	-	-	0.24	-	-	0.01	0.25
<b>Balance as at March 31, 2018</b>	<b>-</b>	<b>6.04</b>	<b>105.05</b>	<b>1.31</b>	<b>4.37</b>	<b>0.25</b>	<b>117.02</b>
Depreciation expense	-	3.38	58.44	0.66	2.42	0.12	65.02
Effect of foreign currency exchange differences	-	-	1.57	-	-	0.01	1.58
<b>Balance as at March 31, 2019</b>	<b>-</b>	<b>9.42</b>	<b>165.06</b>	<b>1.97</b>	<b>6.79</b>	<b>0.38</b>	<b>183.62</b>
<b>Carrying amount as at March 31, 2018</b>	<b>26.07</b>	<b>73.88</b>	<b>271.53</b>	<b>1.62</b>	<b>5.42</b>	<b>0.35</b>	<b>378.87</b>
<b>Carrying amount as at March 31, 2019</b>	<b>26.07</b>	<b>79.00</b>	<b>267.41</b>	<b>1.31</b>	<b>4.53</b>	<b>0.27</b>	<b>378.59</b>

**3. Goodwill**

Particulars	As at March 31, 2019	As at March 31, 2018
Cost/deemed cost	6.03	6.03
Accumulated impairment losses	-	-
<b>Total</b>	<b>6.03</b>	<b>6.03</b>



## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Based on the assessment, management has concluded that there is no indicator of impairment for Goodwill.

## 4. Other Intangible Assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Carrying amounts of:</b>		
Software Licence	1.39	1.60
<b>Total</b>	<b>1.39</b>	<b>1.60</b>

### Software Licence

Particulars	As at
<b>Cost or Deemed Cost</b>	
<b>Balance at beginning of the year 2017</b>	<b>2.05</b>
Additions	0.82
Disposals	-
<b>Balance at end of the year 2018</b>	<b>2.87</b>
Additions	0.72
Disposals	-
<b>Balance at end of the year 2019</b>	<b>3.59</b>

### Accumulated amortisation

Particulars	As at
<b>Balance at beginning of the year 2017</b>	<b>0.41</b>
Amortisation expense	0.86
<b>Balance at end of the year 2018</b>	<b>1.27</b>
Amortisation expense	0.93
<b>Balance at end of the year 2019</b>	<b>2.20</b>
<b>Carrying amount as at March 31, 2018</b>	<b>1.60</b>
<b>Carrying amount as at March 31, 2019</b>	<b>1.39</b>

## 5. Investments

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Investments in equity instruments (fully paid-up) (Unquoted) At cost</b>		
Capsol Energy Private Limited		
(6,00,000 number of equity shares @ ₹ 10 each)	0.60	-
<b>Total Non-Current Investments</b>	<b>0.60</b>	<b>-</b>
Aggregate carrying value of unquoted investments	0.60	-
Aggregate amount of impairment in value of investments	-	-

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**6. Other Financial Assets**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits	5.87	4.58	-	-
Claims receivable	0.08	-	0.34	0.32
Margin money Deposits	0.65	1.98	0.17	0.15
Interest receivable	-	-	0.26	0.28
Insurance claims	10.08	10.08	4.33	4.34
Fair value Derivative Hedging receivable	-	-	-	0.79
<b>Total</b>	<b>16.68</b>	<b>16.64</b>	<b>5.10</b>	<b>5.88</b>

**Note:** Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees and DSRA account earmarked for EXIM Loan provided to Step Down Subsidiary ( Rane Precision Die Casting Inc.).

**7. Income Tax Assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	7.33	6.97
Less: Current tax payable for the year	(25.32)	(18.15)
Add: Taxes paid	27.94	18.51
<b>Closing Balance</b>	<b>9.95</b>	<b>7.33</b>

**8. Other Assets**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Other Non Financial Assets</b>				
<b>Unsecured and considered good unless otherwise stated :</b>				
Capital Advances	7.60	7.54	-	-
Advances paid to suppliers	-	-	5.68	11.19
Advances to employees	-	-	0.20	0.42
Balance with Statutory Authorities	-	-	8.63	18.85
Deposit with Government Authorities	8.49	7.32	-	-
Advance Fringe benefits tax	-	-	0.03	0.03
Prepayment against leasehold land	1.80	1.95	-	-
Tooling advance	11.27	2.23	-	-
Prepaid Expenses	-	-	3.73	3.26
Export Entitlements	-	-	13.34	10.85
Others	-	-	0.73	-
<b>Total</b>	<b>29.16</b>	<b>19.04</b>	<b>32.34</b>	<b>44.60</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 9. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
Raw materials*	44.15	30.20
Work-in-progress*	18.92	21.31
Finished goods*	75.41	73.40
Stores and spares	27.02	21.28
Goods in transit (Finished Goods)*	6.29	6.35
<b>Total</b>	<b>171.79</b>	<b>152.54</b>

\* Refer Note 40 for details of closing inventories of raw materials, work-in-progress and finished goods

The cost of inventories recognised as an expense during the year is as per Note No. 24

The cost of inventories recognised as an expense includes ₹ 0.10 (during 2017-18: ₹ Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2017-18: ₹ 0.31) in respect of the reversal of such write-downs.

The mode of valuation of inventories has been stated in note 1.17

### 10. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables Considered good - Unsecured	243.71	245.53
Trade Receivable - Credit impaired	4.92	3.63
<b>Sub Total</b>	<b>248.63</b>	<b>249.16</b>
Less: Allowance for credit impaired (expected credit loss allowance)	(4.92)	(3.63)
<b>Total</b>	<b>243.71</b>	<b>245.53</b>

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due comes to 0% - 10%. The Group as a policy provides for 100% for outstanding above 120 days past due.

#### (i) Movements in allowance for credit losses of receivables as per ECL is as below

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Balance at the beginning of the year</b>	<b>3.63</b>	<b>3.74</b>
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.29	(0.11)
<b>Balance at the end of the year</b>	<b>4.92</b>	<b>3.63</b>

### 11. Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks (including deposits with original maturity up to 3 months)		
(i) In Current account	10.81	4.17
(ii) In EEFC account	6.46	2.52
(iii) In Deposit account	0.39	-
Cash on hand	0.20	0.19
<b>Total</b>	<b>17.86</b>	<b>6.88</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**(i) Reconciliation of cash and cash equivalents to cash flow statement**

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents as above	17.86	6.88
Exchange (Gain)/Loss on EEFC account	0.08	0.22
<b>Total</b>	<b>17.94</b>	<b>7.10</b>

**12. Other bank balances**

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks in earmarked accounts		
(i) In Unclaimed Dividend account	0.14	0.16
<b>Total</b>	<b>0.14</b>	<b>0.16</b>

**13. Loans receivable**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Loans receivable considered good - Unsecured		
(i) Loans to employees	0.25	0.21
<b>Total</b>	<b>0.25</b>	<b>0.21</b>

**14. Equity share capital**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>AUTHORISED :</b>		
Equity Shares:		
2,50,00,000 Equity Shares of ₹ 10 each	25.00	25.00
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
1,19,73,171 Equity Shares of ₹ 10 each fully paid-up	11.97	11.61
1,19,73,171 fully paid Equity shares of ₹ 10 each (as at March 31, 2018 :	<b>11.97</b>	<b>11.61</b>
1,16,07,541 fully paid Equity shares of ₹ 10 each)		

**14.1 Movement in Equity Share Capital**

Particulars	2018-19		2017-18	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
<b>Equity Shares of ₹ 10 each fully paid up</b>				
At the beginning of the year	1,16,07,541	11,60,75,410	1,05,10,649	10,51,06,490
Allotment of shares under preferential issue	3,65,630	36,56,300	10,96,892	1,09,68,920
<b>At the end of the year</b>	<b>1,19,73,171</b>	<b>11,97,31,710</b>	<b>1,16,07,541</b>	<b>11,60,75,410</b>

**Rights, Preferences and restrictions attached to Shares mentioned above :**

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

Additions during the year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**14.2 Shares of the Company held by holding company**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

**14.3 Details of Shares held by each shareholder holding more than 5 percent of equity shares in the Company:**

Name of the Share holder	No of Shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Ltd	73,80,678	61.64%	70,15,048	60.44%

**14.4 Details of Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

During the year ended March 31, 2014, 3,46,504 equity shares of ₹ 10 each fully paid up were allotted to shareholders of Rane Holdings Limited (Holding Company) in the proportion of one equity share of ₹ 10 each in the Company for every 30 equity shares of ₹ 10 each held in the transferor company (Rane Diecast Limited) pursuant to the Scheme of Arrangement between Rane Diecast Limited and the Company.

**15. Other Equity**

Particulars	As at March 31, 2019	As at March 31, 2018
General Reserve	160.06	127.70
Securities Premium	82.11	62.47
Amalgamation adjustment account	(0.20)	(0.20)
Capital Redemption reserve	12.73	12.73
Money Received against Share warrant	-	5.00
Retained Earnings	(36.41)	12.43
Foreign Currency translation reserve	(0.05)	(2.61)
Cash flow hedging reserve	-	0.61
<b>Total</b>	<b>218.24</b>	<b>218.13</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>General Reserve</b>		
Opening balance	127.70	127.70
Add : Addition during the year	32.36	-
<b>Closing balance</b>	<b>160.06</b>	<b>127.70</b>
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.		
<b>Securities Premium</b>		
Opening balance	62.47	3.57
Add : Addition during the year	19.64	58.90
<b>Closing balance</b>	<b>82.11</b>	<b>62.47</b>
Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of The Companies Act, 2013 (the "Companies Act").		
Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment		
<b>Amalgamation Adjustment account</b>		
Opening balance	(0.20)	(0.20)
Add : Addition during the year	-	-
<b>Closing balance</b>	<b>(0.20)</b>	<b>(0.20)</b>
At the time of business combination under common control, amalgamation adjustment reserve of transferor Company becomes the amalgamation adjustment reserve of transferee Company.		
<b>Capital Redemption Reserve</b>		
Opening balance	12.73	4.50
Add : Addition during the year	-	8.23
<b>Closing balance</b>	<b>12.73</b>	<b>12.73</b>
Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares to Rane Holdings Limited		
The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in current and earlier years.		
<b>Money Received against Share warrant</b>		
Opening balance	5.00	-
Add :Additions/(Deletions) during the year	(5.00)	5.00
<b>Closing balance</b>	<b>-</b>	<b>5.00</b>
Ind AS 33 Earnings per Share defines 'warrants' as "financial instruments which give the holder the right to acquire equity shares". Thus, effectively, warrants are the amount which would ultimately form part of the Shareholders' funds. Since shares were yet to be allotted against the same as at March 31, 2018, these were not reflected as part of Share Capital but as a separate line item – 'Money received against share warrants.'		

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Retained Earnings</b>		
Balance at the beginning of the year	12.43	9.34
Profit attributable to equity shareholders of the company	2.42	24.22
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(2.64)	(1.55)
Transfer to Capital Redemption reserve	-	(8.23)
Transfer to General Reserve	(32.36)	-
Payment of dividend on equity shares	(16.26)	(11.35)
<b>Balance at the end of the year</b>	<b>(36.41)</b>	<b>12.43</b>

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

In respect of the year ended March 31, 2019, the Board had declared and paid an interim dividend on equity shares at ₹ 4.00 per equity share amounting to ₹ 5.76 Crores inclusive of Dividend Distribution Tax of ₹ 0.98 Crores (For year ended March 31, 2018 ₹ 4.50 per equity share amounting to ₹ 6.29 Crores inclusive of Dividend Distribution Tax of ₹ 1.06 Crores). The Directors propose that a final dividend of ₹ 4.50 per share (For year ended March 31, 2018 ₹ 7.50 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 5.39 Crores along with Dividend Distribution tax of ₹ 1.11 Crores (For the year ended March 31, 2018 ₹ 8.71 Crores along with Dividend Distribution tax of ₹ 1.79 Crores).

<b>Foreign Currency Translation reserve</b>		
Balance at the beginning of the year	(2.61)	1.69
Add :Addition during the year	2.56	(4.30)
<b>Balance at the end of the year</b>	<b>(0.05)</b>	<b>(2.61)</b>

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

<b>Hedging Reserve</b>		
Balance at the beginning of the year	0.79	-
Gain / (loss) recognised on cash flow hedges	(0.79)	0.79
<b>Total</b>	<b>-</b>	<b>0.79</b>
Balance at the beginning of the year	(0.18)	0.09
Income tax relating to gain/loss recognised on cash flow hedges	0.18	(0.27)
<b>Balance at the end of the year</b>	<b>-</b>	<b>0.61</b>

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss are included as an adjustment to the cost of the related non-financial hedged item.

The Company has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**16. A. Non-Current borrowings**

Particulars	Non-Current		Current Maturities (Refer Note 17)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>				
Term Loans				
- from banks	15.00	-	-	-
<b>Sub Total</b>	<b>15.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Secured - at amortised cost</b>				
Term Loans				
- from banks	126.39	149.44	52.34	20.52
<b>Sub Total</b>	<b>126.39</b>	<b>149.44</b>	<b>52.34</b>	<b>20.52</b>
Less: Unamortised Borrowing Costs	0.07	0.13	-	-
<b>Total</b>	<b>141.32</b>	<b>149.31</b>	<b>52.34</b>	<b>20.52</b>

**Summary of borrowing arrangements**

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured by a charge created on the Company's Fixed Assets both present and future (excluding Velachery and Mysuru properties).

EXIM Bank Loan is secured against all movable Property, Plant and Equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

**The terms of repayment of term loans are given below  
As at March 31, 2019****Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from June 2020 with 1 Year of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from February 2019 with 2 Years of Moratorium period

**Unsecured**

Particulars	Terms of repayment
Axis Bank - INR Long Term Loan	Repayable in single Instalment in May 2020

The interest rate for INR loans range from 8.75% p.a to 9.40% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**As at March 31, 2018****Secured**

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from February 2019 with 2 Years of Moratorium period

The interest rate for INR loans range from 8.50% p.a to 9.00% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a

**Breach of Loan agreement**

There is no breach of loan agreements with banks.

**16. B. Current borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Unsecured - at amortised cost</b>		
Commercial paper	-	40.00
Other loans from banks (Short term Loan)	40.00	2.00
Bill Discounting*	4.50	6.53
Sales tax deferral	-	0.08
<b>Secured - at amortised cost**</b>		
Loan repayable on demand		
- from banks	0.01	0.02
Other loans from banks	178.52	139.00
	223.03	187.63
Less: Unamortised Borrowing Costs	-	0.68
<b>Total</b>	<b>223.03</b>	<b>186.95</b>

\* Bill Discounting represent amount received against finance receivables securitized / assigned, which does not qualify for derecognition.

\*\* Secured loans include cash credit, packing credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2019 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

\*\* EXIM Bank loan is secured against all movable Property, Plant and Equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**17. Other Financial liabilities**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due on borrowings	-	-	1.80	0.92
Unclaimed dividends	-	-	0.14	0.16
Current maturities of long-term debt	-	-	52.34	20.52
Security Deposits - Others	-	-	0.92	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	0.01
Employee benefit payable	-	-	6.75	9.71
Commission payable to Chairman	-	-	1.44	1.24
Payables on purchase of fixed assets	-	-	0.68	1.66
Others	-	-	0.12	0.01
<b>Total</b>	<b>-</b>	<b>-</b>	<b>64.19</b>	<b>34.59</b>

**18. Provisions**

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for leave encashment (Refer Note 34)	6.21	5.46	1.33	1.11
Provision for Warranty	-	-	6.98	4.81
<b>Total</b>	<b>6.21</b>	<b>5.46</b>	<b>8.31</b>	<b>5.92</b>

**(i) Information about individual provisions and significant estimates****Provision for leave encashment**

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued.

**Provision for Warranty**

Refer Note 1.25

**(ii) Movements in provisions**

Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for leave encashment	Provision for Warranty
<b>As at April 1, 2018</b>	<b>6.57</b>	<b>4.81</b>
Charged/(credited) to profit or loss	3.39	2.23
Amounts utilised during the year	(2.42)	(0.06)
<b>As at March 31, 2019</b>	<b>7.54</b>	<b>6.98</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 19. Other Liabilities

Particulars	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Revenue received in advance				
- Deferred revenue arising from government grant (note (i) below)	3.98	3.44	1.89	1.94
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes etc.)	-	-	2.63	2.39
Advances and Deposits from Customers/Others	-	-	0.62	0.84
Long Term Capital lease obligation	0.07	1.27	1.29	1.44
Accrued Gratuity (Refer Note 34)	-	-	7.33	6.54
Provision for Pension plan (Refer Note 34)	-	-	15.40	13.46
<b>Total</b>	<b>4.05</b>	<b>4.71</b>	<b>29.16</b>	<b>26.61</b>

#### Note :

- (i) The deferred revenue comprise of the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in Property, Plant and Equipment.

### 20. Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables-Micro and Small enterprises	11.54	16.35
Trade payables-Other than Micro enterprises and Small enterprises	169.78	194.18
Trade payables-Acceptances	34.65	45.56
<b>Total</b>	<b>215.97</b>	<b>256.09</b>

The dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the management based on the declaration given by such parties and relied upon by the auditors.

#### 20.1 Micro and Small enterprises

Particulars	As at March 31, 2019	As at March 31, 2018
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	11.54	16.35
- Interest	-	-
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
- Principal	66.36	17.66
- Interest	0.09	0.22
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:		
- Principal	-	0.14
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of the year ( (Previous year ₹ Nil Crores) being interest outstanding as at the beginning of the accounting year)	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**21 Deferred Tax balances****The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:**

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities (net)	(6.76)	(9.34)
MAT Credit	-	7.18
<b>Total</b>	<b>(6.76)</b>	<b>(2.16)</b>

**Movements in deferred tax liabilities**

Particulars	Depreciation	Provision for expense	Termination benefits under VRS	Cash flow hedge reserve	Others	Total
<b>As at April 1, 2017</b>	<b>(30.82)</b>	<b>5.91</b>	<b>1.88</b>	<b>0.09</b>	<b>11.33</b>	<b>(11.61)</b>
Charged/(Credited)						
- to profit & loss	9.60	0.37	(1.10)	-	(6.60)	2.27
- to other comprehensive income	-	-	-	(0.27)	0.27	-
<b>As at March 31, 2018</b>	<b>(21.22)</b>	<b>6.28</b>	<b>0.78</b>	<b>(0.18)</b>	<b>5.00</b>	<b>(9.34)</b>
Charged/(Credited)						
- to profit & loss	0.20	1.57	(0.44)	-	0.78	2.11
- to other comprehensive income	-	-	-	0.18	0.29	0.47
<b>As at March 31, 2019</b>	<b>(21.02)</b>	<b>7.85</b>	<b>0.34</b>	<b>-</b>	<b>6.07</b>	<b>(6.76)</b>

**22 Revenue from operations**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sales of Products (including excise duty of ₹ Nil for the year ended March 31, 2019; for the year ended March 31, 2018: ₹ 24.57 Crores)*	1,506.16	1,373.98
Other operating revenues		
- Scrap sales	19.18	17.99
- Sale of raw materials	2.89	6.39
- Sale of Tools	14.23	14.18
- Job charges	0.72	2.07
- Export Entitlements	11.44	10.64
<b>Total</b>	<b>1,554.62</b>	<b>1,425.25</b>

**\*Note :-**

- (i) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended March 31, 2019 and March 31, 2018 are presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - "Revenue". The revenue from operations for the year ended March 31, 2018 are inclusive of excise duty till June 2017, and hence are not comparable with the revenue from operations for the year ended March 31, 2019 to that extent.
- (ii) The company has applied Ind AS 115 'Revenue from contracts with customers' with effect from 1 April 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 22.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Group.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Revenue by Geography</b>		
India	1,041.73	939.35
Outside India	464.43	434.63
<b>Total revenue from contracts with customers</b>	<b>1,506.16</b>	<b>1,373.98</b>
<b>Revenue by offerings</b>		
Manufactured goods		
Steering and Suspension Linkage Products	450.99	418.33
Steering Gear Products	644.03	568.91
Hydraulic Products	59.91	40.42
Diecasting products	298.93	304.39
Other Auto components	52.30	41.93
<b>Total revenue from contracts with customers</b>	<b>1,506.16</b>	<b>1,373.98</b>

### 22.2 Trade Receivables

The Group classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

## 23 Other Income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.28	0.17
-- On Supplier payments	0.16	0.12
Net gain on foreign currency transactions	-	5.69
Net gain on disposal of Property, Plant and Equipment	0.06	0.28
Other non-operating income		
Government Grant Income	1.91	1.70
Other non-operating Income	7.53	0.91
<b>Total</b>	<b>9.94</b>	<b>8.87</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**24 Cost of Materials consumed**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock	30.20	19.46
Add: Purchases	877.54	770.64
Less: Closing stock	(44.15)	(30.20)
Raw materials and Components consumed *@	863.59	759.90
Freight inward	17.53	15.77
Job work expenses	49.38	44.19
<b>Total</b>	<b>930.50</b>	<b>819.86</b>
* includes cost of raw materials and components sold	2.62	6.53
@ Refer Note 41 for details of raw materials and components consumed		

**25 Changes in Inventories of finished goods and work-in-progress**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Opening Stock:</b>		
Work-in-progress	21.31	15.64
Finished goods	79.75	69.54
<b>Closing Stock:</b>		
Work-in-progress	18.92	21.31
Finished goods	81.70	79.75
<b>(Increase)/Decrease in Stocks</b>	<b>0.44</b>	<b>(15.88)</b>

**26 Employee Benefit Expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Salaries, Wages and Bonus</b>	<b>197.12</b>	<b>178.72</b>
Contribution to Provident and Other Funds	21.56	27.01
Staff Welfare Expenses	11.55	13.66
<b>Total</b>	<b>230.23</b>	<b>219.39</b>

**27 Finance Cost**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Interest costs:</b>		
Interest on bank overdrafts and loans (other than those from related parties)	30.77	27.63
Interest on loans from related parties	-	0.01
Discount on Commercial paper	2.25	2.83
Other Borrowing costs	1.25	2.57
Other interest expense	0.01	-
Total interest expense for financial liabilities not classified as at FVTPL	34.28	33.04
<b>Dividend on redeemable preference shares</b>	<b>-</b>	<b>0.31</b>
<b>Total</b>	<b>34.28</b>	<b>33.35</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 28 Depreciation and Amortisation expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Note 2)	65.02	60.57
Amortisation of Intangible assets (Note 4)	0.93	0.86
<b>Total</b>	<b>65.95</b>	<b>61.43</b>

### 29 Other Expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel*	45.61	40.32
Rent expense	2.46	2.78
Travelling and Conveyance	11.10	9.63
Repairs and Maintenance		
- Buildings	4.33	3.44
- Plant and Machinery	24.52	19.44
- Others	7.73	6.62
Insurance	6.39	5.47
Rates and Taxes, excluding taxes on income	2.72	2.68
Auditors' Remuneration (Refer Note 29.1)	0.64	0.55
Directors' Sitting Fees	0.16	0.21
Professional Charges	12.25	12.15
Provision for Doubtful Debts and Advances	1.29	1.15
Printing and Stationery	1.57	1.29
Consumption of stores and spares (Refer Note 42)	61.03	63.52
Packing materials consumed	36.45	35.08
Royalty and Technical Fees	0.77	0.80
Information Systems	5.00	5.15
Commission to Chairman	1.44	1.24
Freight Outward and Storage charges	26.73	26.68
Advertisement and Sales Promotion	3.37	2.36
Sales Commission	0.45	0.33
Product Warranty	2.23	1.05
Trade Mark fee	6.46	5.84
Postage and Telecom expenses	1.30	1.22
Bank Charges	0.72	1.06
Donation (Refer Note 29.2)	0.90	0.87
Leasehold Land Amortisation	0.23	0.29
Net loss/(gain) on foreign currency transactions	5.76	-
Increase / (decrease) of excise duty on inventory	-	(5.54)
Miscellaneous Expenses (Refer Note 29.2)	3.92	4.77
<b>Total</b>	<b>277.53</b>	<b>250.45</b>

\* Includes ₹ 1.12 Crores (for 2017-18, ₹ 1.31 Crores) paid towards certain operating lease arrangement with third party vendors.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Included in other expenses are the below:**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>29.1. Payment to Auditors</b>		
a) For audit	0.45	0.41
b) For taxation matters	0.05	0.05
c) For limited review fee	0.08	0.06
d) For certification fee	0.05	0.03
e) For reimbursement of expenses	0.01	-
<b>Total</b>	<b>0.64</b>	<b>0.55</b>
<b>29.2. Expenditure incurred for Corporate Social Responsibility</b>		
Total expenditure towards corporate social responsibility (Included under Donation and Miscellaneous expenses)	1.08	0.98
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	1.08	0.98
Amount required to be spent u/s 135 of the Companies Act, 2013	0.71	0.45
<b>Excess / (Shortfall)</b>	<b>0.37</b>	<b>0.53</b>

**30 Tax Expense**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Income taxes</b>		
Income tax recognised in profit or loss		
<b>Current tax</b>		
In respect of current year	25.32	18.15
	25.32	18.15
<b>Deferred tax</b>		
In respect of current year	(2.11)	(2.27)
Deferred tax recognised in profit or loss		
In India	(2.11)	(2.27)
<b>Total income tax expense recognised in the current year</b>	<b>23.21</b>	<b>15.88</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	<b>25.63</b>	<b>40.10</b>
Income Tax expense calculated at 34.94% (2017-18: 34.608%)	8.96	13.88
Effect of concessions (research and development related to Capital and Revenue)	(2.46)	(2.59)
Interest expense related to MSME enterprises	0.04	0.04
Income on sale of fixed assets	(0.05)	-
Difference between book and tax written down value of Depreciable assets	1.67	-
Impact due to change in effective tax rate	-	0.09
Donation	0.22	0.15
Loss of foreign subsidiary	15.56	4.45
Deduction u/s 32AD of The Income Tax Act, 1961	(0.04)	-
Deferred Income impact due to Government Grant (EPCG)	(0.65)	-
Income exempt under 80JJAA of the Income Tax Act, 1961	(0.06)	(0.14)
Others	0.02	-
<b>Income Tax expense recognised in profit or loss</b>	<b>23.21</b>	<b>15.88</b>



## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31 Financial Instruments

#### 31.1 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group.

The Group's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Group, maintain the Group as a going concern and maintain optimal structure.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities as and if the need arises.

The Group monitors the capital structure on the basis of debt to equity, debt to capital employed etc. and the maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Group.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt *	416.69	356.78
Cash and bank balances	18.00	7.04
Net debt	398.69	349.74
Total Equity**	230.21	229.74
<b>Net debt to equity ratio</b>	<b>1.73</b>	<b>1.52</b>

\* Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

\*\* Equity includes all capital and reserves of the Company that are managed as capital.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**31.2 Fair Value Measurement****Financial instrument by category**

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Loans	-	-	0.25	-	-	0.21
Investments	-	-	0.60	-	-	-
Trade Receivables	-	-	243.71	-	-	245.53
Cash and Cash Equivalents	-	-	17.86	-	-	6.88
Bank balances other than above	-	-	0.14	-	-	0.16
Security Deposits	-	-	5.87	-	-	4.58
Claims receivable	-	-	0.42	-	-	0.32
Margin money Deposits	-	-	0.82	-	-	2.13
Interest receivable	-	-	0.26	-	-	0.28
Insurance claims	-	-	14.41	-	-	14.42
Fair value Derivative Hedging receivable	-	-	-	-	0.79	-
<b>Total Financial Assets</b>	<b>-</b>	<b>-</b>	<b>284.34</b>	<b>-</b>	<b>0.79</b>	<b>274.51</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	416.69	-	-	356.78
Trade Payables	-	-	215.97	-	-	256.09
Interest accrued but not due on borrowings	-	-	1.80	-	-	0.92
Unclaimed dividends	-	-	0.14	-	-	0.16
Security Deposits - Others	-	-	0.92	-	-	0.36
Termination benefit under Voluntary Retirement Scheme	-	-	-	-	-	0.01
Employee benefit payable	-	-	6.75	-	-	9.71
Commission payable to Chairman	-	-	1.44	-	-	1.24
Payables on purchase of fixed assets	-	-	0.68	-	-	1.66
Others	-	-	0.12	-	-	0.01
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>644.51</b>	<b>-</b>	<b>-</b>	<b>626.94</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**The below tables summarise the fair value hierarchy of the financial assets/liabilities****i. The fair value hierarchy of financial assets and liabilities measured at fair value**

Particulars	As at March 31, 2019	As at March 31, 2018	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Derivative financial assets (a) Fair value Derivative Hedging receivable	-	0.79	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	-	<b>0.79</b>		
Derivative financial liabilities (b) Fair value Derivative Hedging liability	-	-	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	-	-		
<b>Net Derivative financial assets / (liabilities) (a - b)</b>	-	0.79		

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**ii. Fair value of financial assets/liabilities ( other than investment in subsidiaries) that are not measured at fair value**

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Particulars	As at March 31, 2019		As at March 31, 2018		Fair Value Hierarchy (Level 1,2,3)*
	Carrying amount	Fair value	Carrying amount	Fair value	
<b>Financial Assets</b>					
<b>Financial Assets at amortised cost:</b>					
Loans	0.25	0.25	0.21	0.21	3
Investments	0.60	0.60	-	-	3
Trade Receivables	243.71	243.71	245.53	245.53	3
Cash and Cash Equivalents	17.86	17.86	6.88	6.88	3
Bank balances other than above	0.14	0.14	0.16	0.16	3
Security Deposits	5.87	5.87	4.58	4.58	3
Claims receivable	0.42	0.42	0.32	0.32	3
Margin money Deposits	0.82	0.82	2.13	2.13	3
Interest receivable	0.26	0.26	0.28	0.28	3
Insurance claims	14.41	14.41	14.42	14.42	3
<b>Total Financial Assets</b>	<b>284.34</b>	<b>284.34</b>	<b>274.51</b>	<b>274.51</b>	
<b>Financial Liabilities</b>					
<b>Financial Liabilities held at amortised cost:</b>					
Borrowings	416.69	416.69	356.78	356.78	3
Trade Payables	215.97	215.97	256.09	256.09	3
Interest accrued but not due on borrowings	1.80	1.80	0.92	0.92	3
Unclaimed dividends	0.14	0.14	0.16	0.16	3
Security Deposits - Others	0.92	0.92	0.36	0.36	3
Termination benefit under Voluntary Retirement Scheme	-	-	0.01	0.01	3
Employee benefit payable	6.75	6.75	9.71	9.71	3
Commission payable to Chairman	1.44	1.44	1.24	1.24	3
Payables on purchase of fixed assets	0.68	0.68	1.66	1.66	3
Others	0.12	0.12	0.01	0.01	3
<b>Total Financial Liabilities</b>	<b>644.51</b>	<b>644.51</b>	<b>626.94</b>	<b>626.94</b>	

\* Fair Value Hierarchy (Level 1,2,3)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This consists of listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and deposits included in level 3.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 31.3 Financial risk management objectives

The Group's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the Group is to hedge risk of change in the foreign currency exchange rates associated with it's direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Group are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Group and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

#### (a) Market risk

The Group operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Group is exposed to foreign exchange risk through its sales in the United States, European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### (b) Foreign Currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The carrying amounts of the Groups's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows

Currency	As at March 31, 2019		As at March 31, 2018	
	In ₹ (Crores)	In Foreign Currency (Crores)	In ₹ (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
<b>Financial Assets</b>				
<b>USD</b>				
Trade Receivable	61.48	0.89	60.68	0.93
Advances	1.58	0.02	2.30	0.04
<b>EUR</b>				
Trade Receivable	4.39	0.06	5.08	0.06
Advances	0.73	0.01	0.52	0.01
<b>JPY</b>				
Advances	-	-	0.05	0.08
<b>GBP</b>				
Advances	0.14	-	0.06	-
<b>Sub Total</b>	<b>68.32</b>		<b>68.69</b>	
<b>Financial Liabilities</b>				
<b>USD</b>				
Loans	(27.14)	(0.39)	(39.98)	(0.61)
Trade Payable	(3.72)	(0.05)	(16.58)	(0.25)
<b>EUR</b>				
Loans	-	-	(3.01)	(0.04)
Trade Payable	(0.24)	(0.00)	(0.49)	(0.01)
<b>JPY</b>				
Trade Payable	-	-	(0.05)	(0.08)
<b>Sub Total</b>	<b>(31.10)</b>		<b>(60.11)</b>	
<b>Net Balance</b>	<b>37.22</b>		<b>8.58</b>	

**Foreign Currency sensitivity analysis**

The Group is mainly exposed to US Dollar and EURO currencies. The following table details the Group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a comparable impact on the profit or equity.

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Currency USD impact		Currency EUR impact		Currency GBP impact	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
<b>Impact on profit or loss for the year</b>						
- Increase by 5%	1.61	0.32	0.24	0.10	0.01	0.00
- Decrease by 5%	(1.61)	(0.32)	(0.24)	(0.10)	(0.01)	(0.00)
<b>Impact on other components of equity as at the end of the reporting period</b>						
- Increase by 5%	1.61	0.32	0.24	0.10	0.01	0.00
- Decrease by 5%	(1.61)	(0.32)	(0.24)	(0.10)	(0.01)	(0.00)

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

### Derivative Financial Instruments

The Group operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Group to enter into forward foreign exchange and option contracts to cover specific foreign currency payments and receipts within a specific range. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to One year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) and option contracts outstanding at the end of the reporting period:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Foreign currency (In Crores)	In ₹ (In Crores)	Foreign currency In Crores	In ₹ (In Crores)
	Derivatives designated as cash flow hedges			
<b>Forward Contracts</b>				
In USD	-	-	0.10	6.48
<b>Option Contracts</b>				
In USD	-	-	0.42	28.86
<b>Total</b>	-	-	<b>0.52</b>	<b>35.34</b>

The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 month	-	2.35
Later than 1 month but not later than 3 months	-	8.77
Later than 3 months up to 6 months	-	12.88
Later than 6 months but not later than 1 year	-	11.34
<b>Total</b>	-	<b>35.34</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2019 is as follows :

Particulars	As at March 31, 2019
<b>Balance at the beginning of the year</b>	<b>0.61</b>
Gain/loss recognised in other comprehensive income during the period	(0.79)
Tax impact on above	0.18
<b>Balance at the end of the year</b>	<b>-</b>

### (b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, investments carried at cost value and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

#### (i) Expected credit loss for investments, loans and security deposits

The estimated gross carrying amount at default is Nil (March 31, 2018: Nil) for investments, loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

#### (ii) Expected credit loss for trade receivables under simplified approach

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and percentage used in the provision matrix.

### (c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

#### Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019.**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	275.37	141.32	-	416.69	416.69
Trade Payables	215.97	-	-	215.97	215.97
Interest accrued but not due on borrowings	1.80	-	-	1.80	1.80
Unclaimed dividends	0.14	-	-	0.14	0.14
Security Deposits - Others	0.92	-	-	0.92	0.92
Employee Benefit payable	6.75	-	-	6.75	6.75
Commission payable to Chairman	1.44	-	-	1.44	1.44
Payables on purchase of fixed assets	0.68	-	-	0.68	0.68
Others	0.12	-	-	0.12	0.12
<b>Total</b>	<b>503.19</b>	<b>141.32</b>	<b>-</b>	<b>644.51</b>	<b>644.51</b>

**The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018**

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	207.47	149.31	-	356.78	356.78
Trade Payables	256.09	-	-	256.09	256.09
Interest accrued but not due on borrowings	0.92	-	-	0.92	0.92
Unclaimed dividends	0.16	-	-	0.16	0.16
Security Deposits - Others	0.36	-	-	0.36	0.36
Termination benefit under Voluntary Retirement Scheme	0.01	-	-	0.01	0.01
Employee benefit payable	9.71	-	-	9.71	9.71
Commission payable to Chairman	1.24	-	-	1.24	1.24
Payables on purchase of fixed assets	1.66	-	-	1.66	1.66
Others	0.01	-	-	0.01	0.01
<b>Total</b>	<b>477.63</b>	<b>149.31</b>	<b>-</b>	<b>626.94</b>	<b>626.94</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 32 Segment Reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

#### 32.1 Product Wise break up - Please Refer Note no. 22.1

#### 32.2 Geographical Information

The Group's revenue from external customers by location of operations and information about its non current assets\*\* by location of operations are detailed below.

Particulars	Revenue from external customers		Non - Current assets**	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	1,084.66	981.55	376.15	372.46
Rest of the world	469.96	443.70	54.64	49.31
<b>Total</b>	<b>1,554.62</b>	<b>1,425.25</b>	<b>430.79</b>	<b>421.77</b>

The geographical segments considered for disclosure are – India and Rest of the World. The manufacturing facilities are located in India and USA

\*\* Non-Current assets are used in the operations of the Group to generate revenues both in India and outside India.

#### 32.3 Information about major customers

The company is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic Products, Die casting products and other auto components for transportation industry.

The Company has three major customers (greater than 10% of total sales) and Revenue from sale of auto components to these major customers aggregated to ₹ 481.40 Crores (March 31, 2018, ₹ 448.64 Crores)

### 33 Related Party Disclosures

	2018-19	2017-18
(a) List of related parties where control exists		
Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
Other related parties where transactions has taken place		
(b) Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman Harish Lakshman, Vice Chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c) Relative of KMP	L Lakshman Aditya Ganesh	L Lakshman Aditya Ganesh
(d) Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(e) Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHA) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG) Rane t4u Private Limited	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHA) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG)
(f) Joint ventures of the Holding company	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA) (Up to 14th November 2018)	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)

### Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

#### Details of related party transactions and balances :

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Transaction during the year														
Professional Charges-RHL/RHAI	3.28	2.93	-	-	-	-	-	-	-	0.36	-	-	3.28	3.29
Software Expenses-RHL/RHAI	3.79	4.65	-	-	-	-	-	-	-	-	-	-	3.79	4.65
Training Expenses	0.86	0.75	-	-	-	-	-	-	-	-	-	-	0.86	0.75
Miscellaneous Expenses	0.69	0.63	-	-	-	-	-	-	-	-	-	-	0.69	0.63
Trademark Fee	6.45	5.75	-	-	-	-	-	-	-	-	-	-	6.45	5.75
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	2.53	1.73	-	-	2.53	1.73
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	0.72	0.31	-	-	0.72	0.31
Purchases RBL and REVL	-	-	-	-	-	-	-	-	10.26	10.24	-	-	10.26	10.24
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	0.38	0.10	0.38	0.10
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	16.70	9.12	16.70	9.12
Sales-JMA	-	-	-	-	-	-	-	-	-	-	4.43	10.31	4.43	10.31
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	23.54	24.51	23.54	24.51
Sales Machinery-RTSS	-	-	-	-	-	-	-	-	-	-	-	0.30	-	0.30
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Donation-Rane Foundation	-	-	-	-	-	-	0.88	0.87	-	-	-	-	0.88	0.87
Repayment of Term Loan -RTSS	-	-	-	-	-	-	-	-	-	-	-	(0.66)	-	(0.66)
Repayment of Preference Share Capital	-	(8.23)	-	-	-	-	-	-	-	-	-	-	-	(8.23)
Preference Dividend Paid	-	0.26	-	-	-	-	-	-	-	-	-	-	-	0.26
Commission to Chairman	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
Salaries - Mr. S Parthasarathy	-	-	1.68	1.49	-	-	-	-	-	-	-	-	1.68	1.49
Salaries - Mr. Aditya Ganesh	-	-	-	-	0.48	0.20	-	-	-	-	-	-	0.48	0.20
Sitting Fees	-	-	0.04	0.03	0.08	0.04	-	-	-	-	-	-	0.12	0.07
<b>Balance as at year end 31, March</b>														
Receivables	-	-	-	-	-	-	-	-	0.05	-	4.78	7.79	4.83	7.79
Payables	1.95	1.83	1.44	1.24	-	-	-	-	1.59	1.19	1.99	1.49	6.97	5.75

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of Related Party transactions :**

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions have taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Payables</b>														
RHL	1.95	1.83	-	-	-	-	-	-	-	-	-	-	1.95	1.83
Mr L Ganesh	-	-	1.44	1.24	-	-	-	-	-	-	-	-	1.44	1.24
REVL	-	-	-	-	-	-	-	-	0.55	0.35	-	-	0.55	0.35
RBL	-	-	-	-	-	-	-	-	0.58	0.43	-	-	0.58	0.43
RHAI	-	-	-	-	-	-	-	-	0.46	0.41	-	-	0.46	0.41
RTSS	-	-	-	-	-	-	-	-	-	-	0.14	0.10	0.14	0.10
RNSS	-	-	-	-	-	-	-	-	-	-	1.85	1.40	1.85	1.40
<b>Receivables</b>														
RHEG	-	-	-	-	-	-	-	-	0.05	-	-	-	0.05	-
JMA	-	-	-	-	-	-	-	-	-	-	-	3.70	-	3.70
RTSS	-	-	-	-	-	-	-	-	-	-	4.78	4.09	4.78	4.09

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Remuneration to Key Management Personnel**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short term benefits paid	3.00	2.63
Other Long term benefits paid	0.12	0.10
Termination Benefits	-	-
<b>Total</b>	<b>3.12</b>	<b>2.73</b>

**34 Employee benefit plans****A. Defined contribution plans**

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

**(a) Provident fund**

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

**(b) Superannuation fund**

The Group has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Group contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Group does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹ 7.26 Crores (for the year ended March 31, 2018: ₹ 7.40 Crores) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at March 31, 2019, contributions of ₹ 1.07 Crores (as at March 31, 2018: ₹ 1.11 Crores) due in respect to 2018-19 (2017-18) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**B. Defined benefit plans**

The defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Details of defined benefit obligation and plan assets:****(a) Leave obligations**

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹ 1.33 Crores (March 31, 2018 - ₹ 1.11 Crores) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

**Principal Actuarial Assumptions at Balance Sheet date**

Particulars	2018-19	2017-18
Discount rate	7.60%	7.69%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	6.00%	6.00%
Attrition rate		
- Executives and Staff	8.00%	8.00%
- Operators	3.00%	3.00%

**(b) Gratuity**

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds established as trusts; funded to LIC. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

**(i) Movements in the present value of the defined benefit obligation are as follows.**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	16.95	14.92
Current Service Cost	1.33	1.23
Interest cost	1.26	1.07
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.54	0.65
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(1.36)	(0.92)
<b>Closing defined benefit obligation</b>	<b>18.72</b>	<b>16.95</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### (ii) Movements in the fair value of the plan assets

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	10.41	9.36
Interest income	0.82	0.71
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.29)	(0.13)
Contributions from the Employer	1.81	1.39
Benefits paid	(1.36)	(0.92)
<b>Closing fair value of plan assets</b>	<b>11.39</b>	<b>10.41</b>

### (iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	18.72	16.95
Fair value of plan assets	11.39	10.41
<b>Funded status</b>	<b>7.33</b>	<b>6.54</b>
Restrictions on asset recognised	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>7.33</b>	<b>6.54</b>

### (iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current Service cost	1.33	1.23
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	0.43	0.36
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.76</b>	<b>1.59</b>
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.54	0.65
Actuarial (gains) / losses arising from changes in financial assumptions	0.27	0.13
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>0.81</b>	<b>0.78</b>
<b>Total</b>	<b>2.57</b>	<b>2.37</b>

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

### (v) Risk Exposure

The Group has invested the plan assets with the insurer managed funds. The insurance Group has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the Group's policy for plan asset management and other relevant factors.

**(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	As at March 31, 2019	As at March 31, 2018
Discount Rate(s)	7.60%	7.69%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Expected rate of return on plan assets	7.60%	7.69%
Attrition Rate		
Executives and Staff	8.00%	8.00%
Operators	3.00%	3.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

**Sensitivity Analysis**

Particulars	Valuation as at	
	As at March 31, 2019	As at March 31, 2018
A. Discount Rate + 50 BP	8.10%	8.19%
Defined Benefit Obligation [PVO]	18.08	16.38
Current Service Cost	1.43	1.29
B. Discount Rate - 50 BP	7.1%	7.2%
Defined Benefit Obligation [PVO]	19.41	17.57
Current Service Cost	1.56	1.41
C. Salary Escalation Rate +50 BP	8.5% & 6.5%	8.5% & 6.5%
Defined Benefit Obligation [PVO]	19.43	17.59
Current Service Cost	1.56	1.41
D. Salary Escalation Rate -50 BP	7.5% & 5.5%	7.5% & 5.5%
Defined Benefit Obligation [PVO]	18.05	16.35
Current Service Cost	1.42	1.29

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.



**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Defined benefit liability and employer contributions**

The weighted average duration of the defined benefit obligation is 7.7 years (2018-7.7 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Year 1	2.84	1.12
Year 2	2.09	4.18
Year 3	1.47	1.06
Year 4	1.85	1.29
Year 5	1.64	1.59
Next 5 Years	9.15	8.29

**In respect of subsidiary (RPDC)****A. Defined contribution plans**

RPDC has a 401k plan set up for its employees. The contributions payable to these plans by RPDC are at rates specified in the rules of the schemes.

**B. Defined benefit plans :**

Pension -

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:

- \$23:00 multiplied by years of benefit service from December 2003 to October 10, 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to October 9, 2006; plus
- \$25:00 multiplied by years of benefit service from October 9, 2006, to October 8, 2007; plus
- \$26:00 multiplied by years of benefit service from October 5, 2007 to December 16, 2010; plus
- \$16:00 multiplied by benefit service after December 16, 2010."

**Disability benefit:**

The benefit will be payable in the form of a lifetime pension until the earliest of: recovery, death or normal retirement date.

**Death benefit:**

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year. The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. RPDC contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor.

**RPDC is exposed to various risks in providing the above gratuity benefit which are as follows:**

**Interest Rate risk :** The plan exposes RPDC to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** RPDC has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

Particulars	Pension (Funded)	
	2018-19	2017-18
<b>Present Value of obligations at the beginning of the year</b>	<b>36.35</b>	<b>34.34</b>
Current service cost	0.78	0.68
Interest Cost	1.52	1.38
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	0.66	0.11
- Actuarial gains and losses arising from financial assumptions	0.87	0.56
Benefits paid	(1.13)	(0.94)
Foreign currency translation adjustment	2.21	0.22
<b>Present Value of obligations at the end of the year</b>	<b>41.26</b>	<b>36.35</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at beginning of year</b>	<b>22.89</b>	<b>21.03</b>
Interest Income	0.96	0.85
Expected Return on plan assets	-	-
Contributions from the employer	2.36	2.19
Benefits Paid	(1.13)	(0.94)
Return on Plan Assets, Excluding Interest Income	(0.61)	(0.38)
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	1.39	0.14
<b>Fair Value of plan assets at the end of the year</b>	<b>25.86</b>	<b>22.89</b>
<b>Amounts recognized in the Balance Sheet</b>	<b>(15.40)</b>	<b>(13.46)</b>
Projected benefit obligation at the end of the year	(41.26)	(36.35)
Fair value of plan assets at end of the year	25.86	22.89
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>(15.40)</b>	<b>(13.46)</b>
<b>Components of defined benefit cost recognised in profit or loss</b>		
Current service cost	0.78	0.68
Net Interest Expense	0.56	0.54
Past service cost	-	-
<b>Net Cost in Profit or Loss</b>	<b>1.34</b>	<b>1.22</b>
<b>Components of defined benefit cost recognised in Other Comprehensive income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	1.51	0.66
Return on plan assets	0.61	0.38
<b>Net Income / (Cost) in Other Comprehensive Income</b>	<b>2.12</b>	<b>1.04</b>
<b>Assumptions</b>	<b>As at</b>	<b>As at</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Expected Return on Plan Assets	3.75%	3.91%
Discount rate	3.75%	3.91%
Expected rate of salary increases		
Executives Managers & Below / Senior Manager & Above	0.00%	0.00%
Operators	0.00%	0.00%
Expected rate of attrition		
Executives and Staff		
Operators		
Average age of members		
Average remaining working life		
Rate of Employee Turnover	90% of	90% of
	2003 SoA SPAT Table	2003 SoA SPAT Table

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

RPDC has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Sensitivity Analysis	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	41.26	36.35
Delta Effect of +0.5% Change in Rate of Discounting	(2.96)	(2.73)
Delta Effect of -0.5% Change in Rate of Discounting	3.10	2.78

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

## 35 Earnings per share

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Basic Earnings per share		
From continuing operations (in ₹)	2.07	21.78
Diluted Earnings per share		
From continuing operations (in ₹)	2.07	21.40

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	2.42	24.22
<b>Earnings used in the calculation of basic earnings per share</b>	<b>2.42</b>	<b>24.22</b>

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Number of equity Shares of ₹ 10 each outstanding at the end of the year	1,19,73,171	1,16,07,541
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,16,98,949	1,11,17,696

**Diluted Earnings per share**

The earnings used in the calculation of diluted earnings per share is as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Earnings used in the calculation of basic earnings per share	2.42	24.22
Earnings used in the calculation of diluted earnings per share	2.42	24.22

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

in Nos.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	1,16,98,949	1,11,17,696
Convertible warrants	-	2,02,349
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,16,98,949	1,13,20,045

**36 Operating lease arrangements****The Group as lessee****Land**

The Group has taken land on lease for a periods of ranging from 5 to 90 years (Pantnagar and Singur-90 Years, Sanand- 35 years, RPDC-5 Years) and the same has been classified as prepayments under other non-current assets. The lease has been considered as operating lease due to indefinite useful life of land.

**Vehicles**

The Group has taken vehicles under operating lease for a period ranging upto 5 years. The details of the maturity profile of future operating lease payments are furnished below:

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### Payments recognised as an expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	0.95	1.02
Contingent rentals	-	-
Sub-lease payments received	-	-
<b>Total</b>	<b>0.95</b>	<b>1.02</b>

### Non-cancellable operating lease commitments

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	0.88	0.86
Later than 1 year and not later than 5 years	1.23	0.81
Later than 5 years	-	-
<b>Total</b>	<b>2.11</b>	<b>1.67</b>

### Cancellable Operating Leases

The Group has cancellable operating leases for business purpose which are renewable on a periodic basis.

The lease payments under cancellable operating lease for the year ended March 31, 2019 amounts to ₹ 1.51 Crores (For the year ended March 31, 2018 ₹ 1.76 Crores)

## 37 Contingent liabilities, guarantees and commitment

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent Liabilities</b>		
Claims against the Group not acknowledged as debt		
- Income Tax matters under appeal by the Group	18.34	15.20
- Central Excise, Service Tax and Sales tax matters under appeal by the Group	10.34	5.34
- Labour related matters under appeal by the Group	2.36	2.32
- Others- Customer claim disputed by the Group	110.69	104.29
<b>Others</b>		
- Income Tax matters under appeal by the Department	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various authorities		
<b>Guarantees and Letter of credit</b>		
- Outstanding bank guarantees	2.38	1.18
- Letter of credit	4.59	13.27
<b>Commitments</b>		
- Estimated amount of contracts remaining to be executed on capital account and not provided for	21.31	7.27
<b>Total</b>	<b>170.32</b>	<b>149.18</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**38 Events after the reporting date**

The final dividend amount of ₹ 4.50 Per share recommended by the Directors is subject to the approval of shareholders in ensuing annual general meeting.

**39 Exceptional item**

During the quarter ended September 30, 2017, the Group had recorded an aggregate claim of ₹ 10.08 Crores from a customer towards certain product quality issues. The Group has an insurance policy to cover product recall/ guarantee claims/ costs. The claim has been intimated to the insurer and the survey is in progress. This has been considered as insurance claim receivable as the Group is confident of recovering this sum under the insurance policy.

**40 Particulars of closing inventories of raw materials, work-in-progress and finished Goods**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw Materials and components</b>		
Steel Forgings	6.49	5.06
Castings	2.48	1.67
Steel Tubes	11.31	0.17
Aluminium	2.77	1.04
Aluminium Pumps & Tubes	0.32	0.97
Others (individually less than 10% of the total raw materials and components inventory)	20.78	21.29
<b>Total</b>	<b>44.15</b>	<b>30.20</b>
<b>Work-in-progress</b>		
Steering and Suspension Linkage Products	4.72	8.16
Steering Gear Products	4.10	4.39
Hydraulic Products	0.79	1.01
Diecasting products	9.31	7.75
<b>Total</b>	<b>18.92</b>	<b>21.31</b>
<b>Finished goods (including Goods in Transit)</b>		
Steering and Suspension Linkage Products	29.29	28.25
Steering Gear Products	25.55	18.72
Hydraulic Products	5.67	2.80
Diecasting products	15.95	26.54
Other Auto components	5.24	3.44
<b>Total</b>	<b>81.70</b>	<b>79.75</b>

## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 41 Details of Raw Materials and Components consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Steel Forgings		191.28		194.80
Castings		75.29		62.13
Steel Tubes		136.23		115.91
Aluminium		130.11		111.06
Aluminium pumps and tubes		2.55		7.34
Other Auto parts		42.94		32.38
Others (individually less than 10% of the total consumption)		282.57		229.75
<b>Total</b>		<b>860.97</b>		<b>753.37</b>
Imported	5.80%	49.93	10.24%	77.15
Indigenous	94.20%	811.04	89.76%	676.22
<b>Total</b>	<b>100.00%</b>	<b>860.97</b>	<b>100.00%</b>	<b>753.37</b>

### 42 Stores, Spares and Tools consumed

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
Imported	3.93%	2.40	1.72%	1.09
Indigenous	96.07%	58.63	98.28%	62.43
<b>Total</b>	<b>100.00%</b>	<b>61.03</b>	<b>100.00%</b>	<b>63.52</b>

### 43 Value of Imports calculated on CIF basis

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Raw materials	30.91	5.47
Components	22.79	27.54
Stores, Spares & Tools	3.41	2.09
Capital goods	7.90	5.15
<b>Total</b>	<b>65.01</b>	<b>40.25</b>

### 44 Research and Development cost

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	2.91	2.60
Revenue expenditure:		
(i) Materials	0.35	0.36
(ii) Employee benefits	4.03	5.24
(iii) Professional fees	0.16	0.31
(iv) Consumables	0.64	0.72
(v) Travel expenses	0.57	0.54
(vi) Others	1.24	0.89
<b>Total</b>	<b>9.90</b>	<b>10.66</b>

**Notes Forming Part of the Consolidated Financial Statements**

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

**45 Expenditure in Foreign Currency**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling expenses	1.12	0.88
Freight outward and storage charges	2.74	1.59
Sales promotion expenses	2.91	2.11
Interest	0.14	0.35
Royalty, Professional and Technical Fees and others	1.99	2.14
<b>Total</b>	<b>8.90</b>	<b>7.07</b>

**46 Earnings in Foreign Exchange**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
FOB Value of Exports	250.18	232.50

**47 Details on Derivative Instruments**

I. The following derivative positions are open as at 31 March 2019

- (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.

Outstanding forward exchange contracts and option contracts entered into by the Company as on 31 March 2019

Currency	Buy/Sell	Amount ₹ in Crores	Cross Currency
USD	Sell	-	Rupees
		(35.34)	Rupees

Note: Figures in brackets relate to the previous year

**48 Interest in other entities****Subsidiaries**

The Group's subsidiaries as at 31 March 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/Country of Incorporation	Ownership Interest held by the group		Ownership interest held by non-controlling interests		Principal Activities
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Rane (Madras) International Holdings B.V (RMIH)	Netherlands	100%	100%	0%	0%	Strategic overseas investment
Rane Precision Die Casting Inc. (RPDC)	USA	100%	100%	0%	0%	Manufacture of High pressure aluminium die casting



## Notes Forming Part of the Consolidated Financial Statements

as at and for the year ended March 31, 2019

(All amounts are in Crores in INR unless otherwise stated)

### 49 Additional Information required by Schedule III

Name of the entity in the Group	Net Assets (total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated other comprehensive income	Amount
<b>Parent</b>						
Rane (Madras) Limited						
March 31, 2019	135%	310.97	2174%	46.98	165%	(1.14)
March 31, 2018	116%	266.44	173%	41.81	0%	0.01
<b>Subsidiaries</b>						
Rane (Madras) International Holdings B.V (RMIH)						
March 31, 2019	-2%	(5.66)	-361%	(7.80)	-77%	0.53
March 31, 2018	1%	1.62	9%	2.15	6%	(0.33)
Rane Precision Die Casting Inc. (RPDC)						
March 31, 2019	-3%	(5.76)	-1693%	(36.58)	12%	(0.08)
March 31, 2018	-2%	(3.85)	-80%	(19.31)	94%	(5.01)
Consolidation adjustments						
March 31, 2019	-30%	(69.63)	-20%	(0.44)	0%	-
March 31, 2018	-15%	(34.46)	-2%	(0.43)	0%	-
<b>Total</b>						
March 31, 2019	100%	229.92	100%	2.16	100%	(0.69)
March 31, 2018	100%	229.75	100%	24.22	100%	(5.33)

50 The figures for the previous year have been regrouped wherever necessary to conform to current year's classification. Figures have also been rounded off to Crores of rupees.

### 51 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 23, 2019.

## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries  
(Information in respect of each subsidiary to be presented with amounts in INR )

₹ in Crores  
USD in Lakhs  
EUR in Lakhs

S.No	Particulars	1		2	
		EUR	INR	USD	INR
1	Name of the subsidiary	Rane (Madras) International Holdings, B.V		Rane Precision Die Casting, Inc.,	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period				
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	EUR		USD	
		1EUR=₹ 77.67		1USD=₹ 69.18	
		EUR	INR	USD	INR
4	Share capital	0.20	0.15	100.00	68.26
5	Reserves & surplus	(7.48)	(5.81)	(107.00)	(74.02)
6	Total assets	97.18	75.48	145.55	100.69
7	Total Liabilities	104.47	81.14	153.87	106.45
8	Investments	87.88	68.26	-	-
9	Turnover (including other Income)	-	-	265.07	185.23
10	Profit before taxation	(9.64)	(7.80)	(52.22)	(36.49)
11	Provision for taxation	-	-	0.13	0.09
12	Profit after taxation	(9.64)	(7.80)	(52.35)	(36.58)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

See accompanying notes forming part of the Consolidated Financial Statements  
In terms of our report attached

For and on behalf of the Board

**L Ganesh**  
Chairman  
DIN : 00012583

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**S Parthasarathy**  
Chief Executive Officer

Chennai,  
May 23, 2019

**J Radha**  
Chief Financial Officer

**S Subha Shree**  
Company Secretary

## Annexure to the Report of the Board of Directors

## Particulars of Directors, Key Managerial Personnel and Employees for the year 2018-19

### A. Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### 1. Remuneration paid to Directors and Key Managerial Personnel

Name	Designation	Remuneration FY 2018-19 (in ₹ Crs.)	% increase/ (decrease) of remuneration FY 2017-18	Ratio of remuneration of each Director to median remuneration of employees
Mr. L Ganesh	Non - Executive Chairman	1.44	17%	3025%
<b>Key Managerial Personnel</b>				
Mr. S Parthasarathy	Chief Executive Officer (CEO)	1.68	12.08 %	
Ms. J Radha	Chief Financial Officer (CFO)	0.63	16.98 %	Not Applicable
Ms. S Subha Shree	Company Secretary (Refer Note iii)	0.21	16.67 %	

#### Note:

- (i) None of the other Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board/ Committee(s) thereof.
  - (ii) Remuneration considered based on annual emoluments and designation as on date.
  - (iii) Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
2. Median remuneration of the employees of the Company for FY 2018-19 is ₹ 4.76 Lakhs. Increase in median remuneration during the year: 6%
  3. Number of permanent employees on the rolls of the Company as on March 31, 2019 was 1128 as against 1107 as on March 31, 2018.
  4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 6%, as against an percentile increase in managerial remuneration: 11%. The increase in managerial remuneration is in line with present industry standards.
  5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

**B. Details as per Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**  
**1. Top ten employees in terms of remuneration drawn:**

Name	Designation	Remuneration (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if So, name of director / manager)
Mr. S Parthasarthy	Chief Executive Officer	₹. 1,67,56,310	Permanent	B.E, MBA (OUBS) UK & 34 years	May 17, 1985	61	Ralliwolf	-	-
Ms. Gowri Kailasam	President - SLD	₹. 1,09,72,268	Permanent	B.Tech (Chemical Engg.) & MS in Chemical Engg. MBA & 25 years	August 18, 2003	52	Ford India	-	-
Mr. Sundar D	President - DCD	₹. 76,58,464	Permanent	DME, BE, MBA & 39 years	August 31, 1994	58	Dev Fasteners	-	-
Mr. T Giriprasad	Senior Vice President - Rane Auto Parts	₹. 71,31,588	Permanent	B.Sc.(Physics), BE (Metallurgy), MBA & 27 years	March 03, 2004	55	Jai Parabolic Ltd	-	-
Ms. J Radha	Vice President - Finance & CFO	₹. 62,57,572	Permanent	CA, CS (Inter) & 25 years	June 04, 2015	53	Blue Star Limited	-	-
Mr. A Makesh	Senior Vice President - Materials	₹.58,38,528	Permanent	BE (Mechanical), PGDMM, MBA (IIM,K) & 27 years	July 01, 1999	52	ALSTOM Transport Ltd.	-	-
Mr. D Satheshkumar	Vice President - Operations	₹. 52,00,944	Permanent	B.E & 24 years	April 21, 2017	46	Mafoi Connecting Dots Advisory (P) Ltd	-	-
Mr. Aditya Ganesh	Vice President - Marketing	₹. 47,51,935	Permanent	M.S(I.E), MBA(GM)	September 04, 2017	31	--	0.07	Son of Mr. L. Ganesh

**B. Details as per Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**  
**1. Top ten employees in terms of remuneration drawn:**

Name	Designation	Remuneration (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if So, name of director / manager)
Mr. A Murugapandian	Vice President R&D	₹. 46,58,608	Permanent	M.E. Automobile Engineering & 28 years	February 02, 1994	51	Pentafour Energy & Fuellyst Ltd	-	-
Mr. Ravi G	Vice President - MESD	₹. 39,80,596	Permanent	B.TechMBA & 25 years	August 20, 1985	59	-	-	-

- Employed throughout the financial year with remuneration not less than ₹1.02 Crores per annum (excluding details of top ten employee(s) given in (i) above): NIL
- Employees whose remuneration was not less than ₹ 8.50 lakhs per month (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above): NIL
- Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof): NIL

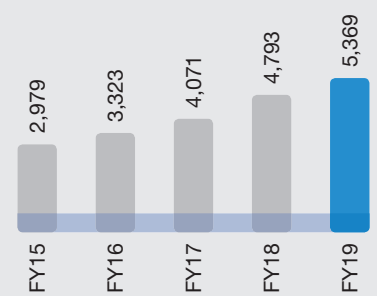
## Our Parentage

### RANE HOLDINGS LIMITED

Founded in 1929, Rane Holdings Limited (RHL), through its group companies is engaged in the manufacturing and marketing of automotive components for the transportation industry. Rane Group is a preferred supplier to major OEMs in India and abroad. The group's product portfolio includes Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility Solutions. It's products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationery Engines. The group has manufacturing presence across 25 locations in India and one in the USA.



### Total Income (₹ in Crores)



### Subsidiaries

Rane (Madras) Limited

- Rane (Madras) International Holdings, B.V., The Netherlands
  - Rane Precision Die Casting Inc., USA

Rane Brake Lining Limited

Rane Engine Valve Limited

Rane t4u Private Limited

Rane Holdings America Inc., USA

Rane Holdings Europe GmbH, Germany

### Joint Ventures

Rane TRW Steering Systems Private Limited

Rane NSK Steering Systems Private Limited



## **Rane (Madras) Limited**

CIN: L65993TN2004PLC052856

"Maithri", 132, Cathedral Road,  
Chennai-600086, India

Phone: +91 44 28112472 / 73

Fax: +91 44 28112449

**[www.ranegroup.com](http://www.ranegroup.com)**



## Rane (Madras) Limited

CIN: L65993TN2004PLC052856  
Registered Office: "Maithri", No. 132, Cathedral Road, Chennai - 600 086  
Phone: 044 28112472 / 73, Fax: 044 28112449,  
e-mail: investorservices@ranegroup.com, website: www.ranegroup.com

### Notice to Members

**NOTICE** is hereby given that the **Fifteenth (15<sup>th</sup>) Annual General Meeting of Rane (Madras) Limited** is scheduled to be held at **10:15 hrs on Wednesday, July 24, 2019** at **The Music Academy (Mini Hall)**, New No. 168, T.T.K Road, Royapettah, Chennai - 600 014, to transact the following business:

#### ORDINARY BUSINESS:

**1. To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2019, together with reports of the Board of Directors and the Auditor thereon**

To consider passing the following resolution(s) as an **ordinary resolution**:

- (i) "Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2019 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."
- (ii) "Resolved that the Consolidated Audited Financial Statement of the Company for the year ended March 31, 2019 together with the report of the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

**2. To declare dividend on equity shares**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that a final dividend of ₹4.50 per equity share having face value of ₹10/- each on 1,19,73,171 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2019 absorbing a sum of ₹6,49,54,692/-

(including dividend distribution tax) and that the dividend be paid to those shareholders, whose name appear in the Company's Register of Members as on July 17, 2019 and the interim dividend of ₹4.00 per equity share declared by the Board of Directors on January 22, 2019 and paid to the shareholders on February 08, 2019, be confirmed to represent a total dividend of ₹8.50 per equity share having face value of ₹10/- each be paid out of the profits of the Company for the financial year 2018-19."

**3. To appoint a Director in the place of Mr. Harish Lakshman (DIN:00012602), who retires by rotation and being eligible, offers himself for re-appointment**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that Mr. Harish Lakshman (DIN:00012602), who retires by rotation under article 117 and 119 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

#### SPECIAL BUSINESS:

**4. To approve revision in remuneration of Mr. Aditya Ganesh, Vice President (Marketing), a related party, under Section 188 of the Companies Act, 2013**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 (the Act), the rules made thereunder (including any amendment thereto or modification thereof and such other approvals, permissions and sanctions, as may be required), consent of the members be and is hereby



accorded to revise the terms of remuneration payable to Mr. Aditya Ganesh, Vice-President - Marketing, who is a relative of Mr. L Ganesh, Chairman and Promoter of the Company, holding an office or place of profit under the Act, on the following revised terms and conditions:

- a) Remuneration: Salary in the scale of ₹1,93,000/- to ₹3,03,000/- per month
- b) Benefits, perquisites, performance pay, allowances and contributions: As per the policy of the Company as applicable to employee's allowances and of similar grade, in force from contribution to Funds time to time. Gratuity shall be payable as per the rules of the Company

Resolved further that the consent of the members be and is hereby also accorded for any promotion and / or change in designation(s) and corresponding change in terms and conditions of employment including remuneration, in the course of his employment with the Company, as per the policy of the Company for the time being in force.

**5. To approve under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors**

To consider passing the following resolution as a **special resolution**:

"Resolved that in addition to the approval already accorded by the members vide resolution passed

at the fourteenth Annual General Meeting of the Company held on July 25, 2018, specific annual approval of the members in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof) be and is hereby accorded for payment of remuneration to Mr. L Ganesh (DIN:00012583), Chairman, for the financial year ended March 31, 2019 exceeding 50% (fifty percent) of the total annual remuneration paid to all the Non-Executive Directors of the Company for the said financial year.

Resolved further that Board of Directors of the Company be and are hereby authorized to determine matters, from time to time, in connection with the payment and distribution of commission to Mr. L Ganesh, in such proportion and in such manner as may be necessary, proper and expedient to give effect to approval(s) accorded by the members."

(By order of the Board)  
For **Rane (Madras) Limited**

Chennai  
May 23, 2019

**S Subha Shree**  
Secretary

**Registered Office:**  
**Rane (Madras) Limited**  
"Maithri", No. 132, Cathedral Road,  
Chennai - 600 086  
CIN: L65993TN2004PLC052856  
www.ranegroup.com

**NOTES:**

1. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.
2. **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**

3. **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.**
3. 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.
4. The record date for the purpose of final dividend and the cut-off date for determining eligibility of members for voting in connection with the Fifteenth AGM is **July 17, 2019 (Wednesday)**.
5. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remains unclaimed / unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF).

- The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
6. Physical copies of the notice of the Fifteenth AGM along with the attendance slip and proxy form are being sent to all the members in addition to the electronic mode to all members whose e-mail addresses are registered with the Company / Depository Participant(s) (DP). Members are encouraged to receive communications from the Company in electronic form and are requested to register their e-mail address with their DP/ Registrar and Transfer Agents (RTA).
  7. Members may also note that the notice of the Fifteenth AGM and the annual report 2019 will be available in the Investor Section on the Company's website [www.ranegroup.com](http://www.ranegroup.com).
  8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their Bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their Bank details to the company's Registrar and Transfer Agent.
  9. Members holding shares in dematerialized form are requested to notify any change in their addresses, Bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:
 

**M/s. Integrated Registry Management Services Private Limited**  
 SEBI Registration No. INR000000544  
 2<sup>nd</sup> Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017  
 e-mail ID: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)  
 Phone: 044 2814 0801-803; Fax: 044 2814 2479
  10. 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 respective DP. Further, in terms of SEBI circular dated April 20, 2018, the Company has sent reminder letters to individual shareholders for updating the details of PAN and Bank account details of persons holding shares in physical form with the Company's RTA.
  11. Effective April 1, 2019, SEBI has disallowed listed companies from accepting requests for transfer of securities held in physical form, by amending the SEBI LODR. Members need to convert shares held in physical form to demat for effecting any transfer. Only requests for transmission and transposition in physical mode will be received by the Company / RTA.
  12. 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. The share certificate(s) will be returned to the members after necessary endorsements.
  13. Members holding shares in single name and physical form are advised to make nomination or change nomination in respect of their shareholding in the Company in the prescribed form to the RTA. The nomination form(s) can also be downloaded from the Company's website [www.ranegroup.com](http://www.ranegroup.com).
  14. Members / Proxies should bring the attendance slip duly filled in for attending the AGM along with their copy of the Annual Report.
  15. Information pursuant to regulations 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
  16. All documents referred to this notice and explanatory statement are open for inspection at the registered office of the Company on all working days between 10:00 hrs (IST) and 17:00 hrs (IST) upto the date of the AGM.
  17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
    - i. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (**NSDL e-Voting System**).
    - ii. The facility for voting through polling paper shall be made available at the AGM for those members who have not cast their vote by remote e-voting'. The members who have cast their vote by 'remote e-voting' prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
    - iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM through poll.
    - iv. The 'remote e-voting' period commences on **July 21, 2019 (Sunday) (09:00 hrs)** and ends on **July 23, 2019 (Tuesday) (17:00 hrs)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **July 17, 2019 (Wednesday)**, may cast their vote by 'remote

- e-voting'. The 'remote e-voting' module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., **July 17, 2019 (Wednesday)**.
  - vi. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date, i.e., July 17, 2019 (Wednesday), may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company / RTA.
  - vii. Mr. C Ramasubramaniam, Practicing Company Secretary (ICSI Membership no. FCS 6125), Partner, M/s. CR & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
  - viii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the 'remote e-voting' facility.
  - ix. The Scrutinizer shall, after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through 'remote e-voting' in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
  - x. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.ranegroup.com](http://www.ranegroup.com) and on the website of NSDL, immediately after the declaration of result by the Chairman or a person authorized by him in writing and be forwarded to the stock exchanges where the Company's shares are listed.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
  3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
  
Alternatively, if you are registered for NSDL e-services, i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically.
  4. Your User ID details are given below:  
  
For CDSL: 16 digits beneficiary ID,  
  
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,  
  
Members holding shares in Physical Form should enter Folio Number registered with the Company.
  5. Your password details are given below:
    - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
    - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
    - c. To retrieve your 'initial password'
      - i. If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.
      - ii. If your e-mail ID is not registered, your 'initial password' is communicated to you on your postal address.
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a. Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and registered address.

## **INSTRUCTIONS FOR 'REMOTE E-VOTING'**

### **A. To Log-in to NSDL e-Voting website**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

- d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**B. To cast your vote electronically on NSDL e-Voting system**

1. After successful login, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**C. General Guidelines for shareholders**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [raneevoting@gmail.com](mailto:raneevoting@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details / Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

(By order of the Board)  
For **Rane (Madras) Limited**

**S Subha Shree**  
Secretary

Chennai  
May 23, 2019

**Registered Office:**  
**Rane (Madras) Limited**  
“Maithri”, No. 132, Cathedral Road,  
Chennai - 600 086  
CIN: L65993TN2004PLC052856  
[www.ranegroup.com](http://www.ranegroup.com)

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

**Item No.4 - To approve revision in remuneration of Mr. Aditya Ganesh, Vice President (Marketing), a related party, under Section 188 of the Companies Act, 2013**

The members of the Company at the Extraordinary General Meeting (EGM) held on September 01, 2017, approved the appointment of Mr. Aditya Ganesh, son of Mr. L Ganesh, Chairman and Promoter of the Company, as General Manager – Corporate Planning. This appointment is an appointment of relative of a director in the office or place of profit in the Company pursuant to Section 188 and other relevant applicable provisions of the Companies Act, 2013 (“the Act”). The ordinary resolution was approved by members with 100% of votes cast in favour of the resolution.

Pursuant to the said approval, Mr. Aditya Ganesh was appointed as General Manager – Corporate Planning effective from September 04, 2017 and in that position, he has been playing a key role in handling certain specific

projects to enhance global sales, customer engagement and supporting the planning, execution of strategic and annual operating plans of both Steering Linkage Division (SLD) and Die-casting Division (DCD) divisions of the Company.

Considering his significant contributions to the business growth and performance of the Company, he was promoted as Vice President – Marketing in October 2018 and thereafter he led the marketing function of SLD and supported the business development initiatives of DCD.

In view of expansion of his current role and future growth prospects in the Company, based on the approval of Audit Committee, it is proposed to revise remuneration payable to Mr. Aditya Ganesh and the proposed revision would be commensurate with his qualification, domain expertise and experience and is in line with the industry standards prevalent in India.

Mr. Aditya Ganesh is a Mechanical Engineering graduate from PSG College of Technology and holds Masters' degree in Business Management from INSEAD (France and Singapore) and Masters' in Industrial Engineering from The Ohio State University, USA.

Mr. Aditya Ganesh has an overall experience of over 6 years in the areas of Manufacturing & quality management. Mr. Aditya Ganesh had worked with Cummins Inc., USA in the departments of Health, Safety & Environmental and Manufacturing engineering and played a key leadership role in team management, project management and problem solving areas. Prior to Cummins Inc., USA, he has worked with Rane (Madras) Limited as Supplier Quality Engineer and was involved in supplier quality process audits, planning for new products developments, coordinating TQM activities for the corporate materials team through successful Japan Quality Medal Diagnosis phase.

The particulars of the transaction pursuant to para 3 of explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

<b>Name of the related party</b>	<b>Mr. Aditya Ganesh</b>
<b>Name of the Director or Key Managerial Personnel (KMP) who is related</b>	Mr. L Ganesh, Chairman
<b>Nature of relationship</b>	Mr. Aditya Ganesh is son of Mr. L Ganesh and is part of the Promoter and Promoter group of the Company.
<b>Nature, material terms, monetary value and particulars of the contract or arrangement</b>	Approval is being sought for revision in remuneration payable to Mr. Aditya Ganesh, Vice – President (Marketing) as per ordinary resolution furnished under item no.4 of the notice.  He shall continue to be entitled to receive allowances, benefits, perquisites, contribution to funds, as per the policy of the Company as applicable to employees of similar grade, in force from time to time.
<b>Duration of contract</b>	Mr Aditya Ganesh, is in employment from September 4, 2017 pursuant to approval accorded by the members at the EGM held on September 1, 2017. The contract of employment will continue as long as he remains an employee of the Company and shall include any promotion and / or change in designation(s) and corresponding change in terms and conditions of his employment.
<b>Shareholding in the Company</b>	Mr. Aditya Ganesh holds 0.07% (8,483 equity shares) in the equity share capital of the Company.

In terms of the aforementioned provisions of the Act, based on the approval of the Audit Committee, the Board of Directors at its meeting held on May 23, 2019 has approved the revision in remuneration and recommends the ordinary resolution as set out at item no. 4 of this notice for your approval.

Except for Mr. L Ganesh, 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.

**Item No.5 - To approve under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors**

The members of the Company at the Fourteenth Annual General Meeting of the Company held on July 25, 2018, had approved payment of commission to Mr. L Ganesh, Chairman, a sum not exceeding 2% of the annual net profits of the Company, for a period of 3 years with effect from April 1, 2018 to March 31, 2021. The ordinary resolution was approved by members with 99.99% of votes cast in favour of the resolution.

In terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) as amended by SEBI (LODR) (Amendment) Regulations, 2018, effective from April 1, 2019, approval of shareholders by way of special resolution is required to be obtained every year in which the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total annual remuneration paid / payable to all Non-Executive Directors.

For the financial year ended March 31, 2019, Mr. L Ganesh is entitled to receive a commission of ₹1,44,22,568/-, being 2% (approx.) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013. In view of the Non-Executive Directors being entitled only for sitting fees, the said commission, together with sitting fees exceeds 50% (fifty percent) of the total annual remuneration paid to all the Non-Executive Directors of the Company for the said financial year.

In order to comply with requirement under Regulation 17(6)(ca) of SEBI LODR, approval of the members is being sought by way of a special resolution, as set out in item no.5 of this notice.

Mr. L Ganesh is concerned or interested in the resolution. Mr. L Lakshman being his relative is deemed to be interested in the resolution. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolutions except to the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the **special resolution** as set out at item no. 5 of this notice for your approval.

(By order of the Board)  
For **Rane (Madras) Limited**

Chennai  
May 23, 2019

**S Subha Shree**  
Secretary

**Registered Office:**  
**Rane (Madras) Limited**  
"Maithri", No. 132, Cathedral Road,  
Chennai - 600 086  
CIN: L65993TN2004PLC052856  
www.ranegroup.com

**Annexure to the Notice dated May 23, 2019**

**Information about Directors seeking re-appointment vide resolution in item no.3 of the notice convening the fifteenth Annual General Meeting in compliance with Regulation 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) as on May 23, 2019.**

<b>Name of the Director</b>	<b>Mr. Harish Lakshman</b>
<b>Father's Name</b>	Mr. L Lakshman
<b>Director Identification Number (DIN)</b>	00012602
<b>Age (in years)</b>	45
<b>Date of Birth</b>	February 12, 1974
<b>Educational Qualifications</b>	B.E. – BITS Pilani, MSM - Purdue University, USA.
<b>Experience</b>	Mr. Harish Lakshman has over 24 years of industrial experience and has held various positions in the areas of Marketing, Operations and Business Development Overseas. He currently spearheads the future growth plan for Rane Group. He serves as Vice-Chairman of your Company apart from Rane Engine Valve Limited and Rane Holdings Limited.
<b>Date of first appointment on the Board</b>	March 31, 2004
<b>Terms and Conditions of appointment</b>	Re-appointed as a Non-Executive Director, liable to retire by rotation.
<b>Last drawn remuneration</b>	Sitting fee paid for FY 2018-19 – ₹2,20,000/-
<b>Remuneration sought to be paid</b>	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.

<b>Relationship with other Directors / Manager / KMP</b>	Son of Mr. L Lakshman.
<b>Other Directorships</b>	<p><b>Chairman</b></p> <p>1. Rane t4u Private Limited</p> <p><b>Vice Chairman</b></p> <p>1. Rane (Madras) Limited 2. Rane Holdings Limited</p> <p><b>Director</b></p> <p>1. Rane Brake Lining Limited 2. Oriental Hotels Limited 3. Rane TRW Steering Systems Private Limited 4. Rane NSK Steering Systems Private Limited 5. Young Presidents Organisation (Chennai Chapter) 6. Savithur Enterprises Private Limited 7. HL Hill Station Properties Private Limited 8. Rane Holdings America Inc., USA 9. Rane Precision Die Casting Inc., USA</p>
<b>Committee Memberships in other Boards</b>	<p><b>Chairman – Stakeholders’ Relationship</b> Rane Brake Lining Limited Rane Holdings Limited</p> <p><b>Member – Nomination and Remuneration</b> Rane Holdings Limited</p>
<b>Number of meetings of the Board attended during the year</b>	Five (5)
<b>Number of equity shares held (including joint holding, if any)</b>	Seven Hundred and Fifty (750)

## ROUTE MAP TO AGM VENUE

