



# Rane Engine Valve Ltd.

Registered Office:

"Maithri"

132, Cathedral Road,  
Chennai 600 086.

India.

CIN : L744999TN1972PLC006127

Tel : 044 - 2811 2472

Fax : 044 - 2811 2449

URL : www.ranegroup.com

REVL / SE / 26 / 2017-18

September 12, 2017

<b>BSE Limited</b> Listing Centre Scrip Code: <b>532988</b>	<b>National Stock Exchange of India Ltd.</b> NEAPS Symbol: <b>RANEENGINE</b>
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Dear Sir / Madam,

**Sub: Annual Report – 2016-17**

**Ref: Letter No. REVL/SE/20/2017-18 dated July 25, 2017**

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), we enclose herewith the copy of Annual Report 2016-17 approved by the members of the company at their 45<sup>th</sup> Annual General Meeting held on Monday, August 21, 2017.

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 Engine Valve Limited**

  
Kalidoss S  
**Secretary**



Encl: a/a



Dream. Design. Deliver.



Rane Engine Valve Limited  
45<sup>th</sup> Annual Report 2016-17



# What's inside?

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### Caution regarding 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 known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



# Dream. Design. Deliver.

Creating a dream is not an easy task... so many things we aspire for, so many things to consider. We were at similar crossroads in 2010 after laying a solid foundation of operational excellence. We realized it was time to dream big, it was time to have a laser sharp focus on creating a Decade of Profitable Growth.

When we envision a dream, it seems distant... far away. Even impossible. This is because there is no magic formula to bridge the journey between Dream and Deliver. It is imperative to Design a route that will deliver the dream. We know that it is not a simple task and the route is not a single, long straight path but a road which will require the sweat, determination and hard work of each employee to complete the journey. The past few years has seen us stepping up the pace on the designed path. Yes, there have been course corrections as we progressed but the early results of our strategy are starting to become visible. It gives us confidence on the direction taken and the course designed to ensure a flawless delivery of profitable growth in the years to come. As we step closer to the Dream, we are confident that the Design is right, further boosting our motivation to keep working hard, and start delivering to all our stakeholders.

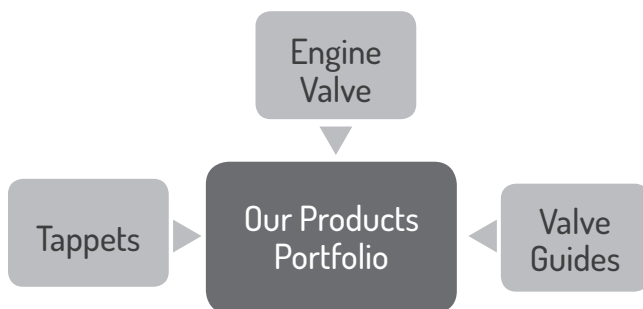
# The World of Rane Engine Valve

Part of the Rane Group, Rane Engine Valve Limited (REVL) was established in 1959. The Company is a manufacturer of engine valves, guides and tappets for passenger cars, commercial vehicles, farm tractors, stationary engines, railway/marine engines and two/three wheelers. The Company is a market leader in its category and a sharp focus on R&D and quality has

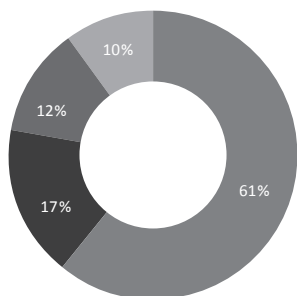
helped it service clients spread across Europe, North America and the Far Eastern markets. The company's five manufacturing plant have qualified for ISO/TS 16949: 2009, ISO 9001: 2008 and ISO 14001:2015.

## Vision

"To be a preferred solution provider of valve train components to the global internal combustion engine industry"

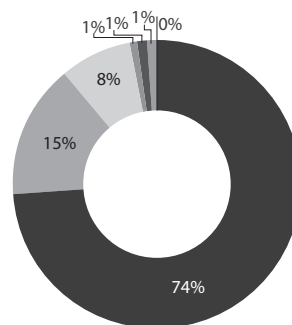


Revenue Mix by User Segment (FY17)



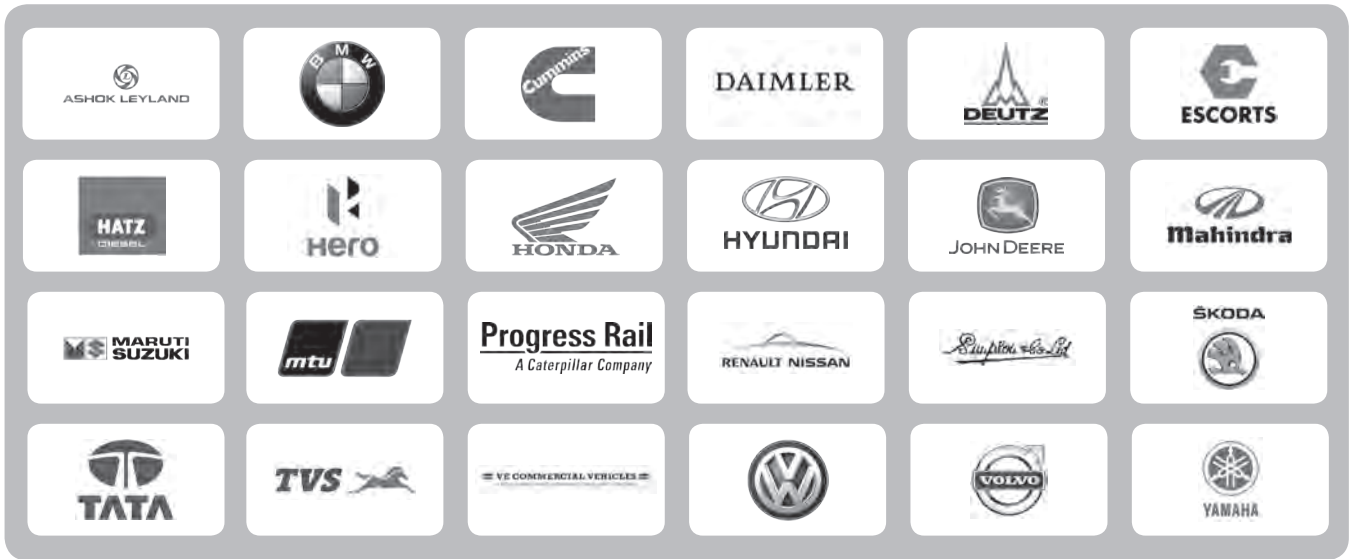
■ India - OEM & OES ■ International - OEM  
 ■ India - Aftermarket ■ International - Aftermarket

Revenue Mix by Geographical Region Segment (FY17)



■ Asia Pacific ■ Europe ■ USA  
 ■ North America ■ Western Asia ■ Others □ UK

## Key Customers



## Manufacturing Locations

Location	Products
Ponneri (Chennai)	Engine Valves, Guides & Tappets
Medchal (Hyderabad)	Engine Valves
Aziz Nagar (Hyderabad)	Engine Valves
Trichy	Engine Valves
Hirehalli (Tumkur)	Large Engine Valves

## Quality Accreditation

ISO/TS 16949:2009	Quality Management Systems
ISO 14001:2015	Environmental Management System
Deming Prize	Total Quality Management (TQM)



# Financial Highlights

(₹ in Crore)

Particulars	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Total Income	362.51	352.55	399.23	266.95	266.25	309.19	289.70	237.23	221.10	199.25
Earnings Before Interest, Tax, Depreciation & Amortisation	23.78	6.61	33.72	31.89	11.83	42.92	39.42	29.1	24.25	18.79
Profit Before Tax (PBT)	76.58	(17.66)	31.46	(43.56)	(18.92)	28.72	16.12	7.00	3.91	4.10
Profit After Tax (PAT)	57.05	(12.54)	23.48	(29.09)	(12.61)	20.77	10.80	4.30	2.21	2.42
Return on Capital Employed (RoCE) %	(1.63)	(8.16)	2.27	5.60	(4.41)	11.99	13.11	7.86	6.91	7.30
Return on Net Worth (RoNW) %	43.39	(11.48)	26.32	(37.56)	(12.83)	21.33	12.54	5.31	2.78	3.06
Earnings per share (₹)	84.91	(18.67)	34.94	(56.48)	(24.47)	40.32	20.97	8.35	4.29	4.70
Dividend (%)	25.00	-	25.00	-	-	105.00	50.00	30.00	20.00	45.00
Book Value per share (₹)	238.13	153.22	169.59	122.13	178.6	203.09	174.96	159.41	154.83	153.62

# Balance Sheet Highlights\*

(₹ in Crore)

Particulars	FY17	FY16	FY15	FY14	FY13	FY12	FY11
Equity Share Capital	6.72	6.72	5.15	5.15	5.15	5.15	5.15
Shareholders' Fund	160.00	102.95	115.52	62.91	92.00	104.61	90.12
Non-current Liabilities	36.80	68.67	68.88	80.51	66.45	56.27	55.89
Current Liabilities	106.83	137.90	158.45	106.35	92.63	101.66	88.00
Non-current Assets	161.55	186.44	195.66	168.86	167.04	159.5	141.98
Current Assets	142.09	123.07	147.19	80.91	84.04	103.04	92.03

\* Pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only

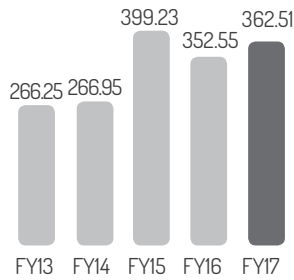
## Business Highlights

- Secured new orders with potential revenue of ₹ 39 Crore
- Six new business opportunities generated through pre-design review engagements
- Four new technology initiatives launched across emission reduction and fuel efficiency
- Two new additions made to the material library
- Capacity utilisation improved by 7%
- Variable costs improved by 4%
- ₹ 15 Crore targeted capex towards share expansion with key customers
- Range expansion of non-automotive large valves initiated with a capex of ₹ 2.5 Crore

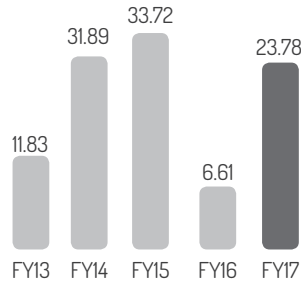


# Key Performance Indicators

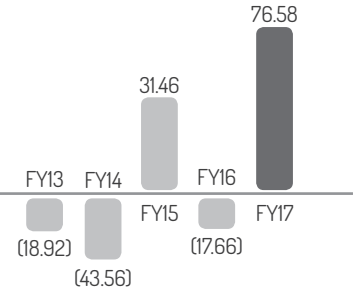
**Revenue** (₹ in Crore)



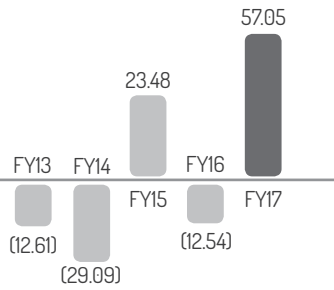
**EBITDA** (₹ in Crore)



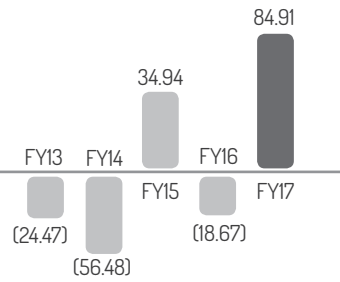
**PBT** (₹ in Crore)



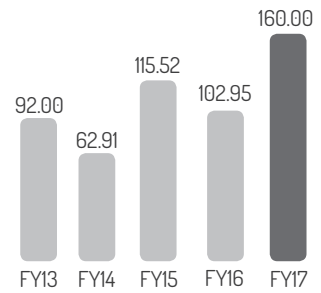
**PAT** (₹ in Crore)



**EPS** (in ₹)



**Net Worth** (₹ in Crore)



## Awards & Accolades

- Two QCC awards from QCFI
- 'Par Excellence Award' from National QCFI
- 'Best Supplier 2016 - Quality' from Tata Motors
- Cummins India recognition as 'Category Partner' for global supply
- Contribution acknowledged in building "Technology Advanced Mahindra YUV0" and "The Young SUV KUV 100" from Mahindra & Mahindra
- Certificate of Appreciation from John Deere (Good Quality rating)





# From the Desk of the Chairman & Managing Director

Dear Shareholders,

Fiscal 16-17 will be seen as a validation of the vision that we had set for ourselves in 2010 – decade of profitable growth. Though it has been a challenging year for REVL, the vision of profitable growth saw the Company implementing stringent cost control measures and initiating various cost reduction projects to improve operational performance. Even as the turnaround activities are still underway, our EBITDA increased by 260% to ₹ 23.8 crore in FY17 up from ₹ 6.6 crore in the previous fiscal.

In the quest for profitable growth, the Company is de-risking itself as it focuses aggressively on new business opportunities. The strategy paid rich dividends as the fiscal saw business from non-automotive segment (including railways and defence) growing by around 50%. The focus on large export market will continue.

The Company has a sharp focus on productivity and quality while other cost optimisation measures are being given top priority. R&D remains on top of our agenda to meet the ever increasing environmental demands of newer engines.

The Company introduced two new raw materials into the material library for future

commercial introduction. This is expected to enhance cost competitiveness in the years to come.

Even as the Company received multiple quality accreditations, we believe the final quality certificate is from the customers and their rejection level. I am proud to mention that the Company continues its good performance on external quality with customer line rejection level less than 10 parts per million for automotive OEM customers.

The Government successfully steered the GST bill and this should lead to other reforms in the country. The economy and the auto industry is poised to do well next year, due to the progressive reforms coupled with normal monsoon, low interest regime and strong rural demand.

On behalf of the Board of Directors of Rane Engine Valve, I thank our stakeholders – Employees, Customers, Vendors, Investors, Bankers and Communities – and remain committed and sincere in our efforts to keep delivering ever better value in the years ahead.

Yours Sincerely,

**L Ganesh**

Chairman & Managing Director



**Board of Directors**

L GANESH  
*Chairman and Managing Director*  
 HARISH LAKSHMAN  
*Vice Chairman*  
 ASHOK MALHOTRA  
 BRINDA JAGIRDAR  
 C N SRIVATSAN  
 KRISHNA KUMAR SESHADRI  
 L LAKSHMAN

**Audit Committee**

C N SRIVATSAN  
*Chairman*  
 ASHOK MALHOTRA  
 KRISHNA KUMAR SESHADRI  
 L LAKSHMAN

**Stakeholders' Relationship Committee**

ASHOK MALHOTRA  
*Chairman*  
 C N SRIVATSAN  
 L GANESH

**Nomination & Remuneration Committee**

ASHOK MALHOTRA  
*Chairman*  
 C N SRIVATSAN  
 L LAKSHMAN

**Corporate Social Responsibility Committee**

L LAKSHMAN  
*Chairman*  
 L GANESH  
 S KRISHNA KUMAR

**President**

A RAJASEKARAN

**Vice President - Finance / Chief Financial Officer**

V K VIJAYARAGHAVAN

**Secretary**

KALIDOSS S

**Statutory Auditors**

Brahmayya & Co.  
 Chartered Accountants,  
 48, Masilamani Road,  
 Balaji Nagar, Royapettah, Chennai- 600 014.

**Secretarial Auditors**

S. Krishnamurthy & Co.  
 Company Secretaries,  
 "Sreshtam", Old No. 17, New No.16,  
 Pattammal Street, Mandaveli, Chennai - 600028

**Cost Auditors**

JAYARAM & ASSOCIATES  
 Cost Accountants,  
 10,Rajan Street, T.Nagar,  
 Chennai - 600 017.

**Listing of Shares on**

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

**Our Bankers**

Standard Chartered Bank, Chennai  
 HDFC Bank Ltd., Chennai  
 IDBI Bank Ltd. Chennai  
 Yes Bank Ltd. Chennai  
 Kotak Mahindra Bank Limited, Chennai  
 The Hongkong and Shanghai Banking Corporation Ltd., Chennai  
 State Bank of India, Bengaluru  
 The Karur Vysya Bank Limited, Bengaluru

**Registered Office**

Rane Engine Valve Limited  
 CIN: L74999TN1972PLC006127  
 "MAITHRI", 132, Cathedral Road,  
 Chennai - 600 086.  
 Phone : (044) 28112472  
 Fax : (044) 28112449  
 Email : investorservices@ranegroup.com

**Head Office**

P.B.NO:3149, R.R Tower V - Level IV  
 Plot No.: 33-A, (South Phase),  
 Developed Plot at Thiru.Vi.Ka.Industrial Estate,  
 Ekkaduthangal, Chennai - 600 032.

**Plants**

1. Post Box No.4, Redhills Road, Madhavaram,  
 Ponneri - 601 204, Tamilnadu.
2. Plot No 68 to 77, Industrial Estate,  
 Medchal - 501 401, R.R District, Telangana
3. Survey No. 177/20, Hyderabad-Vikarabad Road,  
 Aziz Nagar - 500 075, R.R District, Telangana
4. Survey Nos. 109, 111 & 121, Seniapatti,  
 Kasavanur Village, Viralimalai Union - 621 316,  
 Pudukottai District, Tamilnadu.
5. Plot No. 36B & 37,  
 Hirehalli Industrial Area-572 168  
 Tumakuru, Karnataka.

**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.  
 Phone : (044) 28140801, Fax : (044) 28142479  
 Email : corpserv@integratedindia.in

# Report of the Directors

Your Directors have pleasure in presenting their Forty Fifth Annual Report together with the accounts for the year ended March 31, 2017 and other prescribed particulars:

## 1. State of Company's affairs

### 1.1 Financial Performance

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

(₹ in crores)

Particulars	2016-17	2015-16
Sales and Operating Revenues	360.17	349.60
Other Income	2.34	2.95
Profit / (Loss) Before Tax (PBT)	76.58	(17.66)
Provision for tax :		
Current	16.40	-
MAT Credit entitlement	(2.44)	-
Deferred	5.57	(5.12)
Profit After Tax (PAT)	57.05	(12.54)
Surplus brought forward	(10.52)	2.02
Amount available for appropriation	46.53	(10.52)

Key performance indicators, operational performance and balance sheet summary are furnished in page nos. 4-5 of this annual report.

The net sales and operating revenue of the Company is at ₹ 360.17 crores as against ₹ 349.60 crores in the previous year.

The company earned a net profit after exceptional items of ₹ 76.58 crores as against of net loss of ₹ 17.66 crores in the previous year. Earnings per share for the year 2016-17 was ₹ 84.91 as against ₹ (18.67) in the previous year

There was no material change or commitment, affecting the financial position of the Company between the end of the financial year of the Company and the date of the report other than those disclosed in the financial statements.

There was no change in nature of business during the year. The Company is a subsidiary company of Rane Holdings Limited (RHL / holding company). The Company does not have any subsidiary, associate or joint venture.

### 1.2 Appropriation

Out of the profit available for appropriation of ₹ 46.53 crores, the directors have recommended a dividend of 25% (i.e ₹ 2.50 per share) for the year ended March 31, 2017. The total dividend amount inclusive of distribution tax and surcharge thereon would be ₹ 2.02 crores. The dividend, if declared by the shareholders, will be

paid on August 28, 2017 to all the eligible shareholders whose name appears in the register of members of the Company as on August 14, 2017, being the Record Date fixed for this purpose.

## 1.3. Management Discussion & Analysis

Your Company is engaged in the manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet. A detailed analysis on the performance of the industry, the Company, internal control systems, risk management are enumerated in the Management Discussion and Analysis report forming part of this report and annexed as 'Annexure A'.

## 2. Board of Directors

### 2.1 Composition

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report as 'Annexure G'.

Mr. L Ganesh (DIN: 00012583) was re-appointed as Managing Director for a period of three years i.e. from April 1, 2014 to March 31, 2017. The Board has subject to the approval of shareholders, re-appointed Mr. L Ganesh as Managing Director for a period of three years, viz., from April 1, 2017 to March 31, 2020.

Mr. R V Raghavan (DIN: 01754139) retired as per retirement policy of the company, on attaining age of 75 years, effective on conclusion of meeting of Board of Directors held on May 18, 2017 and the board places on record its appreciation for his valuable contributions to the organisation during his tenure.

Mr. C N Srivatsan (DIN: 00002194), Mr Ashok Malhotra (DIN: 00029017), Mr. S Krishna Kumar (DIN: 00062582), appointed as Independent Directors by the shareholders at the 42<sup>nd</sup> AGM held on July 24, 2014, for a period of three years, to hold office upto the conclusion of the ensuing 45<sup>th</sup> AGM.

Based on the Board evaluation, the Nomination and Remuneration Committee at its meeting held on May 18, 2017, have recommended to the board their re-appointment as Independent Directors, for second term of 5 consecutive years viz., from the conclusion of the ensuing 45<sup>th</sup> AGM till the conclusion of 50<sup>th</sup> AGM or August 20, 2022, whichever is earlier. The notice convening the 45<sup>th</sup> AGM contains necessary resolution for their re-appointment in second term for approval of members by way of special resolution.

The terms and conditions of appointment of independent directors have been disclosed on the website of the Company and available at <http://ranegroup.com/pdf/investors/revl/revltermsid.pdf>

All 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

## 2.2 Retirement by rotation

At the ensuing Annual General Meeting (AGM), Mr. Harish Lakshman (DIN: 00012602), retires by rotation and being eligible, offers himself for re-appointment. The notice convening the AGM includes the proposal for his re-appointment as director.

## 2.3 Board Meetings

A calendar of meetings is prepared and circulated in advance to the directors. During the year **five (5)** Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening period between two consecutive meetings was less than 120 days.

## 2.4 Meeting of Independent Directors

During the year, one separate meeting of Independent Directors was held. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the Board at the meeting and expressed that the current flow of information and contents were adequate for the Board to effectively perform its 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 executive directors and non-executive directors.

## 3. Board and Management

### 3.1 Board evaluation

During the year, a formal process for annual evaluation of performance of Board, its committees and directors individually was carried out as per the criteria laid down by the Nomination and Remuneration Committee, pursuant to the provisions of the Companies Act, 2013 (CA 2013) and SEBI LODR.

The criteria for evaluation of board and its committees were founded on the structure, composition, board-management relationship, effectiveness in terms of roles and responsibilities and processes encompassing the information flow and functioning. The guiding standards for the assessment of performance of directors (including the independent directors) were their attendance and participation at board meetings, sharing of their relevant domain expertise, networking in other forums, their strategic inputs and demonstration towards governance compliances.

For evaluation of performance of the Chairman additional aspects like institutional image building, providing guidance on strategy and performance, maintaining an effective and healthy relationship between the board and the management were taken into consideration.

The evaluation was carried out through a structured methodology approved by the Nomination and Remuneration Committee after ensuring that the aspects under each of the laid down criteria are comprehensive and commensurate with the size of the board and the Company. The Nomination and Remuneration Committee, reviews and makes recommendation to the board, from time to time, for ensuring an optimum composition of the board and its committees, induction of directors into the board, participation on the board effectiveness and evaluation process. The outcome of evaluation also forms the basis for the Nomination and Remuneration Committee while considering re-appointment of directors and appointment in various committees of the board.

### 3.2 Familiarisation program for independent directors

The familiarisation program for independent directors and details of familiarisation program for independent directors has been put up on the website and available at <http://ranegroup.com/raneenginevalve/revlinvestors.html>

### 3.3 Key Managerial Personnel

Mr. L Ganesh, Chairman & Managing Director (MD), Mr. V K Vijayaraghavan, Vice President – Finance & Chief Financial Officer (CFO) (appointed w.e.f February 16, 2017), Mr. Kalidoss S, Secretary (appointed w.e.f May 18, 2017) hold the office of Key Managerial Personnel within the meaning of Section 2(51) of the Companies Act, 2013.

Mr. B Suresh Kumar, General Manager – Finance & Chief Financial Officer (CFO) and Mr. P Guhanatham, Secretary resigned, from the services of the company w.e.f August 19, 2016 and April 03, 2017, respectively.

### 3.4 Remuneration policy

The Nomination and Remuneration Committee has laid down a policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP). The same is annexed herewith as **Annexure - B**

## 4. Audit

### 4.1 Audit Committee

In terms of the provisions of Section 177 of the Companies Act, 2013 Regulation 18 of SEBI LODR, the Audit Committee of the Board acts in accordance with terms of reference prescribed therein. Detailed disclosure on compositions, terms of reference and meetings of the Audit Committee are furnished in the Corporate Governance Report.

### 4.2 Statutory Auditors

M/s. Brahmayya & Co. were re-appointed as Statutory Auditors at the 42<sup>nd</sup> Annual General Meeting (AGM) held on July 24, 2014, for a period of three years i.e., until the conclusion of the 45<sup>th</sup> AGM as per the transitional period under the Companies Act 2013.

During the year under review, M/s. Brahmayya & Co., Statutory Auditors, have not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013. The Statutory Auditors report to the members for the year ended March 31, 2017 does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to the provisions of Section 139, 141 read with Companies (Audit and Auditors) Rules, 2014 and any other applicable provisions of the Act, including rules made thereunder, the Audit Committee at its meeting held on May 18, 2017 has reviewed the proposal to appoint M/s. Varma & Varma as Statutory Auditors of the Company for a term of five consecutive years commencing from the conclusion of 45<sup>th</sup> AGM (2017) and recommended the same to the board for proposing it to the shareholders at the ensuing 45<sup>th</sup> AGM.

The Company has received a letter from M/s. Varma & Varma consenting to the appointment and confirmation to the effect that their appointment, if made, would be within the prescribed limits and that they do not suffer from any disqualification under Section 141 of the Companies Act, 2013 and the rules made thereunder. M/s. Varma & Varma have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India. The notice of the ensuing 45<sup>th</sup> AGM contains necessary resolution in this regard. Members may consider appointing M/s. Varma & Varma as Statutory Auditors of the Company as per the provisions of the Companies Act, 2013 till the conclusion of the 50<sup>th</sup> AGM (2022).

#### 4.3 Cost Auditors

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of directors at their meeting held on July 25, 2016 have appointed M/s. Jayaram & Associates, Cost Accountants, as the cost auditors of the Company for the financial year 2016-17 as per the recommendations of the Audit Committee, after obtaining necessary certificate under Section 141 of the Act conveying their eligibility for re-appointment. In terms of Section 148(3) of the Companies Act, 2013 the remuneration fixed by the board, based on the recommendation of the audit committee is required to be ratified by the members at the AGM as per the requirement of Section 148(3) of the Act. The notice convening the ensuing AGM includes the proposal for ratification of the remuneration payable to the cost auditors.

#### 4.4 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. S Krishnamurthy & Co., Company Secretaries in practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2016-17 is annexed here with as '**Annexure C**'. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

#### 4.5 Internal Auditors

The Company continues to engage M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, as 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, and assessing the internal control strengths in all 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.

#### 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:

- i in the preparation of the financial statements for the financial year 2016-17, the applicable accounting standards had been followed and there were no material departures;
- ii. they had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. 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;
- iv. they had prepared the financial statements for the financial year on a 'going concern' basis ;
- v 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
- vi. 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. 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 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 (<http://ranegroup.com/pdf/policies/revlrpt.pdf>). 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 vision on Corporate Social Responsibility (CSR) is: "To be 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 of: (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, Chairman & Managing Director and Mr. S Krishna Kumar, an independent director, as its members. The Annual Report on CSR activities carried out during the year 2016-17 is annexed as 'Annexure D'. The CSR policy of the Company is available in the Company's website (<http://www.ranegroup.com/pdf/policies/revlcsr.pdf>)

## 8. Fixed Deposits

The Company had discontinued accepting or renewing the fixed deposits with effect from April 1, 2014 and has not accepted deposits falling within the ambit of Chapter V, Section 73 of the Companies Act, 2013. Pursuant to the order of Company Law Board (CLB) dated September 16, 2015 the company has repaid all the outstanding deposits and interest thereon during the year and there are no outstanding deposits / interest, as on March 31, 2017. The Company has not defaulted in repayment of any fixed deposits or any interest thereon.

## 9. Energy conservation, technology absorption and foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as 'Annexure E'.

## 10. 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 'Annexure F' to this report.

## 11. Corporate Governance Report

Your Company has complied with the corporate governance requirements pursuant to Regulation 34 and schedule V of SEBI LODR. Detailed report on the compliance and a certificate by the Statutory Auditors forms part of this report as 'Annexure G'.

## 12. 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) The application for renewal for Consent For Operations (CFO) under the pollution control regulations in one of the manufacturing plants located in the State of Telangana has been returned by the regulatory authority citing that industries located in the specified area were not issued CFO in pursuance of G.O.Ms.No.111 dated 08.03.1996. However, the Company is of the opinion that this does not impact the going concern status of the Company and its future operations. The Company has examined the matter and is taking necessary action to present its case that it is neither a polluting nor a potentially polluting industry before the pollution control authorities.
- d) There was no other significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- e) The details forming part of the extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed herewith as 'Annexure H'.
- f) 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.
- g) 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 mechanism across the Company. There was no case reported during the year under review through this mechanism.

For and on behalf of the board

**HARISH LAKSHMAN**

Vice-Chairman

Chennai  
May 18, 2017

**L GANESH**

Chairman & Managing Director



## Annexure - A to Report of the Board of Directors

# Management Discussion and Analysis

### OVERVIEW

Rane Engine Valve Limited (REVL) is a manufacturer of engine valves, guides and tappets for passenger cars, commercial vehicles, farm tractors, stationary engines, railway / marine engines and two/three wheelers. The Company operates in single reportable business segment viz. components for internal combustion engine industry applicable for stationary and transportation engine applications.

### Industry Structure, Developments & Performance

During the financial year 2016-17, the domestic industry witnessed a positive growth in all segments. From an overall industry perspective, the Passenger Car and Utility Vehicle registered a positive growth with new launches especially in Utility Vehicle segment. Migration trend to Utility Vehicle segment from Passenger Car segment continues.

The growth in Medium & Heavy Commercial Vehicle segment was muted at 0.4%. During the first half of the year, the replacement demand started to wane as the core sectors such as mining, infrastructure were stagnating. In the second half of the year, demonetization had negative impact to the M&HCV segment drying up the sales for at least 3 months. The Light Commercial vehicles segment fared better in the commercial vehicle segment with a growth of 6%.

After de-growth for consecutive years in 2014-15 and 2015-16, Farm Tractor segment recovered strongly with a growth of 21.1% in 2016-17. This was supported by normal monsoon and favourable sentiments which was enough to offset impact of demonetization.

### Industry Growth

During the year under review, the volume growth in automotive industry is as given below:-

Industry Segment (Production figures)	Growth in % (YoY change)	
	2016-17	2015-16
<b>Vehicles</b>		
Passenger Cars (PC)	5.4%	4.0%
Utility Vehicles (MUV)	26.3%	13.7%
Vans (MPV)	-0.6%	5.6%
<b>Passenger Vehicles</b>	<b>9%</b>	<b>6%</b>
Small Commercial Vehicles (SCV)	2.7%	-10.3%
Light Commercial Vehicles (LCV)	6.0%	9.6%
Medium & Heavy Commercial Vehicles (M& HCV)	0.4%	27.0%
<b>Commercial Vehicles</b>	<b>3%</b>	<b>12%</b>
3 - Wheelers	-16.2%	-1.6%
2 - Wheelers	5.8%	1.8%
Farm Tractors (FT)	21.1%	-6.8%

Source: Society of Indian Automobile Manufacturers

### Market & Product Summary

The break-up of sales and growth by market segment for the company is given below:

₹ In Crores			
Market	2016-17	2015-16	Growth in %
OEM	205.25	194.49	6%
Aftermarket	41.16	45.38	-9%
Railways	3.75	3.35	12%
Defence	6.38	3.87	64%
Exports	97.69	95.35	2%
Total	354.23	342.44	3%

Domestic OEM sales grew by 2% mainly due to:

- Increased share of business with key domestic customers in passenger vehicles.
- Improved delivery and business share with major two wheeler customers.

Export sales grew by 2% on account of ramp up in business share with a major international customer.

- Other Market Segments:
- Aftermarket sales affected due to lower demand conditions
- Strong demand from Defence segment customer

Efforts are in progress to improve exports business with additional capacity and further increase in business share.

Aftermarket business is being strengthened with focused marketing plans and new product launches.

The break-up of sales and growth by product applications for the company is given below:

₹ In Crores			
Market	2016-17	2015-16	Growth in %
Automotive Engines	316.58	317.33	-
Other Engines	37.65	25.11	50%
Total	354.23	342.44	3%

### OPERATIONAL AND FINANCIAL PERFORMANCE

#### Financial Review

- Revenue from Sale of Products increased by 3% to 354.23 ₹ Crores in FY 2016-17 from ₹ 342.44 Crores in FY 2015-16
- EBITDA increased by 260% to ₹ 23.78 Crores in FY 2016-17 from ₹ 6.61 Crores in FY 2015-16

- PAT stood at ₹ 57.06 Crores for FY 2016-17 as compared to loss of ₹ 12.54 Crores in FY 2015-16

The operating loss (before exceptional items) was ₹ 13.86 crores as compared to an operating loss (before exceptional items) of ₹ 35.15 crores last year. However, including the exceptional items, the net profit before tax was ₹ 76.58 crores in 2016-17 as against net loss before tax of ₹ 17.66 crores in the previous year. The Company implemented stringent cost control measures and also initiated various cost reduction projects to improve operational performance. The turnaround activities are still underway. The Company continues to experience delivery issues and higher rejections internally at select plant locations.

The exceptional items for the year 2016-17 were (i) income of ₹ 94.01 crores towards sale of land and (ii) loss on impairment of assets write off amounting to ₹ 3.57 crores (consequent to consolidation of plants during previous year).

### Operations and Manufacturing Review

The Company is constantly focusing on enhancing product development capability to meet the customer requirements by investing and upgrading the facilities in its R&D function. We continued our efforts on developing high performance materials and special surface coating to provide superior products meeting newer emission norms and engines requirements. These present us with opportunities in India and globally to drive sales growth in the coming years.

Company has made significant efforts to improve productivity and quality during the year. Capacity utilisation improved by 7% during the year. Aided by focussed cost reduction initiatives, the company improved its variable costs by 4% over last year.

Your company has initiated active engagements through pre-design reviews with major customers towards building technologies to support emerging demands with 24 projects in various stages of development across customer / market segments initiated during the year. Six new business opportunities were generated through such pre-design review engagements.

Various efforts are in place to optimise costs to support customers shift to superior emission & fuel efficiency. Four new technology initiatives launched during the year in this regard.

To enhance cost competitiveness, the company embarked on new material development. Two new raw materials are being introduced into material library for future commercial introduction.

Company invested ₹ 15 crores to augment capacity for business share improvements with key customers.

A special initiative to augment the range of non-automotive large valves was taken up during the year with an investment of ₹ 2.5 crores. Expansion of range is currently in progress and shall help the company's business initiatives with new Global OEM's in the non-automotive market segment.

Your company also strengthened business development efforts and secured orders with business potential of ₹ 39 crores in Domestic OEM / Exports Business.

The Company has made significant efforts to improve productivity and quality during the year. Improvement initiatives will continue to help improving the cost efficiency in the forthcoming years.

Your Company continues its good performance on external quality with Customer line rejection level less than 10 parts per million for Automotive OEM Customers

The following quality and environment management system accreditations were received by the Company:

- All Plants have qualified for ISO/TS 16949: 2009, ISO 9001: 2008, ISO 14001:2004.

During the year the Company was conferred with the following accreditations and awards:

- 2 awards for our QCC teams from QCFI
- Par Excellence Award from National QCFI
- Best Supplier – 2016 – Quality from Tata Motors Ltd
- “Category Partner” from CIL. Key supplier partner for engine valves across the globe.
- In recognition of valuable contribution towards building “Technology Advanced Mahindra YUV0” from Mahindra & Mahindra.
- In recognition of valuable contribution towards building “The Young SUV KUV 100” from Mahindra & Mahindra
- Certificate of Appreciation from John Deere (Good Quality rating)

### OUTLOOK

A fast growing economy, rising per capita income, easy access to Finance, low penetration of cars and a major thrust on Infrastructure are some of the key positive trends which continues in favour of our Company.

With positive sentiments in the political / economic environment and the presence of a stable Government, Indian economy is poised to grow at 7% GDP levels, further cascading the growth in the automotive industry.

The industry awaits the implementation of Goods and Services Tax (GST), which is anticipated to be largely positive for the economy and automotive sector over the long term. However, there is uncertainty in the short term during the transition phase with respect to the likely tax rates, adaptation across the value chain and readjustment of demand. Given the overall positive environment for the new fiscal for Indian automotive sector, the Company expects to grow its revenues in FY 2017-18.

The Company would continuously develop and leverage its R&D strengths to provide pro-active solutions for new generation vehicles. The company has plans to enhance its capacity and manufacturing capabilities to align with customer requirements in automotive valves as well as the non-automotive large valves.

### OPPORTUNITIES & THREATS

Focus on infrastructure growth and anticipated normal monsoon expected to keep the growth momentum in the automotive sector despite the uncertainties related to GST and BS4 changeover in commercial vehicles. Your company is in a good position to leverage the growth through proactive customer engagement and technology initiatives.



The company with its strong market presence and brand equity, will continue to invest in capacity and technology to improve market share. Expansion of capacities against secured business and a well aligned technology road map with market mega trends will enhance market presence and improve strategic relationship with key customers.

The company has initiated business development efforts to improve non-automotive business covering Marine / Power Generation.

The Company's strength continues in the areas of:-

- Rane / EVL brand name
- Ability to co-create technology solutions through pro-active customer engagement.
- Experience in global key account management.
- Balanced business portfolio and strong customer connect.

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

- Increased competitive pressure on pricing
- New players seeking Indian market
- Declining engine repair trend in Aftermarket.
- Shorter product life cycles and shift change in regulatory requirements.
- Emerging Electric Vehicle shift in personal transportation

## INTERNAL CONTROL SYSTEMS

The Company has put in place 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.

## 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.

## HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

In the year 2016-17, the company had extensively focused on leadership development, revamping the performance management system, employee engagement and leveraging technology.

With a view to enhancing the manufacturing capability, a comprehensive long term Initiative christened as Rane Manufacturing Systems Professional (RMSP) is being rolled out. RMSP comprising of modules on manufacturing processes and systems will be delivered at the plants with high focus on Gemba learning.

One of the major initiatives was the launch of the next version of Performance Assessment & Development System (PADS 6.0) which lays emphasis on both performance assessment and potential appreciation. The refreshed leadership competencies, the structured individual development plan, the suite of resources and tools provided as part of the application are the hallmarks of refreshed PADS.

As part of the continuing executive education initiatives, the company encourages promising talents to pursue higher education in both technical and management disciplines. The company has tied up with various institutions on a pan India basis. As on date one employee is pursuing a program under this scheme.

The company continues to strengthen its leadership bandwidth in line with the growth aspirations. For the High Potential Leadership Development (HPLD) group, the company had rolled out the TOP GEAR (Transforming Organization & Profitability through Growth, Engagement, Actions and Results) program. Three participants attended this six day program covering the themes of Business Focus, Customer Centricity, Self-leadership, Execution Excellence and Leading people. TOP GEAR was designed and delivered in partnership with one of the reputed B-Schools. For the Executive Leadership Development group, the interventions were need specific such as coaching engagements and nominations to general management programs to provide them global perspectives on evolving business models, strategy and execution.

The company has introduced automated work flows and mobile applications for various aspects of employees' benefits administration such as time & attendance management, reimbursements and such other processes.

Long term wage settlements with employees union were signed in three of the plants during the year. The industrial relations were generally cordial in all the plants.

## 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

# Policy on Appointment and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

The policy on criteria for appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) areas follows:

### Criteria for Appointment

The appointment, re-appointment, determining qualifications, positive attributes and independence of a director are based on the following criteria:

- Academic accomplishments
- Professional experience
- Experience in other boards
- Industry relevance and experience
- Technical / functional domain expertise
- Diversity
- Global exposure
- Governance experience
- Professional network
- Association with professional forums / academic institutions
- Independence
- Innovation
- Cultural fit

The appointment of KMPs and SMPs are based on the following criteria:

- Possession of relevant educational qualifications and certifications
- Possession of the functional / domain competencies at appropriate level as assessed by the selection panel
- Evidence of required leadership competencies as per the leadership competency model, as assessed by the selection panel
- Clear background verification report
- Reference check inputs

### Criteria for Remuneration

The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed

to attract, motivate, and retain talented employees who drive the company's success and it 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.

The Nomination and Remuneration Committee recommends policy on the remuneration of Directors, KMP and Senior Management. The approval of shareholders is obtained, wherever necessary.

### Non- Executive Directors

Non-Executive Directors are entitled to receive remuneration by way of fees for attending the meetings of the Board or Committee thereof, within the overall limits prescribed under the Companies Act, 2013 and rules thereunder.

A Non-Executive Chairman may receive commission within the overall limits prescribed under the Companies Act, 2013 and rules thereunder, if any, approved by the shareholders and the Board on such terms and conditions, taking into consideration the overall performance of the Company and the contributions of Chairman.

### Executive Directors (Managing Director / Whole Time Directors), Chief Executive Officers (CEOs) and Manager under Companies Act, 2013, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

Executive Directors are entitled to receive remuneration as approved by the shareholders and the Board and subject to the overall limits prescribed under the Companies Act, 2013 or rules thereunder.

The remuneration structure of the executive directors, CEO or Manager, KMPs and SMPs are broadly divided into fixed and variable component, which ensures that relationship of remuneration and performance benchmarks is clear, there exists a balance between fixed and incentive pay and the same reflects short and long-term performance objectives appropriate to the working of the company and its goals. The fixed compensation shall comprise of salary, allowances, perquisites, amenities and other components. The variable component of the remuneration is based on the performance of the individual in achieving superior operational results and to align employees with the organizational vision and growth strategies with a view to motivate them to achieve best results.

## Annexure C to Report of the Board of Directors

# Secretarial Audit Report for the financial year ended March 31, 2017

### 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 Engine Valve Limited,**  
[CIN: L74999TN1972PLC006127]  
"Maithri" 132, Cathedral Road,  
Chennai - 600086

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE ENGINE VALVE LIMITED** (hereinafter called "the Company") during the financial year from **April 1, 2016 to March 31, 2017** ("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 verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms/returns filed and compliance related action taken by the Company during the year as well as after March 31, 2017 but before the issue of this report;
- (ii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors; and
- (iii) The representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the **financial year ended on March 31, 2017**, the Company has complied with the statutory provisions listed hereunder and also has proper 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 report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) The Companies Act, 1956 and the rules made thereunder.
  - (iii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
  - (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Regulations):-
    - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
    - (e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);
  - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
  - (vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (FEMA).
  - (viii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India (Standards).
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2017, 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) **Complied with** the applicable provisions/ clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraph 1.1(i) to (vii) above
- (ii) **Complied with** the secretarial Standards mentioned under paragraphs 1.1 (viii) above to the extent applicable to Board Meetings and General Meeting.

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/ returns under:
  - (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
  - (b) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
  - (e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (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 paragraph 1.2 above did not arise.

## 2. Board processes:

### We further report that:

- 2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. Re-appointment of the retiring director at the annual general meeting held on July 25, 2016 was carried out in compliance with the provisions of the Act. There was no change in composition of the Board of Directors during the period under review.

2.2 Adequate notice was given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings and consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards:

- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information 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 applicable laws, rules, regulations and guidelines.

## 4. Specific events/ actions

### We further report that:

4.1 During the audit period, there were no specific events and actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards

For **S KRISHNAMURTHY & CO.**,  
Company Secretaries,

**R SIVASUBRAMANIAN,**

Partner.

Membership No: A22289

Certificate of Practice No: 12052

Date : May 18, 2017

Place : Coimbatore

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

To,

The Members

**Rane Engine Valve Limited,**

[CIN: L74999TN1972PLC006127]

"Maithri" 132, Cathedral Road,

Chennai - 600086

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2017, 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, 2017, but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion 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.
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,

**R SIVASUBRAMANIAN,**

Partner.

Membership No: A22289

Certificate of Practice No: 12052

Date : May 18, 2017

Place : Coimbatore

## Annexure – D to Report of the Board of Directors

# Annual Report on CSR activities

(For Financial Year 2016-17)

**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.**

REVL's CSR vision is 'to be a socially and environmentally responsible corporate citizen'.

**Overview of projects implemented during 2016-17:**

Community Development	- ₹ 0.59 Lakhs
Health Care	- ₹ 0.05 Lakhs
Environment	- ₹ 0.15 Lakhs
Education	- ₹ 0.08 Lakhs
Capacity Building	- ₹ 0.52 Lakhs

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/pdf/policies/revlcsr.pdf>)

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

REVL has 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 REVL will be headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Working Committee of the company to act on their behalf.

The members of the CSR committee are:

Board CSR committee	Company CSR committee
L Lakshman Committee Chairman, Non-Executive & Promoter	A. Rajasekaran President / Business Head
L Ganesh Chairman, Managing Director & Promoter	VK Vijayaraghavan, CFO
S Krishna Kumar Non-Executive & Independent Director	A Selvavinayaga Raja, CHR

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

₹ In Crores

Particulars	2013-14	2014-15	2015-16
Net profit for the year (as per Section 198)	(3.34)	(13.12)	(35.17)
Average Net Profit / (Loss)	(17.21)		

**4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):** Not Applicable

**5. Details of CSR spent during the financial year.**

- Total amount to be spent for the financial year : Not Applicable
- Amount unspent, if any : Not Applicable
- Manner in which the amount spent during the financial year is detailed below :

Amount in ₹

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S.No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs – (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or program. (Sub-heads -1- Direct on projects or program 2- Overheads)	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency
(1)	Improving Quality of Life	Community Development	Ponneri, Trichy – TN Medchal, Aziz Nagar – Telangana Tumakuru – Karnataka	59,000	59,000	59,000	Direct
(2)	Health Camp	Health care	Tumakuru – Karnataka	5,000	5,000	5,000	Direct
(3)	Plantation Drives	Environment	Tumakuru– Karnataka	15,000	15,000	15,000	Direct
(4)	Promoting Education	Education	Ponneri– TN	8,000	8,000	8,000	Direct
(5)	Capacity building	Various	Chennai – TN	52,000	52,000	52,000	Direct
<b>TOTAL</b>					<b>1,39,000</b>	<b>1,39,000</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. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company**

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.

**L GANESH**

Chairman & Managing Director

**L LAKSHMAN**

Chairman of the Committee

Chennai  
May 18, 2017

## Annexure E 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 of energy**

- 30 energy saving projects have been implemented
- 741,306 units (kwh) have been saved through these energy saving projects
- ₹ 58,60,730 have been saved

**Utilising alternate sources of energy**

- 72,41,914 units (kwh) have been utilized from windmill.

**Capital investment in energy conservation equipments**

- Company has made further investment of 19,200 equity shares valued for ₹ 1,92,000 with M/s Clean Wind Power (Manvi) Pvt Ltd for availing Wind Energy for Hirehalli Plant-Tumakuru.

**B. TECHNOLOGY ABSORPTION****Efforts towards technology absorption**

- New Materials /process technology for valves to meet emerging Industry trends – high power and low emissions
- Focus on light weighting, friction and wear reduction

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

- Localisation of High Cost Alloys
- Alternate Cost effective Valve steel materials
- Low cost surface coating solutions for wear reduction

**Details of Imported Technology**

Technology imported during the last 3 years reckoned from the beginning of the financial year	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action.
	Nil		

**Expenditure incurred on Research and Development** (₹ in crores)

	Particulars	2016-17	2015-16
A	Capital expenditure	0.07	0.63
B	Recurring expenditure	1.87	1.53
C	Total	1.94	2.16
D	Total R & D expenses as a percentage of total turnover	0.54%	0.62%

**Specific areas in which R & D carried out by the Company:**

- New materials and coating process
- New advanced valve technology to manage high engine temperature conditions.
- Simulation of engine conditions in customized rigs for design validation

**Benefits derived as a result of R & D**

- Material cost optimization to match increasing customer demands.
- Business Opportunity creation through customer aligned technology roadmap.
- Enhanced customer engagement & business opportunity creation

**Future plan of action**

- Provide cost-effective solution with improved product performance in line with emerging engine trends and regulatory requirement

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(₹ in crores)

Foreign Exchange	2016-17	2015-16
Earnings	93.72	98.18
Outgo	35.65	30.28

**For and on behalf of the board****L GANESH**

Chairman &amp; Managing Director

**HARISH LAKSHMAN**

Vice Chairman

Chennai  
May 18, 2017



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

# Particulars of Directors, Key Managerial Personnel and Employees for the year 2016-17

## 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 2016-17 (In ₹ Crs.)	% increase/ (decrease) of remuneration FY 2016-17	Ratio of remuneration to median remuneration of employees
Mr. L Ganesh	Managing Director	Not Applicable		
Mr. B Suresh Kumar	Chief Financial Officer (Note iii)	0.12		Not Applicable
Mr. V K Vijayaraghavan	Chief Financial Officer (Note iv)	0.05		(Refer Note below)
Mr. P Guhanantham	Secretary	0.09		

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) Mr. B Suresh Kumar, CFO resigned with effect from August 19, 2016.
  - (iv) Mr V K Vijayaraghavan, appointed as CFO with effect from February 16, 2017
2. Median remuneration of the employees of the Company for FY 2016-17 is ₹ 0.05 Crores Increase in median remuneration during the year : 18%
  3. Number of permanent employees on the rolls of the Company as on March 31, 2017 was 1,049 as against 1089 as on March 31, 2016.
  4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year as against an percentile increase in managerial remuneration.  
Not applicable, since no managerial remuneration was paid during the year 2016-17.
  5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy.

## B. Details as per Rule 5 (2)& 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### i. Top ten employees in terms of remuneration drawn:

S No	Name M/s	Designation	Remuneration (in ₹ Crs.)	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)
1	Rajasekaran A	President	0.72	Permanent	BE, MBA & 25.6 Years	14-12-01	47	Rane NSK Steering Systems Private Limited	Nil	No
2	Vadiraj H K	General Manager-Finance	0.36	Permanent	B.Com & 24.6 Years	18-05-92	61	Wipro Ltd	Nil	No

S No	Name M/s	Designation	Remuneration (in ₹ Crs.)	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)
3	Rajkumar S	Vice President -Operations	0.34	Permanent	M.Tech, Grad CWA, MBA, Ph D&25.9 Years	09-06-16	49	NS Instruments India Pvt Ltd	Nil	No
4	Ranganath G	General Manager -Operations	0.29	Permanent	Diploma, BS, MBA & 20.6 Years	24-02-10	47	Fenner India	Nil	No
5	Balaji E	General Manager -Operations	0.28	Permanent	ME & 23.7 Years	05-01-05	46	Sundram Fasteners Ltd	Nil	No
6	Venkatesh Tekkalki	Senior Manager - Quality	0.27	Permanent	BE & 16.8 Years	14-11-13	39	Toyota Kirloskar Motors (I) Ltd	Nil	No
7	Madhavan V	Sr. Vice President - Operations	0.27	Permanent	BE, PG Diploma & 25.9 Years	25-12-95	47	Janatics India Pvt Ltd	Nil	No
8	Pushparaj Ramesh S	Dy. Gen. Manager - Programme Management	0.22	Permanent	BE, MBA & 18.8 Years	01-06-16	45	Tenneco Automotive India Pvt Ltd	Nil	No
9	Sree Ramachandra Murthy P	Senior Manager - HRD	0.22	Permanent	M.Com, BLM, MBA & 25.4 Years	29-01-15	49	Sricity Pvt Ltd	Nil	No
10	Krishnaraj R	Dy. Gen. Manager Mfg, Engg. & MTD	0.22	Permanent	B.Tech. & 23 Years	25-11-15	43	Emerson Process Management	Nil	No

- ii. Employed throughout the financial year with remuneration not less than 1.02 crores per annum (Excludes details of Top ten employees given in (i) above ): **NIL**
- iii. Employees whose remuneration was not less than 8.50 lakhs p.m (if employed for part of the financial year, excludes details of Top ten employees given in (i) above ) : **NIL**
- iv. 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**

## Annexure – G to Report of the Board of Directors

# Corporate Governance

### 1. Philosophy on Code of Governance

Rane Group's time tested philosophy of Governance is based on principles of integrity, transparency and fairness. The Rane businesses seek enhancement to shareholder value within this framework. 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

As of March 31, 2017, the Company has eight directors with an executive chairman and majority being independent directors. The composition of the Board is in conformity with the applicable

statutory requirements. The 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 serve as independent directors in more than seven (7) listed companies and where any Independent Director is serving as Whole Time Director in listed company, such director is not serving as Independent Director in more than three (3) listed companies. None of the directors on the Board is members of more than 10 committees or chairman of more than 5 committees across all the companies in which they are directors. Necessary disclosures regarding committee positions in other public companies as on March 31, 2017 have been made by the directors.

The Board met five(5) times during the financial year on May 19, 2016, July 25, 2016, October 21, 2016, January 25, 2017 and March 24, 2017. 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, 2017 are given below:

Name of the Director (DIN)	Category	No. of board meetings attended	Attendance at the last AGM (July 25, 2016)	Number of Directorship in other public companies #		Number of Committees Membership®	
				Chairman	Member	Chairman	Member
Mr.L Ganesh (00012583)	Chairman, Managing Director & Promoter	5	Yes	3	6	-	6
Mr. Harish Lakshman (00012602)	Vice-Chairman, Non-Executive & Promoter	5	Yes	-	4	2	3
Mr. L Lakshman (00012554)	Non-Executive & Promoter	5	Yes	1	6	1	4
Mr. Ashok Malhotra (00029017)	Non-Executive & Independent	5	Yes	-	-	-	-
Mr. C N Srivatsan (00002194)	Non-Executive & Independent	5	Yes	-	1	-	1
Mr. R V Raghavan* (01754139)	Non-Executive & Independent	2	Yes	-	-	-	-
Mr. S Krishna Kumar (00062582)	Non-Executive & Independent	5	Yes	-	-	-	-
Dr. Brinda Jagirdar (06979864)	Non-Executive & Independent	5	Yes	-	3	1	3

# excludes directorships held on the boards of private companies, Section 8 companies and companies incorporated outside India.

@ 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.

\* Mr. R V Raghavan retired as per retirement policy of the company, on attaining age of 75 years, effective conclusion of meeting of Board of Directors held on May 18, 2017.

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

The information as prescribed under PART A of Schedule II pursuant to Regulation 17(7) of SEBI LODR such as 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. are discussed by the Board of Directors.

Annual calendar for the Board and its committee meetings is circulated in advance to the directors for their planning. The directors are provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. The Company has post board meeting reviews 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.

The details of familiarisation programme to the independent directors are disclosed in the website of the Company <http://ranegroup.com/raneenginevalve/revlinvestors.html>

### 3. Audit Committee

#### Composition & Attendance:

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 five (5) times during the year May 19, 2016, July 25, 2016, October 21, 2016, January 25, 2017 and March 24, 2017. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings Attended
Mr. C N Srivatsan	Chairman, Non- Executive & Independent	5
Mr. L Lakshman	Member, Non-Executive & Promoter	5
Mr. Ashok Malhotra	Member, Non- Executive & Independent	5
Mr. S Krishna Kumar	Member, Non- Executive & Independent	5

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 where in financial results were considered. The President and the Vice President (Finance) & CFO of the Company attended the meeting 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.

#### Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (the "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. In line with these provisions the Company has framed an Audit Committee Charter, which is subject to review by the Audit Committee.

The 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
- Evaluation of internal financial controls and risk management systems
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.
- 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

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 / audited annual 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 recommends payments to statutory auditors for audit and non-audit services/and for internal auditors.

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 SEBI LODR, including review of internal auditor observations, statutory compliance.

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

##### Composition & Attendance of Meetings:

The Nomination and Remuneration Committee (NRC) of the Board is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met three (3) times during the year May 19, 2016, July 25, 2016 and March 24, 2017. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings Attended
Mr. Ashok Malhotra	Chairman, Non- Executive & Independent	3
Mr. L Lakshman	Member, Non-Executive & Promoter	3
Mr. C N Srivatsan	Member, Non- Executive & Independent	3

##### 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 executive 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.

During the year, the NRC inter alia, reviewed the process for evaluation of the board, its committee and directors, reviewed the compensation and benefits of senior management personnel (SMP) and key managerial personnel (KMP) of the Company. Also, NRC members perused the candidature for the posts of Chief Financial Officer and Secretary for the Company and after satisfying themselves of their qualifications, experience and expertise, recommended their appointment to the Board of Directors. The NRC also recommended to the board re-appointment of Mr. L Ganesh as Managing Director in the designation of Chairman for a period of three years from April 1, 2017 to March 31, 2020, without any remuneration. The re-appointment of Mr. L Ganesh is subject to the approval of the shareholders at the ensuing 45<sup>th</sup> AGM.

##### Remuneration Policy

The policy on appointment and remuneration of directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available as 'Annexure B' to the report of the board of directors.

##### Details of Remuneration paid to Directors

Type of Meeting	Sitting Fees Per meeting (₹)
Board	20,000
Audit committee	20,000
Stakeholders Relationship Committee	2,500
Finance Committee	2,500

The details of remuneration including sitting fees paid to the directors and their shareholding for the year ended March 31, 2017 are as follows:

Name of the Director	Sitting Fees (₹)	Shares held as on March 31, 2017 <sup>®</sup>
Mr. L Ganesh	-	135
Mr. Harish Lakshman	1,00,000	100
Mr. L Lakshman	2,02,500	100
Mr. Ashok Malhotra	2,05,000	-
Mr. C N Srivatsan	2,05,000	-
Mr. R V Raghavan*	40,000	-
Mr. S Krishna Kumar	2,00,000	-
Dr. Brinda Jagirdar	1,00,000	-

<sup>®</sup> includes joint holdings & HUF, if any

\* Retired with effect from May 18, 2017

**Note:**

- No other remuneration was paid to non-executive directors except sitting fees.
- Mr. L Ganesh, Chairman and Managing Director is eligible for remuneration by way of commission upto a maximum of 5% of net profits as per the terms approved by the shareholders at the 42<sup>nd</sup> Annual General Meeting of the Company held on July 24, 2014. However, no commission was paid to him for the financial year 2016-17 owing to inadequacy of profits. The employment of the Managing Director is contractual. There is no severance fee payable.
- No shares were pledged by the directors. There is no stock option scheme prevailing in the Company.

**5. Stakeholders 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. The Company Secretary is the compliance officer of the company. The Committee met two (2) times during the year on July 25, 2016 and January 25, 2017. The details of members and their attendance are stated below:

Name of the Director	Category	No of Meetings Attended
Mr. Ashok Malhotra	Chairman, Non-Executive & Independent	2
Mr. C N Srivatsan	Member, Non-Executive & Independent	2
Mr. L Ganesh	Member, Non- Executive & Promoter	2

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

Nature of Complaint	Received during the year	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	-	-	-
Through Registrar & Transfer Agent	Non-receipt of dividend & share certificate	3	3
Directly to Company	-	-	-

No complaint was received under the SEBI Complaints Redress System (SCORES). There are no investor complaints pending unresolved at the end of the financial year 2016-17.

**6. Corporate Social Responsibility (CSR) Committee**

The CSR activities of the Company focus on four specific areas of (a) Education (b) Healthcare (c) Community Development (d) Environment.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of:

Name of the Director	Category
Mr. L Lakshman	Chairman, Non-Executive & Promoter
Mr. L Ganesh	Member, Executive & Promoter
Mr. S Krishna Kumar	Member, Non- Executive & Independent

The CSR Committee meeting at its held on May 19, 2016 was attended by all the Committee members. 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:

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

The report on CSR projects undertaken during the year 2016-17 as approved by the CSR committee in consultation with the Board is annexed to the report of the board of directors.

**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 Management Personnel designated from time to time. The Committee meets on a case to case basis to approve share transfers and transmissions. The Committee reports the details of transfer of securities to the Board at each meeting of the Board. No sitting fees payable to the committee members.

### Finance Committee

The Finance Committee has been constituted to exercise the borrowing powers delegated by the Board, to approve the financial facilities in connection with the capital expenditures and working capital expenditures of the Company, as per the Annual Operating Plans approved by the Board. During the year the committee met once on November 15, 2016. The details of composition of the Committee and attendance of members are as follows:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Member	1
Mr. L Lakshman	Member	1
Mr. Harish Lakshman	Member	-

### Executive Committee

The Executive Committee has been constituted 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. During the year the committee met three (3) times on July 01, 2016, August 23, 2016, and December 05, 2017. No sitting fees is payable to the committee members. The details of composition of the Committee and attendance of members are as follows:

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

### 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 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/pdf/policies/coc.pdf>. The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Chairman & Managing Director 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 practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 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://www.ranegroup.com/pdf/policies/revlcfdf.pdf>.

### 9. General Body Meetings

Details of last three Annual General Meetings are as under:

Date of AGM	Special resolutions passed	Time	Venue
July 25, 2016 (44 <sup>th</sup> AGM)	No special resolution was passed	10.15 am	
July 21, 2015 (43 <sup>rd</sup> AGM)	Mortgage/ Create charge on the assets of the Company u/s 180(1)(a) and other applicable provisions of the Companies Act, 2013 and rules made thereunder in connection with borrowings.	10.30 am	The Music Academy (Mini Hall), New No. 168, T.T.K Road, Royapettah, Chennai 600 014.
July 24, 2014 (42 <sup>nd</sup> AGM)	Approval of borrowing powers of the Board u/s 180(1)(c) of the Companies Act, 2013.	10.15 am	

### 10. Disclosures

- 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., which were in conflict with the interests of the Company. The transactions entered with related parties during the year were covered under the omnibus approval of the Audit Committee and were in the ordinary course and arms' length. The details of the related party transactions as per AS 18 as stated in note 31 of the financial statements. The policy on Related party Transaction is available on the website of the Company viz. URL: <http://ranegroup.com/pdf/policies/revlrpt.pdf>
- 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.



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

- i. adopting best practices to ensure a regime of unqualified financial statements.
- ii. individual communication of half-yearly performance including summary of the significant events to shareholders
- iii. Internal Auditor directly reports to the Audit Committee
6. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The 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 does not have any material listed / unlisted subsidiary companies as defined in Regulation 24 of the SEBI LODR
8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Sec 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR.
9. 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.

10. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.

#### 11. 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. 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. The Whistle Blower policy has also been posted in the Company's website viz., URL: <http://ranegroup.com/pdf/policies/revlwbpolicy.pdf>.

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

#### 12. 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.

#### 13. General Shareholder Information

- i. Information about directors seeking re-appointment / appointment at the forthcoming Annual General Meeting in compliance with Regulations 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. L Ganesh	Mr. Harish Lakshman	Mr C N Srivatsan	Mr. Ashok Malhotra	Mr. Krishna Kumar Seshadri
Age (in years)	63	43	59	67	71
Director Identification Number (DIN)	00012583	00012602	00002194	00029017	00062582
Father's Name	Mr L L Narayan	Mr L Lakshman	Mr. C R Natarajan	Mr. K C Kaifi	Mr. Seshadri Pudugramam Krishnaiyer
Date of Birth	March 18, 1954	February 12, 1974	May 25, 1957	October 9, 1949	May 10, 1946
Educational Qualifications	B.Com., ACA, MBA	B.E. - BITS Pilani, MSM - Purdue University, USA	C.A., C.I.S.A.	B.A, P.G. Diploma - Business Administration - IIM Ahmedabad	Master of Engineering, Indian Institute of Science, Bangalore Diploma in Business Management - IIM Ahmedabad



Name of the Director	Mr. L Ganesh	Mr. Harish Lakshman	Mr C N Srivatsan	Mr. Ashok Malhotra	Mr. Krishna Kumar Seshadri
<b>Experience</b>	Mr. L Ganesh is a member of the Institute of Chartered Accountants of India (ICAI) and has MBA from London Business School, Pennsylvania State University. He is the Chairman of the Rane Group of Companies. He has around 40 years of industrial experience. He has served as the President-Automotive Components Manufacturers Association & Madras Management Association, Southern Regional Chairman of Confederation of Indian Industries (CII). He is also the Honorary Consul for New Zealand in South India.	Mr Harish Lakshman has over 22 years of experience in the automotive industry and has held various positions in the areas of Marketing, Operations and Business Development Overseas. He currently spearheads the future growth plan for the Rane group.	Mr. C.N. Srivatsan has 33 years of diverse experience in handling Indian and overseas assignments. He has addressed innumerable seminars and is a regular faculty for training corporate heads in Internal Audit, Risk Assessment and Risk Management.	Mr. Ashok Malhotra has over 45 years of experience as teacher, consultant and practitioner of management.	Mr. Krishna Kumar has over 41 years of industrial experience in the management of auto ancillary companies. He is presently an independent consultant and an executive coach accredited to Business Coaching Foundation of India.
<b>Date of first appointment on the board</b>	March 29, 1999	March 31, 2004	July 22, 2009 1 <sup>st</sup> term as Independent Director under Companies Act 2013: July 24, 2014	February 6, 2008 1 <sup>st</sup> term as Independent Director under Companies Act 2013: July 24, 2014	October 19, 2012 1 <sup>st</sup> term as Independent Director under Companies Act 2013: July 24, 2014
<b>Terms and Conditions of appointment</b>	Re-appointed as Managing Director for a period of three years, i.e., from April 1, 2014 to March 31, 2017, by the shareholders at AGM 2014	Re-appointed by the shareholders as a Non-executive director liable to retire by rotation at the 43 <sup>rd</sup> AGM held on July 21, 2015.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 5 of the Notice dated May 18, 2017 read with explanatory statement thereto.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 6 of the Notice dated May 18, 2017 read with explanatory statement thereto.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 7 of the Notice dated May 18, 2017 read with explanatory statement thereto.
<b>Last drawn remuneration</b>	Nil	Sitting fee for FY 2016-17 ₹ 1,00,000	Sitting fee for FY 2016-17 ₹ 205,000	Sitting fee for FY 2016-17 ₹ 205,000	Sitting fee for FY 2016-17 ₹ 2,00,000
<b>Remuneration sought to be paid</b>	No approval sought for remuneration	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	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>	Brother of Mr. L Lakshman	Son of Mr. L Lakshman	-	-	-
<b>Number of meetings of the Board attended during the year</b>	5	5	5	5	5

Name of the Director	Mr. L Ganesh	Mr. Harish Lakshman	Mr C N Srivatsan	Mr. Ashok Malhotra	Mr. Krishna Kumar Seshadri
<b>Other Directorships</b>	<b>Chairman &amp; Managing Director</b> 1. Rane Holdings Ltd. <b>Chairman</b> 1. Rane (Madras) Ltd. 2. Rane Brake Lining Ltd. 3. Rane TRW Steering Systems Private Limited 4. Rane NSK Steering Systems Private Limited <b>Director</b> 1. EIH Ltd. 2. EIH Associated Hotels Ltd. 3. JMA Rane Marketing Limited	<b>Chairman</b> 1. Rane Holdings America Inc., USA 2. Rane Precision Die Casting Inc., USA <b>Vice Chairman</b> 1. Rane Holdings Limited 2. Rane (Madras) Limited <b>Director</b> 1. Rane Brake Lining Limited 2. Rane TRW Steering Systems Private Limited 3. Rane NSK Steering Systems Private Limited 4. JMA Rane Marketing Ltd. 5. Young Presidents Organisation (Chennai Chapter) 6. Savithur Enterprises Pvt Ltd 7. HL Hill Station Properties Pvt Ltd	<b>Director</b> 1. Precot Meridian Limited	<b>Director</b> 1. E Trans Solutions Private Limited 2. Flame-Tao Know are Private Limited	NIL
<b>Committee Memberships in other Boards</b>	<b>Chairman – Audit</b> 1. Rane TRW Steering Systems Private Limited 2. Rane NSK Steering Systems Private Limited <b>Member – Audit</b> 1. Rane Holdings Limited 2. Rane Brake Lining Ltd. 3. EIH Limited 4. EIH Associated Hotels Ltd. <b>Member – Stakeholders’ Relationship</b> 1. Rane Holdings Limited 2. Rane Brake Lining Limited <b>Member – Nomination and Remuneration</b> 1. Rane (Madras) Limited 2. Rane Brake Lining Ltd. 3. EIH Limited <b>Member –Corporate Social Responsibility</b> 1. Rane Holdings Limited 2. Rane (Madras) Limited 3. Rane Brake Lining Ltd. 4. Rane TRW Steering Systems Private Limited 5. Rane NSK Steering Systems Private Limited	<b>Chairman – Stakeholders’ Relationship</b> 1. Rane Holdings Ltd. 2. Rane Brake Lining Ltd. <b>Member – Nomination and Remuneration</b> 1. Rane HoldingsLtd.	<b>Member – Audit</b> 1. Precot Meridian Ltd. <b>Member – Nomination &amp; Remuneration Committee</b> 1. Precot Meridian Ltd. <b>Member – Risk Managemenet Committee</b> 1. Precot Meridian Ltd.	Nil	Nil
<b>Number of equity shares held</b>	135	100	Nil	Nil	Nil

\*includes joint holdings & HUF, if any

- ii **Annual General Meeting** **August 21, 2017 at 03.00p.m.**  
The Music Academy (Mini Hall),  
New No. 168, T.T.K Road,  
Royapettah, Chennai 600 014.

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

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended March 31, 2017	May 18, 2017
Un-audited results for the 1 <sup>st</sup> quarter ending June 30, 2017	By third week of August 2017
Un-audited results for the 2 <sup>nd</sup> quarter ending September 30, 2017	By last week of November 2017
Un-audited results for the 3 <sup>rd</sup> quarter ending December 31, 2017	By third week of January 2017
Annual Accounts for the year ending March 31, 2018	Before last week of May 2018

- iv. **Dividend:**

The board of directors of the Company at their meeting held on May 18, 2017 have considered and recommended a dividend of 25% (₹ 2.50/- per share) on the equity share capital for the financial year ended 2016-17, for approval of the shareholders at the ensuing 45<sup>th</sup> AGM to be held on August 21, 2017. The dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on August 14, 2017 (being the Record Date) fixed for this purpose.

- v. **Listing on Stock Exchanges:**

Stock Exchange	Stock Code
a) National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot No C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051.	RANEENGINE
b) BSE Ltd. (BSE) PhirozeJeejeebhoy Towers, Dalal Street, Mumbai 400 001.	532988

**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 paid the Annual Listing fee for the financial year 2017-18 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, 2010 and thereafter which remain unclaimed for a period of seven years (including dividends declared by erstwhile Kar Mobiles Limited) will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the year, the Company had transferred to IEPF an unclaimed dividend of ₹ 1,71,138/- for the financial year ended March 31, 2009 and interim dividend amount of ₹ 2,37,674/- for the financial year ended March 31, 2010. 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. Information in respect of such unclaimed dividend due for transfer to the said fund is given below:

Year	Date of declaration	Dividend per share <sup>#</sup>	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2017) (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2010	22.07.2010 <sup>§</sup>	1.5	86,616.00	27.08.2017	26.09.2017
31.03.2010	20.07.2010	1.5	43,651.50	25.08.2017	24.09.2017
31.03.2011 *	20.01.2011 <sup>§</sup>	4	2,57,204.00	25.02.2018	27.03.2018
31.03.2011*	24.01.2011	3	1,05,954.00	01.03.2018	31.03.2018
31.03.2011	21.07.2011 <sup>§</sup>	1	65,216.00	26.08.2018	25.09.2018
31.03.2011	20.07.2011	2	64,514.00	25.08.2018	24.09.2018
31.03.2012 *	23.01.2012 <sup>§</sup>	5	3,20,795.00	28.02.2019	30.03.2019
31.03.2012*	24.01.2012	7.5	2,89,905.00	01.03.2019	31.03.2019
31.03.2012	24.07.2012 <sup>§</sup>	3.5	2,24,304.50	29.08.2019	28.09.2019
31.03.2012	23.07.2012	3	99,285.00	28.08.2019	25.09.2019
31.03.2013 *	21.01.2013 <sup>§</sup>	2	1,51,860.00	26.02.2020	27.03.2020
31.03.2013	23.07.2013 <sup>§</sup>	2.5	1,78,132.50	28.08.2020	27.09.2020
31.03.2014	25.07.2014 <sup>§</sup>	2.5	1,80,700.00	30.08.2021	29.09.2021
31.03.2015	21.07.2015	2.5	2,24,785.00	27.08.2022	26.09.2022

<sup>#</sup> -Share of paid-up value of 10 per share

\*- Interim dividend

<sup>§</sup> - Pertains to Kar Mobiles Limited prior to amalgamation with the Company.

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

#### vii Unclaimed share certificates

Under clause 5A (II) of the listing agreement / Regulation 39 of SEBI LODR, the Company had sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

Details of Unclaimed Suspense account	Number of shareholders	Number of shares outstanding
Aggregate at the beginning of the year	264	25,399
Requests for transfer during the year	-	-
Transfers during the year	-	-
Balance at the end of the year	264	25,399

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

#### viii Transfer of shares to IEPF Suspense Account

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 underlying equity shares in respect of which dividends are not claimed for a continuous period of last 7 years by any shareholder, to the IEPF Authority.

The details of such unclaimed shares are liable for transfer to the IEPF Authority is available on the web-link <http://ranegroup.com/raneenginevalve/raneenginevalveshareholder.html>. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF as may be notified by Ministry of Corporate Affairs (MCA). The MCA is yet to notify DP Account to which such unclaimed shares are required to be transferred.

An intimation in this regard was sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest known addresses. The Company has also published notices in newspapers in accordance with the said rules.

#### ix Share Price Data

The share price data (based on closing price) as quoted on the National Stock Exchange of India Ltd. and BSE Ltd. during the last financial year viz. April 1, 2016 – March 31, 2017 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
April 2016	465.00	450.00	26,064.12	24,673.84	461.00	450.00	7,979.90	7,546.45
May 2016	470.55	450.00	26,725.60	25,101.73	472.50	450.00	8,178.50	7,706.55
June 2016	464.00	450.00	27,020.66	26,395.71	465.40	450.00	8,287.75	8,088.60
July 2016	519.15	455.60	28,208.62	27,126.9	521.50	457.05	8,666.30	8,323.20
August 2016	514.40	454.70	28,452.17	27,697.51	519.95	452.20	8,786.20	8,544.85
September 2016	753.10	524.00	29,045.28	27,827.53	751.10	505.30	8,952.50	8,591.25
October 2016	770.15	708.45	28,334.55	27,529.97	768.55	702.40	8,769.15	8,520.40
November 2016	724.55	508.95	27,876.61	25,765.14	710.40	517.10	8,626.25	7,929.10
December 2016	660.90	580.30	26,747.18	25,807.10	662.90	573.45	8,261.75	7,908.25
January 2017	637.45	588.15	27,882.46	26,595.45	638.95	586.90	8,641.25	8,179.50
February 2017	617.70	580.70	28,892.97	28,141.64	613.15	579.75	8,939.50	8,716.40
March 2017	679.85	555.05	29,648.99	28,832.45	682.85	556.95	9,173.75	8,897.55

(Source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com))

**ix Registrar and Transfer Agents**

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

Integrated Registry Management Services Private Limited

SEBI Registration No. INR0000000544

II Floor, 'Kences Towers',

No.1, Ramakrishna Street, North Usman Road,

T. Nagar, Chennai – 600 017.

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

e-mail: corpseiv@integratedindia.in

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

transfers and de-mat/re-mat requests in coordination with the RTA. Share transfers and transmissions are approved and registered within fifteen days from date of receipt of valid request.

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

**x Share Transfer System**

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share

**xi Distribution of shareholding as on March 31, 2017**

No. of shares held	Shareholders		Shares	
	Number	% to Total	Number	% to Total
upto 500	5,796	91.98	5,09,975	7.59
501 - 1000	242	3.84	1,72,388	2.57
1001 - 2000	121	1.92	1,69,925	2.53
2001 - 3000	39	0.62	96,629	1.44
3001 - 4000	19	0.30	66,131	0.98
4001 - 5000	18	0.29	79,737	1.19
5001 - 10000	27	0.43	1,90,192	2.83
10001 and above	39	0.62	54,34,015	80.88
<b>Total</b>	<b>6,301</b>	<b>100.00</b>	<b>67,18,992</b>	<b>100.00</b>

**xii De-materialisation of shares and liquidity**

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, 2017, about 96.39% of the shareholdings are in dematerialised form.

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

Particulars	Number of shares		% total capital	
	As on March 31, 2017	As on March 31, 2016	As on March 31, 2017	As on March 31, 2016
Physical	2,42,482	2,56,553	3.61	3.82
Demat	64,76,510	64,62,439	96.39	96.18
<b>Total</b>	<b>67,18,992</b>	<b>67,18,992</b>	<b>100.00</b>	<b>100.00</b>

The promoter and promoter group hold their entire shareholding in dematerialised form.

The company has neither issued any equity shares with differential voting rights nor granted stock options or sweat equity.

Demat ISIN Number: **INE222J01013**

**xiii Plant locations** - Given in the Corporate Overview section of the Annual Report.

**xiv Address for communication:**

The Compliance Officer  
 Rane Engine Valve Limited  
 Rane Corporate Centre,  
 "Maithri" 132, Cathedral Road,  
 Chennai 600 086.  
 Phone : 28112472, 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: corpserv@iepindia.com

**To****The Members****Rane Engine Valve 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, 2017.

Place : Chennai  
 Dated : May 18, 2017

**L Ganesh**  
 Chairman & Managing Director

## AUDITOR'S CERTIFICATE

**To****The Shareholders of Rane Engine Valve Limited**

We have examined the compliance of conditions of Corporate Governance by **Rane Engine Valve Ltd.** for the year ended on March 31, 2017 as stipulated in as per the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

Place : Chennai  
 Date : May 18, 2017

For **Brahmayya & Co.,**  
**Chartered Accountants**  
 Firm Regn No: 000511S

**R. Nagendra Prasad**  
 Partner  
 Membership No: 203377

## Annexure - H to Report of the Board of Directors

# Extract Of Annual Return- MGT 9

as on the financial year ended on March 31, 2017

[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 : L74999TN1972PLC006127
- (ii) Registration Date : March 9, 1972
- (iii) Name of the Company : Rane Engine Valve 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  
Email ID: investorservices@ranegroup.com
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of 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: corperserv@integratedindia.in  
Phone: 044 2814 0801; Fax: 044 2814 2479  
Contact person: Mr. Suresh Babu K, 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	% to total turnover of the company
1	Engine Valves- Small , Medium and large engine valves for applications in internal combustion engines	28110	92%

### 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, India	L35999TN1936PLC002202	Holding Company	51.07	2(46)

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## (i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	5,880	-	5,880	0.09	4,522	-	4,522	0.07	(0.02)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	34,31,054	-	34,31,054	51.07	34,31,054	-	34,31,054	51.07	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>34,36,934</b>	<b>-</b>	<b>34,36,934</b>	<b>51.15</b>	<b>34,35,576</b>	<b>-</b>	<b>34,35,576</b>	<b>51.13</b>	<b>(0.02)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Promoter Shareholding (A) = (A)(1)+ (A)(2)</b>	<b>34,36,934</b>	<b>-</b>	<b>34,36,934</b>	<b>51.15</b>	<b>34,35,576</b>	<b>-</b>	<b>34,35,576</b>	<b>51.13</b>	<b>(0.02)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	2,219	6,882	9,101	0.14	2,755	6,882	9,367	0.14	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	26,250	26,250	0.39	-	26,250	26,250	0.39	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	83,226	-	83,226	1.24	83,226	-	83,226	1.24	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>85,445</b>	<b>33,132</b>	<b>1,18,577</b>	<b>1.77</b>	<b>85,981</b>	<b>33,132</b>	<b>1,19,113</b>	<b>1.77</b>	<b>-</b>



Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6,92,178	1,022	6,93,200	10.32	7,00,362	865	7,01,227	10.44	0.12
ii) Overseas	2,52,000	-	2,52,000	3.75	2,52,000	-	2,52,000	3.75	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto 1 lakh	9,80,148	2,04,304	11,84,452	17.63	9,87,920	1,90,390	11,78,310	17.54	(0.09)
ii) Individual shareholders holding nominal share capital in excess of 1 lakh	9,83,786	16,158	9,99,944	14.88	9,54,128	16,158	9,70,286	14.44	(0.44)
c) Others (specify)									
Non Resident Indians	4,004	1,737	5,741	0.09	8,125	1,737	9,862	0.15	0.06
Overseas Corporate Bodies	-	200	200	0.00	-	200	200	0.00	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	2,545	-	2,545	0.04	27,019	-	27,019	0.40	0.36
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited - Unclaimed Shares Suspense Account	13,405	-	13,405	0.20	25,399	-	25,399	0.38	0.18
Kar Mobiles Limited - Unclaimed Shares Suspense Account	11,994	-	11,994	0.18	-	-	-	-	(0.18)
<b>Sub-total (B)(2):-</b>	<b>29,40,060</b>	<b>2,23,421</b>	<b>31,63,481</b>	<b>47.08</b>	<b>29,54,953</b>	<b>2,09,350</b>	<b>31,64,303</b>	<b>47.09</b>	<b>0.01</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>30,25,505</b>	<b>2,56,553</b>	<b>32,82,058</b>	<b>48.85</b>	<b>30,40,934</b>	<b>2,42,482</b>	<b>32,83,216</b>	<b>48.87</b>	<b>0.02</b>
<b>C. Shares held by Custodian for GD&amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>64,62,439</b>	<b>2,56,553</b>	<b>67,18,992</b>	<b>100.00</b>	<b>64,76,510</b>	<b>2,42,482</b>	<b>67,18,992</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 share holding 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	34,31,054	51.07	-	34,31,054	51.07	-	-
2	Sumant Narayan	1,524	0.03	-	1,524	0.03	-	-
3	Suchitra Narayan	1124	0.02	-	1124	0.02	-	-
4	Malavika Lakshman	1200	0.02	-	1200	0.02	-	-
5	Chitra Sundaresan	189	0.00	-	189	0.00	-	-
6	Malavika Lakshman & Harish Lakshman	50	0.00	-	50	0.00	-	-
7	Pushpa Lakshman & L Lakshman	50	0.00	-	50	0.00	-	-
8	Pushpa Lakshman	1358	0.02	-	-	-	-	(0.02)
9	Vinay Lakshman	50	0.00	-	50	0.00	-	-
10	Lakshman Harish	50	0.00	-	50	0.00	-	-
11	Ganesh L & Meenakshi Ganesh	85	0.00	-	85	0.00	-	-
12	Meenakshi Ganesh & Ganesh L	50	0.00	-	50	0.00	-	-
13	Lakshman L & Pushpa Lakshman	50	0.00	-	50	0.00	-	-
14	Aparna Ganesh	50	0.00	-	50	0.00	-	-
15	Aditya Ganesh	50	0.00	-	50	0.00	-	-
	<b>TOTAL</b>	<b>34,36,934</b>	<b>51.15</b>	<b>-</b>	<b>34,35,576</b>	<b>51.13</b>	<b>-</b>	<b>(0.02)</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>34,36,934</b>	<b>51.15</b>	<b>34,36,934</b>	<b>51.15</b>
Pushpa Lakshman	1,358	0.02	1,358	0.02
Other Promoters(mentioned in (ii) above)	34,35,576	51.13	34,35,576	51.13
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease:	(e.g. allotment /transfer / bonus/ sweat equity etc.)			
Pushpa Lakshman (Sale of shares between 17.08.2016 and 22.08.2016)	1,358	0.02	1,358	0.02
<b>At the end of the year</b>	<b>34,35,576</b>	<b>51.13</b>	<b>34,35,576</b>	<b>51.13</b>
Pushpa Lakshman	-	-	-	-
Other Promoters (mentioned in (ii) above)	34,35,576	51.13	34,35,576	51.13

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

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	Enam Securities Pvt Ltd	4,78,890	7.13	-	-	-	-	4,78,890	7.13
2	TRW Automotive J V LLC	2,52,000	3.75	-	-	-	-	2,52,000	3.75
3	Hiten Anantrai Sheth	1,35,778	2.02	-	-	-	-	1,35,778	2.02
4	Gagandeep Credit Capital Pvt Ltd	81,970	1.22	-	-	-	-	81,970	1.22
5	Nemish S Shah	67,900	1.01	-	-	-	-	67,900	1.01
6	Dixit Gunvantrai Shah	65,000	0.97	-	-	-	-	65,000	0.97
7	M.M. Narayanamma	63,283	0.94	-	-	-	-	63,283	0.94
8	Wise Trading And Advisory Private Limited	61,825	0.92	-	-	-	-	61,825	0.92
9	Chitra Venkataraman	56,885	0.85	-	-	-	-	56,885	0.85
10	Gunvantrai Maganlal Shah	54,598	0.81	08.04.2016	4,972	0.07	Purchase	59,750	0.89
				15.04.2016	5	0.00	Purchase	59,575	0.89
				22.04.2016	223	0.00	Purchase	59,798	0.89
				29.04.2016	265	0.00	Purchase	60,063	0.89
				06.05.2016	10	0.00	Purchase	60,073	0.89
				13.05.2016	2,072	0.03	Purchase	62,145	0.93
				20.05.2016	359	0.01	Purchase	62,504	0.93
27.05.2016	2,494	0.04	Purchase	64,998	0.97				

**(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>335</b>	<b>0.00</b>	<b>335</b>	<b>0.00</b>
Ganesh L & Meenakshi Ganesh	85	0.00	85	0.00
Meenakshi Ganesh & Ganesh L	50	0.00	50	0.00
Lakshman L & Pushpa Lakshman	50	0.00	50	0.00
Pushpa Lakshman & L Lakshman	50	0.00	50	0.00
Lakshman Harish	50	0.00	50	0.00
Malavika Lakshman & Harish Lakshman	50	0.00	50	0.00

Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease:  
(e.g. allotment /transfer / bonus/ sweat equity etc.)

**No Change**

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 end of the year</b>	<b>335</b>	<b>0.00</b>	<b>335</b>	<b>0.00</b>
Ganesh L & Meenakshi Ganesh	85	0.00	85	0.00
Meenakshi Ganesh & Ganesh L	50	0.00	50	0.00
Lakshman L & Pushpa Lakshman	50	0.00	50	0.00
Pushpa Lakshman & L Lakshman	50	0.00	50	0.00
Lakshman Harish	50	0.00	50	0.00
Malavika Lakshman & Harish Lakshman	50	0.00	50	0.00

**(V) INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in ₹

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,38,85,13,294	2,50,18,771	1,47,10,000	1,42,82,42,065
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	44,08,527	-	10,30,220	54,38,747
<b>Total (i+ii+iii)</b>	<b>1,39,29,21,821</b>	<b>2,50,18,771</b>	<b>1,57,40,220</b>	<b>1,43,36,80,812</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	5,50,00,000	-	-	5,50,00,000
Reduction	(66,16,74,841)	(92,98,044)	(1,57,40,220)	(67,09,72,885)
<b>Net Change</b>	<b>(60,66,74,841)</b>	<b>(92,98,044)</b>	<b>(1,57,40,220)</b>	<b>(63,17,13,105)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	78,62,46,980	1,57,20,727	-	80,19,67,707
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	29,83,805	-	-	29,83,805
<b>Total (i+ii+iii)</b>	<b>78,92,30,785</b>	<b>1,57,20,727</b>	<b>-</b>	<b>80,49,51,512</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Mr. L Ganesh, Managing Director does not draw any remuneration from the Company.

**B. Remuneration to other Directors:**

Amount in ₹

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		L Ganesh	L Lakshman	Harish Lakshman	C N Srivatsan	R V Raghavan	Ashok Malhotra	S Krishna Kumar	Brinda Jagirdar	
<b>1</b>	<b>Independent Directors</b>									
a	Fee for attending board / committee meetings	-	-	-	2,05,000	40,000	2,05,000	2,00,000	1,00,000	7,50,000
b	Commission	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-
<b>Total (1)</b>		-	-	-	<b>2,05,000</b>	<b>40,000</b>	<b>2,05,000</b>	<b>2,00,000</b>	<b>1,00,000</b>	<b>7,50,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>									
a	Fee for attending board / committee meetings	-	2,02,500	1,00,000	-	-	-	-	-	3,02,500
b	Commission	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-
<b>Total (2)</b>		-	<b>2,02,500</b>	<b>1,00,000</b>	-	-	-	-	-	-
<b>Grand Total (1+2)</b>		-	<b>2,02,500</b>	<b>1,00,000</b>	<b>2,05,000</b>	<b>40,000</b>	<b>2,05,000</b>	<b>2,00,000</b>	<b>1,00,000</b>	<b>10,52,500</b>

**C. Remuneration to Key managerial personnel other than MD/ MANAGER /WTD:**

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CFO*	CFO <sup>§</sup>	CS <sup>®</sup>	
		B Suresh Kumar	V K Vijayaraghavan	P Guhanantham	
1 (a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,37,640	4,63,857	8,76,330	25,77,827
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
(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	-	-	-	-
5	Others, please specify	-	-	-	-
<b>Total</b>		<b>12,37,640</b>	<b>4,63,857</b>	<b>8,76,330</b>	<b>25,77,827</b>

\* Resigned with effect from close of business hours on August 19, 2016

§ Appointed with effect from February 16, 2017

® Resigned with effective close of business hours on April 3, 2017

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

# Independent Auditor's Report

To

**The Members of Rane Engine Valve Limited**

## Report on the Financial Statements

1. We have audited the accompanying financial statements of **Rane Engine Valve Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of

the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31<sup>st</sup> March, 2017, and its Profit and its Cash Flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure - "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
9. As required by Section 143 (3) of the Act, 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on

- March 31, 2017 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 - "B";
- (g) 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, 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 financial statements - Refer Note 20 to the 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.
- iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management - Refer Note 44 to the financial statements.

For **Brahmayya & Co.,**  
**Chartered Accountants**  
Firm Regn No: 000511S

**(R Nagendra Prasad)**  
Partner  
Membership No: 203377

Place : Chennai  
Date : May 18, 2017

# Annexure – “A” to Auditors Report

Referred to in Paragraph 8 of our report of even date

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) The company has a programme of verification of fixed assets whereby all the fixed assets are physically verified by the management over a period of three years in a phased manner which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification in respect of assets verified during the year.
  - c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanation given to us and the records examined by us and based on the examination of the registered sale deeds / conveyance deeds / court order approving scheme of arrangement / amalgamation / 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 except in once case wherein the title of property in the name of the company as per revenue records is claimed by the local authority as assigned lands for which the company has obtained a stay protecting its title and the case is pending disposal.  
  
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 Mortgage deed executed between the Bank and the Company for which confirmations have been obtained from respective bankers.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
  3. In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered under Section 189 of the Companies Act, 2013.
  4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
  5. In our opinion and according to the information and explanations given to us the company has not accepted any deposits from the public during the year. In respect of deposits accepted from public in the earlier years, the company has complied with the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under and the directives issued by the Reserve Bank of India.
  6. 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 books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
  7. (a) According to the records of the company, the company is regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues to the appropriate authorities. There are no outstanding statutory dues as at March 31, 2017 for a period of more than six months from the date they became payable.  
  
(b) Based on our audit procedures and on the information and explanations given by the Management, there are no dues outstanding in respect of duty of customs, sales tax, value added tax on account of any dispute. The details of disputed duty of excise, service tax and income tax that have not been deposited with the appropriate authorities are as follows:

Name of Statute	Nature of Dues	Amount (₹ in Crores)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	0.85	2006-07 to 2013-14	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad
Finance Act, 1994	Service tax	0.09	2006-07 to 2013-14	Customs, Excise & Service Tax Appellate Tribunal, Bengaluru
Finance Act, 1994	Service tax	0.03	2007-08 to 2012-13	Commissioner of central Excise (Appeals), Bengaluru
Finance Act, 1994	Service tax	0.23	2011-12 to 2015-16	Appeal is preferred before Commissioner of central Excise (Appeals), Chennai



Name of Statute	Nature of Dues	Amount (₹ in Crores)	Period to which amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	0.01	1997-98	Excise Appellate Tribunal, Bengaluru
The Income Tax Act, 1961	Income Tax for the Assessment Year 1995-96	0.23	1994-95	The Supreme Court of India
The Income Tax Act, 1961	Income Tax for the Assessment Year 2004-05, 2005-06, 2010-11 and 2011-12	1.22	2003-04, 2004-05, 2009-10, 2010-11	Commissioner of Income Tax (Appeals), Chennai

8. According to the information and explanations given to us, the company has not defaulted in the repayment of loans or borrowings to financial institutions, or banks and Government. The company has not issued any debentures.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). On the basis of review of utilisation of funds on overall basis the term loans taken by the company were applied for the purposes for which the loans were obtained.
10. Based upon the audit procedures performed and information and explanations given by the management, we report that 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.
11. According to the information and explanations give to us and based on our examination of the records of the Company, requisite approvals for managerial remuneration have been obtained by the Company, in accordance with the provisions of section 197 read with Schedule V to the Act. However, no managerial remuneration was paid/provided during the year by the Company due to inadequacy of profits.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place : Chennai  
Date : May 18, 2017

For **Brahmayya & Co.,**  
**Chartered Accountants**  
Firm Regn No: 000511S

**R Nagendra Prasad**  
Partner  
Membership No: 203377

# Annexure – “B” to Auditors’ Report

Referred to in paragraph 9 (f) of our report of even date

Report on the Internal Financial Controls 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 Engine Valve Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.
- 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.

## 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 (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 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.

## Auditors’ Responsibility

- Our responsibility is to express an opinion on the Company’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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

## 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, 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, 2017, 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 **Brahmayya & Co.,**  
Chartered Accountants  
Firm Regn No: 000511S

**R Nagendra Prasad**

Partner

Membership No: 203377

Place: Chennai  
Date: May 18, 2017

# Balance Sheet

as at 31 March 2017

Particulars	Note	₹ Crores	
		As at 31 Mar 2017	As at 31 Mar 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	6.72	6.72
Reserves and Surplus	3	153.28	96.23
		<b>160.00</b>	<b>102.95</b>
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	28.95	61.49
Deferred Tax Liabilities (Net)	5	-	-
Other Long term liabilities	6	0.52	0.52
Long Term Provisions	7	7.33	6.66
		<b>36.80</b>	<b>68.67</b>
<b>Current Liabilities</b>			
Short-Term Borrowings	8	35.27	55.07
Trade Payables	9		
Total outstanding dues to micro enterprises and small enterprises		0.28	1.00
Total outstanding dues of creditors other than micro enterprises and small enterprises		35.69	35.65
Other Current Liabilities	10	32.51	43.89
Short-Term Provisions	11	3.08	2.30
		<b>106.83</b>	<b>137.91</b>
		<b>303.63</b>	<b>309.53</b>
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, Plant and Equipment	12	140.80	160.62
Intangible Assets	12	0.32	0.38
Capital Work-in-Progress	12	2.67	3.30
Non-current investments	13	0.59	0.57
Deferred tax assets (net)	5	1.29	6.86
Long term loans and advances	14	15.87	14.71
		<b>161.54</b>	<b>186.44</b>
<b>Current Assets</b>			
Inventories	15	48.29	47.21
Trade Receivables	16	63.41	60.35
Cash and Bank Balances	17	10.34	1.64
Short-Term Loans and Advances	18	11.41	9.33
Other Current Assets	19	8.64	4.56
		<b>142.09</b>	<b>123.09</b>
		<b>303.63</b>	<b>309.53</b>

See accompanying notes 1-46 forming part of the financial statements.

As per our report of even date attached

For **BRAHMAYYA & CO.**,

Chartered Accountants

Firm Registration No. 000511S

**R NAGENDRA PRASAD**

Partner

Membership No. 203377

Place : CHENNAI

Date : May 18, 2017

**HARISH LAKSHMAN**

Vice Chairman

**S. KALIDOSS**

Company Secretary

For and on behalf of the Board

**L GANESH**

Chairman &amp; Managing Director

**V K VIJAYARAGHAVAN**

Chief Financial Officer

# Statement of Profit and Loss

for the year ended 31 March 2017

₹ Crores

Particulars	Note	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Revenue from Operations	21	394.17	382.48
Less: Excise Duty		34.00	32.88
		360.17	349.60
Other Income	22	2.34	2.95
<b>Total Revenue</b>		<b>362.51</b>	<b>352.55</b>
<b>Expenses:-</b>			
Cost of Raw Materials Consumed	23	119.29	118.80
Purchase of Traded Goods	24	8.56	7.33
Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade	25	(0.56)	8.41
Employee Benefits Expense	26	94.72	96.77
Financial Costs	27	9.89	14.22
Depreciation and Amortization		27.75	27.54
Other Expenses	28	116.72	114.63
<b>Total Expenses</b>		<b>376.37</b>	<b>387.70</b>
Profit / (Loss) before Exceptional Items and Tax		(13.86)	(35.15)
Exceptional Items (Net) (Refer Note No.41)		90.44	17.49
Profit / (Loss) Before Tax		76.58	(17.66)
Tax Expense:			
Current tax		16.40	-
MAT Credit Entitlement		(2.44)	-
Deferred Tax		5.57	(5.12)
Relating to Earlier Years		-	0.00
<b>Profit / (Loss) for the year</b>		<b>57.05</b>	<b>(12.54)</b>
Earning per Equity Share: (Refer Note No.36)			
Basic		84.91	(18.67)
Diluted		84.91	(18.67)
Number of shares of ₹10 each		6,718,992	6,718,992

See accompanying notes 1-46 forming part of the financial statements.

As per our report of even date attached

For **BRAHMAYYA & CO.**,  
Chartered Accountants  
Firm Registration No. 000511S

**R NAGENDRA PRASAD**  
Partner  
Membership No. 203377  
Place : CHENNAI  
Date : May 18, 2017

**HARISH LAKSHMAN**  
Vice Chairman  
**S. KALIDOSS**  
Company Secretary

For and on behalf of the Board  
**L GANESH**  
Chairman & Managing Director  
**V K VIJAYARAGHAVAN**  
Chief Financial Officer

# Cash Flow Statement

for the year ended 31 March 2017

₹ Crores

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>A. Cash flow from operating activities</b>		
Net profit before tax	76.58	(17.66)
Adjustments for:		
Depreciation	27.75	27.54
Unrealised Foreign exchange loss / (gain) - net	0.41	(0.06)
Interest expense	9.89	14.22
(Gain) / Loss on sale of fixed assets - net	(94.22)	(27.81)
Assets Written off / Loss on Retirement of Assets	5.29	1.05
(Gain) / Loss on sale of investment	(0.53)	-
Provision for bad debts and bad debts written off	0.21	0.10
Voluntary retirement expenditure	-	10.05
Provision for gratuity and leave salary - (net)	0.60	(2.54)
<b>Operating profit before working capital changes</b>	<b>25.98</b>	<b>4.89</b>
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(7.87)	11.46
(Increase) / Decrease in inventories	(1.08)	12.25
Increase / (Decrease) in sundry creditors	(1.37)	(5.36)
<b>Cash generated from operations</b>	<b>15.66</b>	<b>23.24</b>
Income taxes paid - net of refund	(14.40)	(1.93)
<b>Net cash from operating activities (A)</b>	<b>1.26</b>	<b>21.31</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of fixed assets	(15.75)	(12.56)
Proceeds from sale of fixed assets	95.43	27.90
Purchase of investments	(31.37)	(0.02)
Proceeds from sale of investments	31.88	-
Payment for voluntary retirement expenditure	-	(10.05)
Dividend received	-	-
<b>Net cash used in investing activities (B)</b>	<b>80.19</b>	<b>5.27</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from long term borrowings	5.50	44.99
Proceeds from other borrowings	-	0.23

# Cash Flow Statement

for the year ended 31 March 2017

₹ Crores

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
Repayment of long term borrowings	(45.93)	(44.43)
Repayment of other borrowings	(21.17)	(10.23)
Repayment of Interest Free Sales Tax	(0.94)	(0.76)
Interest paid	(10.17)	(14.84)
Dividend paid	(0.04)	(2.04)
<b>Net cash from financing activities (C)</b>	<b>(72.75)</b>	<b>(27.08)</b>
<b>Net Increase/(Decrease) in cash equivalents (A)+(B)+(C)</b>	<b>8.70</b>	<b>(0.50)</b>
Cash and cash equivalents - Opening Balance	1.64	2.14
Cash and cash equivalents - Closing Balance	10.34	1.64
	<b>8.70</b>	<b>(0.50)</b>

See accompanying notes 1-46 forming part of the financial statements.

As per our report of even date attached

For **BRAHMAYYA & CO.,**

Chartered Accountants  
Firm Registration No. 000511S

**R NAGENDRA PRASAD**

Partner  
Membership No. 203377

Place : CHENNAI

Date : May 18, 2017

**HARISH LAKSHMAN**

Vice Chairman

**S. KALIDOSS**

Company Secretary

For and on behalf of the Board

**L GANESH**

Chairman & Managing Director

**V K VIJAYARAGHAVAN**

Chief Financial Officer

# Notes forming part of Financial Statements

for the year ended 31 March 2017

## 1. SIGNIFICANT ACCOUNTING POLICIES

### System of Accounting

1.1 The financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

1.2 The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include allowance for uncollectible accounts receivables, future obligations under employees benefit plans, useful life of depreciable fixed assets, accounting for employee cost pending execution of agreements with workmen unions etc. Actual results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognised in the period in which the results are known / materialise.

### 1.3 Property, Plant and Equipment (PPE) and Depreciation

Property, Plant and Equipment are stated at cost. None of the Property, Plant and Equipment has been revalued. Direct expenses incurred in connection with project prior to the commencement of commercial production are treated as part of project cost and capitalised as part of Property, Plant and Equipment.

#### Depreciation

In respect of Property, Plant and Equipment (other than freehold land and capital work-in-progress) acquired during the year, depreciation / amortisation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014 is depreciated over the remaining useful life based on evaluation.

#### Depreciation - Useful life of Property, Plant and Equipment

### A. Category of assets for which useful life is as per Schedule II of the Companies Act, 2013

Sl No.	Category	Useful life of assets (Yrs.)
1	Buildings (other than factory buildings)	60
2	Factory Buildings	30
3	Plant & Machinery (Single shift)	15
4	Computers (desktops, laptops, etc.)	3
5	Servers and networks	6

### B. Category of assets for which useful life shorter than as prescribed under Schedule II of the Companies Act, 2013 is adopted

Sl No.	Category	Useful life of assets (Yrs.)
1	Furniture and fittings	5
2	Office Equipments	3
3	Vehicles	5

In the case of Second hand assets and certain Plant & Machinery, depreciation is calculated taking into account the estimated useful life of the assets.

Assets costing individually up to Rs. 10,000/- shall be depreciated fully in the year of capitalisation with a residual value of Re.1/-

### 1.4 Impairment:

If an asset is carried at a value more than the recoverable amount through use or sale of the asset, such impairment of asset is recognized as expenditure of the year. If such impairment ceases to exist then the same is recognized as income of that year.

### 1.5 Intangible Assets

Intangible Assets are stated at cost less accumulated amortisation and Impairment, if any. Intangible Assets are amortised over their estimated useful lives on a straight line basis. Direct expenses incurred in connection with Internally generated Intangible Assets are Capitalised. Software licenses and other Intangible Assets are amortised over their estimated useful life of 3 years.

### 1.6 Inventories

Raw materials, work in progress and finished goods are valued at lower of cost and net realisable value. Other items of inventory are valued at cost. Cost is determined on Weighted Average basis. Cost includes conversion and other costs incurred in bringing the inventories to the present location and condition.

### 1.7 Foreign Currency Transactions

#### Transaction and Translation

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates. Exchange differences arising on settlement and translation of monetary items other than for acquisition of fixed assets, at the year end are recognised as income or expense in the year in which they arise.



Premium or discount on forward / option contracts is amortised over the life of such contracts and is recognised as income or expense in the Profit and Loss account.

Exchange differences arising on settlement / translation of long term monetary items utilized for acquisition of fixed assets are adjusted to carrying cost of fixed assets.

## 1.8 Derivative instruments and Hedge accounting :

The Company is exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward contract and option contracts, where the counterparty is a bank. The changes in the fair values of forward contracts and options designated as effective cash flow hedges are recognised directly in 'Hedge Reserve Account' being part of the shareholders' funds and reclassified into the profit and loss account upon the occurrence of the hedged transactions. The changes in fair value relating to the ineffective portion of the cash flow hedges and forward contracts / options not designated as cash flow hedges are recognised in the profit and loss account as they arise.

## 1.9 Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets requires a substantial period of time are capitalised as a part of the cost of the asset if they will result in future economic benefit to the company. All other borrowing costs are charged to revenue.

## 1.10 Taxes on Income

Provision for Current tax (inclusive of Minimum Alternate Tax) is made based on the tax liability computed on taxable income in accordance with relevant tax rates and tax laws

Deferred tax, being tax on timing difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years, has been recognized.

Deferred tax assets, excluding assets arising from loss/depreciation carried forward, are not recognized unless there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In case of carried forward loss/depreciation, it is recognized only if virtual certainty exists.

## 1.11 Research & Development

Revenue expenditure is charged under natural heads in Profit and Loss Account.

Capital expenditure is shown as addition to fixed assets under natural heads.

## 1.12 Employee Benefits

### 1.12.1 Defined Benefit Plan :

#### Gratuity : (Funded)

In accordance with applicable laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity Plan) covering all staff, workers and officers. The liability is determined based on year end actuarial valuation using projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. The Gratuity Plan provides for, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a Gratuity trust which in turn mainly contributes to Life Insurance Corporation of India (LIC) for this purpose. Under this plan the settlement obligation remains with the Gratuity trust. Life Insurance Corporation of India administers the plan and determines the contribution premium required to be paid by the trust.

### 1.12.2 Leave encashment liability : (Unfunded)

In accordance with applicable rules, the liability for leave encashment (defined benefit plan (Unfunded)) was actuarially valued and provided in the books of accounts, covering all staff, workers and officers.

### 1.12.3 Provident Fund :

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

### 1.12.4 Superannuation :

Defined Contribution Plan where contributions are made to a Trust which in turn contributes to LIC.

Apart from being covered under the Gratuity Plan described above, the employees of the Company who are Assistant Managers and above have the option to participate in a defined contribution Superannuation plan maintained by the Company. The Company has no further obligations under the plan except making contributions based on a specified percentage of each covered employee's salary.

## 1.13 Revenue Recognition

1.13.1 Sales are net of sales returns and trade discounts and exclude all taxes and levies.

1.13.2 Export Incentive Benefits are accounted on the following basis:

- Duty drawback entitlement is accounted on accrual basis.
- Merchandise Exports from India Scheme (MEIS) is accounted on accrual basis.

#### 1.14 Insurance claims:

Insurance claims are accounted for on the basis of claims lodged

with insurance company and to the extent that there is a reasonable certainty in realising the claims.

#### 1.15 Dividends:

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 Company's Board of Directors.

## 2 Share Capital

₹ Crores

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Equity Share Capital		
Authorised Share Capital:-		
12350000 Equity Shares (12350000 Equity Shares) of ₹ 10 each	12.35	12.35
150000 13.5% Preference Shares (150000 Preference Shares) of ₹ 10 each	0.15	0.15
	<b>12.50</b>	<b>12.50</b>
Issued, Subscribed and Fully Paid Up:-		
6718992 Equity Shares (6718992 Equity Shares) of ₹ 10 each	6.72	6.72
	<b>6.72</b>	<b>6.72</b>

#### 2.1 Number of Shares held by Holding Company

Rane Holdings Limited	3,431,054	3,431,054
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#### 2.2 Reconciliation of the number of shares outstanding

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
Number of Equity Shares outstanding as at the beginning of the period	6,718,992	5,150,992
Number of Equity Shares outstanding as at the end of the period	6,718,992	6,718,992
Change in the number of Equity Shares Outstanding	-	1,568,000

#### 2.3 Shares in the company held by each shareholder holding more than 5 per cent shares

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Rane Holdings Limited, the Holding Company	<b>3,431,054</b>	<b>51.07</b>	3,431,054	51.07
Enam Share and Securities Private Limited	<b>478,890</b>	<b>7.13</b>	478,890	7.13

The Company has not issued any securities convertible into equity/preference shares.

2.4 The Company has only one class of shares i.e. equity shares having a par value of ₹10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to shareholding.

#### 2.5 Details of shares allotted / bought back during the five years preceeding the Balance Sheet date

Particulars	Year (Aggregate No. of Shares)				
	2016-17	2015-16	2014-15	2013-14	2012-13
<b>Equity Shares :</b>					
Fully paid up pursuant to scheme of amalgamation of Kar Mobiles Limited with the company, without payment being received in cash	-	1,568,000	-	-	-

**3 Reserves and Surplus**

₹ Crores

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
<b>Reserves</b>		
<b>Capital Reserve</b>		
Opening Balance	1.34	1.34
Add : Additions during the year	-	-
Less : Deductions during the year	-	-
Closing balance	<b>1.34</b>	<b>1.34</b>
<b>Capital Subsidy</b>		
Opening Balance	0.23	0.23
Investment Subsidy from Government of Karnataka for Tumkur Unit	0.15	0.15
Grant Received from Industrial Credit and Investment Corporation Productivity Fund	0.04	0.04
<b>Total Capital Subsidy</b>	<b>0.42</b>	<b>0.42</b>
<b>Export Incentive Reserve</b>		
Opening Balance	0.19	0.19
Add : Additions during the year	-	-
Less : Deductions during the year	-	-
Closing Balance	<b>0.19</b>	<b>0.19</b>
<b>Hedge Reserve Account</b>		
Opening Balance	-	0.03
Add : Additions during the year	-	-
Less : Deductions during the year	-	(0.03)
Closing balance	-	-
<b>General Reserve</b>		
Opening Balance	104.80	104.80
Add : Additions during the year	-	-
Less : Deductions during the year	-	-
Closing balance	104.80	104.80
	<b>106.75</b>	<b>106.75</b>
<b>Surplus</b>		
Opening Balance	(10.52)	2.02
Add:-		
Net Profit after tax transferred from Statement of Profit and Loss	57.05	(12.54)
Less:-		
Interim Dividend (Previous year Rs. ___ per share)	-	-
Final Dividend-Proposed Rs.Nil per share (Previous year Rs.Nil per share)	-	-
Tax on dividend	-	-
Transfer to general Reserve	-	-
<b>Closing Balance</b>	<b>46.53</b>	<b>(10.52)</b>
	<b>153.28</b>	<b>96.23</b>

**3.1** The Board of Directors, in their meeting held on May 18, 2017 have recommended a final dividend of ₹ 2.50/- per equity share amounting to ₹ 1,67,97,480/- on Equity Shares of ₹ 10/- each for the year 2016-17, subject to the approval of the Shareholders. Dividend Distribution Tax on the same amounts to ₹ 34,19,631/-. This final dividend on shares will be recorded as a liability on the date of approval by the Shareholders in the ensuing annual general meeting.

**Non Current Liabilities**

<b>4 Long Term Borrowings</b>		₹ Crores	
<b>Particulars</b>	<b>As at 31 Mar 2017</b>	<b>As at 31 Mar 2016</b>	
<b>Secured</b>			
Term Loans from Banks (Refer Note No.4.1)	28.43	59.92	
	<b>28.43</b>	<b>59.92</b>	
<b>Unsecured</b>			
Interest Free Sales Tax Loan from Government of Andhra Pradesh (Refer Note No.4.3.1)	0.52	1.57	
	<b>0.52</b>	<b>1.57</b>	
	<b>28.95</b>	<b>61.49</b>	

**4.1 Notes on Secured Long Term Borrowings**

**4.1.1** Term loans are secured by Pari-passu basis first charge on the company's immovable and movable fixed assets (other than Property situated at Peenya and Tumkur) both present and future.

**4.2 The details of the long term borrowings are as follows:**

<b>Particulars</b>	<b>Repayment Start Date</b>	<b>O/s. Amt. as on 31.03.2017 (₹ Crores)</b>	<b>Current Maturities (₹ Crores)</b>	<b>Interest Rate</b>	<b>Instalment Amt. (₹ Crores)</b>	<b>No. of Quarterly Instalments as per agreement</b>
Rupee Term Loans						
Kotak Mahindra Bank Ltd	Feb-2016	17.18	6.25	10.15%	1.56	16
HDFC Bank Ltd						
Loan 1	Oct-2016	8.75	2.50	9.40%	0.63	16
Loan 2	Nov-2016	15.75	4.50	9.40%	1.13	16
External Commercial Borrowing (Fully Hedged)						
HSBC Bank (Mauritius) Ltd.	Aug-2013	1.66	1.66	9.13%	1.66	16
		<b>43.34</b>	<b>14.91</b>			

There has been no default as on Balance Sheet date in repayment of loans and interest.

**4.3 Notes on Unsecured Long Term Borrowings**

**4.3.1** The company is entitled for deferment of sales tax for a period of 14 years from 1996 to 2010 and the first year loan is repayable during March 2010 and the second year's loan is repayable in the year 2011 and the amount deferred in year 2010 is repayable in the year 2024. The company should continue to be in operation and there should not be any change in location or management of the company until the loan is fully repaid.

₹ Crores

<b>Particulars</b>	<b>As at 31 Mar 2016</b>	<b>For the year 31 March 2017</b>	<b>As at 31 Mar 2017</b>
<b>5 Deferred Tax Liabilities (NET)</b>			
<b>Liability</b>			
Related to Fixed Assets	11.65	(4.15)	7.50
	11.65	(4.15)	7.50
<b>Assets</b>			
Provision for expenses allowable on payment basis			
Provision for Leave Salary	1.88	0.19	2.07
Provision for Liability	0.21	0.38	0.59

₹ Crores

Particulars	As at 31 Mar 2016	For the year 31 March 2017	As at 31 Mar 2017
Provision for Gratuity	0.63	0.03	0.66
Provision for Doubtful Debts	0.42	0.00	0.42
Voluntary Retirement Compensation Scheme	8.50	(3.55)	4.95
Amalgamation Expenses	0.15	(0.05)	0.10
Unabsorbed Depreciation	6.72	(6.72)	-
	18.51	(9.72)	8.79
Deferred tax Liabilities / (Assets) (Net)	<b>6.86</b>	<b>(5.57)</b>	<b>1.29</b>

5.1 The deferred tax asset arising on unabsorbed depreciation has been recognised to the extent of the availability of future taxable income by virtue of future reversal of deferred tax liability recognised at the Balance Sheet date. ₹ Crores

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
<b>6 Other Long Term Liabilities</b>		
Trade Payables		
Other Long Term Liabilities	0.52	0.52
	<b>0.52</b>	<b>0.52</b>
6.1 Amount payable on investment as per the agreement with TCW Renewable Energy (India) Private Limited		
<b>7 Long Term Provisions</b>		
<b>Provision for employee benefits</b>		
Gratuity (unfunded)	1.64	1.51
Leave Encashment (Unfunded)	5.69	5.15
	<b>7.33</b>	<b>6.66</b>
<b>Current Liabilities</b>		
<b>8 Short Term Borrowings</b>		
<b>Secured</b>		
Loans repayable on demand from banks (Refer Note No.8.1 and 8.2)	35.27	55.07
	<b>35.27</b>	<b>55.07</b>

8.1 Short term borrowings amounting to ₹ 7.11 Crores (₹ 24.98 Crores) from State Bank of India are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company's Tumkur Unit and also secured by first charge on land and buildings and plant and machineries of the company's Peenya Unit and Tumkur Unit.

8.2 Other Short term borrowings amounting to ₹ 28.16 Crores (₹ 30.09 Crores) from banks are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company on Pari-passu basis (other than Property situated at Peenya Unit and Tumkur Unit).

8.3 None of the above loans have been guaranteed by any Directors or others. ₹ Crores

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
<b>9 Trade Payables</b>		
Dues to micro enterprises and small enterprises (Refer Note No.42)	0.28	1.00
Related Party	1.32	1.01
Others	34.37	34.64
	<b>35.97</b>	<b>36.65</b>

₹ Crores

	Particulars	As at 31 Mar 2017	As at 31 Mar 2016
<b>10</b>	<b>Other Current Liabilities</b>		
	Current Maturities of Long Term Borrowings (Refer Note No.10.1)	15.97	26.27
	Interest accrued but not due on borrowings	0.30	0.54
	Interest accrued and due on borrowings	0.00	0.02
	Fixed Deposit interest paid but not encashed	-	0.01
	Unclaimed Dividends (Refer Note. No.39)	0.23	0.27
	Unclaimed Matured Fixed Deposits	-	0.01
	Unclaimed REVL Fractional Shares	0.01	0.01
	Security / Trade Deposits	-	0.00
	Employee Related dues	5.88	8.39
	Advance from Customers	0.01	0.09
	Payable on Purchase of Fixed Assets	0.99	0.61
	Contractual	0.06	0.32
	Statutory Dues	2.94	2.77
	Others (Refer Note No.10.2)	6.12	4.58
		<b>32.51</b>	<b>43.89</b>
<b>10.1</b>	<b>Current maturities of long term borrowings</b>		
	Current Maturities of Long Term Debt	14.91	23.87
	Current Maturities of Fixed Deposits (Refer Note. No.10.2)	-	1.47
	Current Maturities of IFST Loan	1.06	0.93
		<b>15.97</b>	<b>26.27</b>
<b>10.2</b>	Amount due to directors ₹.Nil (₹.Nil Crores)		
<b>11</b>	<b>Short Term Provisions</b>		
	<b>Provision for employee benefits</b>		
	Gratuity (Funded)	1.96	2.03
	Leave Encashment (un funded)	0.27	0.27
	<b>Other provisions</b>		
	Provision for Tax ( Net of Advance Tax & TDS)	0.85	-
	Proposed Dividend on Equity Shares & Provision for Tax on distributed profits	-	-
		<b>3.08</b>	<b>2.30</b>

**12. Non - Current Assets**

Property, Plant and Equipment (PPE), Intangible Assets and Capital Work in Progress

Particulars	Gross Block				Depreciation				Net Block			
	As at 31 Mar 2016	Adjustments Pursuant to Merger	Additions / Adjustments	Disposals / Adjustments	As at 31 Mar 2017	As at 31 Mar 2016	Adjustments Pursuant to Merger	For the year	Reserve Transfer	Disposals / Adjustments	As at 31 Mar 2017	As at 31 Mar 2016
<b>Property, Plant and Equipment</b> (Refer Note 12.1)												
Land	2.38	-	0.00	0.01	2.37	-	-	-	-	-	2.37	2.38
Buildings	48.39	-	0.76	2.09	47.06	13.20	-	1.61	-	1.56	33.81	35.19
Plant and Equipment	336.12	-	13.14	29.02	320.24	214.74	-	25.19	-	23.09	103.40	121.38
Furniture and Fixtures	6.89	-	0.20	0.84	6.25	5.71	-	0.44	-	0.82	0.92	1.18
Vehicles	0.09	-	(0.00)	0.00	0.09	0.08	-	0.00	-	0.00	0.01	0.01
Office equipment	3.19	-	0.16	0.93	2.42	2.71	-	0.34	-	0.92	0.29	0.48
	<b>397.06</b>	<b>-</b>	<b>14.26</b>	<b>32.89</b>	<b>378.43</b>	<b>236.44</b>	<b>-</b>	<b>27.58</b>	<b>-</b>	<b>26.39</b>	<b>140.80</b>	<b>160.62</b>
<b>Intangible assets</b>												
Licenses	1.89	-	0.10	-	1.99	1.83	-	0.03	-	-	0.13	0.06
Internally Generated Process Knowhow	0.43	-	0.01	-	0.44	0.11	-	0.14	-	0.25	0.19	0.32
	<b>2.32</b>	<b>-</b>	<b>0.11</b>	<b>-</b>	<b>2.43</b>	<b>1.94</b>	<b>-</b>	<b>0.17</b>	<b>-</b>	<b>-</b>	<b>0.32</b>	<b>0.38</b>
<b>For the year 2015-16</b>	<b>399.38</b>	<b>-</b>	<b>14.37</b>	<b>32.89</b>	<b>380.86</b>	<b>238.38</b>	<b>-</b>	<b>27.75</b>	<b>-</b>	<b>26.39</b>	<b>141.12</b>	<b>161.00</b>
<b>Capital Work in Progress</b>	<b>390.36</b>	<b>-</b>	<b>16.47</b>	<b>7.45</b>	<b>399.38</b>	<b>217.17</b>	<b>-</b>	<b>27.54</b>	<b>-</b>	<b>6.33</b>	<b>161.00</b>	<b>173.19</b>
											<b>2.67</b>	<b>3.30</b>
											<b>143.79</b>	<b>164.30</b>

12.1 Assets Retired from active use and held for sale amounting to ₹. 0.80 Crores (₹ 0.01 Crores) has been shown under other current assets (Refer Note 19).



₹ Crores

Particulars	No. of Shares	As at 31 Mar 2017	No. of Shares	As at 31 Mar 2016
<b>13 Non Current Investments</b>				
<b>Trade Investments (At Cost)</b>				
<b>In Equity Shares, Unquoted, fully paid up</b>				
TCW Renewable Energy (India) Private Limited of ₹.10.each	613,453	0.55	613,453	0.55
Clean Wind Power (Manvi) Private Limited of ₹.10.each (Refer Note 13.2 & 13.3)	432,000	0.04	24,000	0.02
<b>Total Trade Investments</b>		<b>0.59</b>		<b>0.57</b>
<b>Details of Trade Investments</b>				
<b>13.1 Aggregate value of Investments:-</b>				
Unquoted at Cost		<b>0.59</b>		<b>0.57</b>

**13.2** The company has entered into Power Purchase Agreement (PPA) for a period of 12 years. In terms of the PPA, transfer of shares in this company is restricted subject to approval of the Board of the Investee Company.

**13.3** 19,200 Shares has been acquired during the year.

#### **13.4 Current Investments (Quoted)**

The company has invested in mutual funds which are redeemed in full during the year. The details are given as follows :

Particulars	Purchase		Redemption	
	No of Units	Amount in ₹	No of Units	Amount in ₹
<b>(i) HDFC Mutual Fund</b>				
- Short Term Plan	1,293,771	35,000,000	1,293,771	35,620,541
- Liquid Fund	6,492	20,000,000	6,492	20,091,932
- Cash Management Fund	6,900	22,500,000	6,900	22,536,760
<b>Total (i)</b>	<b>1,307,163</b>	<b>77,500,000</b>	<b>1,307,163</b>	<b>78,249,233</b>
<b>(ii) ICICI Prudential Mutual Fund</b>				
- Money Market Fund	532,973	116,000,000	532,973	117,373,145
- Flexible Income Plan	167,723	50,000,000	167,723	51,551,183
- Ultra Short Term Plan	2,450,785	40,000,000	2,450,785	41,576,588
- Liquid Fund	127,669	30,000,000	127,669	30,058,146
<b>Total (ii)</b>	<b>3,279,150</b>	<b>236,000,000</b>	<b>3,279,150</b>	<b>240,559,062</b>
<b>Grand Total (i + ii)</b>	<b>4,586,313</b>	<b>313,500,000</b>	<b>4,586,313</b>	<b>318,808,295</b>

₹ Crores

	Particulars	As at 31 Mar 2017	As at 31 Mar 2016
<b>14</b>	<b>Long Term Loans and Advances</b>		
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Capital Advances	2.13	0.13
	Security Deposits	4.37	4.56
	Prepaid Expenses	0.01	-
	Loans and advances to related parties	-	-
	Rent Deposits	0.50	0.50
	<b>Other loans and advances</b>		
	Advance Income Tax	53.25	54.39
	Less : Provision for Income Tax	(45.04)	(45.39)
		<b>8.21</b>	<b>9.00</b>
	<b>Taxes paid in advance</b>		
	Customs Duty Receivable	0.01	0.02
	Service Tax receivable	-	-
	Sales Tax receivable	0.04	0.01
	Sales Tax paid under protest	0.21	0.25
	<b>Other Advances</b>		
	Considered Good	0.39	0.24
	Considered Doubtful	-	0.14
	Less: Provision for doubtful advances	-	(0.14)
		<b>0.39</b>	<b>0.24</b>
		<b>15.87</b>	<b>14.71</b>
<b>15</b>	<b>Inventories</b>		
	<b>Valued at Lower of Cost or Realisable value</b>		
	Raw Materials	10.01	9.62
	Raw Material-Goods in Transit	2.31	2.69
	Work in Progress	7.99	9.87
	Finished Goods	6.31	7.58
	Finished Goods-Goods in Transit	10.45	6.44
	Stock in Trade	1.47	1.78
	Stores and Spares	9.75	9.23
	Stores and Spares-Goods in Transit	-	-
		<b>48.29</b>	<b>47.21</b>

₹ Crores

	Particulars	As at 31 Mar 2017	As at 31 Mar 2016
<b>16</b>	<b>Trade Receivables</b>		
	<b>Unsecured</b>		
	Over six months		
	Considered good	-	-
	Considered doubtful	0.41	0.33
	Others		
	Considered good (Refer Note. No.16.1)	63.41	60.35
	Considered doubtful	0.82	0.89
		<b>64.64</b>	<b>61.57</b>
	Less:- Provision for Doubtful Trade receivables	(1.23)	(1.22)
		<b>63.41</b>	<b>60.35</b>
16.1	Trade Receivables – considered good includes due from related parties of ₹0.71 (₹1.16 Crores)		
<b>17</b>	<b>Cash and Bank balances</b>		
	Cash and cash equivalents		
	Balance with banks		
	In Current Accounts	0.83	0.27
	In Deposit Accounts	9.22	1.00
	Cash on hand	0.05	0.08
	Earmarked balances with banks		
	Unpaid Dividend accounts	0.23	0.27
	Unpaid Interest warrant accounts	-	0.01
	Unpaid REVL Fractional Shares account	0.01	0.01
	Bank deposits with more than 12 months maturity	-	-
		<b>10.34</b>	<b>1.64</b>
<b>18</b>	<b>Short Term Loans and Advances</b>		
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Loans and Advances to Related Parties	-	-
	Loans and Advances to Employees	0.32	0.27
	Prepaid expenses	1.45	1.34
	MAT Credit Entitlement	4.23	2.14
	<b>Balance with government authorities</b>		
	Customs and Excise	5.24	5.58
	Value added tax	0.16	(0.01)
	Others	-	-
		<b>5.40</b>	<b>5.57</b>
	Other Advances	0.01	0.01
		<b>11.41</b>	<b>9.33</b>

₹ Crores

Particulars	As at 31 Mar 2017	As at 31 Mar 2016
<b>19 Other Current Assets</b>		
Unamortised Borrowing Cost	0.14	0.18
Interest accrued on Deposits	0.36	0.30
Accrued gain on Forward Contracts	0.18	0.11
Insurance Claims Receivable	0.56	0.46
Export Benefits Receivable	4.57	3.35
Rebate of ED on Exports Receivable	2.03	0.15
Assets Held for Sale	0.80	0.01
	<b>8.64</b>	<b>4.56</b>
<b>20 Contingent Liabilities and Commitments</b>		
<b>20.1 Contingent Liabilities</b>		
Claims against the company not acknowledged as debt		
Labour Disputes	0.16	0.16
Income Tax	4.66	4.27
Other Liabilities	1.03	0.88
Guarantees & Letter of Credits issued by the Banks	4.81	3.50
Liability on bills discounted with banks	3.57	3.66
Other money for which the company is contingently liable		
	<b>14.23</b>	<b>12.47</b>
Based on the facts presently known, the Management believes that the results of these actions will not have material impact on the company's financial statements.		
<b>20.2 Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	<b>4.89</b>	<b>2.61</b>

**20.3 Other commitments**

20.3.1 The levies and costs in connection with mutating / substituting the title in the revenue records pertaining to the immovable properties that stand vested with the Company pursuant to the merger, would be added to the cost of such properties upon actual payment.

₹ Crores

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>21 Revenue from Operations</b>		
Sale of products (Refer Note No. 21.1)	387.81	374.87
Less : Excise duty	33.58	32.43
	<b>354.23</b>	<b>342.44</b>
Other operating revenues (Refer Note No.21.2)	6.36	7.61
Less : Excise duty	0.42	0.45
	<b>5.94</b>	<b>7.16</b>
Sale of services	-	-
	<b>360.17</b>	<b>349.60</b>

₹ Crores

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>21.1 Sale of Products Comprises :</b>		
<b>Manufactured Goods</b>		
Valves	346.87	330.19
Guides	18.29	18.50
Tappets	5.28	9.65
<b>Total</b>	<b>370.44</b>	<b>358.34</b>
<b>Traded Goods</b>		
Valves	13.20	13.67
Guides	2.05	-
Piston Assembly	1.95	2.60
Valve Seat Insert	-	-
Valve Stem Seal	0.17	0.26
<b>Total</b>	<b>17.37</b>	<b>16.53</b>
	<b>387.81</b>	<b>374.87</b>
<b>21.2 Other Operating Revenue Comprises:</b>		
Sale of Materials	0.39	0.74
Sale of Scrap	2.55	2.87
Export Incentive Receipts	3.42	4.00
	<b>6.36</b>	<b>7.61</b>
<b>22 Other Income</b>		
Interest Income	0.96	0.38
Profit on Sale of Short Term Investments	0.53	-
Exchange Gain (Net) - Other than considered under Finance Costs	-	0.58
Profit on Sale of Assets	0.03	0.27
Provision no longer required and balances written back	0.68	0.85
Other non-operating income - Net	0.14	0.87
	<b>2.34</b>	<b>2.95</b>
<b>23 Cost of Raw Materials Consumed</b> (Refer Note.No.23.1 and 29.1)		
Opening Stock	12.31	15.84
Add : Purchases	119.30	115.27
Less : Closing Stock	12.32	12.31
<b>Cost of Materials Consumed</b>	<b>119.29</b>	<b>118.80</b>
<b>23.1 Materials consumed comprises:</b>		
Alloy steel	106.93	98.80
Hardfacing materials	7.31	7.21
Guide castings	2.33	3.20
Others	2.72	9.59
	<b>119.29</b>	<b>118.80</b>

₹ Crores

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>24 Purchase of Traded goods</b>		
Valves	740	5.85
Guides	-	-
Piston Assembly	1.04	1.38
Valve Seat Insert	-	-
Valve Stem Seal	0.12	0.10
	<b>8.56</b>	<b>7.33</b>
<b>25 Changes in inventories</b>		
Inventories at the beginning of the year:		
Finished goods	14.01	21.22
Work-in-progress	9.87	10.74
Stock-in-Trade	1.78	2.12
	<b>25.66</b>	<b>34.08</b>
	-	-
Less: Inventories at the end of the year:		
Finished goods	16.76	14.02
Work-in-progress	7.99	9.87
Stock-in-Trade	1.47	1.78
	<b>26.22</b>	<b>25.67</b>
Net (increase) / decrease	<b>(0.56)</b>	<b>8.41</b>
<b>26 Employee Benefits Expense</b>		
Salaries and Wages	74.99	77.18
Contributions to -		
Provident and other Funds	4.37	4.10
Superannuation scheme	0.33	0.44
Gratuity fund	2.20	2.25
Staff welfare expenses	12.83	12.80
Voluntary Retirement Scheme Compensation (Refer Note No.41.3)	-	-
	<b>94.72</b>	<b>96.77</b>
<b>27 Finance Costs</b>		
Interest expense	9.15	12.92
Other borrowing costs	0.23	0.29
Net (gain) / loss on foreign currency transactions and translation	0.51	1.01
	<b>9.89</b>	<b>14.22</b>
Less : Borrowing Cost Capitalised	-	-
	<b>9.89</b>	<b>14.22</b>

₹ Crores

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>28 Other Expenses</b>		
Stores and Tools consumed (Refer Note No.29.2)	24.97	23.11
Power and Fuel	23.43	22.12
Trade Mark Fees	1.88	1.80
Repairs and Maintenance		
Plant and Machinery	8.99	9.55
Buildings	0.38	0.24
Others	0.98	0.86
Job work Expenses	15.29	14.87
Rent	0.97	0.88
Insurance	1.25	1.41
Rates and Taxes	0.74	1.02
Travelling and Conveyance	4.33	4.27
Professional and legal expenses	5.10	6.57
Data Processing and Maintenance expenses	2.52	2.72
Service Contract Expenses	3.45	3.81
Administrative Expenses	1.54	1.82
Selling and Distribution Expenses		
Packing and Forwarding	12.06	10.94
Advertisement and Sales Promotion	0.61	0.82
Commission and Discount	5.26	5.17
Bad Debts Written off	0.20	0.00
Less: Provision made in earlier years	(0.20)	-
Provision for Doubtful debts	0.21	0.10
Directors' Sitting Fees	0.11	0.10
Audit Fees (Refer Note No.28.1)	0.20	0.21
Loss on Sale of Assets	0.91	0.00
Assets Written Off	0.63	1.05
Stocks Written Off	0.00	0.29
Advances / Claims Written Off	0.35	0.32
Less: Provision made in earlier years	(0.14)	0.21
Provision for Doubtful Advance	-	0.09
Exchange Loss (Net) - Other than considered under Finance Costs	0.07	-
Bank Charges	0.53	0.54
Excise Duty adjustment on Inc / (Dec) of Finished Goods	0.10	(0.06)
Donations	-	0.01
	<b>116.72</b>	<b>114.63</b>



₹ Crores

Particulars	Year ended 31 Mar 2017	Year ended 31 Mar 2016
<b>28.1 Auditors' Remuneration</b>		
a. as auditors - statutory audit	0.13	0.12
b. for taxation matters	0.03	0.03
c. for company law matters,	-	0.00
d. for management services,	-	-
e. for other services,	0.04	0.05
	<b>0.20</b>	<b>0.20</b>
<b>29.1 Raw Materials Consumed</b>		
Imported	45.85	54.37
Imported % to total	38.44%	45.77%
Indigenous	73.44	64.43
Indigenous % to total	61.56%	54.23%
Total	119.29	118.80
Total %	100.00%	100.00%
<b>29.2 Stores and Tools Consumed</b>		
Imported	0.09	0.42
Imported % to total	0.35%	1.82%
Indigenous	24.88	22.69
Indigenous % to total	99.65%	98.18%
Total	24.97	23.11
Total %	100.00%	100.00%
<b>30.1 CIF Value of Imports</b>		
Raw materials;	29.45	24.33
Components and spare parts;	0.81	0.42
Capital goods;	1.38	0.58
<b>30.2 Expenditure in foreign currency</b>		
Professional and consultation fees	1.18	1.04
Finance Cost	0.72	1.86
Marketing Service Fees	0.47	0.60
Job Charges/Segregation charges	0.96	1.31
Commission	0.03	0.03
Foreign Travel	0.65	0.12
Others	-	-
<b>30.3 Earnings in Foreign Currency</b>		
I. Export of goods calculated on F.O.B. basis	93.72	98.18

### 31 Related party Disclosures

List of related parties where control exists

Holding company	:	Rane Holdings Limited (RHL)
Fellow Subsidiaries	:	Rane Madras Limited (RML) Rane Brake Linings Limited (RBL) Rane Holding America Inc (RHAI)
Enterprises significantly influenced by Key Management Personnel	:	Rane Foundation (RF) Rane TRW Steering systems Limited RT Automotive Systems Private Limited Savithur Enterprises Private Limited HL Hill Station Properties Private Limited
Key Management Personnel	:	Mr L Ganesh - Chairman and Managing Director
Relatives of Key Management Personnel	:	1. Mr.L.Lakshman 2. Mr.L.Ganesh (HUF) 3. Mrs.Meenakshi Ganesh 4. Ms. Aparna Ganesh 5. Mr.Aditya Ganesh 6. Mrs.Hema C.Kumar 7. Mrs.Vanaja Aghoram 8. Mrs.Shanthi Narayan
Other Related Parties (Under common Control of Holding Company)	:	SasMos HET Technologies Limited Rane TRW Steering Systems Private Limited (RTSSPL) Rane Precision Diecast Inc. (RPDC) Rane (Madras) International Holdings B.V (RMIH) Rane NSK Steering Systems Private Limited (RNSSPL)

₹ Crores

Description	Holding Company		Fellow Subsidiary		Enterprise influenced by Key Management Personnel		Key Management Personnel		Relatives of Key Management Personnel		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Material transactions during the year</b>												
Interest Paid on Fixed Deposits	-	-	-	-	-	-	0.00	0.01	0.02	0.08	0.02	0.09
Sitting fee	-	-	-	-	-	-	-	-	0.03	0.02	0.03	0.02
Remuneration Paid	-	-	-	-	-	-	-	-	-	-	-	-
Trade Mark Fees Paid	1.88	1.81	-	-	-	-	-	-	-	-	1.88	1.81
Reimbursement of Expenses Cr/ (Dr)												
- RHL	0.00	0.02	-	-	-	-	-	-	-	-	0.00	0.02
- RML	-	-	(0.06)	(0.10)	-	-	-	-	-	-	(0.06)	(0.10)
- TRW	-	-	-	-	-	-	-	-	-	-	-	-
RML	-	-	20.75	14.86	-	-	-	-	-	-	20.75	14.86
Services Received												
- RHL	4.32	4.85	-	-	-	-	-	-	-	-	4.32	4.85
- RHAI	-	-	0.48	0.62	-	-	-	-	-	-	0.48	0.62
Purchase of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Assets												
- RF	-	-	-	-	-	0.03	-	-	-	-	-	0.03
Fixed Deposits Accepted / (Repaid)	-	-	-	-	-	-	(0.06)	-	(0.42)	(0.73)	(0.48)	(0.73)
Donations - RF	-	-	-	-	-	-	-	-	-	-	-	-
Loans granted / (Repaid) during the year	-	-	-	-	-	(1.25)	-	-	-	-	-	(1.25)
Balance at the year end	-	-	-	-	-	-	-	-	-	-	-	-
Amount Payable - Trade												
- RHL	1.32	0.94	-	-	-	-	-	-	-	-	1.32	0.94
- RHAI	-	-	0.07	0.02	-	-	-	-	-	-	0.07	0.02
Amount Receivable - Trade	-	-	-	-	-	-	-	-	-	-	-	-
- RHL	-	-	-	-	-	-	-	-	-	-	-	-
- RML	-	-	0.71	1.16	-	-	-	-	-	-	0.71	1.16
- RHAI	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Deposits Outstanding	-	-	-	-	-	-	-	0.05	-	0.40	-	0.45
Loans outstanding- RF	-	-	-	-	-	-	-	-	-	-	-	-

## 32 Employee Benefits

The company has implemented Revised AS-15 and made the provisions accordingly. The disclosure as per Revised AS-15 produced below: -

The following tables set out the details of amount recognised in the financial statements in respect of employee benefit schemes:

Particulars	31.03.2017	31.03.2016	31.03.2017	31.03.2016
	Gratuity		Leave Salary	
	₹ Crores		₹ Crores	
<b>A</b> Net Asset / (Liability) recognised in the Balance Sheet as at March 31 2017				
Present value of the Defined Benefit Obligation	15.49	14.63	5.96	5.42
Fair Value of plan assets	11.89	11.08	-	-
Net Asset / (Liability) recognised in the Balance Sheet	(3.60)	(3.55)	(5.96)	(5.42)
<b>B</b> Expenses recognised in the statement of Profit and Loss Account for the year ended March 31, 2017				
Current service cost	0.84	1.11	0.86	0.81
Contribution from other funds	-	(0.24)	-	-
Interest cost	1.06	1.16	0.34	0.30
Expected return on plan assets	(0.86)	(0.92)	-	-
Net actuarial (gain)/loss recognised during the year	1.02	1.12	1.57	1.98
Expense / (Income) recognised in Profit and Loss Account	2.06	2.23	2.77	3.09
<b>C</b> Change in Defined Benefit obligation during the year ended March 31, 2017				
Present value of Defined Benefit obligation as at April 1, 2016	14.63	17.80	5.42	5.40
Current service cost	0.84	1.11	0.86	0.81
Interest cost	1.06	1.16	0.34	0.30
Benefits paid	(2.13)	(6.54)	(2.23)	(3.08)
Actuarial (gain) / loss on obligation	1.09	1.10	1.57	1.99
Present value of obligation as at March 31, 2017	15.49	14.63	5.96	5.42
<b>D</b> Changes in Fair value of Asset during the year ended March 31, 2017				
Fair value of plan assets as at April 1, 2016	11.08	11.62	-	-
Expected return on plan assets	0.86	0.92	-	-
Contributions made	1.96	4.85	2.23	3.08
Contributions - Transfer from other funds	0.01	0.24	-	-
Benefits paid	(2.13)	(6.54)	(2.23)	(3.08)
Actuarial gain / (loss) on plan assets	0.08	(0.03)	-	-
Fair value of plan assets as at March 31, 2017	11.86	11.06	-	-
<b>E</b> Actual return on plan assets for the year ended March 31, 2017				
Expected return on plan assets	0.86	0.92	-	-
Actuarial gain / (loss) on plan assets	0.08	(0.03)	-	-
Actual Return on plan assets	0.94	0.89	-	-
<b>F</b> Actuarial Assumptions				
Discount rate	7.30%	8.00%	7.30%	9.10%
Expected rate of return on plan assets	8.25%	8.35%	-	-
Rate of increase in compensation levels	4.50% / 7.0%	4.50% / 7.0%	4.50% / 7.0%	4.50% / 7.0%

The company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards.

**33 Derivative Instrument and hedge accounting**

As per Guidance Note on Accounting for Derivative Contracts the Company has provided for the effective portion amounting to ₹.Nil Crores (₹.Nil Crores) of the changes in the fair values of forward contracts and options designated as cash flow hedges directly in 'Hedge Reserve Account' being part of the shareholders' funds the changes in fair value relating to the ineffective portion amounting to ₹.0.18 Crores (₹.0.11) of the cash flow hedges and forward contracts / options are recognised in the profit and loss account.

**34 Derivative Instrument and Unhedged Foreign Currency Exposure**

S.No	Purpose	Nature	Currency	31.03.17	31.03.16	31.03.17	31.03.16
				FCY Amount in Crores		₹ Crores	
<b>1</b>	<b>Forward Currency Swap Outstanding</b>						
	ECB Loan taken in USD 5,000,000 and swapped against INR	Cross Currency Swap	INR	-	0.04	-	1.58
	ECB Loan taken in USD 5,000,000 and swapped against INR	Cross Currency Swap	INR	0.03	0.16	1.66	8.31
<b>2</b>	Payable in USD	Currency Swap	INR	0.09	0.18	6.06	11.87
	Receivable in USD	Currency Swap	INR	0.08	0.09	4.86	5.96
	Receivable in EURO	Currency Swap	INR	0.01	0.01	0.62	0.90
<b>3</b>	<b>Unhedged Foreign Currency Exposure</b>						
a)	PCFC Loan in USD		USD	0.06	0.07	3.95	4.90
b)	Outstanding Debtors		USD	0.12	0.16	7.87	9.36
			EURO	0.03	0.01	2.13	1.12
			GBP	0.00	-	0.05	0.03
	EEFC balance in USD		USD	-	0.02	-	0.01
c)	Outstanding Creditors - Goods		USD	0.03	0.03	1.66	2.18
			EURO	0.00	-	0.03	0.02
			GBP	0.00	-	0.00	0.01
			JPY	1.50	-	0.87	-
d)	Outstanding Creditors - Expenses		USD	0.00	-	0.07	-
			EURO	-	-	-	0.29

**35 Segment Reporting**

The entire operations of the company relate only to one segment, viz, "Components for Transport Industry". As the exports are predominantly to developed countries, geographical risk is not different from domestic market and hence no separate secondary segment disclosure is required.

<b>36 Earnings Per Share</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Profit after Tax (₹ Crores) (A)	<b>57</b>	<b>(13)</b>
Number of equity shares of ₹ 10 each at the beginning of the year	6,718,992	6,718,992
Number of equity shares of ₹ 10 each at the end of the year (B)	6,718,992	6,718,992
Earnings Per Share -Basic - in Rupees	84.91	(18.67)
Earnings Per Share Diluted - in Rupees	84.91	(18.67)

- 37** As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the company. There is no applicability u/s.135(1) to make contribution.
- 38** In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet.
- 39** There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as on March 31, 2017.
- 40** Revenue expenditure during the year on Research & Development activities shown under the various heads of account amounted to ₹1.87 Crores (Previous Year ₹ 1.53 Crores)
- 41** Exceptional Item represents
- 41.1 Profit on sale of company's part land in Alandur, Chennai amounts to ₹ 94.01 Crores (net of selling expenses of ₹ 0.80 Crores) (Previous Year ₹.27.54 Crores (net of selling expenses of ₹ 0.21 Crores))
- 41.2 Loss on Sale / Retirement of assets on rationalisation of facilities amounting to ₹ 3.57 Crores (Previous Year ₹ Nil Crores)
- 41.3 Voluntary Retirement Scheme (VRS) expenditure in the nature of employee benefits paid to employees opted for VRS amounts to ₹ Nil Crores (Previous Year ₹ 10.05 Crores)
- 42** Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:

	<b>31.03.2017</b>	<b>31.03.2016</b>
	<b>₹ Crores</b>	<b>₹ Crores</b>
a) Principal amount due	0.28	1.00
Interest due on the above	0.00	0.00
b) Interest paid during the period beyond the appointed day	0.02	0.01
c) Amount of payment made to the supplier beyond the appointed day during the accounting year	4.18	3.42
d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
e) Amount of interest accrued and remaining unpaid at the end of the period	0.01	0.02
f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the Act.		

The above information regarding micro enterprise and small enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

- 43** The application for renewal for Consent For Operations (CFO) under the pollution control regulations in one of the manufacturing plants located in the State of Telangana has been returned by the regulatory authority citing that industries located in the specified area were not issued CFO in the light of G.O.Ms.No.111 dated 08.03.1996. However, the company is of the opinion that this does not impact the going concern status of the Company and its future operations. The company has examined the matter and is taking necessary action to present its case that it is neither a polluting nor a potentially polluting industry before the pollution control authorities.
- 44** Disclosure required vide Notification G.S.R 308 (E) dt 30th March 2017 are given as follows:

<b>Particulars</b>	<b>SBNs (₹Crores)</b>	<b>Other denomination notes (₹Crores)</b>	<b>Total (₹Crores)</b>
Closing cash in hand as on 8-11-2016	0.09	0.04	0.13
(+) Withdrawl From Banks	-	0.06	0.06
(+) Permitted receipts	-	0.11	0.11
(-) Permitted payments	-	0.15	0.15
(-) Amount deposited in Banks	0.09	0.00	0.09
<b>Closing cash in hand as on 30-12-2016</b>	<b>-</b>	<b>0.06</b>	<b>0.06</b>

- 45** The previous year's figures have been re-grouped, reclassified wherever necessary so as to make them comparable with the current year's figures.
- 46** Figures in brackets in the Schedules and Notes pertain to previous year.

As per our report of even date attached  
For **BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Registration No. 000511S

**R. NAGENDRA PRASAD**  
Partner  
Membership No. 203377  
CHENNAI  
May 18, 2017

**HARISH LAKSHMAN**  
Vice Chairman

**S. KALIDOSS**  
Company Secretary

For and on behalf of the Board  
**L. GANESH**  
Chairman & Managing Director

**VK. VIJAYARAGHAVAN**  
Chief Financial Officer

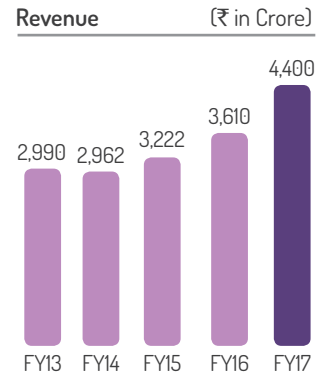
# Our Parentage

## Rane Holdings Limited

Established in 1929, Rane Holdings Limited (RHL), through its group companies, is engaged in the manufacturing and marketing of automotive components for the transportation industry. The Group is recognized as the preferred Original Equipment vendor for auto majors in India and overseas. It supplies to all sections of automobile industry including passenger car, light commercial vehicle, medium and heavy commercial vehicle, two-wheeler, three-wheeler, multi-utility vehicle and farm tractor.

Rane Holdings has a multi-location presence in India with 23 plants across the country. With the acquisition of US-based Precision Die Casting Inc., it has a presence in USA.

The Group companies play a key role in setting the vision for the group and its various companies and offering consultancy and other services to its subsidiaries. A sharp focus by the Group on operational excellence through Total Quality Management (TQM) has seen its various group companies been awarded three Deming Grand Prizes and four Deming Prizes.



## Our Corporate Structure

### Subsidiaries

- Rane (Madras) Limited
  - Rane (Madras) International Holdings, B.V., The Netherlands
  - Rane Precision Die Casting Inc., USA

Rane Engine Valve Limited

Rane Brake Lining 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

JMA Rane Marketing Limited





Expanding Horizons



Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

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