



Rane Engine Valve Ltd.

Registered Office:

" Maithri "

132, Cathedral Road,
Chennai 600 086.

India.

CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472

Fax : 044 - 2811 2449

URL : www.ranegroup.com

//Online submission//

REVL/SE/ 17 /2021-22

June 26, 2021

| | |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| BSE Limited (BSE) Listing Centre Scrip Code: 532988 | National Stock Exchange of India Limited (NSE) NEAPS Symbol: RANEENGINE |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|

Dear Sir / Madam,

Sub: Notice of the 49th Annual General Meeting & 49th Annual Report FY 2020-21 - Regulation 34 SEBI LODR

The **Forty Ninth Annual General Meeting (49th AGM)** is scheduled to be held on **Thursday, July 22, 2021 at 15:00 hrs IST** through **Video Conference (VC) / Other Audio Visual Means (OAVM)**. In terms of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) the copy of 49th Annual Report along with the Notice of the 49thAGM dated May 19, 2021 being sent to the shareholders of the Company, is enclosed herewith and the same is also available on the website of the Company at www.ranegroup.com.

The Company has engaged Central Depository Services (India) Limited ("CDSL") for providing E-voting services and VC/OAVM facility for this AGM. Details of e-voting are as follows:

| | |
|----------------------------------------------------------------------------------------|---------------------------------------------|
| Cut-off date for determining eligibility for the remote e-voting & e-voting at the AGM | July 15, 2021 (Thursday) |
| e-Voting start date and time | July 19, 2021 (Monday) and 09:00 hrs IST |
| e-Voting end date and time | July 21, 2021 (Wednesday) and 17:00 hrs IST |

We request you to take the above on record as compliance with relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and disseminate to the stakeholders.

Thanking you.

For **Rane Engine Valve Limited**

Vivekanandaa M
Secretary

Encl.: a/a



Rane Engine Valve Limited

49th Annual Report 2020-21

Company Overview

Financial Highlights 1
Corporate Information 2

Notice 3

Management Reports

Report of the Board of Directors..... 12
Management Discussion and Analysis..... 19
Corporate Governance Report 29

Standalone Financial Statements

Independent Auditor’s Report 45
Balance Sheet..... 52
Statement of Profit and Loss..... 53
Cash Flow Statement..... 54
Statement of Changes in Equity 56
Notes 57

FINANCIAL HIGHLIGHTS

KEY PERFORMANCE HIGHLIGHTS

(₹ in Crores)

| FINANCIAL YEAR | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 | FY 14 | FY 13 | FY 12 | FY 11 |
|------------------------|--------|---------|---------|---------|--------|---------|--------|---------|---------|--------|--------|
| Total Income * | 304.94 | 358.15 | 424.86 | 377.01 | 357.63 | 352.55 | 399.23 | 266.95 | 266.25 | 309.19 | 289.70 |
| EBITDA | 21.49 | 13.31 | 19.92 | 15.46 | 115.24 | 24.10 | 78.30 | (8.38) | 11.75 | 55.13 | 39.66 |
| PBT | (9.70) | (25.29) | (20.49) | (21.13) | 77.57 | (17.66) | 31.46 | (43.56) | (18.92) | 28.72 | 16.12 |
| PAT | (6.09) | (16.34) | (13.57) | (17.06) | 57.69 | (12.54) | 23.48 | (29.09) | (12.61) | 20.77 | 10.80 |
| Earnings Per Share (₹) | (9.06) | (24.31) | (20.20) | (25.40) | 85.86 | (18.67) | 34.94 | (56.48) | (24.47) | 40.32 | 20.97 |
| ROCE (%) | (0.67) | (6.01) | (4.17) | (5.50) | 35.30 | (1.34) | 21.12 | (14.03) | (4.45) | 18.03 | 12.46 |
| RONW (%) | (5.63) | (13.71) | (10.12) | (11.33) | 43.86 | (11.48) | 26.32 | (37.56) | (12.83) | 21.33 | 12.54 |

BALANCE SHEET HIGHLIGHTS**

(₹ in Crores)

| FINANCIAL YEAR | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 | FY 14 | FY 13 | FY 12 | FY 11 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Equity Share Capital | 6.72 | 6.72 | 6.72 | 6.72 | 6.72 | 6.72 | 5.15 | 5.15 | 5.15 | 5.15 | 5.15 |
| Shareholders' funds | 105.16 | 110.99 | 127.31 | 140.98 | 160.05 | 102.95 | 115.52 | 62.91 | 92.00 | 104.61 | 90.12 |
| Non current Liabilities | 68.17 | 47.93 | 49.35 | 44.30 | 36.59 | 68.67 | 68.88 | 80.51 | 66.45 | 56.27 | 55.89 |
| Current Liabilities | 129.02 | 143.60 | 166.42 | 135.09 | 109.68 | 137.90 | 158.45 | 106.35 | 92.63 | 101.66 | 88.00 |
| Non current assets | 137.43 | 149.52 | 161.89 | 160.88 | 164.07 | 186.44 | 195.66 | 168.86 | 167.04 | 159.50 | 141.98 |
| Current assets | 164.76 | 153.00 | 181.19 | 159.49 | 142.25 | 123.07 | 147.19 | 80.91 | 84.04 | 103.04 | 92.03 |

* Total Income are net of excise duty

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

Note :

- Figures from FY 17 onwards are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
- EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.

CORPORATE INFORMATION

Board of Directors

L Ganesh, Chairman
Harish Lakshman, Vice Chairman
Ashok Malhotra
Anil Kumar Venkat Epur
Dr. Brinda Jagirdar
C N Srivatsan
L Lakshman

Audit Committee

C N Srivatsan, Chairman
Ashok Malhotra
Dr. Brinda Jagirdar
L Lakshman

Stakeholders Relationship Committee

Ashok Malhotra, Chairman
C N Srivatsan
L Ganesh

Nomination and Remuneration Committee

Ashok Malhotra, Chairman
C N Srivatsan
L Lakshman

Corporate Social Responsibility Committee

L Lakshman, Chairman
C N Srivatsan
L Ganesh

President & Manager

Murali K Rajagopalan

Senior Vice President - Finance & Chief Financial Officer

V K Vijayaraghavan

Company Secretary

Vivekanandaa M

Listing of Shares on

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

Statutory Auditors

M/s. Varma & Varma,
Chartered Accountants,
'Sreela Terrace', Level 4, Unit D,
105, Gandhi Nagar, 1st Main Road,
Adyar, Chennai- 600 020

Secretarial Auditors

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

Cost Auditors

M/s. Jayaram & Associates, Cost Accountants,
10, Rajan Street, T.Nagar, Chennai- 600 017

Bankers

HDFC Bank Limited, Chennai
Federal Bank Limited, Chennai
Standard Chartered Bank, Chennai
IndusInd Bank Limited, Chennai
Yes Bank Limited, Chennai

Registered Office

Rane Engine Valve Limited
CIN: L74999TN1972PLC006127
"MAITHRI", 132, Cathedral Road,
Chennai- 600 086
Phone: +91 44 28112472
Email: investorservices@ranegroup.com

Head Office

2nd Floor, ESPEE IT PARK,
Developed Plot No:5(NP),
Jawaharlal Nehru Road, Ekkatuthangal, Guindy,
Chennai - 600032

Plants

1. Post Box No.4, Redhills Road, Madhavaram,
Ponneri- 601 204, Tamil Nadu
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, Tamil Nadu
5. Plot No.36B & 37, Hirehalli,
Industrial Area - 572 168,
Tumakuru, Karnataka

Registrar and Transfer Agent

Integrated Registry Management Services
Private Limited
"Kences Towers", 2nd Floor,
No.1, Ramakrishna Street, North Usman Road,
T.Nagar, Chennai- 600 017
Fax: +91-44-28142479
Email: corpserv@integratedindia.in
Website: www.integratedindia.in

Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

Registered Office: "Maithri", No. 132, Cathedral Road, Chennai - 600 086

Phone: 044-28112472/73

E-mail: investorservices@ranegroup.com, website: www.ranegroup.com

NOTICE TO MEMBERS

NOTICE is hereby given that the **Forty Ninth (49th) Annual General Meeting of Rane Engine Valve Limited** will be held on **Thursday, July 22, 2021** at **15:00 hours IST** through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2021, together with the reports of the Board of Directors and the Auditor thereon**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2021, together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

2. **To appoint a Director in the place of Mr. Harish Lakshman (DIN: 00012602), who retires by rotation and being eligible, offers himself for re-appointment**

To consider passing the following as an **ordinary resolution**:

"Resolved that Mr. Harish Lakshman (DIN: 00012602), who retires by rotation under article 117 and 119 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company".

SPECIAL BUSINESS:

3. **To ratify remuneration of Cost Auditor for FY 2020-21**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹2,25,000/- (Rupees Two Lakhs Twenty Five Thousand Only) excluding applicable taxes, reimbursement of the travelling and other out of pocket expenses to M/s. Jayaram & Associates, Cost Accountants, represented by Mr. R Jayaram (Membership No. 26103), who were appointed as the Cost Auditors of the

Company by the Board of Directors, to conduct audit of the cost records of the Company for the financial year ended 2020-21 be and is hereby ratified and confirmed.

Resolved further that the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. **To appoint Mr. Anil Kumar Venkat Epur (DIN: 00202454) as an Independent Director**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that pursuant to Section 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Anil Kumar Venkat Epur (DIN: 00202454), who was appointed as an Additional Director of the Company, in the category of Independent Director by the Board of Directors with effect from May 19, 2021, pursuant to Section 161 of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a consecutive period of three years i.e. with effect from May 19, 2021 up to May 18, 2024".

(By order of the Board)
For **Rane Engine Valve Limited**

Vivekananda M
Secretary

Chennai
May 19, 2021

Registered Office:
Rane Engine Valve Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L74999TN1972PLC006127
www.ranegroup.com

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 (read with previous circulars in this regard) and Securities and Exchange Board of India ("SEBI") vide circular dated January 15, 2021 (read with previous circulars in this regard), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The deemed venue for the 49th AGM shall be the Registered Office of the Company. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate members intending to send their authorised representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the board resolution authorising their representative to the registered email address of the Company i.e., investorservices@ranegroup.com.
5. The cut-off date for the purpose of determining eligibility of members for voting in connection with the Forty Ninth AGM has been fixed as **Thursday, July 15, 2021**.
6. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed/unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
7. Members may also note that the notice of the Forty Ninth AGM and the Annual Report 2021 will be available in the Investors Section on the Company's website www.ranegroup.com.
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

**M/s. Integrated Registry
Management Services Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017
e-mail ID: corpserv@integratedindia.in
Phone: 044 2814 0801-803;
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective DP. Further, in terms of SEBI circular dated April 20, 2018, the Company has sent reminder letters to individual shareholders for updating the details of PAN and Bank account details of persons holding shares in physical form with the Company's RTA.
11. Effective April 01, 2019, SEBI has disallowed listed companies from accepting requests for transfer of securities held in physical form, by amending the SEBI LODR. Members will need to convert shares held in physical form to demat for effecting any transfer. Only requests for transmission and transposition will be accepted by the Company/RTA.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA, for consolidation into a single folio. The share certificate(s) will be returned to the members after necessary endorsements.
13. Members holding shares in single name and physical form are advised to make nomination or change nomination in respect of their shareholding in the Company in the prescribed form to the RTA. The nomination form(s) can also be downloaded from the Company's website www.ranegroup.com.

14. In compliance with the aforementioned MCA & SEBI Circulars, the Notice of the AGM along with the Annual Report 2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2021 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
16. Information pursuant to regulations 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
17. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com.
18. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.
19. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
 - (i) The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") and voting at the AGM will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).
 - (ii) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM.
 - (iii) The 'remote e-voting' period commences on **Monday, July 19, 2021 (9:00 hrs)** and ends on **Wednesday, July 21, 2021 (17:00 hrs)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Thursday, July 15, 2021**, may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - (iv) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., **Thursday, July 15, 2021**.
 - (v) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. **Thursday, July 15, 2021**, may obtain the login ID and password by sending a request to the Company / RTA.
 - (vi) Mr. Balu Sridhar, Practicing Company Secretary (ICSI Membership no. FCS 5869), Partner, M/s. A.K. Jain & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
 - (vii) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

- (i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (ii) In order to encourage public/ non-institutional /retail shareholders SEBI has vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-voting facility provided by listed companies, enabled Individual shareholders holding securities in demat mode to vote through their demat account maintained with their respective Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

(iii) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode with either CDSL/NSDL, is given below:

| CDSL | NSDL |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> | <p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> |

Individual Shareholders (holding securities in demat mode) login through their Depository Participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30. |

(iv) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- a) The shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on "Shareholders" module.
- c) Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID;
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID;
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- f) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v). |

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for

resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for RANE ENGINE VALVE LIMITED.
- (ix) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Additional facility for Non - Individual Shareholders and Custodians -Remote Voting**
 - a) Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - b) A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - c) After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - d) The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - e) A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

f) Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investorservices@ranegroup.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Instructions for shareholders attending the AGM through VC/OAVM & e-voting during meeting are as under:

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email-ID, mobile number at investorservices@ranegroup.com. From July 14, 2021 (09:00 hrs IST) to July 18, 2021 (17:00 hrs IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in abovementioned time period mentioning their name, demat account number/folio number, email-id, mobile number at investorservices@ranegroup.com. These queries will be replied to by the Company suitably by email.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

Process for those shareholders whose E-mail / mobile no. are not registered with the Company/depositories

- (i) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's Email ID investorservices@ranegroup.com or to RTA email ID srirams@integratedindia.com
- (ii) For Demat shareholders - Please update your email ID & mobile no. with your respective Depository Participant (DP).
- (iii) For Individual Demat shareholders - Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

(By order of the Board)
For **Rane Engine Valve Limited**

Chennai
May 19, 2021

Vivekanandaa M
Secretary

Registered Office:
Rane Engine Valve Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L74999TN1972PLC006127
www.ranegroup.com

EXPLANATORY STATEMENT

pursuant to Section 102 (1) of the Companies Act, 2013

Item No.3

In terms of the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company. Based on the recommendation of the Audit Committee, the Board of Directors of the Company had approved the appointment of M/s. Jayaram & Associates, Cost Accountants, as the Cost Auditor of the Company for the financial year 2020-21 on a remuneration of ₹2,25,000/- per annum excluding applicable taxes, reimbursement of out of pocket expenses incurred, if any, in connection with the cost audit. The remuneration of the Cost Auditor is required to be ratified by the members in accordance with the provisions of the Act and Rule 14 of the Rules.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution. Accordingly, the Board recommends passing the resolution as set out at item no. 3 of this notice as an **ordinary resolution**.

Item No.4

The Board of Directors had based on recommendations of the Nomination and Remuneration Committee (NRC) appointed Mr. Anil Kumar Venkat Epur (DIN: 00202454) as an Additional Director (Independent category) pursuant to Sections 149, 150, 152 and 161 read with other relevant provisions of the Companies Act, 2013 (the 'Act'), effective from May 19, 2021, upto the date of the ensuing Forty ninth Annual General Meeting.

Mr. Anil Kumar Venkat Epur holds a BS MEE and MBA Degree from Cornell University, USA. He was associated with the VST Natural Products Limited and VST Industries Limited. Mr. Anil Kumar Venkat Epur also currently serves as an Independent Director on the Board of Rane Brake Lining Limited.

Considering his rich knowledge, experience and fulfilment of the various criteria for appointment as an Independent Director as specified in the Act, SEBI LODR, policies of the Company and based on the recommendations of the NRC, the Board of Directors recommends to the members that the appointment of Mr. Anil Kumar Venkat Epur would be beneficial to the Company.

Mr. Anil Kumar Venkat Epur is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. The Company

has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and regulations of SEBI LODR, has registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and is exempted from the requisite proficiency test. It is proposed to appoint him as an Independent Director, not liable to retire by rotation, to hold office for a term of 3 years from May 19, 2021 to May 18, 2024.

In the opinion of Board, Mr. Anil Kumar Venkat Epur fulfils the conditions for appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company.

Other information relating to his appointment in accordance with Secretarial Standard - SS-2 and Regulation 36(3) of SEBI LODR is annexed to the Notice.

The terms and conditions of appointment as an Independent Director is available for inspection by members at the registered office of the Company during the working hours up to the date of AGM and also on the investor section of website of the Company www.ranegroup.com.

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

The Board recommends passing the resolution as set out at item no. 4 of this notice as an **ordinary resolution**.

(By order of the Board)
For **Rane Engine Valve Limited**

Vivekananda M
Secretary

Chennai
May 19, 2021

Registered Office:
Rane Engine Valve Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L74999TN1972PLC006127
www.ranegroup.com

Annexure to the NOTICE dated May 19, 2021

Information about directors seeking re-appointment / appointment at the 49th Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

| Name of the Director | Mr. Harish Lakshman | Mr. Anil Kumar Venkat Epur |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Age (in years) | 47 | 72 |
| Director Identification Number (DIN) | 00012602 | 00202454 |
| Father's Name | Mr. Lakshman Lakshminarayan | Mr. Ram Reddy Epur |
| Date of Birth | February 12, 1974 | November 11, 1948 |
| Educational Qualifications | B.E- BITS Pilani MSM- Purdue University, USA | BS MEE and MBA- Cornell University, USA |
| Experience | Mr Harish Lakshman has over 25 years of experience and has held various positions in the areas of marketing, operations, business development overseas and other corporate functions. He currently spearheads the future growth plan of Rane Group. | Mr. Anil Kumar Venkat Epur has over 45 years of industrial experience. He is associated with the Confederation of Indian Industry (CII) and held various positions including as its southern regional chairman. He was also actively involved in various expert committees constituted by the government of Andhra Pradesh. |
| Date of first appointment on the board | July 23, 2008 | May 19, 2021 |
| Terms and Conditions of appointment | Re-appointment as Director liable to retire by rotation. | Proposed to be appointed as non-executive Independent Director as per the resolution at item no. 4 of the Notice convening forty ninth Annual General Meeting on July 22, 2021 read with explanatory statement thereto. |
| Last drawn remuneration | Sitting fee for FY 2020-21 : ₹20,000. | NA |
| Remuneration sought to be paid | No approval sought for payment of remuneration. Continues to be entitled to Sitting fee for attending meetings of the Board and Committees thereof. | No approval sought for remuneration. Eligible for sitting fee for attending meetings of the Board and Committees thereof. |
| Relationship with other Directors/ Manager/KMP | Son of Mr. L Lakshman, Director. | - |
| Other Directorships | <p>Chairman: Rane t4u Private Limited</p> <p>Vice Chairman: Rane (Madras) Limited Rane Holdings Limited (JMD)</p> <p>Director: Rane Brake Lining Limited Rane TRW Steering Systems Private Limited (MD) Rane NSK Steering Systems Private Limited Oriental Hotels Limited Young President Organisation (Chennai Chapter) Savithur Enterprises Private Limited HL Hill Station Properties Private Limited Rane Holdings America Inc., USA Rane Light Metal Casting Inc., USA</p> | <p>Director: Rane Brake Lining Limited Aghub foundation</p> |

| Name of the Director | Mr. Harish Lakshman | Mr. Anil Kumar Venkat Epur |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Committee Memberships in other Boards | <p>Chairman- Stakeholders Relationship Rane Brake Lining Limited</p> <p>Member- Stakeholders Relationship Rane (Madras) Limited</p> | <p>Member - Audit Rane Brake Lining Limited</p> <p>Member - Corporate Social Responsibility Rane Brake Lining Limited</p> <p>Member - Stakeholders Relationship Rane Brake Lining Limited</p> <p>Member - Nomination and Remuneration Rane Brake Lining Limited</p> |
| Number of meetings of the Board attended during the year | Five (5) | NA |
| Number of equity shares held including joint holdings* | Hundred (100) | Nil |

* No shares are held as beneficial owners in the Company by the appointees.

(By order of the Board)
For **Rane Engine Valve Limited**

Vivekanandaa M
Secretary

Chennai
May 19, 2021

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Forty Ninth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2021 and other prescribed particulars:

1. State of Company's affairs

The impact of COVID-19 was felt throughout the Automotive sector of which the Company is part, in the Financial Year 2020-21. By the end of the first half of the fiscal, the economy and industry had re-started with the new normal in place. Post lifting of lockdown restrictions, the auto industry witnessed demand recovery led by pent-up demand coupled with other factors. The Company resumed operations across its facilities, in compliance with the guidelines issued by the Government. Adequate steps for safety and precautionary measures were taken across all its facilities and locations.

The Company deftly navigated the post lockdown challenges in the recovery phase through several cost

optimisation measures and capacity management. The Company was strongly positioned to make up for the weak H1 performance with a quick ramp up and increase in business share across customers. The Company is likely to benefit from the growth opportunities in the automotive industry and aided by the Government's Product Linked Incentive (PLI) and other stimulus programmes. However, the second wave of COVID-19 and resultant lockdowns negatively impacted the economic activities and the auto industry. Going forward, rollout of vaccines should lead to increased economic activity and increased mobility which should help in gradual and sustainable economic revival during Financial Year 2021-22.

1.1. Financial Performance

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

| Particulars | ₹ in Crores) | |
|-------------------------------------------------------------------------------------|---------------|----------------|
| | 2020-21 | 2019-20 |
| Revenue from Operations | 301.85 | 354.99 |
| Other Income | 3.09 | 3.16 |
| Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | (0.74) | 13.31 |
| Less: Depreciation / Amortisation / Impairment | 23.00 | 28.09 |
| Profit / loss before Finance Costs, Exceptional items and Tax Expense | (23.74) | (14.78) |
| Less: Finance Costs | 8.19 | 10.51 |
| Profit / loss before Exceptional items and Tax Expense | (31.93) | (25.29) |
| Add / (less): Exceptional items | 22.23 | - |
| Profit / (loss) before Tax Expense | (9.70) | (25.29) |
| Less: Tax Expense (Current & Deferred) | 3.61 | 8.95 |
| Profit / (loss) for the year (1) | (6.09) | (16.34) |
| Other Comprehensive Income / loss (2) | 0.13 | 0.03 |
| Total Comprehensive Income (1+2) | (5.96) | (16.31) |
| Balance of profit / loss for earlier years | (29.89) | (13.70) |
| Less: Transfer to Reserves | - | - |
| Less: Dividend paid on Equity Shares | - | - |
| Less: Dividend Distribution Tax | - | - |
| Balance carried forward | (35.85) | (29.89) |

The Key Performance Indicators (KPI), operational performance and summary on balance sheet are furnished in page no. 1 of this annual report.

The net sales and operating revenue of the Company for the year 2020-21 was ₹301.85 crores as against ₹354.99 crores for the previous year. The Company incurred a net loss of ₹(6.09) crores as against ₹(16.34) crores in

the previous year. The Earnings Per Share (EPS) for the year 2020-21 was ₹(9.06) as against ₹(24.31) in the previous year.

The Company continues to be a Subsidiary of Rane Holdings Limited (RHL / Holding Company). There was no material change or commitments, affecting the financial position of the Company between the end of

the financial year of the Company and date of the report other than those disclosed in the financial statements section of this annual report. There was no change in the nature of business during the year.

1.2. Appropriation

The net deficit for the financial year 2020-21 stood at ₹35.85 crores, after adjusting a deficit of ₹29.89 crores brought forward from the previous financial year and adjustments of Other Comprehensive Income to the tune of ₹0.13 crores. The Board of Directors, taking into consideration, the operational performance, financial position of the Company and uncertainties faced by the automotive sector and the Indian economy as a whole, has decided not to declare / recommend any dividend, for the year under review.

1.3. Credit rating

The credit rating agency CRISIL Limited, rated the bank facilities of the Company to 'CRISIL BBB (Outlook Negative)/CRISIL A3+'. The ratings continue to reflect REVL's healthy market position in India's automotive (auto) engine valves segment, diversified revenue profile, and benefits derived from being part of the Rane Group and this has been disclosed to stock exchanges and updated in the Company's website. The Corporate Governance section of this Annual report carries the details of credit rating.

1.4. Share capital

During the year under review, there was no change in capital structure of the Company and as at year ended March 31, 2021, the paid up capital of the Company stood at ₹6,71,89,920 consisting of 67,18,992 equity shares having face value of ₹10/- each fully paid up.

1.5. Management Discussion & Analysis

The business of your Company is manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet. The analysis on the performance of the industry, the Company, internal control systems and risk management processes are presented in the Management Discussion and Analysis report forming part of this report and provided in 'Annexure A'.

1.6. Subsidiaries, Associate and Joint Venture Companies

The Company does not have any subsidiary, associate or joint venture. There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate during the financial year 2020-21.

2. Board of Directors, Committees and Management

2.1. Composition

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship

Committee and Corporate Social Responsibility Committee are constituted in accordance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), wherever applicable. The Board of Directors have also constituted an Executive Committee and a Finance Committee. The Corporate Governance Report given in 'Annexure D' contains an overview of the role, terms of reference, meetings and composition of the Board of Directors of the Company and its Committees.

During the year, Mr. L Ganesh consequent to the completion of his tenure as Managing Director of the Company was appointed as Non-Executive Chairman on the Board with effect from April 01, 2020.

The following were the changes in the composition of Board of Directors and its committees:

- Mr. S Krishna Kumar (DIN: 00062582), Independent Director, retired as per the retirement policy of the Company, effective from May 01, 2021. Consequent to his retirement, he ceased to be a member of the Audit Committee and CSR Committee in which he served as a member. The Board places on record its appreciation for the valuable advice and guidance rendered by him during his tenure especially on various strategic matters.
- Mr. Anil Kumar Venkat Epur (DIN: 00202454), joined the Board of Directors as an Additional Director (Independent category) on May 19, 2021. His appointment as an Independent Director of the Company is subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

The Board of Directors are of the opinion that the Director(s) proposed for appointment / re-appointment at the ensuing 49th AGM of the Company possess integrity, necessary expertise, relevant experience and proficiency and the Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director(s).

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company and available at http://ranegroup.com/revl_investors/terms-conditions-appointment-id/.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act, 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014,

Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2020-21 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Harish Lakshman (DIN: 00012602) retires by rotation at the ensuing 49th Annual General Meeting (AGM), being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Harish Lakshman as a Director is included in the notice convening the 49th AGM.

2.3. Board and Committee Meetings

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

2.4. Meeting of Independent Directors

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

2.5. Board evaluation

The Board carried out an annual evaluation of its performance, its committees and individual directors, including the chairman of the Board. This exercise was carried out through a structured questionnaire seeking qualitative inputs and comments on the Board and its Committees, Chairman, Managing Director and individual directors. The performance evaluation of Chairman and Non-Independent Directors directors were also reviewed by Independent Directors at a separate meeting. The parameters included various aspects of the Board's functioning such as skill set and diversity of the Board to review strategy and risk

management dimensions and processes, information flow on state of affairs of the company, talent management & human capital challenges, effectiveness of presentations, priorities accorded by the Board particularly to cyber security and effectiveness of Board's processes of reviewing annual operating plan and strategic business plan.

Peer assessment of Directors based on parameters such as contribution to Board decisions and discussions, staying updated on recent trends, awareness to macro level developments and networking engagements was reviewed by the Board for individual feedback. The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes commitment, competency, sector knowledge, networking and engagement.

During the year, the Company actioned on the feedback from the Board evaluation process. Agenda was reorganised to allow longer time for discussion on strategy and business matters, streamlining of content for Board's deliberation on matters of relevance like Information Security Management System in the wake of remote working scenario due to the COVID-19 pandemic.

2.6. Familiarisation program for Independent Directors

The details of familiarisation program for Independent Directors are available in the weblink http://ranegroup.com/revl_investors/revl_familiarisation_programme_for_independent_directors/.

2.7. Key Managerial Personnel

Mr. Murali K Rajagopalan, President was appointed as 'Manager' with effect from April 01, 2020, and approval of the shareholders was obtained at the 48th AGM. Mr. Vivekanandaa M, was appointed as Company Secretary, w.e.f. October 23, 2020 in place of Mr. S. Kalidoss, Secretary who resigned from the services of the Company w.e.f the close of business hours on July 06, 2020.

Mr. Murali K Rajagopalan, Manager & President, Mr. V K Vijayaraghavan, Chief Financial Officer (CFO), Mr. Vivekanandaa M, Company Secretary, hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Companies Act, 2013.

2.8. Remuneration policy

The policy contains criteria for determining positive qualifications, positive attributes, and independence of a Director and also covers aspects of remuneration which is reasonable and sufficient to attract, retain and motivate Directors / high potential employees of the quality required to run the Company successfully.

The policy on appointment and remuneration of Directors, KMP and Senior Management Personnel (SMP) as laid down by the NRC of the Board is available at the web-link at https://ranegroup.com/revl_investors/policy-on-appointment-remuneration-of-directors-kmp-smp/. There has been no change in this policy during the financial year 2020-21.

The details of remuneration paid / payable to the Directors during the financial year 2020-21 is furnished in the Corporate Governance report annexed to this report of the Board.

3. Audit and allied matters

3.1. Audit Committee

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

3.2. Statutory Auditor

M/s. Varma & Varma, Chartered Accountants (Varma & Varma) were appointed as Statutory Auditor at the 45th AGM held on August 21, 2017, for a period of five consecutive years commencing from the conclusion of 45th AGM till the conclusion of the 50th AGM.

Varma & Varma have confirmed that they do not suffer from any disqualification under Section 141 of the Companies Act, 2013 and the rules made thereunder. Varma & Varma has also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India.

During the year under review, the Varma & Varma has not reported any fraud under Section 143(12) of the Companies Act, 2013 requiring disclosure under Section 134(3)(ca) of the Companies Act, 2013.

The Statutory Auditors report to the members for the year ended March 31, 2021 does not contain any qualification, reservation, adverse remark or disclaimer.

3.3. Cost Audit & maintenance of cost records

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 August 06, 2020, had appointed M/s. Jayaram & Associates, Cost Accountants, represented by Mr. R Jayaram (Membership no. 26103) as Cost Auditor of the Company for the financial year 2020-21 as per the recommendations of the Audit Committee, after obtaining necessary certificate under Section 141 of the Act conveying his eligibility for re-appointment. In

terms of Section 148(3) of the Companies Act, 2013 the remuneration as fixed by the Board, based on the recommendation of the Audit Committee, is required to be ratified by the members at the AGM in terms 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 Auditor. The Company maintains all such accounts and records as specified by the Central Government under section 148 (1) of the Companies Act, 2013.

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, have been appointed by the Board of Directors in terms of Section 204 of the Companies Act, 2013 as Secretarial Auditors of the Company for the FY 2020-21. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on May 19, 2021. The report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance Report, (hereinafter referred to as 'compliance report'), for the FY 2020-21 issued by M/s. S Krishnamurthy & Co., confirms compliance with securities law applicable to the Company and the same has been taken on record by the Board of Directors at their meeting held on May 19, 2021. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

3.5. Internal Auditor

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, were the Internal Auditors of the Company during the year under review. 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 Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. The Internal Auditor reports directly to the Audit Committee. The Audit Committee while reviewing their performance, scope, functioning, periodicity and methodology for conducting the Internal Audit, has taken into consideration their confirmation to the effect that their infrastructure viz., internal audit structure, staffing and seniority of the officials proposed to be deployed etc. are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the Internal Audit.

For FY 2020-21, the Audit Committee has inter- alia taken on record their certification to the effect that:

- a. They have evaluated the internal control systems and risk management systems and reviewed the

risk management systems and the management's process of identification and mitigation of risks and controls;

- b. There were no significant findings requiring follow-up there on and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the Audit Committee / Board;
- c. Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;
- d. There were no deficiencies in the design or operation of internal controls;
- e. There were no significant changes in the internal control over financial reporting during the year under review;
- f. There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting; and
- g. The Company has a proper system for ensuring compliance with all applicable laws and the same is adequate and working effectively.

4. Directors' responsibility statement

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

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;
- b. they had selected such accounting policies and applied them consistently and made 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 and loss of the Company for the year under review;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- d. they had prepared the financial statements for the financial year on a 'going concern' basis;
- e. they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and

- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

5. Related Party Transactions (RPT)

All RPT 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 entered into by the Company with Related Parties which may have potential conflict with the interest of the Company at large.

All RPTs are placed before the Audit Committee and before the Board, wherever required, for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are entered into in the ordinary course of business and are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are also reviewed by the Audit Committee on a quarterly basis.

The Company has put in place a proper system for identification and monitoring of such transactions. Save as disclosed in this report, none of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company. The policy on RPT as approved by the Board is uploaded on the Company's website and is available at the web-link: http://ranegroup.com/revl_investors/revl-policy-on-related-party-transaction/.

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material, financial and commercial transactions (except payment receipt of their remuneration, as applicable), which may have potential conflict with interest of the Company at large.

6. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: "To be socially and environmentally responsible corporate citizen". The CSR activities of Rane Group focus on four specific areas of: (a) Education; (b) Healthcare; (c) Community Development; and (d) Environment. The CSR policy of the Company is available at the web-link at http://ranegroup.com/revl_investors/corporate-social-responsibility-policy/.

During the year the Board has re-constituted the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Chairman, Mr. S Krishna Kumar, Independent Director and Mr. C N Srivatsan, Independent Director as members. Mr. S Krishna Kumar, consequent to his retirement, ceased to be a member of the Committee with effect from May 01, 2021.

Since the Company was not required to spend towards CSR activities during FY 2020-21 as per Section 135 of the

Companies Act, 2013 read with rules thereunder owing to the inadequacy of profits / loss during the immediately preceding three financial years, there was no requirement for the CSR committee to consider any subject matter in this regard, during the year under review.

7. Energy conservation, technology absorption and foreign exchange earnings and outgo

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

8. Corporate Governance Report

Your Company is committed to maintaining the highest standards of Corporate Governance and effective compliance with the regulatory norms under the SEBI regulations and other laws and regulations applicable to the Company. The Corporate Governance report and the certificate issued by the Statutory Auditors are available in 'Annexure D' to this report.

9. Particulars of Directors, Key Managerial Personnel and Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided as an Annexure to this report.

10. Risk Management

The Company has laid down well-structured procedures for monitoring the Risk Management plan and implementing risk mitigation measures and it has been elaborately discussed under the Management Discussion and Analysis Report which forms part of the Annual Report.

11. Other disclosures

- a. The details of loan, guarantees and investments, if any, under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.
- b. The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- c. There was no significant / material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

d. The policies approved and adopted by the Board have been made available on the Corporate Governance section of the Investor page on the website of the Company viz. www.ranegroup.com.

e. The copy of the Annual Return is available on the website of the Company at www.ranegroup.com.

f. The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India (ICSI) as per section 118(10) of the Companies Act, 2013.

g. The Company does not accept any deposits falling under the provisions of section 73 of the Companies Act, 2013 and the rules framed thereunder.

h. The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company.

i. The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under:

No. of complaints received during the financial year - Nil

No. of complaints disposed during the financial year - Nil

No. of complaints pending as of end of the financial year - Nil

j. The Company has not printed physical copies of the Annual Report for distribution in view of the exemptions available vide General circular 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA") and read with circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities Exchange Board of India ("SEBI"). The full Annual Report will be made available on the website of the Company and will also be disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 49th AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

k. **Annual General Meeting**

In view of the COVID-19 pandemic and in the interest of all stakeholders, the 49th AGM would

be conducted through video conferencing or other audio visual means on July 22, 2021 at 15:00 hrs (IST), as per the framework notified by Ministry of Corporate Affairs. The notice convening the 49th AGM contains detailed instructions and notes in this regard.

Acknowledgement

We thank our Customers, Investors, Suppliers, Vendors, Bankers, Government, Regulatory Authorities and other Business Associates for their continued support in successful performance of the Company. We place on record our appreciation for the committed services of all our employees.

For and on behalf of the Board

| | | |
|--------------|------------------------|------------------------------|
| Chennai | Harish Lakshman | Ganesh Lakshminarayan |
| May 19, 2021 | Vice-Chairman | Chairman |
| | DIN: 00012602 | DIN: 00012583 |

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

Rane Engine Valve Limited (REVL) is a manufacturer of engine valves, guides and tappets for Passenger Cars (PC), Commercial Vehicles (CV), Farm Tractors, Stationary Engines, Railway / Marine Engines and Two / Three- wheelers. The Company operates in a single reportable business segment, viz. components for the internal combustion engine industry applicable for stationary and transportation engine applications.

2. Economic Review

2.1 Global Economy

The global economy which was already facing a slowdown received yet another setback due to the COVID-19 outbreak which caused major economic disruptions leading to a contraction of global growth by 3.5% in FY21. Industrial production and global trade declined substantially due to the enforced lockdown and travel restrictions. However, the economy recovered in the second half due to easing of lockdowns and the rapid deployment of policy support at an unprecedented scale by Central banks and Governments around the world. The fiscal support by Governments, extensive rate cuts, liquidity injections, and asset purchases by Central banks helped in restoring confidence and aided demand recovery preventing a full-blown recession.

According to the International Monetary Fund (IMF), the global economy is expected to move towards recovery and is predicted to increase by 5.5% in 2021 on the back of policy support and roll out of vaccines which are expected to lift economic activity across the world and lead to pick up in trade and investment. Growth is likely to be boosted by the strong economic rebound in China, and across advanced and emerging economies across the world as the impact of the pandemic begins to fade. Growth is likely to vary across economies and will be driven by the success and speedy deployment of vaccines along with continued accommodative fiscal and monetary policies.

2.2 Indian Economy

India's economy is estimated to have contracted by 7.5% in FY21 as lockdowns and other containment efforts to control the COVID-19 pandemic reduced domestic consumption despite substantial fiscal and monetary stimulus. However, there was a sharper recovery in the second half of the fiscal in terms of consumption and investment. The manufacturing sector indicated notable traction as industrial units were able to function with greater capacity. The infrastructure and construction sector also saw resurgence owing to the government's Capex push, easing of movement restrictions, and repressed and festive demand.

According to the IMF, the economy is expected to grow 12.5% in FY22 led by favourable policy support and recovery in economic activity. However, the second wave of coronavirus and resultant lockdown has impacted the economic activities in FY22. In order to attract more investments, generate employment and boost exports, the Government introduced production-linked incentive (PLI) scheme to boost cost competitiveness in various manufacturing sectors. The recently announced budget has increased allocation to sectors like infrastructure to revive economic growth. Going forward, rollout of vaccines should lead to increased economic activity and increased mobility which should help in gradual and sustainable economic revival.

3. Industry Review

3.1. Global Automobile Industry

U.S. new-light vehicle sales in 2020 declined by around 15% year over year to 14.5 million units. The industry was hit hard due to the COVID-19 pandemic which brought the economy to a standstill and impacted sales. However, the year ended on a surprisingly upbeat note with car and truck sales rebounding sharply in December on the back of positive news related to the passage of the stimulus package, more certainty around the election outcome coupled with news about possible vaccine approval which lifted consumer sentiments. The National Automobile Dealers Association (NADA) expects the U.S. new-vehicle sales to increase by 7% to 15.5 mn in 2021 on the back of improving consumer sentiments, low interest rates, consumer preferences for personal vehicle ownership over rideshare services and public transportation. However, continued increases in COVID-19 cases, global shortage of semiconductor microchips, and tight inventory on dealer lots are some of the headwinds for the auto industry.

According to European Automobile Manufacturers' Association (ACEA), the European new-car registrations declined by 24% to 9.9 million units in 2020 due to the COVID-19 pandemic. However, the market share of electric cars went up notably to 10.5% as compared to 3% in 2019. The fallout of pandemic is likely to prevail in the first half of the 2021 but the demand is expected to pick up in the second half as vaccination program progresses with sales expected to rise by 10% compared to 2020.

The global automotive industry has been witnessing subdued demand for the last two consecutive years due to shrinking economic activity, rising competition, slowdown in BRIC economies, and tightening lending norms. The COVID-19 pandemic inflicted severe blow to the already struggling industry and brought a decade of expansion in the global automotive industry

to an abrupt halt. However, the global auto industry is witnessing signs of revival and continues to show resilience boosted by a low interest rate and consumer shift towards personal mobility over public and shared transport. Share of Electric Vehicles is expected to increase in the years ahead with digital transformation expected to be major growth driver going forward. Diverse mobility, connectivity and powertrain choices and increasing level of autonomy are the key disruptive technologies that will shape the future of mobility.

3.2. Indian Automobile Industry

The Indian automobile industry which had been struggling for growth even before COVID-19 led by cyclical downturns and BS-VI disruption faced a severe blow due to the onset of pandemic which weakened consumer sentiment due to the risk of wage reduction, bleak job prospects and reduced financing availability. Longer than expected lockdown disrupted supply chain leading to lower plant utilization and resulting in higher inventory with dealers while eroding purchasing power of consumers. However, since the lifting of lockdown restrictions, the auto industry witnessed demand recovery led by (pent-up) suppressed demand, low interest rates, improved finance availability, gradual pick-up of business and economic activity, an increasing predilection for personal mobility and high disposable income in the rural market. Recovery in demand environment, inventory refilling and normalcy in supply-chain bottlenecks led to higher volume in the second half of the fiscal year.

The Passenger Vehicle (PV) segment experienced a decline of 11% amidst weak consumer sentiment. However, rollout of new products/variants, launch of innovative schemes along with an improved preference for personal mobility due to safety precaution helped in arresting major decline. The consumer's growing preference for modern, spacious, and safer Utility vehicle (UV) segment resulted in a growth of 4% while the Passenger Car (PC) segment volume declined by 18%.

Domestic Commercial Vehicle (CV) segment was the worst impacted with volumes declining by 17% as it faced multiple headwinds in the form of surplus capacity with the fleet operators, a weak freight demand on the back of a slowdown in economic activity, higher BS6 price and stringent financing norms. The medium and heavy commercial vehicles (M&HCV) segment was the hardest hit due to the unprecedented lockdown which resulted in slowdown in economic activities. Recovery in the M&HCV was marginal due to poor freight availability, surplus capacity, and slowdown in execution of infrastructure projects. However, announcement of multiple infrastructure projects as well as mining activities by Central and various State Governments helped in the segment's recovery towards the end of the fiscal year. Despite nascent recovery in terms of utilization levels of fleet operators and CV financing picking pace towards the second half of the fiscal year, FY21 was a washout year for M&HCV which

recorded a sharp decline of 21% in volume. The Light Commercial Vehicles (LCV) segment reported slight decline of 12% in volume due to a strong momentum in e-Commerce, Pharma, FMCG, Consumer durables and Agri movement. The Small Commercial Vehicles (SCV) segment reported a decline of 21% in volume.

Farm tractors volumes experienced a sharp increase of 24% led by positive farm sentiments primarily due to a robust crop production, higher procurement, good price realizations and a favourable monsoon. Two-wheelers witnessed a decline of 13% driven by the COVID-19 outbreak, however there was stable recovery in second half of the fiscal.

| Industry Segment (Production figures) | Growth in % (YoY change) | |
|--------------------------------------------|-----------------------------|------|
| | FY21 | FY20 |
| Vehicles | | |
| Passenger Cars (PC) | (18) | (20) |
| Utility Vehicles (UV) | 4 | 3 |
| Multi-Purpose Vans (MPV) | (18) | (40) |
| Passenger Vehicles (PV) | (11) | (15) |
| Small Commercial Vehicles (SCV) | (21) | (26) |
| Light Commercial Vehicles (LCV) | (12) | (19) |
| Medium & Heavy Commercial Vehicles (M&HCV) | (21) | (48) |
| Commercial Vehicles (CV) | (17) | (32) |
| Farm Tractors (FT) | 24 | (12) |
| Two Wheelers (2W) | (13) | (14) |

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1 Domestic Market

The Company registered a 13% decline in domestic market. Sales to Original Equipment Manufacturer (OEM) was down by 9% due to lower demand across all segments. This was partly offset as the company successfully improved its share of business with key customers. In the aftermarket segment, sales was down by 21% mainly due to an overall drop in repair activity. The Company is focusing on new product launches and enhancing its distribution network in the aftermarket. The break-up of the domestic sales by market segment is given below:

| Market | ₹ in Crores | | |
|--------------|---------------|---------------|-------------|
| | FY21 | FY20 | Growth in % |
| OEM | 180.68 | 199.57 | (9) |
| Aftermarket | 21.83 | 27.48 | (21) |
| Railways | 1.09 | 4.98 | (78) |
| Defence | 3.55 | 6.12 | (42) |
| Total | 207.15 | 238.15 | (13) |

4.2 Exports

Export sales to OEM customers were down by 27% due to lower off take by the customers. However, Export aftermarket sales grew by 4%.

(₹ in Crores)

| Market | FY21 | FY20 | Growth in % |
|--------------|--------------|---------------|-------------|
| OEM | 57.43 | 78.57 | (27) |
| Aftermarket | 32.10 | 30.71 | 4 |
| Total | 89.53 | 109.28 | (18) |

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

(₹ in Crores)

| Market | FY21 | FY20 | Growth in % |
|--------------------|---------------|---------------|-------------|
| Automotive Engines | 230.74 | 266.69 | (13) |
| Other Engines | 65.93 | 80.74 | (18) |
| Total | 296.67 | 347.43 | (15) |

Your Company also secured orders worth ₹22 crores from domestic and export customers. This will be commercialized in next few years starting from FY 2021-22.

4.3 Operational and Financial Performance

4.3.1 Financial Review

- Revenue from Operations decreased by 15% to ₹301.85 crores in FY21 from ₹354.99 crores in FY20.
- EBITDA decreased by 106% to ₹(0.74) crores in FY21 from ₹13.31 crores in FY20.
- Loss after Tax stood at ₹6.09 crores for FY21 as compared to Loss after Tax of ₹16.34 crores in FY20.

Your Company implemented new operational efficiency improvement programmes and sustained the ones implemented in the last financial year. The financial turnaround initiatives are progressing as per plan. These initiatives have effectively offset the significant impact due to volume drop driven by truncated period of operations in first quarter owing to lockdown imposed due to COVID-19 pandemic.

In respect of key ratios in FY 2020-21 compared to last year viz., interest coverage, operating profit & net profit margin are better due to operational improvements despite challenges posed due to COVID-19 pandemic and disinvestment of land not in use. There is no significant change in other ratios. Further, the return on networth improved in FY 2020-21 (5.63)% as against FY 20 (13.71)% on account of the reasons cited above.

4.3.2 Operations and Manufacturing Review

Your Company is continuously focusing on customer centricity through proactive R&D engagement with twin objectives of providing solutions to customers' needs and growing the business. This has resulted in the continuous improvement of the Company's technology road map with that of customer objectives such as emission control, light weighting and fuel efficiency improvements. Your Company continued to work on different product and

process technologies in line with the market situation. Over 50 projects are under various stages of engagement with existing and potential customers. As a part of enhancing cost competitiveness, value engineering / value addition is pursued as a key enabler and your Company has successfully implemented several value-engineering projects with key customers.

Your Company continued to improve productivity and quality during the year. Despite a drop in capacity utilisation during the year due to the pandemic, your Company invested in establishing a dedicated stem hollow valve manufacturing capability which is the latest trend for managing engines with high temperature for the improved emission controls. Your company also invested in upgradation of existing lines at Tumakuru plant. Your Company continues its good performance on customer quality with less than 3 parts per million. Your Company continued to execute the following key initiatives in the pursuit of returning back to profitability:

- Update manufacturing equipment and infrastructure to improve capability and realise capacity.
- Deploy automation and related initiatives to enhance shop floor productivity.
- Target increased share of export business through proactive R&D engagement and sales efforts.

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

- All plants are ISO 9001:2015, IATF 16949:2016 and ISO 14001:2015 certified.
- All plants are certified for OHS standard ISO 45001:2018.
- The Company has also been certified under ISO 27001:2013 for ISMS.

4.4 Pursuit of Business Excellence

The Company continued to focus on the 'Business Excellence Model', which was built on the solid foundation of existing Total Quality Management (TQM) practices. Several new systems and processes have been revisited and the business processes are re-engineered for efficiency and effectiveness. A strong internal process audit has been established across all plants to continuously identify and implement improvement areas. These helped the Company to become a **Great Place To Work Certified Company** and also received customer award as under.

Customer Awards

- John Deere - Zero PPM/Best In Class Quality level in FY2019-20.

4.5 Opportunities and Threats

India is poised to grow faster than most of the large economies over the next decade giving rise to tremendous opportunities. The industry is staring

at immense growth prospects in terms of exports, enhancing import substitution, expanding aftermarket offerings, developing data-enabled services and solutions, and offering new or modified features in line with constantly shifting market dynamics and changing OEM needs. The automotive value chain is likely to see significant shift to non-traditional sub-segments such as EVs, advanced driver assistance systems (ADAS), data-enabled services, etc. in the coming future. Adapting to the required changes to seize these upcoming opportunities, the auto component manufacturers will be in a strategic position to leapfrog into the global arena.

As uncertainties prevail in the global economy, the industry continues to face a range of business risks related to supply chain and changing customer preference. Delay in economic recovery, increase in commodity prices and forex volatility are some of the headwinds being confronted. Moreover, evolving regulatory and trade environment, technological changes and environmental regulation, continue to pose challenges to the sector.

4.6 Outlook

The industry which is seeing a meaningful upturn after a long period of sluggish growth is likely to witness a positive momentum on the back of revival in overall economy, improving rural cash flows and an increasing need for personal mobility. Introduction of schemes like production-linked incentives and vehicle scrappage policy is likely to increase the competitiveness of the Indian automotive industry globally. Furthermore, help is required to attract investments and boost exports. However, an increase in cases of Coronavirus infection and consequent restrictive measures imposed by the Government could derail growth prospects. On the other hand, widespread vaccination campaigns being run by the Government is likely to control the pandemic resulting in expanded economic activity.

The Company is addressing operational performance in the short term to return to profitability. At the same time the company is keeping in mind the long-term sustainability of the business through investing in technology and growing our business in India and abroad.

From a long-term perspective, the Company's growth might be impacted as penetration of Electric Vehicles increases. While the Company does not believe the impact will be significant from a 5 to 7 year perspective, the management will be cognizant of this issue for the long term. As a tactical initiative against auto electrification, your Company is focusing on growing its non-auto business.

5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with a risk mitigation plan to the Board of Directors on a 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 the 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 the Company level is carried out and presented to the Board of Directors once in two years for their review.

| | Risk | Nature of Risk | Risk Mitigation Strategies |
|-----------|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategic | Industry / Market Risk | 70% of revenue is derived from the Indian automotive sector. Hence, any drop in vehicle production will have a significant impact on Company's business. | The Company constantly strives to: <ol style="list-style-type: none"> Increase revenue from International markets (outside of India). Add new products to increase organic revenue and diversify customers across vehicle segments. Look for opportunities in the non-automotive segments such as Defence, Railways, etc. |
| | Technology Obsolescence Risk | The auto industry and customer preference undergoes changes, resulting in technology obsolescence. | The Company has consistently delivered cutting-edge technology products with enhanced R&D capabilities, localisation of testing and validation capabilities. Proactive engagement with customers at an early stage helps the Company capture and work on new technology development. |
| | Competition | Maintaining market share in competitive markets and availability of unorganized players further pose challenges. | The Company's long-standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. The Company periodically conducts customer surveys to understand customer feedback and works in furthering its relationship with the customers. |

| | Risk | Nature of Risk | Risk Mitigation Strategies |
|-------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operational | Quality/ Processes | Quality and delivery are sacrosanct for safety of critical products supplied by the Group. | Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help the Company mitigate quality and delivery risk. |
| | People Risk | Attrition of key personnel could impact business operations and growth. | The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports to build functional capabilities and develop a strong leadership pipeline. The performance management system and other employee engagement initiatives help develop and retain talent. |
| | Raw Material (Input) Price Risk | Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin. | The Company constantly strives to mitigate the input cost increases by: a) Implementing a procurement function that will work on cost reduction initiatives through alternate sourcing, localisation, etc. b) Negotiating and passing through input cost, which increases suitably, to the customers. c) Working on process improvements, yield improvements, etc. |
| Financial | Currency Risk | The Company is exposed to foreign currency exchange risk as it exports its products to various countries and imports raw materials. | The Company uses a multi-pronged approach suitable to the scenarios. It includes: a) Optimally balancing the import and export to create natural hedge. b) Working with customer-to-index prices to mitigate currency fluctuations. c) Taking simple forwards on a rolling basis to protect its export realization. |
| | Interest rate risk | Use of borrowings to fund expansion exposes the Company to interest rate risk. | The Company manages interest rate risk on the following basis: a) Maintaining optimal debt-equity levels. b) Using internal accruals to fund expansion. c) Constantly optimizing working capital to reduce interest costs. |

6. Human Resource Development and Industrial Relations

6.1. Talent Development Initiatives

In FY 2020-21, the Company focused on the following talent development initiatives:

Leadership Development

- Young Leadership Development (YLD) Batch 4 was rolled out for first time managers and experienced individual contributors. 5 participants underwent 4 days of facilitator led workshop delivered in two modules.
- As part of an Executive Leadership Development, in the "Leader as Coach" program, 3 participants in Batch 2 have completed their module 1 and are progressing on their leadership journey. An interactive session was organized for them with the resource person and Group HR Head to exchange experiences on how 2020 had impacted them and also to prepare them for the upcoming modules.

Rane Manufacturing Systems Professional Programme (RMSP)

7 participants from batch 3 completed their 18-month learning journey, 28 projects have been carried out by the participants in PQCDMS in line with their RMSP learning.

17 participants from batch 5 & 7 are undergoing their RMSP journey.

Managerial & Technical Competency Development Programs

58 programs focusing on Manufacturing Systems, General Management, Soft Skills and Business Specific were organized during the year. Design for Manufacturing, QC Story Methodology and customized SAP programs were organized as part of business specific programs. Manufacturing Systems programs such as Low-Cost Automation, Noise, Vibration & Harshness, and Value Engineering were also organized. This year 62% of the programs (Behavioral, Technical, Functional and General management) were delivered through virtual instructor led programs and 38% through massive open online courses.

6.2. Employee Engagement and Well-being

The Company believes in enhancing employees' everyday experiences and in building meaningful workplace relationships. Employee feedback surveys and discussions help us in providing insights on what is important to employees. A follow up mechanism ensures that change and progress occur. In recognition of our efforts, four of Rane Group companies including this

Company have been certified as "Great Place to Work" Companies.

With an objective to promote a culture of well-being and improving health outcomes, the Company organized wellness events, rendered wellness services and provided supplementary resources.

Mental Health and Well-Being

Workshop on mental health and well-being was organized with the objective to raise awareness on mental health and recognize it as an integral and essential aspect of one's well-being. The session focused on common myths and misconceptions about the widespread mental health challenges and to learn habits to keep one's mind healthy and understand responsibilities towards nurturing the collective mental health of the organization. Around 233 participants went through the workshop, where tips on self-regulating one's thoughts, feelings and emotions during the pandemic were shared.

Values Workshop

A workshop on Values was organized to develop an understanding of organizational values, expectations (of the team, people, and customer), taking ownership and preparing oneself towards contributing meaningfully towards the goals of team/function. 28 participants at Assistant Manager to Deputy Manager Level at group level were benefited from the workshop.

Response to COVID

As part of Rane Group's initiatives to tackle COVID-19, a 'Return to Work' SOP was developed and circulated to all employees. Strict guidelines on social distancing norms were implemented and an awareness of good hygiene practices was emphasized, "Quarantine leave" (QL) of 14 days was given to Employees in case they, or their immediate family members were affected by COVID or were coming from hotspots. Policies on flexible work timings were instituted with an increase in medical insurance corporate buffer limits for expenses (employee and dependents) incurred due to COVID was introduced.

6.3. Digital Initiatives

Learning Management System (LMS) - To transform the learning experience of employees and to fast track the competency enhancement, Rane Institute for Employee Development (RIED) rolled out LMS in 2019. The first year of implementation overlapped with the pandemic and we kept the employees engaged by rolling out 47 personalized learning courses that were a mix of online learning courses, virtual instructor-led sessions, and eLearning modules. This was supplemented by virtual resources such as videos, presentations, articles, books and podcasts. To ensure employees have adequate knowledge of the policies that are part of the governance & vigil mechanism, we developed and rolled out e-learning modules on Rane Compass - Rane's Policy on Ethical Standards of Behaviour, including policies on gifts and vendor relationship, Whistle Blower policy and

policy on Prevention of Sexual Harassment of Women at Workplace.

These e-learning policies, while acting as refresher for our existing employees, provides learning to our new joiners so as to be able to quickly adapt to our culture.

Kick-start is a mobile application that provides consistent induction experience to all the new hires. The platform provides micro learning content on Rane Group's mission, products, policies etc. leading to enhanced learning results and business outcomes while improving the engagement levels significantly. To facilitate the whistle blowers to report instances of unethical behaviors securely, a workflow was rolled-out. The entire cycle of reporting to resolution compliance has been addressed through the whistle blowing management system.

6.4. Industrial Relations

Industrial relations were generally cordial in all the plants.

During the financial year, a long term settlement was signed at Tumakuru plant during March 2021. The group level industrial relations council works towards the objective of creating a healthy working environment by promoting peace and harmony amongst all segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing of best practices.

7. Internal Control Systems

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

The internal audit function is outsourced to a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve the 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 meetings for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of the internal control systems and compliance with laws and regulations including resource utilization and system efficacy.

8. Cautionary Statement

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

Annexure B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2021

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", No.132, Cathedral Road, Chennai - 600 086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE ENGINE VALVE LIMITED** (*'the Company'*) during the Financial Year from April 1, 2020 to March 31, 2021 (*'the year' / 'audit period' / 'period under review'*).

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

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related actions taken by the Company, during the year as well as after March 31, 2021, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the key managerial personnel of the Company and noted by the Board of Directors;
- (iii) Report regarding compliance with certain factory related laws, given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the **Financial Year ended on March 31, 2021**, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

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

1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, Minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:
 - (i) The Companies Act, 2013, and the rules made thereunder.

- (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
- (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').
- (v) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').
- (vi) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').

1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2021, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) The Company has complied with the applicable provisions of the Act, Rules and Regulations mentioned in paragraph 1.1 (i) to (iii) above.
- (ii) The Company has complied with the applicable provisions of the SEBI Regulations and Agreements mentioned in paragraph 1.1 (iv) and (v) above.
- (iii) The Company has complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vi) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards - 4 (SS-4) on 'Report of the Board of Directors', being non-mandatory, have not been adopted by the Company.

1.3 We are informed that, during / in respect of the year:

- (i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, Minute books

or other records or file any forms or returns under:

- (a) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - (g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes

We further report that:

2.1 Board constitution and balance

- (i) The constitution of the Board of directors of the Company during the year was in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR.
- (ii) As on March 31, 2021, the Board of Directors of the Company comprises of:
 - (a) 3 (three) Non-Executive Non-Independent Directors; and
 - (b) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The Company is not required to appoint an Executive Director, since it has appointed whole-time key managerial personnel in the position of Manager under Section 203(1)(i) of the Companies Act, 2013.
- (iv) The processes relating to the following changes in the composition of the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR:
 - (a) Cessation of Mr. Ganesh Lakshminarayan (DIN: 00012583) as Managing Director upon completion of his tenure on March 31, 2020, and his appointment as Non-Executive Chairman for a period of 2 (two) years with effect from April 1, 2020.

- (b) Re-appointment of Mr. Lakshman Lakshminarayan (DIN: 00012554) as a Director, upon retirement by rotation at the 48th Annual General Meeting held on August 6, 2020.

2.2 Board meetings

- (i) Adequate notice was given to all the directors to enable them plan their schedule for the Board Meetings.
- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings, with the requisite consent from the Board of directors as required under SS-1:
 - (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
 - (b) Additional subjects / information / presentations and supplementary notes.

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

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

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

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

We further report that:

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

For S. Krishnamurthy & Co.,
Company Secretaries
(Peer Review Certificate No.739/2020)

Sharanya Sriram
Partner

Membership No.: F10252
Certificate of Practice No.: 12731
UDIN: F010252C000342683

Place: Chennai
Date: May 19, 2021

Annexure - A to Secretarial Audit Report of even date

To the Members of

Rane Engine Valve Limited

[CIN: L74999TN1972PLC006127]

"Maithri", No.132, Cathedral Road, Chennai - 600 086.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2021, 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. 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.
4. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:
 - (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.
 - (b) Compliance related action taken by the Company after March 31, 2021, but before the issue of this report.
 - (c) Notifications / Circulars / Guidelines issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India, and Guidelines issued by the Institute of Company Secretaries of India, in respect of various compliance related events as stated therein.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
6. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. 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
 (Peer Review Certificate No.739/2020)

Sharanya Sriram
 Partner
 Membership No.: F10252
 Certificate of Practice No.: 12731
 UDIN: F010252C000342683

Place: Chennai
 Date: May 19, 2021

Annexure C to the 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

- 42 energy saving projects have been implemented.
- 8,18,612 units (kwh) have been saved through these energy saving projects.
- ₹65,48,896 have been saved through energy saving measures.

Steps taken utilising alternate sources of energy

- The Company makes use of wind and solar energy and approximately 73,83,531 units (kwh) have been utilized during the year.

Capital investment in energy conservation equipment

- The Company is planning for future investments into additional projects for energy conservation.

B. Technology Absorption

Efforts made towards technology absorption

- Partnering with Indian OEM's for smooth transition to BS VI Stage-II emission norms.
- Continued to provide solutions for Friction reduction for better fuel efficiency.
- Explored alternate cleaner technologies for surface treatment.
- Custom build rig testing for customers.

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

- Hollow Valve business breakthrough achieved with 2 customers.
- Made significant progress with Gas Engines in overseas markets.
- Achieved low cost surface coating solutions for wear reduction.

- New Product Development turnaround time has been improved.

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2020-21)

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

Research and Development expenditure incurred

| (₹ in Crores) | | | |
|---------------|--------------------------------------------------------|-------------|-------------|
| Sl. No. | Particulars | 2020-21 | 2019-20 |
| A | Capital expenditure | 0.21 | - |
| B | Recurring expenditure | 1.16 | 1.58 |
| C | Total | 1.37 | 1.58 |
| D | Total R & D expenses as a percentage of total turnover | 0.46 % | 0.45 % |

C. Foreign Exchange Earnings And Outgo

| (₹ in Crores) | | |
|------------------|---------|---------|
| Foreign Exchange | 2020-21 | 2019-20 |
| Earnings | 89.53 | 109.28 |
| Outgo | 15.88 | 38.91 |

For and on behalf of the Board

Chennai
May 19, 2021

Harish Lakshman
Vice-Chairman
DIN: 00012602

Ganesh Lakshminarayan
Chairman
DIN: 00012583

Annexure D to the Report of the Board of Directors

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance

Rane Group's time tested philosophy of Governance is based on principles of integrity, transparency and fairness. The Rane businesses seek enhancement of shareholder value within this framework. Directors' code of conduct and employee behaviour is nourished by this culture and is governed through a policy document "Ethical Standards of Behaviour - RANE COMPASS".

Rane Group, being a good corporate citizen, complies and fully abides by the laws and regulations of the land, both in letter and spirit. 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).

The Company recognizes the rights of all its stakeholders and encourages co-operation between the Company and its stakeholders to enable their participation in the corporate governance process as enshrined in the Ethical Standards of Behaviour - RANE COMPASS.

2. Board of Directors

Composition, Attendance & Meetings

As on March 31, 2021, the Board comprises of seven (7) Non- Executive Directors with majority of them being Independent Directors. The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director. The composition of the Board is aimed at maintaining an appropriate balance of skills,

background, experience and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner and the composition of the Board as at end of FY 2020-21, is in conformity the Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 read with Regulation 17A of SEBI LODR. None of the Independent Directors serves as an Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in any listed Company not more than three (3) listed Companies is served by him / her as an Independent Director. Similarly, none of the Directors on the Board is a member of more than ten (10) Committees or Chairperson of more than five (5) Committees across all listed and unlisted public companies in which he / she is a Director in terms of Regulation 26 of SEBI LODR. The Directors periodically notify the Company about change in their Directorship(s) / Committee position(s) as and when they take place.

During the year, the Board of Directors met five (5) times on June 19, 2020, August 06, 2020, October 23, 2020, January 29, 2021 and March 18, 2021 and requisite quorum was present throughout these meetings. The Company facilitates the participation of the Directors in Board / Committee meetings through video conferencing or other audio-visual mode, on matters others than those restricted as per applicable laws for the time being in force. The details of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorship(s) and Committee member / Chairman position(s) held by them in other public companies as on March 31, 2021 are given below:

| Name of the Director / (DIN) | Category | No. of Board meetings attended | Attendance at the last AGM (August 06, 2020) | Number of Directorship in other public companies [#] | | Number of Committees Membership [@] | |
|--------------------------------------|-----------------------------------------|--------------------------------|----------------------------------------------|---------------------------------------------------------------|--------|----------------------------------------------|--------|
| | | | | Chairperson | Member | Chairperson | Member |
| Mr. Ganesh Lakshminarayan (00012583) | Chairman, Non-Executive & Promoter | 5 | Yes | 3 | 6 | - | 6 |
| Mr. Harish Lakshman (00012602) | Vice Chairman, Non-Executive & Promoter | 5 | Yes | 1 | 5 | 1 | 2 |
| Mr. Ashok Malhotra (00029017) | Non-Executive & Independent | 4 | Yes | - | - | - | - |

| Name of the Director /(DIN) | Category | No. of Board meetings attended | Attendance at the last AGM (August 06, 2020) | Number of Directorship in other public companies [#] | | Number of Committees Membership [®] | |
|------------------------------------------------|-----------------------------|--------------------------------|----------------------------------------------|---------------------------------------------------------------|--------|----------------------------------------------|--------|
| | | | | Chairperson | Member | Chairperson | Member |
| Dr. (Ms.) Brinda Jagirdar (06979864) | Non-Executive & Independent | 5 | Yes | - | 5 | - | 4 |
| Mr. Coimbatore Natrajan Srinivatsan (00002194) | Non-Executive & Independent | 5 | Yes | - | 1 | 1 | 1 |
| Mr. Krishna Kumar Seshadri (00062582) | Non-Executive & Independent | 4 | No | - | 1 | - | 1 |
| Mr. Lakshman Lakshminarayan (00012554) | Non-Executive & Promoter | 5 | No | - | 4 | 3 | 4 |

[#] excludes Directorships held on the Boards of private Companies, Section 8 Companies, debt listed companies and Companies incorporated outside India and includes Directorship / Chairpersonship held in a deemed public company

[®] Membership in Audit Committee and Stakeholder Relationship Committee of other public companies are only considered as per Regulation 26 of SEBI LODR and membership includes the positions held as chairperson of the Committee

Note:

1. Mr. S Krishna Kumar (DIN: 00062582), Non-Executive, Independent Director, retired as per the retirement policy of the Company, effective from May 01, 2021.

The details of other Directorships held by the Directors of this Company as on March 31, 2021 in other listed entities are as under:

| Name of Director | Name of the listed entity | Category of Directorship |
|---------------------------|-------------------------------|----------------------------------------------------|
| Mr. L Ganesh | Rane (Madras) Limited | Chairman & Non-Executive & Promoter |
| | Rane Brake Lining Limited | Chairman & Non-Executive & Promoter |
| | Rane Holdings Limited | Chairman & Managing Director & Promoter |
| | EIH Limited | Non-Executive & Independent |
| | EIH Associated Hotels Limited | Non-Executive & Independent |
| | Sundaram Finance Limited | Non-Executive & Independent |
| Mr. Harish Lakshman | Rane (Madras) Limited | Vice Chairman & Non-Executive & Promoter |
| | Rane Brake Lining Limited | Non-Executive & Promoter |
| | Rane Holdings Limited | Vice-Chairman & Joint-Managing Director & Promoter |
| | Oriental Hotels Limited | Non-Executive & Independent |
| Mr. L Lakshman | Rane (Madras) Limited | Non-Executive & Promoter |
| | Rane Brake Lining Limited | Non-Executive & Promoter |
| | Rane Holdings Limited | Chairman Emeritus & Non-Executive & Promoter |
| | SRF Limited | Non-Executive & Independent |
| Dr. (Ms.) Brinda Jagirdar | IDFC First Bank Limited | Non-Executive & Independent |
| | Rane Brake Lining Limited | Non-Executive & Independent |
| Mr. C N Srivatsan | Precot Limited | Non-Executive & Independent |
| Mr. S Krishna Kumar* | Rane Brake Lining Limited | Non - Executive & Independent |
| Mr. Ashok Malhotra | - | - |

*retired as per the retirement policy of the Company, effective from May 01, 2021

Mr. L Lakshman is related to Mr. L Ganesh and Mr. Harish Lakshman. There is no inter-se relationship among the other Directors of the Company. The matters specified pursuant to Regulation 17(7) of SEBI LODR under PART A of Schedule II pursuant to Regulation 17(7) of SEBI LODR and in particular the annual operating plans and budgets, quarterly results for the Company, minutes of meetings of Audit Committee and other Committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. were discussed by the Board.

An annual calendar for the Board and its Committee meetings were circulated in advance to the Directors and they were provided with detailed agenda for the meetings to effectively participate in discussions. Post Board meeting reviews were held by the Chairman with the management, in order to effectively monitor the actions arising out of the decisions, directions and suggestions of the Board and its Committees.

The disclosure regarding meeting of Independent Directors, Board, Directors' performance evaluation and criteria for performance evaluation of Independent Directors are discussed in detail in the Directors Report. In the opinion of Board, the Independent Directors fulfill the conditions specified in SEBI LODR and the provisions of the Companies Act, 2013 and are independent of the management.

The Company issues formal letter of appointment to all the Independent Directors, whenever they are appointed / re-appointed and the terms and conditions of appointment of Independent Directors have also been disclosed in the website of the Company at www.ranegroup.com.

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the committee members. The details of familiarisation programme for the independent Directors are disclosed in the web-link at http://ranegroup.com/revl_investors/revl-familiarisation-programme-for-independent-directors/.

Skills, expertise and competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and Committees. The Board ensures and maintains highest standards of corporate governance. The skills / expertise / competencies identified by the Board in the context of the automotive business in which the Company operates for it to function effectively are inter-alia as follows:

| Skills / Competence / Expertise | Remarks | Name of the Director |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industry and Technology | Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network. | Mr. L Ganesh Mr. Harish Lakshman Mr. S Krishna Kumar* Mr. L Lakshman |
| Business development | Experience in driving business success across various geographies, diverse business environment, economic conditions and its cultures and global market opportunities. | Mr. L Ganesh Mr. Harish Lakshman Mr. S Krishna Kumar* Mr. L Lakshman |
| Governance | Having insight into maintaining effective Board and management relationship, protecting stakeholders interest and observing appropriate governance practices. | Mr. L Ganesh Mr. Harish Lakshman Mr. Ashok Malhotra Dr. (Ms.) Brinda Jagirdar Mr. C N Srivatsan Mr. S Krishna Kumar* Mr. L Lakshman |
| Allied disciplines | Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and human resource. | Mr. L Ganesh Mr. Harish Lakshman Mr. Ashok Malhotra Dr. (Ms.) Brinda Jagirdar Mr. C N Srivatsan Mr. S Krishna Kumar* Mr. L Lakshman |

*retired as per the retirement policy of the Company, effective from May 01, 2021

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year June 19, 2020, August 06, 2020, October 23, 2020 and January 29, 2021 with requisite quorum present throughout the meetings. 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 | 4 |
| Mr. Ashok Malhotra | Member, Non - Executive & Independent | 3 |
| Mr. L Lakshman | Member, Non - Executive & Promoter | 4 |
| Mr. S Krishna Kumar | Member, Non - Executive & Independent | 3 |
| Dr. (Ms.) Brinda Jagirdar | Member, Non - Executive & Independent | NA |

Note:

1. Dr. (Ms.) Brinda Jagirdar was inducted as a member of the Committee with effect from conclusion of the Board meeting held on March 18, 2021.
2. Mr. S. Krishna Kumar ceased to be a member with effect from May 01, 2021.

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 Auditor and the Internal Auditor were present as invitees in the meetings. The Manager and Sr. Vice President (Finance) & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on August 06, 2020.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (Board) in reviewing the financial

information which is disseminated to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

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

The terms of reference and roles of the Audit Committee inter-alia includes the review of the following matters:

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism and prohibition of insider trading.
- Evaluation of internal financial controls and risk management systems.
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter- corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto.
- Compliance with listing and other legal requirements relating to financial statements.
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the company, as and when required.
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company.

- Utilization of loans and / or advances from / investment by the company to its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.
- Recommends appointment of Auditor 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 Auditor / Internal Auditor.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the Statutory Auditor of the Company. The Statutory Auditor is eligible to issue a limited review report as the audit firm has been subjected to peer review process of The Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee approves payments to Statutory Auditor for audit and non-audit services.

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

On a quarterly basis the Audit Committee reviews related party transactions entered into by the company pursuant to each of the omnibus approval. The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of Internal Auditor observations, statutory compliance.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings:

The NRC is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met three (3) times during the year June 19, 2020, October 23, 2020 and January 29, 2021 with requisite quorum present throughout the meetings. 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 | 2 |
| Mr. C N Srivatsan | Member, Non-Executive & Independent | 3 |
| Mr. L Lakshman | Member, Non-Executive & Promoter | 3 |

Overall purpose and terms of reference

The brief terms of reference of the NRC are in line with the provisions of SEBI LODR / Companies Act, 2013 and the roles of the NRC, inter-alia, are as under:

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

During the year, the NRC, inter alia:

- reviewed and recommended the revision of sitting fees payable to the Non-Executive Directors for the FY 2020-21.
- reviewed the compensation benefits of SMP and KMP of the Company.

- considered and recommended the appointment of Company Secretary.
- reviewed and recommended the process of Board evaluation, its committees and Directors.
- reviewed and recommended re-instatement of sitting fees payable to the Non-Executive Directors for the meetings after March 01, 2021.

Remuneration to Non-Executive Directors

Non-Executive Directors receive sitting fee as remuneration for attending the Board and Committee meetings.

Remuneration Policy

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

Sitting fees

The Company has paid sitting fees to all Directors, apart from reimbursement of their actual travel and out-of-pocket expenses incurred by them, where applicable, for attending the meetings of the Board / Committee. The Company has not paid any other remuneration to Directors. The sitting fees payable per meeting of Board and its Committees are as hereunder:

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

In view of the general economic slowdown coupled with the uncertainties due to the COVID- 19 pandemic situation, the Board of Directors had decided not to pay sitting fees to all Non- Executive Directors. After considering the revival of industry and business prospects and restoration of full compensation of employees, the sitting fees was re-instated by the Board with effect from the month of March 2021.

Details of Sitting Fees paid to Directors

The details of remuneration paid to the Directors during the financial year and their shareholding in the Company as at the year ended March 31, 2021 are as follows:

| Type of Meeting | Sitting Fees (in ₹) | Shares held as on March 31, 2021 |
|---------------------------|---------------------|----------------------------------|
| Mr. L Ganesh | 20,000 | 135 |
| Mr. Harish Lakshman | 20,000 | 100 |
| Mr. L Lakshman | 20,000 | 100 |
| Mr. Ashok Malhotra | 20,000 | - |
| Mr. C N Srivatsan | 20,000 | - |
| Mr. S Krishna Kumar | 20,000 | - |
| Dr. (Ms.) Brinda Jagirdar | 20,000 | - |

Note:

- Shareholding includes joint holdings & HUF, if any.
- No shares of the Company were pledged by the directors and there is no stock option scheme prevailing in the Company.
- The Company does not have any Managing Director or Whole-time Director and therefore disclosure relating remuneration payable from the holding company or any of the subsidiary companies does not arise.

5. Stakeholders Relationship Committee (SRC)

Composition & Attendance of Meetings

The Stakeholders Relationship Committee looks into grievances of shareholders and redresses 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. During the year, the Committee met three (3) times on August 06, 2020, October 23, 2020 and January 29, 2021 with requisite quorum present throughout the meetings. 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 | 3 |
| Mr. L Ganesh | Member, Non- Executive & Promoter | 3 |

Overall purpose and terms of reference

The terms of reference of the SRC are framed in line with provisions of SEBI LODR and Companies Act, 2013, inter-alia, are as under:

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

One investor complaint received during the FY 2020-21 relating to physical copy of annual reports and the same was resolved. There were no complaints pending / unresolved at the end of the financial year 2020-21. The Chairman of the SRC was present at the last AGM of the Company held on August 06, 2020 to answer queries of the security holders. The SRC at its meeting held on May 19, 2021 also reviewed the Internal Audit report for the FY 2019-20 issued to RTA, in line with the SEBI Circular dated April 20, 2018.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) as per the CSR vision of the Company. The CSR projects and activities are guided by the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Company Secretary acts as the Secretary to the Committee. The composition of Committee is as follows:

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

Note:

1. Mr. C N Srivatsan was inducted as a member of the Committee with effect from conclusion of the Board meeting held on March 18, 2021.
2. Mr. S Krishna Kumar ceased to be a member with effect from May 01, 2021.

Overall purpose and terms of reference

The terms of reference of the Committee amended in accordance with Companies (CSR Policy) Amendment Rules, 2021 are as follows:

- Formulate and recommend CSR Policy, for approval of the Board.
- Formulate and recommend to the Board, an annual action plan in pursuance of CSR policy.
- Approve projects that are in line with the CSR policy.
- Implement CSR projects/programmes directly and through registered implementing agencies.
- Have monitoring and reporting mechanisms in place to track the progress of each project.
- Recommend the CSR expenditure to the Board of the Company for approval.
- Carry out impact assessment of project/ programmes, where required.
- Ensure the end utilization of CSR expenditure.
- Such other terms as required under any statutory obligation.

In view of the losses made during the previous years, the Company was not required to spend on CSR activities in terms of Section 135 of the Act and rules thereunder during FY 2020-21 and no CSR activities were carried out during the year.

7. Other Committees

Share Transfer Committee

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

In compliance with the directions of SEBI, vide notification dated November 30, 2018, towards prohibition of transfer of shares in physical form effective from April 1, 2019, the Company has taken initiatives to reach out to investors holding shares in physical form. There was no transfer of securities in physical form processed during the year except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders), if any.

Finance Committee

A Finance committee comprising of three Non-Executive Directors including one Non-Executive Chairman who are also part of the Promoters, viz., Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members is authorised to approve borrowings as per the delegations made by the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held.

Executive Committee

An Executive Committee comprising of three Non-Executive Directors including one Non-Executive Chairman who are also part of the Promoters, viz., Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members is authorized to carry out activities in connection with change in authorization to officials under various legislations, operation of bank accounts and other administrative matters between two consecutive meetings of the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held.

9. General Body Meetings

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

| Date of AGM | Special resolutions passed | Time | Venue / Mode |
|----------------------------------------|-------------------------------------------------------------------------------------------|-----------|-------------------------------------------------------------------------------------|
| August 06, 2020 (48 th AGM) | Approval of appointment and remuneration of Mr. Murali K Rajagopalan as Manager | 15:00 hrs | Video Conferencing / Other Audio Visual Means (VC/OAVM) |
| July 29, 2019 (47 th AGM) | No special resolution was passed | 10:15 hrs | The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014 |
| July 23, 2018 (46 th AGM) | Re-appointment of Dr. (Mrs.) Brinda Jagirdar as an Independent Director for a second term | 10:15 hrs | The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014 |

During the year no resolution was passed either through postal ballot or Extra-Ordinary General Meeting.

10. Other disclosures

- i. 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. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions including those with persons /entities belonging to promoter / promoter group as per Ind AS are stated in Note no. 28 of the financial statements. The policy on related party transaction is available on the website of the Company, viz., [http:// ranegroup.com/ revl_investors/ revl-policy-on-related-party-transaction/](http://ranegroup.com/revl_investors/revl-policy-on-related-party-transaction/).
- ii. 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.
- iii. 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.
- iv. 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.
- v. The Company has complied with the following non-mandatory requirements prescribed under Part - E of Schedule II, Chapter IV of the SEBI LODR:
 - a) maintains an office for Mr. L Ganesh, Chairman (Non-Executive Director) at the registered office of the Company and allows re-imbusement of expenses incurred in performance of his duties.

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., https://ranegroup.com/revl_investors/code-of-conduct/. The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct. A declaration from the Manager of the Company to this effect forms part of this report.

Prevention of Insider Trading

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

- b) dissemination to the stakeholders, financial performance and summary of significant events through earnings / conference calls with investors on quarterly basis.
- c) adopts best practices to ensure a regime of financial results / statement with unmodified audit opinion.
- d) Internal Auditor directly reports to the Audit Committee.
- vi. In order to comply with all applicable laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.
- vii. The Company does not have any material listed / unlisted subsidiary Companies as defined in Regulation 24 of the SEBI LODR. Hence, the Company is not required to frame a policy for determining material subsidiary.
- viii. The Company has obtained a certificate from a Company Secretary in Practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate obtained is attached in 'Annexure (i)' to this report on Corporate Governance.
- ix. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 including the compliance with the code of conduct as prescribed in Schedule - IV of the Companies Act, 2013 and Regulation 16 read with Regulation 25 and other provisions of the Act and SEBI LODR, as amended from time to time and that they are no aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
- x. In terms of regulation 25 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the Independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The Manager and CFO of the Company have certified to the Board on the integrity of the financial results / 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.
- xii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
- xiii. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report
- xiv. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.
- xv. The total fees for all services paid by the Company to M/s Varma & Varma, Chartered Accountants, Statutory Auditor are as under:

| (₹ in Crores) | | |
|-------------------------------------------------------|-------------|-------------|
| Particulars | FY 2020-21 | FY 2019-20 |
| Varma & Varma, Chartered Accountants | 0.22 | 0.18 |
| Net Work entities and firms of Varma & Varma (if any) | - | - |
| Total | 0.22 | 0.18 |

- xvi. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement and hence, the disclosure on utilization of funds is not applicable.
- xvii. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statues, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory and industry changes.

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

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

12. Whistle blower mechanism

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. During the year under review, the working of the policy was reviewed and approval of the board was secured to amend certain provisions to strengthen and align the internal mechanism for dealing

with any reliable information under this policy. It also addresses the protection to whistle blower who makes protected disclosures under the policy and provides for direct access to the Chairman of the Audit Committee.

The policy and the mechanism for reporting have been appropriately communicated across all locations of the Company. No person has been denied access to the ombudsperson / Audit Committee. During the year under review, there were no complaints received or pending for resolution through this mechanism. The whistle blower policy has also been posted in the Company's website at http://ranegroup.com/revl_investors/whistle-blower-policy/.

13. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results, shareholding pattern and other requirements under Regulation 17 to 27 and 46(2) (b) to (i) of SEBI LODR, wherever applicable, were uploaded on the websites of the Stock Exchanges and

the Company at www.ranegroup.com. During the year, press releases and presentations that were made to analysts / institutional investors were made available on the website of the Company.

The Company has not printed physical copies of annual report for distribution in view of exemption available vide circular(s) dated May 5, 2020, April 13, 2020 and April 08, 2020 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by Securities Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars"). The full Annual Report was made available on the website of the Company and also disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 48th AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

14. General Shareholder Information

i. Information about Director(s) seeking appointment/re-appointment in this Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2)

| Name of the Director | Mr. Harish Lakshman | Mr. Anil Kumar Venkat Epur |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Father's Name | Mr. L Lakshman | Mr. Ram Reddy Epur |
| Director Identification Number (DIN) | 00012602 | 00202454 |
| Age (in years) | 47 | 72 |
| Date of Birth | February 12, 1974 | November 11, 1948 |
| Educational Qualifications | B.E. - BITS Pilani, MSM - Purdue University, USA | BS MEE and MBA- Cornell University, USA |
| Experience | Mr. Harish Lakshman has over 25 years of industrial experience and has held various positions in the areas of marketing, operations, business development overseas and other corporate functions. He currently spearheads the future growth plan for Rane Group. | Mr. Anil Kumar Venkat Epur has over 45 years of industrial experience. He is associated with the Confederation of Indian Industry (CII) and held various positions including as its southern regional chairman. He was also actively involved in various expert committees constituted by the government of Andhra Pradesh. |
| Date of first appointment on the Board | July 23, 2008 | May 19, 2021 |
| Terms and Conditions of appointment | Re-appointment as Non-Executive Director, liable to retire by rotation. | Proposed to be appointed as non-executive Independent Director as per the resolution at item no. 4 of the Notice convening Forty Ninth Annual General Meeting on July 22, 2021 read with explanatory statement thereto. |
| Last drawn remuneration | Sitting fee for FY 2020-21- ₹20,000 | NA |
| Remuneration sought to be paid | No approval sought for remuneration. Continues to be entitled to 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 thereof. |
| Relationship with other Directors / Manager / KMP | Son of Mr. L Lakshman, Director | - |

| Name of the Director | Mr. Harish Lakshman | Mr. Anil Kumar Venkat Epur |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other Directorships | Chairman: Rane t4u Limited Vice Chairman: Rane (Madras) Limited Rane Holdings Limited (JMD) Director: Rane Brake Lining Limited Rane TRW Steering Systems Private Limited (MD) Rane NSK Steering Systems Private Limited Oriental Hotels Limited Young Presidents Organisation (Chennai Chapter) Savithur Enterprises Private Limited HL Hill Station Properties Private Limited Rane Holdings America Inc., USA Rane Light Metal Castings Inc., USA | Director: Rane Brake Lining Limited Aghub Foundation |
| Committee Memberships in other Boards | Chairman - Stakeholders Relationship Rane Brake Lining Limited Member - Stakeholders Relationship Rane (Madras) Limited | Member - Audit Rane Brake Lining Limited Member - Corporate Social Responsibility Rane Brake Lining Limited Member - Stakeholders Relationship Rane Brake Lining Limited Member - Nomination and Remuneration Rane Brake Lining Limited |
| Number of meetings of the Board attended during the year | Five (5) | NA |
| Number of equity shares held (including joint holding)* | Hundred (100) | Nil |

* No shares are held as beneficial owners in the Company by the appointees.

ii. Annual General Meeting

Thursday, July 22, 2021 at 15:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

iii. Financial Year: April 01, 2021 - March 31, 2022

Financial Calendar

| Board meeting for approval of | Tentative schedule |
|---------------------------------------------------------------------------------------------|--------------------------------|
| Audited Annual financial results and financial statements for the year ended March 31, 2021 | May 19, 2021 |
| Un-audited financial results for the 1 st quarter ending June 30, 2021 | By fourth week of July 2021 |
| Un-audited financial results for the 2 nd quarter ending September 30, 2021 | By fourth week of October 2021 |
| Un-audited financial results for the 3 rd quarter ending December 31, 2021 | By fourth week of January 2022 |

The above schedule is only tentative in nature and may undergo changes due to change in circumstances.

iv. Dividend

No dividend has been declared for FY 2020-21.

v. Listing on Stock Exchanges

| Board meeting for approval of | Stock Code |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 | RANEENGINE |
| BSE Limited (BSE) Phiroze Jeejeebhoy 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 2021 - 22 to NSE & BSE where the shares of the Company continue to be listed. These shares of the Company were not suspended from trading during the FY 2020-21.

vi. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, Dividend for the financial year ended March 31, 2014 and thereafter which remain unclaimed for a period of seven years (including

| Year | Date of declaration | Dividend per share [#] | Amount outstanding in Unclaimed Dividend Account (as on 31.03.2021) [^] | Last Date for claiming unpaid dividend | Due date for transfer to IEPF |
|------------|-------------------------|---------------------------------|----------------------------------------------------------------------------------|----------------------------------------|-------------------------------|
| 31.03.2014 | 25.07.2014 [§] | 2.50** | 1,80,700.00 | 30.08.2021 | 29.09.2021 |
| 31.03.2015 | 21.07.2015 | 2.50** | 2,21,597.50 | 27.08.2022 | 26.09.2022 |
| 31.03.2017 | 21.08.2017 | 2.50** | 2,56,882.50 | 27.09.2024 | 27.10.2024 |

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

[§] Pertains to Kar Mobiles Limited prior to amalgamation with the Company

[^] Amounts reflect the confirmation of balance issued by Bank(s)

** Represents final dividend

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed Dividend amounts as on March 31, 2020 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. www.ranegroup.com.

vii. Transfer of shares to IEPF Authority

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

During the year under review, the Company transferred to IEPF Authority the following shares:

| Year from which Dividend has remained unclaimed / unpaid for seven consecutive years | No. of shares transferred |
|--------------------------------------------------------------------------------------|---------------------------|
| 2012 - 13 (Final) [§] | 1,538 |
| 2012-13 (interim) | 2,092 |

[§] pertains to Kar Mobiles Limited since amalgamated with the Company

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are available in the Company's

dividends declared by erstwhile Kar Mobiles Limited), will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within the respective due dates.

During the year, the Company had transferred to IEPF the unclaimed Final Dividend of ₹1,77,633/- for the financial year ended March 31, 2013 to IEPF on September 04, 2020. Members who have not en-cashed the Dividend warrants are requested to make their claim to the Company. Information in respect of such unclaimed Dividends when due for transfer to the said fund is given below:

website at www.ranegroup.com. The other benefits, if any, arising out of shares already transferred to IEPF Authority will also be received by the IEPF Authority unless those shares are claimed by the shareholders.

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for FY 2013-14 (Final) are liable to be transferred to IEPF Authority during the current FY 2021-22. In this regard, the Company shall intimate/ publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ranegroup.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

viii. Unclaimed share suspense

In accordance with Regulation 39 of SEBI LODR read with Schedule F of Listing Regulations, the Company reports the movement of unclaimed shares in unclaimed share suspense account during the year. The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same. The movement of unclaimed shares in unclaimed share suspense account, during the year are as follows:

| Details of Unclaimed Suspense account | Number of shareholders | Outstanding shares |
|----------------------------------------|------------------------|--------------------|
| Aggregate at the beginning of the year | 21 | 2,724 |
| Requests for transfer during the year | 4 | 811 |
| Transfers during the year | 4 | 811 |
| Balance at the end of the year | 17 | 1,913 |

ix. Share Price Data:

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE), The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 1, 2020 - March 31, 2021 is given below:

| Month | BSE | | BSE Sensex | | NSE | | NSE Nifty | |
|----------------|---------------------|--------|------------|-----------|---------------------|--------|-----------|-----------|
| | Share Prices (in ₹) | | | | Share Prices (in ₹) | | | |
| | High | Low | High | Low | High | Low | High | Low |
| April 2020 | 209.00 | 135.00 | 33,887.25 | 27,500.79 | 217.80 | 129.20 | 9,889.05 | 8,055.80 |
| May 2020 | 189.00 | 160.00 | 32,845.48 | 29,968.45 | 196.95 | 153.10 | 9,598.85 | 8,806.75 |
| June 2020 | 247.00 | 171.00 | 35,706.55 | 32,348.10 | 246.95 | 166.65 | 10,553.15 | 9,544.35 |
| July 2020 | 228.00 | 186.00 | 38,617.03 | 34,927.20 | 224.00 | 185.00 | 11,341.40 | 10,299.60 |
| August 2020 | 239.60 | 185.00 | 40,010.17 | 36,911.23 | 239.85 | 178.25 | 11,794.25 | 10,882.25 |
| September 2020 | 219.00 | 184.45 | 39,359.51 | 36,495.98 | 223.70 | 180.00 | 11,618.10 | 10,790.20 |
| October 2020 | 228.05 | 183.00 | 41,048.05 | 38,410.20 | 225.00 | 182.05 | 12,025.45 | 11,347.05 |
| November 2020 | 220.00 | 183.30 | 44,825.37 | 39,334.92 | 221.35 | 184.25 | 13,145.85 | 11,557.40 |
| December 2020 | 332.00 | 211.40 | 47,896.97 | 44,118.10 | 332.10 | 210.35 | 14,024.85 | 12,962.80 |
| January 2021 | 290.75 | 255.00 | 50,184.01 | 46,160.46 | 297.00 | 252.00 | 14,753.55 | 13,596.75 |
| February 2021 | 295.35 | 256.05 | 52,516.76 | 46,433.65 | 297.45 | 255.00 | 15,431.75 | 13,661.75 |
| March 2021 | 355.00 | 248.70 | 51,821.84 | 48,236.35 | 342.90 | 252.10 | 15,336.30 | 14,264.40 |

source: www.bseindia.com & www.nseindia.com

x. Registrar and Transfer Agent

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

Integrated Registry Management Services Private Limited
 SEBI Registration No. INR000000544
 II Floor, 'Kences Towers', No.1, Ramakrishna Street,
 North Usman Road, T. Nagar, Chennai - 600 017
 Phone: 28140801 - 03, Fax: 28142479, 28143378
 e-mail ID: corpseiv@integratedindia.in
 Website: www.integratedindia.in
 Name of the contact person: Mr. K. Suresh Babu, Director

xi. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA. The 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 / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

A reconciliation of share capital audit in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges. The report of the PCS covers whether the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and differences if any, between the issued and the listed capital of the Company.

xii. Distribution of shareholding as on March 31, 2021

| No. of shares held | Shareholders | | Shares | |
|--------------------|--------------|---------------|------------------|---------------|
| | Number | % to total | Number | % to total |
| Upto 500 | 6,916 | 93.52 | 5,09,435 | 7.58 |
| 501 - 1000 | 234 | 3.16 | 1,68,237 | 2.50 |
| 1001 - 2000 | 120 | 1.62 | 1,72,907 | 2.57 |
| 2001 - 3000 | 32 | 0.43 | 79,053 | 1.18 |
| 3001 - 4000 | 20 | 0.27 | 69,953 | 1.04 |
| 4001 - 5000 | 17 | 0.24 | 74,188 | 1.10 |
| 5001 - 10000 | 21 | 0.28 | 1,51,612 | 2.26 |
| 10001 & above | 35 | 0.48 | 54,93,607 | 81.77 |
| Total | 7,395 | 100.00 | 67,18,992 | 100.00 |

xiii. Shares Dematerialization

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2021 about 97.66% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative chart of physical and demat holdings for the current and previous financial year is given below:

| Particulars | Number of shares - As on | | % to total capital - As on | |
|--------------|--------------------------|------------------|----------------------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Physical | 1,57,160 | 1,61,740 | 2.34 | 2.40 |
| Demat | 65,61,832 | 65,57,252 | 97.66 | 97.60 |
| Total | 67,18,992 | 67,18,992 | 100.00 | 100.00 |

A reconciliation of share capital audited by Practicing Company Secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed. The Company is taking initiatives to reach out to investors

xv. Credit Rating

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the Company during the year ended March 31, 2021 are as follows:

| Rating Agency | Security - Type | (₹ in Crores) | Credit Rating | Outlook | Status (Assigned / Re-affirmed / Revised / Withdrawn) | Date of credit rating |
|----------------|-----------------|---------------|---------------|----------|-------------------------------------------------------|-----------------------|
| CRISIL Limited | Long term | 195.00 | BBB | Negative | Revised | 15-04-2020 |
| | Short term | 5.00 | A3+ | - | | |

xvi. Address for communication:

The Compliance officer
Rane (Engine) Valve Limited
Rane Corporate Centre,
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
Phone: 28112472
e-mail ID: 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 ID: corpserv@integratedindia.in

holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail numerous benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: INE222J01013

During the year, the Company has not issued any equity share with differential voting rights nor granted stock options nor sweat equity shares nor any convertible instruments and also, the Company has not bought-back its shares from its shareholders.

Transfer of shares in demat mode only

As per SEBI norms, with effect from April 1, 2019, only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only.

xiv. Plant Locations - Refer corporate overview section of the Annual Report.

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the Company during the year ended March 31, 2021 are as follows:

Annexure (i)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

To,
 The Members of
Rane Engine Valve Limited [CIN: L74999TN1972PLC006127]
 "Maithri", No.132, Cathedral Road, Chennai - 600 086.

We hereby certify that, in our opinion, none of the Directors on the Board of **RANE ENGINE VALVE LIMITED** ("the Company") as on **March 31, 2021**, as listed below, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

| Sl. No. | Name of the Director | Nature of Directorship | Director Identification Number (DIN) |
|---------|--------------------------------|----------------------------------------|--------------------------------------|
| 1. | Lakshman Lakshminarayan | Non-Executive, Promoter | 00012554 |
| 2. | Ganesh Lakshminarayan | Chairman, Non-Executive, Promoter | 00012583 |
| 3. | Harish Lakshman | Vice-Chairman, Non-Executive, Promoter | 00012602 |
| 4. | Srivatsan Coimbatore Natarajan | Non-Executive, Independent | 00002194 |
| 5. | Ashok Malhotra | Non-Executive, Independent | 00029017 |
| 6. | Krishna Kumar Seshadri | Non-Executive, Independent | 00062582 |
| 7. | Dr. Brinda Jagirdar | Non-Executive, Independent | 06979864 |

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

1. Our verification of the information relating to the directors available in the official web site of the Ministry of Corporate Affairs; and
2. Our verification of the disclosures/ declarations/ confirmations provided by the said directors to the Company; and other relevant information, explanation and representations provided by the Company, its officers and agents.

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the Corporate Governance processes followed by the management of the Company.

For S. Krishnamurthy & Co.,
 Company Secretaries,
 (Peer Review Certificate No.739/2020)

Sharanya Sriram
 Partner
 Membership No.: F10252
 Certificate of Practice No.: 12731
 UDIN: F010252C000342749

Chennai
 May 19, 2021

Annexure (ii)

To
 The Members,
Rane Engine Valve Limited

Declaration by Manager on Code of Conduct pursuant to Part C of Schedule V of the 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, 2021.

Chennai
 May 19, 2021

Murali K Rajagopalan
 Manager

Annexure (iii)

INDEPENDENT AUDITOR'S CERTIFICATE

To
The Members
Rane Engine Valve Limited

1. We, Varma and Varma, Chartered Accountants, the Statutory Auditors of Rane Engine Valve Limited ('the Company'), have examined the compliance of the conditions of Corporate Governance by the Company for the year ended March 31, 2021 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulations.

Management's Responsibility

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

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with the corporate governance requirements by the company.
5. We conducted our examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (the ICAI), the standards on auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of relevant records and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2021.
8. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Varma & Varma
Chartered Accountants
FRN. 004532S

P. R. Prasanna Varma
Partner
Membership No.: 025854
UDIN: 21025854AAAACI5095

Chennai
May 19, 2021

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Rane Engine Valve Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Rane Engine Valve Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its losses and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under

those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 1.3.5 to the financial statements, which describes the impact due to the COVID-19 pandemic situation on the Company's financial results, as assessed by the management, and the uncertainties associated with it considering the nature and duration of the pandemic.

Our opinion is not modified in respect of the above matter.

Key Audit Matters

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

| Sl No. | Key Audit Matter | Auditors Response |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <p>Deferred Tax Assets</p> <p>The company has recognised deferred tax assets on deductible temporary differences, unused tax losses (unabsorbed depreciation) and for unused tax credits (MAT credit), that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is dependent on the company's ability to generate future taxable profits sufficient to utilize the deductible temporary differences and tax losses and to set off the unused tax credits as above.</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences, more specifically in light of the economic conditions associated with the nature and duration of Coronavirus (COVID-19) pandemic.</p> <p>Refer Note No. 10 read with Note No. 1.3.5 to the Standalone Financial Statements</p> | <p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - reconciling tax losses/ credits and expiry dates to tax statements; - assessing the accuracy of forecasts of future taxable profits by comparing the assumptions, such as projected growth rates, , their consistency with business plans and forecasts used for impairment testing purposes appropriately factored in for the probable impact of the Covid-19 pandemic. - evaluating the adequacy of disclosures in the financial statements. |

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other Information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other Comprehensive Income, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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 Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 18 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.

For **Varma & Varma**
 Chartered Accountants
 FRN. 004532S

P R Prasanna Varma
 Partner

Place: Chennai
 Date: May 19, 2021

M.No. 025854
 UDIN : 21025854AAAACH2711

ANNEXURE 'A'

REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING REPORT ON "OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RANE ENGINE VALVE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

- (i) a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies have been noticed on such verification.
- c. According to the information and explanations given to us and based on the examination of the records of the company including confirmations received from banks in respect of title deeds deposited with them, wherever applicable, and having regard to the Scheme of Amalgamation approved by the Honourable High Court, we report that the title deeds of immovable properties are held in the name of the company except in one case wherein the local authority has claimed the title of a property held by the company and in respect of which, the company has obtained a stay order from the Honourable High Court of Andhra Pradesh.
- (ii) We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals and discrepancies noticed on such verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies/firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 Accordingly, reporting under clause 3 (iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and based on the records of the company examined by us, the Company has not made any investments, granted any loans or given any security or guarantee for which the provisions of section 185 and 186 of the Act are applicable.
- (v) The Company has not accepted deposits during the year. Accordingly, reporting under clause 3 (v) of the Order is not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under Section 148 (1) of the Act in respect of certain products manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable to the Company with the appropriate authorities during the year and no undisputed amounts in respect of material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited on account of any dispute as at March 31, 2021 are as follows:

| Statute | Nature of dues | Amount (₹ in Crores) | Period to which the amount pertains | Forum where dispute is pending |
|---------------------------------------|-----------------|----------------------|-----------------------------------------------------|-----------------------------------------------|
| Income Tax Act, 1961 | Income Tax | 0.23 | April 1994 to March 1995 | Honourable Supreme Court of India |
| Income Tax Act, 1961 | Income Tax | 1.06 | April 2007 to March 2008 & April 2010 to March 2011 | Income Tax Appellate Tribunal, Chennai |
| Income Tax Act, 1961 | Income Tax | 0.01 | April 2011 to March 2012 | Commissioner of Income Tax - Appeals, Chennai |
| Income Tax Act, 1961 | Income Tax | 0.53 | April 2002 to March 2004 | Commissioner of Income Tax, Chennai |
| Maharashtra Value Added Tax Act, 2002 | Maharashtra VAT | 0.49 | April 2011 to March 2012 & April 2013 to March 2014 | Jt. Commissioner of Sales Tax, Maharashtra |
| Telangana Value Added Tax Act, 2005 | Telangana VAT | 0.05 | April 2013 to June 2017 | Jt. Commissioner of Sales Tax, Telangana |

- (viii) In our opinion and according to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in repayment of loans to banks. The Company has neither taken any loans or borrowings from the government or any financial institution during the year nor has it issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, terms loans availed by the Company during the year have been applied for the purpose for which it was obtained. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees which has been, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on the records of the Company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 28 to the standalone financial statements as required by the applicable accounting standard.
- (xiv) According to the information and explanations given to us and based the records of the Company examined by us, the company has not made any preferential allotment/private placement of shares or fully or partially convertible debentures during the year. Accordingly, reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirements under clause 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3 (xvi) of the Order is not applicable to the Company.

For **Varma & Varma**
 Chartered Accountants
 FRN. 004532S

P R Prasanna Varma
 Partner

M.No. 025854

UDIN : 21025854AAAACH2711

Place: Chennai
 Date: May 19, 2021

ANNEXURE 'B'

REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RANE ENGINE VALVE LIMITED FOR THE YEAR ENDED MARCH 31, 2021

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, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

In our opinion, 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, 2021, 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 **Varma & Varma**
Chartered Accountants
FRN. 004532S

P R Prasanna Varma
Partner

Place: Chennai
Date: May 19, 2021

M.No. 025854
UDIN : 21025854AAAACH2711

BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in Crores)

| Particulars | Note | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------------------------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 2(A) | 91.79 | 107.96 |
| Right-of-use assets | 2(D) | 0.06 | 0.50 |
| Capital Work-in-Progress | 2(A) | 1.70 | 1.50 |
| Investment Property | 2(C) | 0.31 | 0.31 |
| Intangible Assets | 2(B) | 0.19 | 0.14 |
| Financial Assets | | | |
| - Investments | 3 | 0.94 | 0.94 |
| - Other Financial Assets | 4 | 4.92 | 4.95 |
| Deferred tax assets (net) | 10 | 28.98 | 25.51 |
| Tax Assets (net) | 9 | 7.63 | 7.52 |
| Other Non-Current Assets | 5 | 0.84 | 0.19 |
| Total Non-Current Assets | | 137.36 | 149.52 |
| Current Assets | | | |
| Inventories | 6 | 55.75 | 76.17 |
| Financial Assets | | | |
| - Trade Receivables | 7 | 77.35 | 62.60 |
| - Cash and Cash Equivalents | 8 | 23.67 | 0.58 |
| - Bank balances other than above | 8 | 0.07 | 0.49 |
| - Other Financial Assets | 4 | 2.39 | 2.92 |
| Other Current Assets | 5 | 5.67 | 10.17 |
| Total Current Assets | | 164.90 | 152.93 |
| Non-Current Assets classified as held for sale | 2(E) | - | 0.07 |
| TOTAL ASSETS | | 302.26 | 302.52 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 11 | 6.72 | 6.72 |
| Other Equity | 12 | 98.44 | 104.28 |
| Total Equity | | 105.16 | 111.00 |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | 13 | 51.64 | 33.73 |
| - Other Financial Liabilities | 14 | 0.03 | 0.35 |
| Provisions | 15 | 16.49 | 13.85 |
| Total Non-Current Liabilities | | 68.16 | 47.93 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | 13 | 51.15 | 77.49 |
| - Trade Payables | 16 | | |
| - Micro & Small Enterprises | | 0.43 | 0.14 |
| - Others | | 55.56 | 47.50 |
| - Other Financial Liabilities | 14 | 19.27 | 15.81 |
| Other Current Liabilities | 17 | 1.24 | 1.80 |
| Provisions | 15 | 1.29 | 0.85 |
| Total Current Liabilities | | 128.94 | 143.59 |
| TOTAL LIABILITIES | | 197.10 | 191.52 |
| TOTAL EQUITY AND LIABILITIES | | 302.26 | 302.52 |
| Significant Accounting Policies and key accounting estimates and judgements | 1 | | |
| See accompanying notes to financial statements | 2-40 | | |

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 0045325

P R Prasanna Varma
Partner
Membership no: 025854

Chennai
May 19, 2021

Harish Lakshman
Vice Chairman
DIN: 00012602

Murali K Rajagopalan
Manager

For and on behalf of the Board

Ganesh Lakshminarayan
Chairman
DIN : 00012583

M Vivekanandaa
Company Secretary

V K Vijayaraghavan
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Particulars | Note | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-------------------------------------------------------------------------------------------------------------|----------------|------------------------------|------------------------------|
| Revenue | | | |
| Revenue from Operations | 19 | 301.85 | 354.99 |
| Other Income | 20 | 3.09 | 3.16 |
| Total Revenue | | 304.94 | 358.15 |
| Expenses | | | |
| Cost of Raw Materials Consumed | 21 | 108.56 | 137.94 |
| Purchase of Stock-in-Trade | 22 | 5.17 | 5.41 |
| Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade | 23 | 19.81 | 1.41 |
| Employee Benefits Expense | 24 | 92.64 | 103.64 |
| Finance Costs | 25 | 8.19 | 10.51 |
| Depreciation and Amortization | 2(A),2(B),2(D) | 23.00 | 28.09 |
| Other Expenses | 26 | 79.50 | 96.44 |
| Total Expenses | | 336.87 | 383.44 |
| Profit / (Loss) before exceptional items and tax | | (31.93) | (25.29) |
| Exceptional items | 37 | 22.23 | - |
| Profit / (Loss) before tax | | (9.70) | (25.29) |
| Tax Expense: | | | |
| Current tax | | - | - |
| Deferred Tax | 10 | (3.61) | (8.95) |
| Profit / (Loss) for the year | | (6.09) | (16.34) |
| Other Comprehensive Income (OCI) | | | |
| (A) Items that will not be reclassified to statement of Profit and Loss | | | |
| (i) Remeasurement benefit/(loss) of defined benefit plans | | 0.20 | 0.23 |
| (ii) Income tax expense on remeasurement benefit/(loss) of defined benefit plans | | (0.07) | (0.08) |
| (B) Items that will be reclassified to statement of Profit and Loss | | | |
| (i) Effective portion of gains / (losses) on designated portion of hedging instruments in a cash flow hedge | | - | (0.19) |
| (ii) Income tax relating to items that will be reclassified to statement of profit and loss | | - | 0.07 |
| Total Comprehensive Income for the Year | | (5.96) | (16.31) |
| Earning per Equity Share: (Refer Note No.33) | | | |
| Basic | | (9.06) | (24.31) |
| Diluted | | (9.06) | (24.31) |
| Number of shares of ₹10 each | | 6,718,992 | 6,718,992 |
| Significant Accounting Policies and key accounting estimates and judgements | 1 | | |
| See accompanying notes to financial statements | 2-40 | | |

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 0045325

For and on behalf of the Board

P R Prasanna Varma
Partner
Membership no: 025854

Harish Lakshman
Vice Chairman
DIN: 00012602

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Chennai
May 19, 2021

Murali K Rajagopalan
Manager

M Vivekanandaa
Company Secretary

V K Vijayaraghavan
Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
| A. Cash flow from operating activities | | |
| Net profit/(loss) before tax | (9.70) | (25.29) |
| Adjustments for: | | |
| Depreciation & Amortisation Expense | 23.00 | 28.09 |
| Unrealised Foreign exchange loss / (gain) - net | 0.16 | (0.39) |
| Finance Costs | 8.19 | 10.51 |
| Interest Income | (0.31) | (0.25) |
| (Gain) / Loss on disposal of Property, Plant & Equipment - Net | (24.01) | 0.03 |
| Assets Written off / Loss on Retirement of Assets | 0.00 | - |
| Provision for bad debts and bad debts written off / (written back) | (1.64) | (1.62) |
| Provision no longer required and balances written back | (0.53) | (0.66) |
| Operating profit before working capital changes | (4.84) | 10.42 |
| Adjustments for (Increase) / Decrease in : | | |
| Trade receivables | (13.17) | 23.31 |
| Non-Current and Current financial assets | 0.90 | (1.02) |
| Inventories | 20.42 | 3.98 |
| Other Non-current and Current assets | 4.50 | 2.29 |
| Trade payables | 8.33 | (10.23) |
| Non-Current and Current financial liabilities | 2.69 | (2.44) |
| Other Non-Current and Current liabilities | (0.56) | 0.59 |
| Non-Current and Current provisions | 3.27 | 1.11 |
| Cash generated from operating activities | 21.54 | 28.01 |
| Income taxes paid - net of refund | (0.11) | (0.02) |
| Net cash (used in)/generated from operating activities (A) | 21.43 | 27.99 |
| B. Cash flow from investing activities | | |
| Purchase of Property, Plant and Equipment | (7.87) | (6.97) |
| Proceeds from sale of Property, Plant and Equipment | 24.10 | 0.01 |
| Interest received | 0.34 | 0.12 |
| Net cash (used in)/generated from investing activities (B) | 16.57 | (6.84) |
| C. Cash flow from financing activities | | |
| Proceeds from Non-Current borrowings | 29.27 | 7.00 |
| Repayment of Non-Current borrowings | (9.37) | (14.68) |
| Proceeds from / (Repayment) of Current borrowings | (26.33) | (4.23) |
| Repayment of Interest Free Sales Tax Loan | - | (0.17) |
| Principal portion of Lease payments | (0.14) | (0.16) |
| Interest portion of Lease payments | (0.03) | (0.09) |
| Finance Costs paid | (8.29) | (10.38) |
| Dividend and Dividend tax paid | (0.02) | (0.05) |
| Net cash (used in)/generated from financing activities (C) | (14.91) | (22.76) |
| Net Increase/(Decrease) in Cash and Cash Equivalents (A)+(B)+(C) | 23.09 | (1.61) |

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Cash and cash equivalents at the beginning of the year | 0.58 | 2.19 |
| Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | - | (0.00) |
| Cash and cash equivalents at the end of the year | 23.67 | 0.58 |
| Notes: | | |
| (a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash flow | | |
| (b) Cash and Cash Equivalents comprises of | As at March 31, 2021 | As at March 31, 2020 |
| Balance with Banks: | | |
| - Current Accounts | 4.65 | 0.52 |
| - Deposit with Bank with maturity less than 3 months | 19.00 | - |
| Cash on hand | 0.02 | 0.06 |
| Cash and Cash Equivalents in Cash Flow Statement | 23.67 | 0.58 |

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

For and on behalf of the Board

P R Prasanna Varma
Partner
Membership no: 025854

Harish Lakshman
Vice Chairman
DIN: 00012602

Ganesh Lakshminarayan
Chairman
DIN : 00012583

Chennai
May 19, 2021

Murali K Rajagopalan
Manager

M Vivekanandaa
Company Secretary

V K Vijayaraghavan
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in Crores)

| Particulars | Share Capital | Other Equity | | | | | Other Equity |
|------------------------------------------------------------------------|---------------|-----------------|-----------------|---------------|-------------------|-----------------------------------------------------------|--------------|
| | | Capital Reserve | General Reserve | Hedge Reserve | Retained Earnings | Remeasurement Gain / (Loss) on Defined Benefit Obligation | |
| Balance as at April 01, 2019 | 6.72 | 1.34 | 132.95 | - | (12.94) | (0.76) | 120.59 |
| Profit / (Loss) for the year | | | | | (16.34) | | (16.34) |
| Other Comprehensive Income / (Loss) for the year, net of taxes | | | | | | | |
| - Remeasurement of Defined Benefit Plans | | | | | | 0.15 | 0.15 |
| - Effective portion of gains / (losses) on Cash Flow Hedge Instruments | | | | (0.12) | | | (0.12) |
| Balance as at March 31, 2020 | 6.72 | 1.34 | 132.95 | (0.12) | (29.28) | (0.61) | 104.28 |
| Profit / (Loss) for the year | | | | | (6.09) | | (6.09) |
| Other Comprehensive Income / (Loss) for the year, net of taxes | | | | | | | |
| - Remeasurement of Defined Benefit Plans | | | | | | 0.13 | 0.13 |
| - Effective portion of gains / (losses) on Cash Flow Hedge Instruments | | | | 0.12 | | | 0.12 |
| Balance as at March 31, 2021 | 6.72 | 1.34 | 132.95 | - | (35.37) | (0.48) | 98.44 |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

P R Prasanna Varma
Partner
Membership no: 025854

Chennai
May 19, 2021

Harish Lakshman
Vice Chairman
DIN: 00012602

Murali K Rajagopalan
Manager

For and on behalf of the Board

Ganesh Lakshminarayan
Chairman
DIN : 00012583

M Vivekanandaa
Company Secretary

V K Vijayaraghavan
Chief Financial Officer

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note-1 - Summary of Significant Accounting Policies, critical judgements and key estimates

1. General Information

Rane Engine Valve Limited (The "Company") is engaged in manufacture of engine valves, Guides and Tappets for passenger cars, commercial vehicles, farm tractors, stationery engines, railway/marine engines and two/three wheelers and as such operates in a single reportable business segment of 'components for transportation industry'. The Company is having five manufacturing facilities at Chennai, Hyderabad(2), Trichy and Tumkur. The Company is a Public Limited Company and listed on Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

2. Summary of Significant accounting policies

2.1 Basis of Preparation

Compliance with Indian Accounting Standards (Ind AS):

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

The financial statements are prepared under historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

2.2 Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make judgements, estimates and assumptions that effect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

2.3 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non - refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation on Property , Plant and Equipment (Tangible assets) is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight line method. The useful life of assets prescribed in Schedule II to the Companies Act, 2013 are considered for the purpose of Computation of Depreciation. However, If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on an annual review is

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

different from that envisaged in the aforesaid schedule, depreciation is provided at a such rate based on the useful life / remaining useful life as technically advised. Accordingly, depreciation is provided based on the useful life indicated below which is different from that stated in Schedule II to the Companies Act,2013.

| S No. | Category | Useful life of assets (Yrs.) |
|-------|------------------------|------------------------------|
| 1 | Furniture and fittings | 5 |
| 2 | Office Equipment's | 3 |
| 3 | Vehicles | 5 |

Depreciation charge on additions / deletions is restricted to the period of use. Depreciation methods, useful lives and residual values are reviewed annually.

Assets costing individually upto ₹10,000 are fully depreciated in the year of purchase.

2.4 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

The fair value of investment property is disclosed in the notes. Fair values are determined based on the Guideline Value published by the relevant revenue authority.

2.5 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful life as given below.

| S No. | Category | Useful life of assets (Yrs.) |
|-------|--------------------|------------------------------|
| 1 | Software license | 3 |
| 2 | Technical Know how | 3 |

Amortization method and useful lives are reviewed annually.

2.6 Assets Held for Sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale in its present condition rather than through

continuing use and are measured at the lower of carrying amount and fair value less costs to sell. No depreciation is provided, once the asset is transferred to Assets Held for Sale.

2.7 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated /amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.8 Impairment

Assessment is done annually as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. In such cases, impairment losses are reversed to the extent the assets carrying amount does not exceed, the carrying amount that would have been determined if no impairment loss had previously been recognized.

2.9 Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction / production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to revenue.

2.10 Inventories

Inventories are stated at lower of weighted average cost and net realizable value. Cost of inventories comprises of purchase cost, cost of conversion

and other cost including manufacturing overheads incurred in bringing the inventory to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

2.11 Foreign Currency Transaction

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the Functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period.

Exchange differences on reinstatement of all monetary items are recognized in the Statement of Profit and Loss.

Derivative Financial instruments and Hedge Accounting

The Company is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Company has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominate in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency incase of future cash flows or highly probable forecast transactions. The Company enters into various foreign currency derivative contracts with Banks in the form of Forward currency contracts ('Hedging

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

instrument') and recognize the financial assets / liabilities ('hedged item') through formal documentation of the hedging relationship in line with the Company's Foreign currency risk management policy.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

2.12 Revenue Recognition

Sale of goods

Revenue, comprising of sale Automobile components for transportation industry, is recognised when performance obligation is satisfied and it is highly probable that a significant reversal will not occur. Revenue is recognised when control of the products being sold has transferred to customer and when there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch or delivery. This is considered the appropriate point where the performance obligations are satisfied and the company no longer have control over the inventory. The transfer of control of products to customers is typically based on written sales terms that do not allow for a right of return.

Turnover comprises sales of goods after the deduction of discounts on sales. Discounts given includes rebates, price reductions, incentives given to customers and promotional couponing. Accumulated experience is used to estimate the discounts, using the most likely amount method.

The products are sold for on credit terms. The credit terms, which are established in accordance with industry practices, typically require payment within 45 days of delivery and may allow discounts for early payment.

Other Operating Income

Export Incentives : Export incentives including Duty Drawback and entitlements under Merchandise Exports from India Scheme (MEIS) are accounted on accrual basis.

Other Income

Interest : Interest income is recognized on effective interest method taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognized when the right to receive dividend is established.

2.13 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 realizing the claims.

2.14 Employee Benefits

1. Short - Term employee benefits

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

2. Defined Contribution Plans

Provident Fund

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

Superannuation Fund

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

3. Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

end of each year. Actuarial losses / gains are recognized in the other comprehensive income in the year in which they arise. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

4. Other Long term employee benefits Compensated Absence

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the Profit and Loss Statement in the year in which they arise.

2.15 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognized as part of the part of OCI.

Deferred tax is recognized for all the temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any and the same is recognized to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

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

2.16 Financial instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through profit or loss

A financial asset which is not classified in the above category is subsequently fair valued through profit or loss.

iii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment

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

2.17 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

Level 3 – inputs that are unobservable for the asset or liability

2.18 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. All government grants are initially recognized by way of setting up as deferred income. Government grants relating to income are subsequently recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are subsequently recognized in profit or

loss on a systematic basis over the expected life of the related depreciable assets. Grants recognized in Profit and Loss as above are presented within other income.

2.19 Research & Development Expenditure

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

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

2.20 Provisions and Contingent Liabilities

Provisions : Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting equity dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3. Critical accounting judgements, assumptions and key sources of estimation uncertainty

The following are the critical judgements, assumptions concerning the future, and key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1 Useful lives of property, plant and equipment

As described at Note 2.3 above, the charge in respect of periodic depreciation for the year is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuation, which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

3.3 Taxation

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements and tax expert opinions, including an estimation of the likely outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available, based on estimates thereof.

3.4 Provisions and contingencies

Critical judgements are involved in measurement of provisions and contingencies and estimation of the likelihood of occurrence thereof based on factors such as expert opinion, past experience etc.

3.5 Estimation of uncertainties relating to the global health pandemic due to COVID-19 (COVID-19):

The results for the current year are not comparable as such with that of the previous year on account of COVID 19 pandemic, which impacted the economy in general and also the operations of the company. The Company, based on the internal and external information available up to the date of approval of these financial results, has concluded that no adjustments are required in the carrying amounts of property, plant and equipment, deferred tax assets, inventories, trade receivables and other financial assets. While the COVID-19 situation adversely impact the business in the short term, the management does not anticipate any material medium to long term risk to its business prospects. However, given the uncertainties associated with the nature and duration of the pandemic, actual results may differ from those estimated as at the date of approval of the financial statements. The Company will continue to monitor future economic conditions and update its assessment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 2(A) : Property, Plant and Equipment and Capital Work-in-progress

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------|-------------------------|-------------------------|
| Carrying amounts of: | | |
| Freehold land (Refer Note 18.3) | 1.98 | 1.98 |
| Buildings | 28.26 | 29.91 |
| Plant and equipment | 60.84 | 75.14 |
| Furniture and Fixtures | 0.31 | 0.45 |
| Office Equipments | 0.40 | 0.48 |
| Vehicles | 0.00 | 0.00 |
| Sub-Total | 91.79 | 107.96 |
| Capital Work-in-progress | | |
| - Plant & Equipment | 1.42 | 1.50 |
| - Office Equipment | 0.15 | - |
| - Buildings | 0.11 | - |
| - Licenses | 0.02 | - |
| Sub-Total | 1.70 | 1.50 |
| Total | 93.49 | 109.46 |

(₹ in Crores)

| Gross Block | Freehold land | Buildings | Plant and equipment | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|------------------------------|------------------|-----------|------------------------|---------------------------|----------------------|----------|--------|
| Balance as at March 31, 2019 | 2.05 | 36.47 | 168.55 | 1.75 | 2.67 | 0.01 | 211.50 |
| Additions | - | 0.17 | 10.12 | 0.17 | 0.42 | - | 10.88 |
| Disposals* | 0.07 | - | 0.09 | 0.00 | 0.03 | - | 0.19 |
| Balance as at March 31, 2020 | 1.98 | 36.64 | 178.58 | 1.92 | 3.06 | 0.01 | 222.19 |
| Additions | - | 0.04 | 6.34 | 0.04 | 0.22 | - | 6.64 |
| Disposals | - | - | 0.12 | 0.07 | 0.02 | - | 0.21 |
| Balance as at March 31, 2021 | 1.98 | 36.68 | 184.80 | 1.89 | 3.26 | 0.01 | 228.62 |

*Includes freehold land reclassified as held for sale - refer Note No. 2(E)

(₹ in Crores)

| Accumulated depreciation | Freehold land | Buildings | Plant and equipment | Furniture and Fixtures | Office Equipments | Vehicles | Total |
|--------------------------------------|------------------|-----------|------------------------|---------------------------|----------------------|----------|--------|
| Balance as at March 31, 2019 | - | 5.00 | 78.19 | 1.13 | 2.19 | 0.01 | 86.52 |
| Depreciation expense | - | 1.72 | 25.30 | 0.34 | 0.42 | 0.00 | 27.79 |
| Eliminated on Disposals | - | - | 0.05 | 0.00 | 0.03 | - | 0.08 |
| Balance as at March 31, 2020 | - | 6.73 | 103.44 | 1.47 | 2.58 | 0.01 | 114.23 |
| Depreciation expense for the year | - | 1.69 | 20.62 | 0.18 | 0.30 | - | 22.79 |
| Eliminated on Disposals | - | - | 0.10 | 0.07 | 0.02 | - | 0.19 |
| Balance as at March 31, 2021 | - | 8.42 | 123.96 | 1.58 | 2.86 | 0.01 | 136.83 |
| Carrying amount as at March 31, 2020 | 1.98 | 29.91 | 75.14 | 0.45 | 0.48 | 0.00 | 107.96 |
| Carrying amount as at March 31, 2021 | 1.98 | 28.26 | 60.84 | 0.31 | 0.40 | 0.00 | 91.79 |

Note 2(B) : Intangible Assets

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------|-------------------------|-------------------------|
| Carrying amounts of: | | |
| Software Licenses | 0.19 | 0.14 |
| Total | 0.19 | 0.14 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores)

| Particulars | Internally Generated Process Knowhow | Software Licenses | Total |
|------------------------------------------------|--------------------------------------|-------------------|-------|
| Gross Block | | | |
| Balance as at March 31, 2019 | 0.33 | 0.32 | 0.65 |
| Additions | - | 0.12 | 0.12 |
| Disposals | - | - | - |
| Balance as at March 31, 2020 | 0.33 | 0.44 | 0.77 |
| Additions | - | 0.15 | 0.15 |
| Disposals | - | - | - |
| Balance as at March 31, 2021 | 0.33 | 0.59 | 0.92 |
| Accumulated depreciation and impairment | | | |
| Balance as at March 31, 2019 | 0.33 | 0.20 | 0.53 |
| Eliminated on disposals | - | - | - |
| Amortisation expense | - | 0.10 | 0.10 |
| Balance as at March 31, 2020 | 0.33 | 0.30 | 0.63 |
| Eliminated on disposals | - | - | - |
| Amortisation expense for the year | - | 0.10 | 0.10 |
| Balance as at March 31, 2021 | 0.33 | 0.40 | 0.73 |
| Carrying amount as on March 31, 2020 | 0.00 | 0.14 | 0.14 |
| Carrying amount as on March 31, 2021 | 0.00 | 0.19 | 0.19 |

Note 2(C) : Investment Property

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|----------------------|----------------------|
| Carrying amounts at Cost : | | |
| Investment property - Land | 0.31 | 0.31 |
| Total | 0.31 | 0.31 |

Fair value of the Company's investment property :

(₹ in Crores)

| Particulars | Level 3 (Guideline Value) | |
|-------------|---------------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 |
| Fair Value | 0.54 | 0.54 |

Note 2(D) : Leases

a) Right-of-use Assets

(₹ in Crores)

| Particulars | Buildings | Vehicles | Total |
|--------------------------------------|-----------|----------|-------|
| Gross Block | | | |
| Balance as at March 31, 2019 | - | - | - |
| Additions | 0.50 | 0.20 | 0.70 |
| Disposals | - | - | - |
| Balance as at March 31, 2020 | 0.50 | 0.20 | 0.70 |
| Additions | - | - | - |
| Disposals | 0.50 | - | 0.50 |
| Balance as at March 31, 2021 | - | 0.20 | 0.20 |
| Accumulated depreciation | | | |
| Balance as at March 31, 2019 | - | - | - |
| Eliminated on disposals | - | - | - |
| Amortisation expense for the year | 0.13 | 0.07 | 0.20 |
| Balance as at March 31, 2020 | 0.13 | 0.07 | 0.20 |
| Eliminated on disposals | 0.16 | - | 0.16 |
| Amortisation expense for the year | 0.03 | 0.07 | 0.11 |
| Balance as at March 31, 2021 | - | 0.14 | 0.14 |
| Carrying amount as on March 31, 2020 | 0.37 | 0.13 | 0.50 |
| Carrying amount as on March 31, 2021 | - | 0.06 | 0.06 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

b) Movement in Lease liabilities

(₹ in Crores)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---------------------------------------------------|------------------------------|------------------------------|
| Opening Balance | 0.54 | - |
| Reclassified on account of adoption of IND AS 116 | - | 0.70 |
| Additions | - | - |
| Finance costs accrued during the period | 0.03 | 0.09 |
| Deletions | (0.37) | - |
| Payment of Lease liabilities | (0.13) | (0.26) |
| Closing Balance | 0.07 | 0.54 |

c) Other disclosures in relation to Leases

(₹ in Crores)

| Particulars | Year Ended March 31, 2021 | Year Ended March 31, 2020 |
|---------------------------------------------|------------------------------|------------------------------|
| Interest Expense on Lease Liabilities | Refer Note 25 | Refer Note 25 |
| Lease expenses related to short term leases | 1.13 | 1.15 |
| Lease expenses related to low value assets | - | - |
| Total Cash Outflow for Leases | 1.25 | 1.41 |
| Current / Non-Current Lease liabilities | Refer Note 14 | Refer Note 14 |
| Maturity Analysis of Lease Obligation | Refer Note 32.3.3 | Refer Note 32.3.3 |

Note 2(E) : Non-Current assets classified as held for sale

Represents carrying value of vacant land in Medchal(Hyderabad) classified as held for sale in the previous year. The sale has been concluded during the year.(Refer Note 37(i))

Note 3 : Non-Current Investments

(₹ in Crores)

| Particulars | As at March 31, 2021 | | As at March 31, 2020 | |
|-----------------------------------------------------------|----------------------|-------------|----------------------|-------------|
| | Quantity | Amount | Quantity | Amount |
| Unquoted Investments | | | | |
| Investment in Equity instruments at FVTPL (Fully Paid up) | | | | |
| Capsol Energy Private Limited of ₹10 each | 900,000 | 0.90 | 900,000 | 0.90 |
| CWRE Wind Power Private Limited of ₹10 each | 568 | 0.00 | 568 | 0.00 |
| Clean Wind Power (Manvi) Private Limited of ₹10 each | 43,200 | 0.04 | 43,200 | 0.04 |
| Total Unquoted Investments | | 0.94 | | 0.94 |

Note 4 : Other Financial Assets

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|----------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| Unsecured and considered good unless otherwise stated : | | | | |
| Security Deposits | 4.90 | 4.92 | - | - |
| Rent Deposits | - | - | 0.43 | 0.52 |
| Interest accrued on Deposits | - | - | 0.36 | 0.39 |
| Rebate of GST on Exports Receivable | - | - | 1.31 | 1.68 |
| Duty Drawback Receivable | - | - | 0.18 | 0.17 |
| Insurance Claims Receivable | - | - | - | 0.02 |
| Deposits with Government Authorities | | | | |
| Customs Duty Receivable | - | 0.01 | - | - |
| Sales Tax receivable | 0.02 | 0.02 | - | - |
| Loans to employees | - | - | 0.11 | 0.14 |
| Total | 4.92 | 4.95 | 2.39 | 2.92 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 5 : Other Assets

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| Unsecured and considered good unless otherwise stated : | | | | |
| Capital Advances | 0.84 | 0.19 | - | - |
| Prepaid Expenses | - | - | 1.66 | 1.93 |
| MEIS Scrips received | - | - | 0.01 | 0.19 |
| MEIS Receivable | - | - | 2.59 | 3.47 |
| Advances to Employees | - | - | 0.16 | 0.22 |
| Balance with government authorities | | | | |
| Customs Duty | - | - | 0.34 | 0.01 |
| Goods and Service Tax | - | - | 0.25 | 3.30 |
| Other Advances | | | | |
| Considered Good | - | - | 0.66 | 1.05 |
| Total | 0.84 | 0.19 | 5.67 | 10.17 |

Note 6 : Inventories

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------|-------------------------|-------------------------|
| Valued at Lower of Cost or Realisable value | | |
| Raw Materials (including Goods in Transit) | 16.61 | 16.50 |
| Work in Progress | 12.47 | 11.18 |
| Finished Goods (Refer Note. No.6.3) | 14.66 | 35.22 |
| Stock in Trade | 0.69 | 1.23 |
| Stores and Spares | 11.32 | 12.04 |
| Total | 55.75 | 76.17 |

6.1 The cost of inventories recognized as an expense during the year is as per Note No. 21 to 23.

6.2 The cost of inventories recognized as an expense includes ₹(0.24) Crores (during 2019-20: ₹(0.98) Crores) in respect of write-downs of inventory to net realizable value.

6.3 Finished Goods includes Goods in Transit of ₹6.10 Crores (₹7.07 Crores).

6.4 The mode of valuation of inventories has been stated in Note 1.2.10.

Note 7 : Trade Receivables

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Unsecured | | |
| Trade Receivables - Considered good (Refer Note. No.7.2) | 77.35 | 62.60 |
| Trade Receivables - Credit impaired | 1.70 | 3.34 |
| | 79.05 | 65.94 |
| Expected credit loss allowance | (1.70) | (3.34) |
| Total | 77.35 | 62.60 |

7.1 Trade Receivables

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience based on : a) Past trend of outstanding receivables > 120 days over a rolling period of past 24 months ; b) Past trend of the actual amount of bad debts written off over a rolling period of past 24 months and c) actual amount of outstanding receivables greater than 120 days as on the reporting date. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past ranges between 0.75% to 21.46%.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores)

| Movement in expected credit loss allowance | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--------------------------------------------|------------------------------|------------------------------|
| Balance at beginning of the year | 3.34 | 4.96 |
| Amount written back during the year | (1.64) | (1.62) |
| Balance at end of the year | 1.70 | 3.34 |

7.2 Trade Receivables - considered good includes due from related parties of ₹0.16 Crores (₹0.15 Crores)

Note 8 : Cash and Cash Equivalents

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| Balance with banks | | |
| In Current Accounts | 4.65 | 0.52 |
| In Deposit Accounts | 19.00 | - |
| Cash on hand | 0.02 | 0.06 |
| Total | 23.67 | 0.58 |
| Bank balances other than above | | |
| Earmarked balances with banks | | |
| Unclaimed Dividend accounts | 0.06 | 0.08 |
| Unclaimed REVL Fractional Shares account | 0.01 | 0.01 |
| Fixed Deposit against Bank Guarantee | - | 0.40 |
| Total | 0.07 | 0.49 |

Note 9 : Tax Assets / Liabilities (Net)

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Tax Assets | | |
| Advance Income Tax (including Tax Deducted at Source) | 69.04 | 68.93 |
| Less : Provision for Income Tax | (61.41) | (61.41) |
| Total | 7.63 | 7.52 |

Note 10 : Deferred Tax

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------|-------------------------|-------------------------|
| Deferred tax assets | 29.07 | 25.53 |
| Deferred tax liabilities | (0.09) | (0.02) |
| Total | 28.98 | 25.51 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores)

| 2020-21 | Opening balance | Recognized in profit or loss | Recognized in Other comprehensive income | Recognized directly in other equity | Closing balance |
|---------------------------------------------------------------------------------------------------------|-----------------|------------------------------|------------------------------------------|-------------------------------------|-----------------|
| Deferred tax Asset/ (Liability) in relation to | | | | | |
| Property plant and equipment and Intangible Assets | 0.61 | 2.16 | - | - | 2.77 |
| Expenses allowable under tax on actual payment basis | 5.90 | 1.07 | - | - | 6.97 |
| Voluntary Retirement Compensation Scheme | 0.06 | 0.46 | - | - | 0.52 |
| Provision for doubtful debts | 1.17 | (0.58) | - | - | 0.59 |
| Remeasurement benefit/(loss) of defined benefit plans | (0.02) | - | (0.07) | - | (0.09) |
| Effective portion of gains / (losses) on designated portion of hedging instruments in a cash flow hedge | 0.07 | - | - | (0.07) | - |
| Unused Tax losses - unabsorbed depreciation | 13.77 | 0.50 | - | - | 14.27 |
| Unused Tax Credit - MAT Credit Entitlement | 3.95 | - | - | - | 3.95 |
| Net Deferred Tax Asset / (Liability) | 25.51 | 3.61 | (0.07) | (0.07) | 28.98 |

10.1 Considering the forecasts of future performance and resultant cash flows, the management is of the opinion that the deferred tax assets available will be realized against future taxable profits.

10.2 Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") issued on September 20, 2019, corporate assesseees have been given an option to apply a lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. Based on an evaluation of the comparative tax costs considering the future performance forecasts, the management is of the opinion that it would not be beneficial for the company to avail the option under the Ordinance as above till the year in which the company's unused tax losses and MAT Credit entitlements are fully utilised. Accordingly, there is no impact at present in the measurement of tax expense for the year ended March 31, 2021 and the Deferred Tax Asset (net) as on that date.

Note 11 : Authorized Share Capital

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|---------------------------------------------------------------------------|----------------------|----------------------|
| Authorized Share Capital | | |
| 1,23,50,000 Equity Shares (1,23,50,000 Equity Shares) of ₹10 each | 12.35 | 12.35 |
| 1,50,000 13.5% Preference Shares (1,50,000 Preference Shares) of ₹10 each | 0.15 | 0.15 |
| | 12.50 | 12.50 |
| Issued, Subscribed and Fully Paid Up | | |
| 67,18,992 Equity Shares (67,18,992 Equity Shares) of ₹10 each | 6.72 | 6.72 |
| | 6.72 | 6.72 |

11.1 Reconciliation of number of shares

| Particulars | 2020-21 | | 2019-20 | |
|-------------------------------------------------|------------------|----------------------|------------------|----------------------|
| | No. of Shares | Amount (₹ in Crores) | No. of Shares | Amount (₹ in Crores) |
| Equity Shares of ₹ 10 each fully paid up | | | | |
| At the beginning of the period | 6,718,992 | 6.72 | 6,718,992 | 6.72 |
| Additions/(Deletions) during the year | - | - | - | - |
| At the end of the period | 6,718,992 | 6.72 | 6,718,992 | 6.72 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

11.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

| Name of Shareholder | As at March 31, 2021 | | As at March 31, 2020 | |
|--------------------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Rane Holdings Limited, the Holding Company | 3,683,054 | 54.82 | 3,683,054 | 54.82 |
| Enam Share and Securities Private Limited | 478,890 | 7.13 | 478,890 | 7.13 |

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

11.4 The Company has one class of shares i.e. equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to share holding.

Note 12 : Other Equity

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-------------------------|----------------------|----------------------|
| Capital Reserve | 1.34 | 1.34 |
| General Reserve | 132.95 | 132.95 |
| Cash Flow Hedge Reserve | - | (0.12) |
| Retained Earnings | (35.85) | (29.89) |
| Total | 98.44 | 104.28 |

12.1 Capital Reserve

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|----------------------|----------------------|
| Opening Balance | 1.34 | 1.34 |
| Add : Additions during the year | - | - |
| Less : Deductions during the year | - | - |
| Closing balance | 1.34 | 1.34 |

12.2 General Reserve

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|----------------------|----------------------|
| Opening Balance | 132.95 | 132.95 |
| Add : Additions during the year | - | - |
| Less : Deductions during the year | - | - |
| Closing balance | 132.95 | 132.95 |

General reserve is created from time to time by transferring profits from retained earnings and can be utilized for purposes such as dividend payout, bonus issue, etc.

12.3 Hedge Reserve

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------|----------------------|----------------------|
| Opening Balance | (0.12) | - |
| Add : Additions during the year | - | (0.12) |
| Less : Deductions during the year | (0.12) | - |
| Closing balance | - | (0.12) |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss and are included as an adjustment to the cost of the related hedged item.

The Company has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.

12.4 Retained Earnings

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | (29.89) | (13.70) |
| Add:- | | |
| Net Profit/(Loss) after tax transferred from Statement of Profit and Loss | (6.09) | (16.34) |
| Other comprehensive income / (Loss) arising from remeasurement of defined benefit obligation net of income tax | 0.13 | 0.15 |
| Closing Balance | (35.85) | (29.89) |

Note 13 : Borrowings

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|-------------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| Secured | | | | |
| Term Loans from Banks (Refer Note 13.1, 13.2 & 13.3) | 51.64 | 33.73 | 11.66 | 9.67 |
| Loans repayable on demand from banks (Refer Note 13.4) | - | - | 46.09 | 75.12 |
| Unsecured | | | | |
| Bill Discounting from Banks (Refer Note 13.4 (ii)) | - | - | 5.06 | 2.37 |
| | 51.64 | 33.73 | 62.81 | 87.16 |
| Amount included under the head "Other Financial Liabilities" (Refer Note 14) | - | - | (11.66) | (9.67) |
| Total | 51.64 | 33.73 | 51.15 | 77.49 |

13.1 Details of the long term borrowings

| Particulars | Repayment Start Date | O/s. Amt. as on March 31, 2021 (₹ in Crores) | Current Maturities (₹ in Crores) | Interest Rate (₹ in Crores) | Instalment Amt. (₹ in Crores) | No. of Quarterly Instalments as per agreement |
|------------------------------------------------------------|----------------------|----------------------------------------------|----------------------------------|-----------------------------|-------------------------------|-----------------------------------------------|
| Rupee Term Loans | | | | | | |
| HDFC Bank Ltd | | | | | | |
| Loan 3 | Oct/2019 | 12.74 | 6.00 | 7.90% - 8.75% | 1.50 | 12 |
| Loan 4 | Apr/2022 | 11.20 | - | 7.90% - 8.75% | 0.50 | 12 |
| Federal Bank Ltd | Nov/2020 | 16.96 | 5.66 | 7.90% | 1.42 | 14 |
| Emergency Credit Line Guarantee Scheme(ECLGS) Loans | | | | | | |
| HDFC Bank Ltd | Apr/2022 | 10.54 | - | 6.50% | 0.22 | 48 |
| Federal Bank Ltd | Apr/2022 | 11.86 | - | 6.50% | 0.25 | 48 |
| Total | | 63.30 | 11.66 | | | |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

13.2

i) Rupee Term loans are secured by Pari-passu basis first charge on the Company's immovable and movable fixed assets (other than properties situated at Peenya and Tumkur) both present and future. Exclusive charge with HDFC Bank Ltd on all the plant and machinery both present and future consisting of various equipment and various machineries, being movable properties situated at Tumkur and Peenya, Karnataka (Kar Mobiles).

ii) ECLGS loans are secured as stated below:

HDFC Bank Ltd - Secured by second rank charge on all existing primary and collateral securities including mortgages created in favour of the Bank.

Federal Bank Ltd - Security interest/charge on all movable/immovable assets created out of the ECLGS Loan. Second charge on all primary and collateral securities available for the existing facilities with us.

13.3 The Company has opted to avail the moratorium announced by RBI vide notification dated March 27, 2020 and May 23, 2020 as part of COVID-19 regulatory package consequent to which Term Loan principal repayment from April 2020 to August 2020 has been rescheduled.

13.4 i) Short term borrowings are secured with first pari-passu charge by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company(except Peenya & Tumkur), both present and future. Exclusive charge to HDFC Bank Ltd by hypothecation of whole of the movable properties, including its movable plant and machinery, machinery spares, tools and accessories and other movables, both present and future situated at Tumkur and Peenya, Karnataka.

ii) Bill discounting from Banks represents liability in respect of vendor financing facility availed by certain Customers with recourse to the Company.

iii) None of the above loans have been guaranteed by any Directors or others.

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

Note 14 : Other Financial Liabilities

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|-----------------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| Current Maturities of Long Term Borrowings (Refer Note No.14.1) | - | - | 11.66 | 9.67 |
| Interest accrued but not due on borrowings | - | - | 0.34 | 0.47 |
| Unclaimed Dividends (Refer Note. No.35) | - | - | 0.06 | 0.08 |
| Unclaimed REVL Fractional Shares | - | - | 0.01 | 0.01 |
| Security / Trade Deposits | - | - | 0.06 | 0.08 |
| Employee Related dues | - | - | 6.27 | 4.12 |
| Payable on Purchase of Fixed Assets | - | - | 0.45 | 0.68 |
| Provision for Forward Contracts / Derivatives (Net) | - | - | 0.07 | 0.29 |
| Lease obligations(Refer Note No. 2D(b)) | 0.03 | 0.35 | 0.04 | 0.19 |
| Others | - | - | 0.31 | 0.22 |
| Total | 0.03 | 0.35 | 19.27 | 15.81 |

14.1 Current maturities of long term borrowings

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------------|-------------------------|-------------------------|
| Current Maturities of Long Term Debt | 11.66 | 9.67 |
| Total | 11.66 | 9.67 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 15 : Provisions

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|-------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| Provision for employee benefits (Refer Note 29) | | | | |
| Gratuity (Funded) | 8.10 | 6.83 | 0.84 | 0.50 |
| Leave Encashment (Unfunded) | 8.39 | 7.02 | 0.45 | 0.35 |
| Total | 16.49 | 13.85 | 1.29 | 0.85 |

Note 16 : Trade Payables

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|----------------------------------------------|-------------------------|-------------------------|
| Micro & Small Enterprises (Refer Note No.38) | 0.43 | 0.14 |
| Related Parties | 1.59 | 2.69 |
| Others | 53.97 | 44.81 |
| Total | 55.99 | 47.64 |

Note 17 : Other Liabilities

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| Advance from Customers | - | - | 0.04 | 0.71 |
| Statutory Dues | - | - | 1.20 | 1.09 |
| Total | - | - | 1.24 | 1.80 |

Note 18 : Contingent Liabilities and Commitments

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------------------------|-------------------------|-------------------------|
| 18.1 Contingent Liabilities | | |
| Claims against the company not acknowledged as debt | | |
| Labour Disputes | 0.22 | 0.22 |
| Income Taxes | 3.63 | 3.63 |
| Indirect Taxes | 0.66 | 0.66 |
| Others | 0.73 | 0.73 |
| Total | 5.24 | 5.24 |

a) It is not practicable for the company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. Future cash outflows in respect of the above are determinable only on receipt of the judgements/decisions pending with various forums/authorities.

b) The Company does not expect any reimbursements from third parties in respect of the above contingent liabilities.

18.2 Capital Commitments

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 |
|------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 0.95 | 0.65 |

18.3 Other commitments

Based on expert opinion obtained by the company, no liability has been presently created in the books towards the levies and costs in connection with mutating / substituting the title in the revenue records pertaining to certain immovable properties that stand vested with the Company pursuant to a merger in earlier years.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 19 : Revenue from Operations

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2021 |
|-----------------------------------------------|------------------------------|------------------------------|
| Sale of products (Refer Note No. 19.1) | 299.71 | 351.43 |
| Less : Discounts | 3.04 | 4.02 |
| | 296.67 | 347.41 |
| Sale of services | 0.00 | 0.02 |
| Sub-Total | 296.67 | 347.43 |
| Other operating revenues (Refer Note No.19.2) | 5.18 | 7.56 |
| Total | 301.85 | 354.99 |

19.1 Sale of Products Comprises

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---------------------------|------------------------------|------------------------------|
| Manufactured Goods | | |
| Valves | 274.51 | 323.63 |
| Guides | 13.00 | 14.61 |
| Tappets | 1.12 | 1.67 |
| | 288.63 | 339.91 |
| Traded Goods | | |
| Valves | 10.19 | 10.29 |
| Piston Assembly | 0.83 | 1.11 |
| Valve Stem Seal | 0.06 | 0.12 |
| | 11.08 | 11.52 |
| Total | 299.71 | 351.43 |

19.2. Other Operating Revenue Comprises

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---------------------------|------------------------------|------------------------------|
| Sale of Materials | 1.43 | 1.21 |
| Sale of Scrap | 1.74 | 2.71 |
| Sale of Tools | 0.01 | - |
| Export Incentive Receipts | 2.00 | 3.64 |
| Total | 5.18 | 7.56 |

Note 20 : Other Income

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------------------------------------|------------------------------|------------------------------|
| Interest Income - On Financial Assets (at amortized cost) | 0.30 | 0.25 |
| Interest on Income Tax Refund | 0.01 | - |
| Profit on Sale of Assets (Net) | 0.06 | - |
| Provision no longer required and balances written back | 2.17 | 2.28 |
| Other non-operating income | 0.55 | 0.63 |
| Total | 3.09 | 3.16 |

Note 21 : Cost of Raw Materials Consumed

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------------|------------------------------|------------------------------|
| Opening Stock | 16.50 | 18.86 |
| Add : Purchases | 94.09 | 116.68 |
| Less : Closing Stock | 16.61 | 16.50 |
| Sub-Total (Refer Note 27.2) | 93.98 | 119.04 |
| Freight Inward | 2.01 | 2.22 |
| Job Work Expenses | 12.57 | 16.68 |
| Total | 108.56 | 137.94 |

Consumption based accounting is followed for the issue of materials and accordingly purchase is a derived figure.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 22 : Purchase of Stock-in-Trade

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------|------------------------------|------------------------------|
| Valves | 4.67 | 4.95 |
| Piston Assembly | 0.48 | 0.37 |
| Valve Stem Seal | 0.02 | 0.09 |
| Total | 5.17 | 5.41 |

Note 23 : Changes in inventories

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-------------------------------------------|------------------------------|------------------------------|
| Inventories at the beginning of the year: | | |
| Finished goods | 35.22 | 33.04 |
| Work-in-progress | 11.18 | 14.14 |
| Stock-in-Trade | 1.23 | 1.86 |
| Total | 47.63 | 49.04 |
| Less: Inventories at the end of the year: | | |
| Finished goods | 14.66 | 35.22 |
| Work-in-progress | 12.47 | 11.18 |
| Stock-in-Trade | 0.69 | 1.23 |
| Total | 27.82 | 47.63 |
| Net (increase) / decrease | 19.81 | 1.41 |

Note 24 : Employee Benefits Expense

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------------------------------------|------------------------------|------------------------------|
| Salaries and Wages | 78.32 | 87.29 |
| Contributions to Provident and other Funds (Refer Note 29) | 3.76 | 3.77 |
| Contributions to Gratuity (Refer Note 29) | 2.64 | 2.68 |
| Staff welfare expenses | 7.92 | 9.90 |
| Total | 92.64 | 103.64 |

Note 25 : Finance Costs

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--------------------------------------------------------------------|------------------------------|------------------------------|
| Borrowing Cost on Loans carried at amortized cost | | |
| Interest expense | | |
| - Term Loans | 3.80 | 4.14 |
| - Bank Overdrafts & Others | 4.31 | 5.90 |
| - Lease Obligations | 0.03 | 0.09 |
| Other borrowing costs | 0.04 | 0.05 |
| Net (gain) / loss on foreign currency transactions and translation | 0.01 | 0.33 |
| | 8.19 | 10.51 |
| Finance costs on liabilities carried at amortized cost | - | - |
| Total | 8.19 | 10.51 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 26 : Other Expenses

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------------------------------------------------|------------------------------|------------------------------|
| Stores and Tools consumed (Refer Note No.27.3) | 17.78 | 23.52 |
| Power and Fuel | 19.40 | 23.24 |
| Trade Mark Fees | 1.49 | 1.74 |
| Repairs and Maintenance | | |
| Plant and Equipment | 10.32 | 10.28 |
| Buildings | 0.32 | 0.11 |
| Others | 2.93 | 2.82 |
| Rent | 1.08 | 1.19 |
| Insurance | 1.45 | 1.43 |
| Rates and Taxes | 0.76 | 1.20 |
| Travelling and Conveyance | 0.83 | 3.33 |
| Printing & Stationery | 0.27 | 0.43 |
| Postage & Telecom Expenses | 0.43 | 0.40 |
| Professional and legal expenses | 3.10 | 4.83 |
| Information Systems | 2.22 | 2.47 |
| Selling and Distribution Expenses | | |
| Packing and Forwarding | 6.05 | 8.57 |
| Freight Outward | 6.40 | 5.46 |
| Advertisement and Sales Promotion | 0.64 | 1.49 |
| Commission | 0.08 | 0.28 |
| Directors' Sitting Fees | 0.01 | 0.09 |
| Auditor's Remuneration (Refer Note No.27.1) | 0.22 | 0.18 |
| Loss on Sale of Assets (Net) | - | 0.03 |
| Assets Written Off | 0.00 | 0.00 |
| Advances / Claims Written Off | - | 0.00 |
| Exchange Loss (Net) - Other than considered under Finance Costs | 1.09 | 0.38 |
| Bank Charges | 0.65 | 0.94 |
| Administrative Expenses | 0.06 | 0.07 |
| Miscellaneous Expenses | 1.92 | 1.96 |
| Total | 79.50 | 96.44 |

Note 27.1 : Auditor's Remuneration

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|----------------------------------|------------------------------|------------------------------|
| a. as auditors - statutory audit | 0.10 | 0.10 |
| b. as auditors - limited review | 0.06 | 0.06 |
| c. for tax audit | 0.02 | 0.02 |
| d. for other services * | 0.04 | 0.00 |
| Total | 0.22 | 0.18 |

* Other services of current year includes GST audit fee of ₹0.02 Crs each for FY 18-19 & FY 19-20 respectively

Note 27.2 : Raw Materials Consumed

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------|------------------------------|------------------------------|
| Imported | 17.04 | 43.03 |
| Imported % to total | 18.13% | 36.14% |
| Indigenous | 76.94 | 76.01 |
| Indigenous % to total | 81.87% | 63.86% |
| Total | 93.98 | 119.04 |
| Total % | 100.00% | 100.00% |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 27.3 : Stores and Tools Consumed

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------|------------------------------|------------------------------|
| Imported | 0.20 | 0.21 |
| Imported % to total | 1.11% | 0.91% |
| Indigenous | 17.58 | 23.31 |
| Indigenous % to total | 98.89% | 99.09% |
| Total | 17.78 | 23.52 |
| Total % | 100.00% | 100.00% |

Note 27.4 : CIF Value of Imports

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------------|------------------------------|------------------------------|
| Raw materials; | 12.30 | 37.99 |
| Components and spare parts; | 0.75 | 0.65 |
| Capital goods; | 2.83 | 0.27 |
| Total | 15.88 | 38.91 |

Note 27.5 : Expenditure in foreign currency

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------------|------------------------------|------------------------------|
| Professional and consultation fees | 0.45 | 0.84 |
| Finance Cost | 0.16 | 0.46 |
| Marketing Service Fees | 0.63 | 1.24 |
| Job Charges/Segregation charges | 2.27 | 3.65 |
| Foreign Travel | - | 0.02 |
| Others | 0.04 | 0.02 |
| Total | 3.55 | 6.23 |

Note 27.6 : Earnings in Foreign Currency

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------------------------------------------------------|------------------------------|------------------------------|
| Export of goods calculated on F.O.B. basis (including deemed exports) | 89.04 | 108.57 |

Note 28 : Related party Disclosures

(₹ in Crores)

List of related parties where control exists

Holding company : Rane Holdings Limited (RHL)

Other related parties where transactions have taken place during the year

| | |
|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Fellow Subsidiaries | : Rane Madras Limited (RML) Rane Brake Lining Limited (RBL) Rane Holding America Inc (RHA) Rane Holding Europe GmbH (RHEG) |
| Key Management Personnel | : Mr. L Ganesh - Chairman Mr. Harish Lakshman - Vice Chairman Mr. Murali K Rajagopalan, Manager & President (From 01.04.2020) |
| Relatives of Key Management Personnel | : Mr. L Lakshman |
| Subsidiaries, Associate or Joint venture of other entities in Group | : Rane TRW Steering Systems Private Limited (RTSSL) |
| Post employment benefit plan of the entity | : Rane Engine Valve Limited Employees Gratuity Fund Rane Engine Valve Limited Senior Executives Pension Fund |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in Crores)

| Particulars | Holding Company | | Fellow Subsidiaries | | Key Management Personnel | | Relatives of Key Management Personnel | | Subsidiaries, Associate or Joint venture of other entities in Group | | Post employment benefit plan | | Total | |
|----------------------------------------------------|-----------------|-------|---------------------|--------|--------------------------|-------|---------------------------------------|-------|---------------------------------------------------------------------|-------|------------------------------|-------|-------|--------|
| | FY 21 | FY 20 | FY 21 | FY 20 | FY 21 | FY 20 | FY 21 | FY 20 | FY 21 | FY 20 | FY 21 | FY 20 | FY 21 | FY 20 |
| Material transactions during the year | | | | | | | | | | | | | | |
| Sitting fee | - | - | - | - | 0.01 | 0.01 | 0.00 | 0.02 | - | - | - | - | 0.01 | 0.03 |
| Trade Mark Fees Paid | 1.49 | 1.74 | - | - | - | - | - | - | - | - | - | - | 1.49 | 1.74 |
| Reimbursement of Expenses Dr/(Cr) | | | | | | | | | | | | | | |
| - RHL | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| - RBL | - | - | - | 0.01 | - | - | - | - | - | - | - | - | - | 0.01 |
| - RML | - | - | 0.01 | 0.02 | - | - | - | - | - | - | - | - | 0.01 | 0.02 |
| Reimbursement of Employee Benefit expenses Dr/(Cr) | | | | | | | | | | | | | | |
| - RBL | - | - | - | (0.05) | - | - | - | - | - | - | - | - | - | (0.05) |
| - RML | - | - | - | 0.02 | - | - | - | - | - | - | - | - | - | 0.02 |
| Remuneration to Manager * | - | - | - | - | 1.12 | - | - | - | - | - | - | - | 1.12 | - |
| Sale of Valve | | | | | | | | | | | | | | |
| - RML | - | - | 1.20 | 3.60 | - | - | - | - | - | - | - | - | 1.20 | 3.60 |
| Purchase of Material | | | | | | | | | | | | | | |
| - RTSSL | - | - | - | - | - | - | - | - | 0.06 | - | - | - | 0.06 | - |
| Services Received | | | | | | | | | | | | | | |
| - RHL | 3.54 | 4.17 | - | - | - | - | - | - | - | - | - | - | 3.54 | 4.17 |
| - RHAI | - | - | 0.32 | 0.75 | - | - | - | - | - | - | - | - | 0.32 | 0.75 |
| - RHEG | - | - | 0.31 | 0.50 | - | - | - | - | - | - | - | - | 0.31 | 0.50 |
| Contributions to Post employment benefit plan | - | - | - | - | - | - | - | - | - | - | 1.03 | 1.67 | 1.03 | 1.67 |

(₹ in Crores)

| Particulars | Holding Company | | Fellow Subsidiaries | | Subsidiaries, Associate or Joint venture of other entities in Group | | Post employment benefit plan | | Total | |
|--------------------------------|-----------------|----------------|---------------------|----------------|---------------------------------------------------------------------|----------------|------------------------------|----------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Outstanding as at | | | | | | | | | | |
| Amount Payable/(Advance) | | | | | | | | | | |
| - Trade | | | | | | | | | | |
| - RHL | 1.40 | 2.31 | - | - | - | - | - | - | 1.40 | 2.31 |
| - RHAI | - | - | 0.07 | 0.26 | - | - | - | - | 0.07 | 0.26 |
| - RHEG | - | - | 0.03 | 0.07 | - | - | - | - | 0.03 | 0.07 |
| - RTSSL | - | - | - | - | 0.01 | - | - | - | 0.01 | - |
| - RML | - | - | 0.07 | 0.06 | - | - | - | - | 0.07 | 0.06 |
| - Post Employment benefit plan | - | - | - | - | - | - | - | - | - | - |
| Amount Receivable - Trade | | | | | | | | | | |
| - RML | - | - | 0.16 | 0.15 | - | - | - | - | 0.16 | 0.15 |

* Remuneration to Key Management Personnel

(₹ in Crores)

| Particulars | FY 21 | FY 20 |
|--------------------------|-------------|----------|
| Short term benefits | 1.08 | - |
| Other Long term benefits | 0.02 | - |
| Termination benefits | 0.02 | - |
| Total | 1.12 | - |

Note 29 : Employee Benefit Plans

A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(a) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹3.69 Crores (for the year ended March 31, 2020: ₹3.71 Crores represents contributions payable to these plans by the company at rates specified in the rules of the plans.

B. Defined benefit plans :

The defined benefit plans operated by the Company are as below:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

C. Details of defined benefit obligation and plan assets:

Gratuity

(i) Movements in the present value of the defined benefit obligation are as follows

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|------------------------------------------------------------------------------|------------------------------|------------------------------|
| Opening defined benefit obligation | 22.80 | 20.49 |
| Current service cost | 2.10 | 2.46 |
| Interest Cost | 1.35 | 1.24 |
| Re-measurement (gains)/losses: | | |
| - Actuarial gains and losses arising from changes in demographic assumptions | (0.26) | (0.04) |
| - Actuarial gains and losses arising from changes in financial assumptions | - | - |
| Benefits paid | (1.75) | (1.35) |
| Closing defined benefit obligation | 24.24 | 22.80 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(ii) Movements in the fair value of the plan assets

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------------------|------------------------------|------------------------------|
| Opening fair value of plan assets | 15.47 | 13.99 |
| Interest income | 0.82 | 1.02 |
| Actuarial gain / (loss) | (0.06) | 0.19 |
| Contributions from the employer | 0.82 | 1.46 |
| Benefits Paid | (1.75) | (1.19) |
| Closing fair value of plan assets | 15.30 | 15.47 |

(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|--------------------------------------------------------------|------------------------------|------------------------------|
| Present value of funded defined benefit obligation | 24.24 | 22.80 |
| Fair value of plan assets | (15.30) | (15.47) |
| Funded status | 8.94 | 7.33 |
| Restrictions on asset recognised | - | - |
| Others (describe) | - | - |
| Net liability arising from defined benefit obligation | 8.94 | 7.33 |

(iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Service Cost : | | |
| Current service cost | 2.10 | 2.46 |
| Past service cost and (gain) / loss from settlements | - | - |
| Net Interest Expense | 0.53 | 0.22 |
| Components of defined benefit costs recognised in profit or loss | 2.64 | 2.68 |
| Remeasurement on the net defined benefit liability : | | |
| Actuarial gains / (losses) arising from changes in demographic assumptions | 0.26 | 0.04 |
| Actuarial gains / (losses) arising from changes in financial assumptions | (0.06) | 0.19 |
| Components of defined benefit costs recognised in other comprehensive income | 0.20 | 0.23 |

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) Risk Exposure

The Company has invested the plan assets with the insurer managed funds. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the company's policy for plan asset management and other relevant factors.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows

| Assumptions | March 31,2021 | March 31,2020 |
|-----------------------------------|---------------|---------------|
| Discount rate | 6.14% | 6.22% |
| Expected rate of salary increases | 4.5% - 7% | 4.5% - 7% |
| Expected rate of attrition | 5.00% | 5.00% |
| Average age of members | 43.73 | 43.04 |
| Average remaining working life | 14.27 | 14.96 |

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

| Change in assumption | March 31,2021 | March 31,2020 |
|----------------------------------|---------------|---------------|
| A. Discount Rate + 50 BP | 6.64% | 6.72% |
| Defined Benefit Obligation [PVO] | (0.20) | (0.19) |
| Current Service Cost | (0.14) | (0.13) |
| B. Discount Rate - 50 BP | 5.64% | 5.72% |
| Defined Benefit Obligation [PVO] | 0.19 | 0.19 |
| Current Service Cost | 0.13 | 0.11 |
| C. Salary Escalation Rate +50 BP | 5% - 7.5% | 5% - 7.5% |
| Defined Benefit Obligation [PVO] | 0.21 | 0.21 |
| Current Service Cost | 0.14 | 0.12 |
| D. Salary Escalation Rate -50 BP | 4% - 6.5% | 4% - 6.5% |
| Defined Benefit Obligation [PVO] | (0.20) | (0.20) |
| Current Service Cost | (0.12) | (0.11) |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 10.56 years (2020-9.52 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Crores)

| Particulars | March 31,2021 | March 31,2020 |
|--------------|---------------|---------------|
| Year 1 | 0.97 | 0.89 |
| Year 2 | 1.03 | 0.92 |
| Year 3 | 1.14 | 0.97 |
| Year 4 | 1.25 | 1.03 |
| Year 5 | 1.28 | 1.14 |
| Next 5 Years | 5.73 | 5.33 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

D. Other Long Term Employee Benefits - Leave Obligations

The leave obligations cover the Company's liability for earned leave.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

| Assumptions | March 31,2021 | March 31,2020 |
|-----------------------------------|---------------|---------------|
| Discount rate | 6.14% | 6.22% |
| Expected rate of salary increases | 4.5% - 7% | 4.5% - 7% |
| Expected rate of attrition | 5.00% | 5.00% |
| Average age of members | 43.73 | 43.04 |
| Average remaining working life | 14.27 | 14.96 |

Note 30 : SEGMENT REPORTING

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. Since the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and to assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are - India and Rest of the World. All the manufacturing facilities are located in India.

30.1 Product wise break up - Please refer note no. 19.1

30.2 Geographical Information

(₹ in Crores)

| Particulars | Revenue from operations from external customers | | Non - current assets** | |
|------------------------------------------|-------------------------------------------------|----------------------|------------------------|----------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| India | 212.32 | 245.71 | 94.89 | 110.61 |
| Rest of World (including deemed exports) | 89.53 | 109.28 | - | - |
| Total | 301.85 | 354.99 | 94.89 | 110.61 |

** Non- current assets are used in the operations of the Company to generate revenues both in India and outside India.

30.3 Information about major customers

Revenue from sale of auto components to largest customers (greater than 10% of total sales) is ₹96.30 Crores (previous year ₹49.39 Crores)

Note 31 : Income Taxes

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|----------------------------------------------------------------------------------------|---------------------------|---------------------------|
| A. The major components of income tax expense for the year are as under : | | |
| i) Income tax recognised in the Statement of profit and loss | | |
| Current tax: | | |
| In respect of current year | - | - |
| Adjustments in respect of prior years | - | - |
| Deferred tax: | | |
| In respect of current year | (3.61) | (8.95) |
| Minimum Alternate Tax (MAT) | - | - |
| Income tax expense recognised in the Statement of Profit and Loss | (3.61) | (8.95) |
| ii) Income tax expense recognised in OCI | | |
| Deferred tax: | | |
| Deferred tax expense on items recognised in OCI | 0.07 | 0.01 |
| Income tax expense recognised in OCI | 0.07 | 0.01 |
| Total income tax expense /(gain) recognised in the Statement of Profit and Loss | (3.54) | (8.94) |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

| Particulars | Year ended March 31, 2021 | Year ended March 31, 2020 |
|-----------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Profit/(Loss) before tax | (9.70) | (25.29) |
| Income Tax expense calculated at 34.944% | (3.39) | (8.84) |
| Effect of items that are not deductible in determining taxable profit (Permanent Differences) | (0.20) | (0.11) |
| Effect of previously unrecognized deductible temporary differences now recognized | (0.02) | (0.00) |
| Income Tax expense/(gain) recognized in profit or loss | (3.61) | (8.95) |

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.

32. Financial Instruments

32.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital, other equity reserves attributable to the equity shareholders of the Company and debt. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern, and to maintain an optimal capital structure so as to maximize shareholder value and reduce the cost of capital. The Company determines the capital funding requirement based on its long term budgets, which are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

(₹ in Crores)

| 32.2 Categories of financial instruments | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Financial assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Mandatorily measured: | | |
| - Equity investments | 0.94 | 0.94 |
| Measured at amortised cost | | |
| - Trade receivables | 77.35 | 62.60 |
| - Cash and cash equivalents | 23.67 | 0.58 |
| - Other bank balances | 0.07 | 0.49 |
| - Other financial assets (Current) | 2.39 | 2.92 |
| - Other financial assets (Non-Current) | 4.92 | 4.95 |
| Financial liabilities | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| - Derivative instruments | 0.07 | 0.29 |
| Measured at amortised cost | | |
| - Borrowings (Long-term) | 51.64 | 33.73 |
| - Borrowings (Short-term) | 51.15 | 77.49 |
| - Trade payables | 55.99 | 47.64 |
| - Other Financial liabilities | 19.30 | 16.16 |

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Fair value hierarchy

(₹ in Crores)

| Particulars | As at March 31, 2021 | As at March 31, 2020 | Fair value Hierarchy |
|----------------------------------------------|-------------------------|-------------------------|-------------------------|
| - Derivative instruments (Forward contracts) | (0.07) | (0.29) | Level-2 |
| - Equity investments | 0.94 | 0.94 | Level-3 |

The Company carries equity investment in three companies which were made at the respective face values. As per the Share Subscription agreements entered into by the company in respect of these investments, the shares shall be bought back at face value by the promoters of those companies upon termination of the agreement. Accordingly, the face value of these investments are regarded as the best estimate of its fair value. In view of the above, disclosure of the sensitivity of fair value measurement in unobservable inputs is not considered relevant.

In the opinion of the management, the carrying amounts of financial assets and financial liabilities recognised in the financial statements are a reasonable approximation of their fair values. Hence no separate disclosures of fair value has been made.

32.3 Financial risk management

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

32.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk mainly comprises of interest rate risk, currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and derivative financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to changes in interest rates primarily relates to the companies outstanding floating rate debt. The company has mainly INR denominated long term debt which are subject to annual interest rate reset. Based on the past experience the variability of interest on such INR denominated loans is not expected to be material. Further there are only short term foreign currency debt in the form of buyer's credit which are subject to minimal changes in interest rate during its term.

(b) Foreign Currency risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising derivative contracts. The risk management objective of the company is to hedge risk of change in the foreign currency exchange rates associated with its direct & indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

The Company does not enter into a foreign exchange transaction for speculative purposes i.e. without any actual / anticipated underlying exposures.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows :

(₹ in Crores)

| Particulars | Liabilities as at | | Assets as at | |
|-------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2021 | As at March 31, 2020 |
| EURO | 0.00 | 0.01 | 0.02 | 0.02 |
| GBP | - | 0.00 | 0.00 | - |
| JPY | 0.00 | 0.00 | - | - |
| USD | 0.08 | 0.10 | 0.23 | 0.16 |

Foreign Currency sensitivity analysis

The below table demonstrates the sensitivity to a 5% increase or decrease in the relevant foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

(₹ in Crores)

| Particulars | Impact on profit or loss for the year | | Impact on total equity as at the end of the reporting period | |
|------------------------------|---------------------------------------|-------------|--------------------------------------------------------------|-------------|
| | 2020-2021 | 2019-2020 | 2020-2021 | 2019-2020 |
| Financial Assets | | | | |
| EURO | 0.10 | 0.06 | 0.06 | 0.04 |
| GBP | 0.00 | - | 0.00 | - |
| USD | 0.84 | 0.61 | 0.55 | 0.40 |
| Financial Liabilities | | | | |
| EURO | 0.02 | 0.03 | 0.01 | 0.02 |
| GBP | - | 0.00 | - | 0.00 |
| JPY | 0.00 | 0.00 | 0.00 | 0.00 |
| USD | 0.28 | 0.37 | 0.18 | 0.24 |
| Total | 0.64 | 0.27 | 0.42 | 0.18 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Forward foreign exchange contracts

It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency risk in accordance with the Board approved policy. The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

| Outstanding contracts | Average exchange rate | | Foreign currency | | Notional value | | Fair value assets / (liabilities) | |
|--------------------------------------|-----------------------|----------------|------------------|----------------|----------------|----------------|-----------------------------------|----------------|
| | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 | March 31, 2021 | March 31, 2020 |
| Cash flow hedges | | | | | | | | |
| Buy USD | | | | | | | | |
| Less than 03 months | 75.55 | 72.93 | (0.00) | (0.03) | (0.36) | (2.48) | (0.35) | (2.38) |
| More than 3 months but upto 6 months | 75.04 | 75.15 | (0.03) | (0.05) | (2.16) | (4.06) | (2.14) | (3.98) |
| Sell USD | | | | | | | | |
| Less than 03 months | 73.14 | 72.25 | 0.06 | 0.06 | 4.39 | 4.33 | 4.40 | 4.11 |
| More than 3 months but upto 6 months | 73.69 | 73.59 | 0.06 | 0.08 | 4.42 | 5.89 | 4.46 | 5.65 |

The line-item in the balance sheet that include the above hedging instruments is "Other financial liabilities".

32.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure of its counterparties are continuously monitored and

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company's trade and other receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk.

32.3.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in Crores)

| Particulars | Less than 1 year | 1-5 years | More than 5 years | Total | Carrying Value |
|----------------------------------|------------------|--------------|-------------------|---------------|----------------|
| March 31, 2021 | | | | | |
| Borrowings | 51.15 | 51.64 | - | 102.79 | 102.79 |
| Trade payables | 55.99 | - | - | 55.99 | 55.99 |
| Derivative Financial Liabilities | 0.07 | - | - | 0.07 | 0.07 |
| Lease Obligations | 0.04 | 0.03 | - | 0.07 | 0.07 |
| Other Financial Liabilities | 19.23 | - | - | 19.23 | 19.23 |
| Total | 126.48 | 51.67 | - | 178.15 | 178.15 |
| March 31, 2020 | | | | | |
| Borrowings | 77.49 | 33.73 | - | 111.22 | 111.22 |
| Trade payables | 47.64 | - | - | 47.64 | 47.64 |
| Derivative Financial Liabilities | 0.29 | - | - | 0.29 | 0.29 |
| Lease Obligations | 0.19 | 0.35 | - | 0.54 | 0.54 |
| Other Financial Liabilities | 15.62 | - | - | 15.62 | 15.62 |
| Total | 141.23 | 34.08 | - | 175.31 | 175.31 |

Note : 33 Earnings Per Share

| Particulars | March 31, 2021 | March 31, 2020 |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Profit after Tax (₹ in Crores) | (6.09) | (16.34) |
| Number of equity Shares of ₹ 10 each outstanding at the end of the year | 6,718,992 | 6,718,992 |
| Weighted Average number of Equity Shares for the purpose of basic earnings per share Number of equity shares of ₹ 10 each at the end of the year | 6,718,992 | 6,718,992 |
| Earnings Per Share -Basic - in Rupees | (9.06) | (24.31) |
| Earnings Per Share Diluted - in Rupees | (9.06) | (24.31) |

Note : 34 As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the company. However there is no applicability u/s.135 to make contribution.

Note : 35 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund ("IEPF") as on March 31, 2021.

Note : 36 Revenue expenditure during the year on Research & Development activities shown under the various heads of account amounted to ₹1.16 Crores (Previous Year ₹1.58 Crores)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note : 37 Exceptional Items represents:

- i. Profit on Sale of Vacant Land in Medchal(Hyderabad) classified as held for sale during the previous year amounting to ₹23.95 Crores (net of incidental expenses)(previous year - Nil)
- ii. Voluntary Retirement Scheme (VRS) expenditure incurred in respect of employees who have opted for VRS amounting to ₹1.72 Crores (Previous Year - Nil)

Note : 38 Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:

| Particulars | (₹ in Crores) | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| a) Principal amount due | 0.43 | 0.14 |
| Interest due on the above | 0.00 | 0.00 |
| b) Interest paid during the period beyond the appointed day | 0.00 | 0.00 |
| c) Amount of payment made to the supplier beyond the appointed day during the accounting year | 0.81 | 1.07 |
| 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 | 0.00 | 0.00 |
| 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.

Note : 39 The previous year's figures have been re-grouped, reclassified wherever necessary so as to make them comparable with the current year's figures.

Note : 40 Figures in brackets in the Schedules and Notes pertain to previous year.

As per our report of even date attached

For **Varma & Varma**
 Chartered Accountants
 Firm Registration No. 004532S

P R Prasanna Varma
 Partner
 Membership no: 025854

Chennai
 May 19, 2021

Harish Lakshman
 Vice Chairman
 DIN: 00012602

Murali K Rajagopalan
 Manager

For and on behalf of the Board

Ganesh Lakshminarayan
 Chairman
 DIN : 00012583

M Vivekanandaa
 Company Secretary

V K Vijayaraghavan
 Chief Financial Officer

Annexure to the Report of the Board of Directors

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the Financial Year 2020-21

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 2020-21 (₹ in Crores) | % increase/ (decrease) of remuneration FY 2020-21 | Ratio of remuneration of each Director to median remuneration of employees |
|---------------------------------|-------------------------|---------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Key Managerial Personnel | | | | |
| Mr. Murali K Rajagopalan | Manager | 1.02 | Not Applicable (refer note iv and v) | Not Applicable (refer note ii) |
| Mr. V K Vijayaraghavan | Chief Financial Officer | 0.36 | | |
| Mr. Vivekanandaa M | Company Secretary | 0.05 | | |

Note:

- (i) Mr. Murali K Rajagopalan, President was appointed as the Manager of the Company with effect from April 01, 2020. Hence the previous year percentage increase/decrease is not comparable.
 - (ii) None of the Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof.
 - (iii) Remuneration considered is based on annual emoluments and designation as on date.
 - (iv) Mr. Vivekanandaa M was appointed as Company Secretary on October 23, 2020, hence the previous year percentage increase/decrease is not comparable. Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
 - (v) The percentage increase or decrease is not comparable / relevant as there was a graded reduction in remuneration to Directors /employees due to COVID-19 pandemic during the year.
2. Median remuneration of the employees of the Company for FY 2020-21 is ₹0.05 crores. Decrease in median remuneration during the year: 5 %
 3. Number of permanent employees on the rolls of the Company as on March 31, 2021 was 912 as against 971 as on March 31, 2020.
 4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year : (5)%. As there is no managerial remuneration in previous year, the previous year percentage increase/decrease is not comparable.
 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:

| Name | Designation | Remuneration (₹ in Crores) | Nature of employment | Qualifications and experience of the employee | Date of commencement of employment | Age (Yrs.) | Last employment held | Percentage of equity shares held by the employee in the company | Whether any such employee is a relative of any Director or manager (if so, name of Director / manager) |
|---------------------------|--------------------------------------------|----------------------------|----------------------|------------------------------------------------------------------------------------------------------|------------------------------------|------------|-------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Mr. Murali K Rajagopalan | Manager & President | 1.02 | Permanent | BE, Exe. Mgt. program from IIM, A & Stephen M. Ross School of Business, Univ. of Michigan & 35 years | July 23, 2018 | 57 | Adient India Pvt. Ltd. | - | - |
| Mr. Rajkumar S | Sr. Vice President - Operations | 0.49 | Permanent | M.Tech, Grad CWA, MBA, PhD. & 30 years | June 09, 2016 | 53 | NS Instruments India Pvt. Ltd. | - | - |
| Mr. Venkat Raj S R | Associate Vice President - Marketing | 0.38 | Permanent | B.E; MBA & 30 years | May 26, 2014 | 52 | Rane Brake Lining Ltd. | - | - |
| Mr. V K Vijayaraghavan | Senior Vice President - Finance & CFO | 0.36 | Permanent | B.Com, MBA, CA & Grad. CWA, 29 years | February 16, 2017 | 51 | Auro Mira Energy Co. Pvt. Ltd. | - | - |
| Mr. Selvavinayaga Raja A | Associate Vice President - Human Resources | 0.34 | Permanent | BBA, MLM & 26 years | May 23, 2012 | 47 | Rane TRW Steering Systems Pvt. Ltd. | - | - |
| Mr. Sridhar S | Associate Vice President - Operations | 0.34 | Permanent | BE & 33.5 years | September 4, 2017 | 54 | Lucas TVS Ltd. | - | - |
| Mr. Nagarajan N | General Manager - Operations | 0.29 | Permanent | BE & 31 years | September 8, 2016 | 54 | Sundram Fasteners Ltd. | - | - |
| Mr. John Solomon Raj PD | General Manager - Operations | 0.26 | Permanent | PG, Diploma & 26 years | July 03, 2019 | 45 | Seg Automotive India Pvt Ltd | - | - |
| Mr. Vasu Babu Kommalapati | General Manager - Operations | 0.26 | Permanent | B.Tech & 17 years | January 10, 2019 | 47 | Usha International Ltd. | - | - |
| Mr. Narayanan V | General Manager - Marketing | 0.25 | Permanent | BBA, DME & 26 years | December 12, 2013 | 52 | Mahle Filter Systems (India) Ltd. | - | - |

- (ii) Employed throughout the financial year with remuneration not less than ₹1.02 crores per annum (excluding details of top ten employee(s) given in (i) above): **NIL**
- (iii) Employees whose remuneration was not less than ₹8.50 lakhs per month (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above) : **NIL**
- (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**



Expanding Horizons

Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

"Maithri", 132, Cathedral Road,
Chennai-600086, India

Phone: +91 44 28112472 / 73

www.ranegroup.com